RESOURCING STRATEGY
2022 -2032

SNOWY MONARO
REGIONAL COUNCIL

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. The Snowy Monaro is, and always will be, Aboriginal Country.

Record of Versions

Uncontrolled document when printed. Please refer to intranet for controlled document.

Version	Date Published	Reason for Amendments	Resolution	Author/Document Owner
1.0		Final Draft for Council Meeting		
1.1				
1.2				
1.4				
1.5				
1.6				
1.7				

Photography:
MJD Photography: Cover, pg 2

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Executive Summary

Like all Councils in NSW, Snowy Monaro Regional Council operates under the Local Government Act 1993 (the Act). The Act requires Council to prepare a suite of planning documents as part of the Integrated Planning and Reporting (IPR) Framework. The framework brings together Council's IPR plans, giving both Council and our community a clear understanding of how each of the plans interact. This process maximises Council's efforts to strategically and holistically plan for the future.

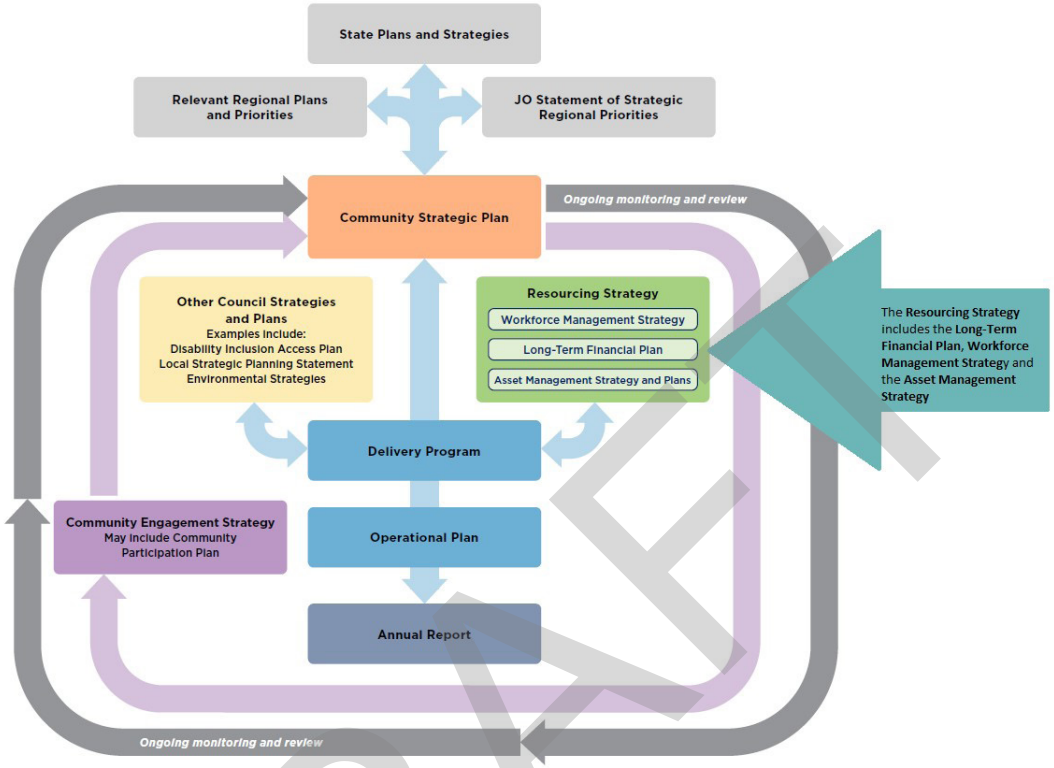

Figure 1: The Integrated Planning and reporting Framework

The Resourcing Strategy is an integral part of the IPR Framework and provides a crucial link between our Snowy Monaro Community Strategic Plan 2042 (CSP), our four year Delivery Program and our annual Operational Plan.

Our CSP outlines in general how other levels of government and other stakeholders and participants (including the community) can work with us and others to help us meet the community's aspirations and priorities.

In response to the aspirations identifies within the CSP, the Resourcing Strategy details the matters that are Council's responsibility.

To reach our vision of *"the Snowy Monaro region is a welcoming and inclusive community where everyone can belong, participate, and work together. Our natural environment and heritage is preserves and enhanced for future generations. There 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"*, requires the availability of sufficient resources.

While the CSP expresses our community's long-term goals for the future of our region, the resourcing Strategy details how we can achieve the goals in terms of time, money, assets, and people.

The separate parts of the Resourcing Strategy align our resource allocation to our strategic direction, while guiding and informing Council's decision making.

The aim of the Resourcing Strategy is to demonstrate the relationship between the required, necessary and available resources to deliver our services to the community I the most sustainable way.

The following sections detail Council's approach to:

- Section 1 – Long-Term Financial Planning
- Section 2 – Workforce Management Planning, and
- Section 3 – Asset Management Planning

Resourcing Strategy

The Asset Management Strategy considers 'whole of life' asset management from planning, purchase, operation and maintenance to disposal of assets

The Long-Term Financial Plan forecasts Council's financial position for the next 10 years and tests the community's aspirations against the financial realities

The Workforce Management Strategy outlines how we will develop and prepare our people to meet the human resourcing requirements of Council's Delivery Program

LONG TERM FINANCIAL PLAN
2022 -2032

SNOWY MONARO
REGIONAL COUNCIL

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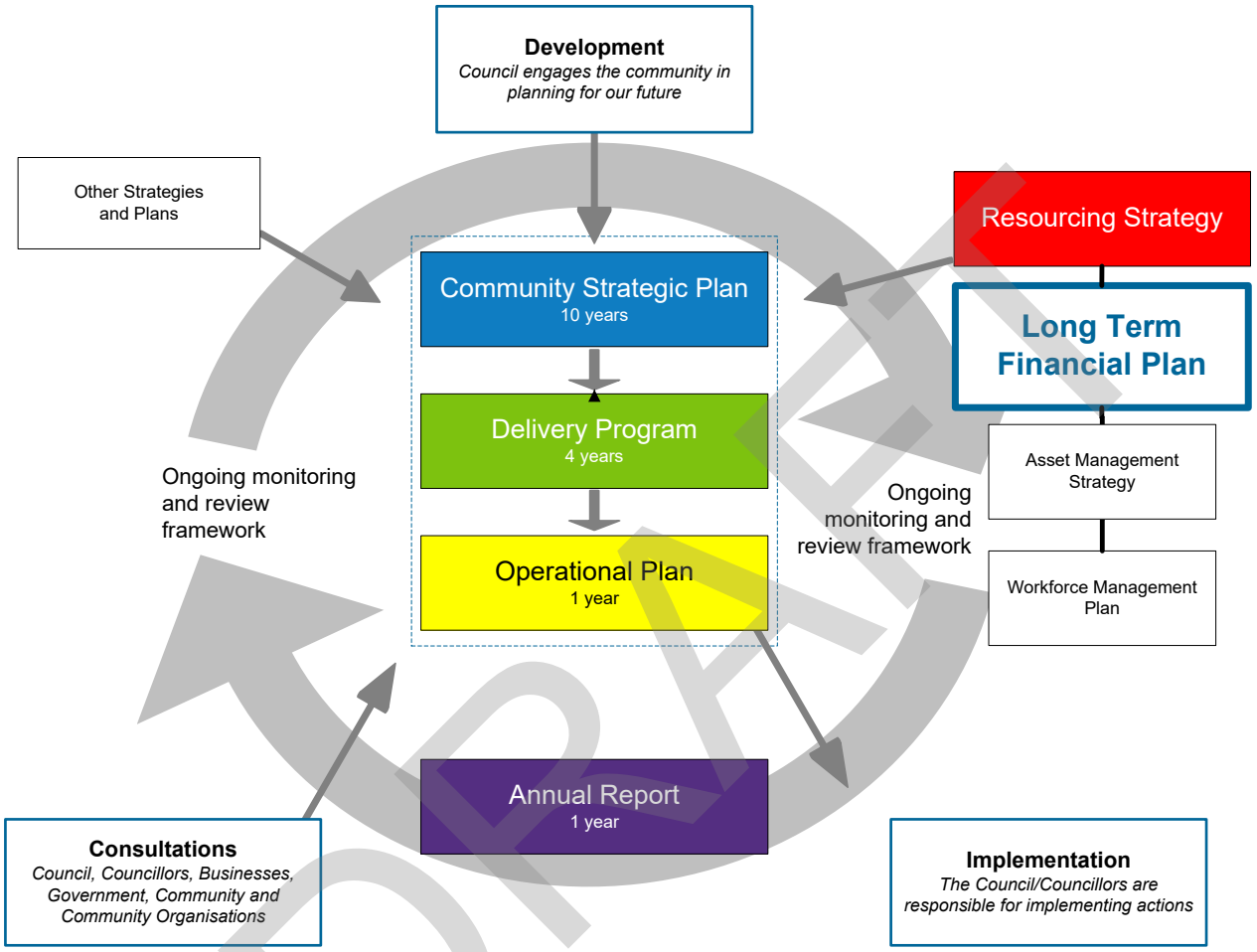
Contents

Introduction

The Long Term Financial Plan is an important part of Council's strategic planning process. This is the point where long-term community aspirations and goals are tested against financial realities. It is also where Council and the community may decide what resources councils need to influence and work with other parties so that they might deliver on their responsibilities.

The LTFP in conjunction with the Workforce Management Plan and the Asset Management Plan form the basis of the Resourcing Strategy.



Purpose of Long Term Financial Planning

The development of a LTFP allows Council to take a much more proactive approach to its financial management. Long term planning gives Council the ability to model what the future could look like given different circumstances and assumptions. It allows Council to identify future financial threats or opportunities and to put measures in place over the short term to reduce the impact or produce benefits. Long term planning allows Council to look at the future financial implications of today's decisions before they are actually implemented. While a decision to change policy or strategy, introduce a new service or undertake capital works may seem to have no adverse financial impact in the short term the longer term implication may show a very different picture.

By having a long term planning process in place Council is much better placed to manage the expectations of the community in terms of what levels of services that it is able to provide. Council is

constantly faced with demands for increases to services or continuation of existing services. Through longer term financial plans Council will be able to better explain the decisions that it makes.

A key focus of this updated LTFP is Council's general fund which includes all activities except for water supply, waste and wastewater businesses, which are accounted for separately under National Competition Policy and legislated requirements for reasonable cost. Four scenarios are considered:

1. A Service-Reduction Scenario (No-SRV), highlighting the reduction in operating costs to achieve a balanced operating result;
2. A Special Rate Variation (SRV) Scenario, following a period of community consultation, to support an application to IPART to raise revenue to be applied exclusively for the maintenance of transport assets;
3. A Reduced-SRV Scenario with a reduced SRV in year one only;
4. A further Reduced-SRV Scenario, following a period of community consultation, to support an application to IPART to raise revenue to be applied exclusively for the maintenance of transport assets.

One, consistent scenario for the Water Supply, Waste and Wastewater Funds is included in this updated LTFP. A comprehensive revaluation of Water and Wastewater infrastructure network assets is currently being undertaken and will be recognised in the audited general purpose financial report for the year ending 30 June 2022.

Financial Planning and Sustainability Policy

Being financially sustainable ensures future generations are not burdened with excessively high debt, rates charges or assets in serious disrepair.

Local government in New South Wales faces numerous issues that hinder long term financial sustainability. Cost shifting from Federal and State governments, an aging infrastructure network and limits on annual increases for rates and regulatory income are some key issues that affect many Councils, including Snowy Monaro.

Purpose of the Policy

The purpose of this policy is to establish the strategic financial planning and sustainability framework to guide Council when developing the Annual Budget, Long Term Financial Plans and when making decisions including the consideration of funding options for infrastructure projects which impact on the both the present and future financial position of Council.

Principles

The development of the annual budget, long term financial plan and decisions which impact on the financial position of Council will be based on the following:

- Council will maintain its service levels to residents as described in the community strategic plan (CSP) and defined below (at point 7).
- Any changes to future service levels will be determined in consultation with the community.
- Budgets will aim to maintain assets to at least the same condition as they were at the start of each financial year.
- Management will continually look for ways to structurally realign resources and/or increase income opportunities without changes to service standards.
- Consideration of the financial effects of Council decisions on future generations.
- The Council shall strive to achieve equity between generations of ratepayers (intergenerational equity) whereby the mechanisms to fund specific capital expenditure and operations take into account the ratepayers who benefit from the expenditure and therefore on a user pay basis who should pay for the costs associated with such expenditure.
- Asset management plans must be linked to the Long Term Financial Plan.

- Future lifecycle costs will be reported and considered in all decisions relating to new services, upgrading of existing services, asset renewal and new capital works.
- Council must achieve a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, the repayment of debt and depreciation.
- Council must have a fully funded capital program, where the source of funding is identified and secured for both capital renewal and new capital works.
- Funding for capital and infrastructure projects will be by a combination of revenue sources including operating surpluses, rates and service charges, working capital, asset sales, borrowings and other asset financing arrangements.
- Council must maintain sufficient cash and investments to ensure that it can meet its short-term working capital requirements as defined by available working capital calculations using audited financial information each year.
- Council must maintain its asset base by renewing ageing infrastructure and by ensuring working capital is set aside for those works.

Financial Sustainability

Council is financially sustainable if its financial position, financial performance and its ability to manage the efficient operation of infrastructure is maintained over the long term and it is able to manage likely developments and unexpected financial changes in future periods without unplanned increases in rates and charges or disruptive cuts to services providing a degree of stability and predictability in the overall rate burden allowing for an equitable distribution of council resources between current and future ratepayers.

In more simplified terms for this policy, financially sustainable is where planned service and infrastructure levels and standards are maintained without unplanned increases in Rates & Annual Charges or Fees & Charges or there is a need to cut services.

Financial Planning and Monitoring

Financial planning is an integral part of the strategic management planning activities of Council. It involves the development of long-term financial plans that are consistent with the resource allocation objectives and the timeframes set out in the Community Strategic Plan.

The Long Term Financial Plan is the key financial planning document of Council and its preparation is to be governed by the following key financial strategies:

- The maintenance of a fair and equitable rating structure
- Achieving, where appropriate, full cost recovery for the provision of services and meeting competitive neutrality requirements through appropriate fees and charges
- Achieve operating surpluses from continuing operations before grants and contributions provided for capital purposes which can be utilised for the provision of new assets for which insufficient s7.11 or grant funding is available
- Fully utilising depreciation for the renewal of assets and providing the appropriate level of funding for their scheduled and reactive maintenance1
- Continually monitoring asset conditions to minimise the likelihood of infrastructure backlogs
- Reviewing the utilisation and appropriateness of infrastructure assets and where appropriate undertaking asset rationalisation
- Maintaining an appropriate level of borrowings which reflects inter-generational equity in funding service levels without being reliant on debt
- Only utilising borrowings where appropriate by ensuring the maintenance of services is not reliant on debt
- The maintenance of a sound financial position reflected in Council's performance ratios

Capital Expenditure

As noted above Council, in the management of existing assets, will fully utilise depreciation for the renewal of those assets and provide the appropriate level of funding for their scheduled and reactive maintenance

In acquiring new assets, the following factors should be considered:

- Council's current and future Operating Surpluses, s7.11 contributions and Grants.
- Any additional depreciation and maintenance costs.
- Any relevant interest cost and the impact on the Operating Surpluses
- The requirement to increase Council rates to fund acquisition and ongoing costs.
- The age, life expectancy, suitability and service potential of any asset to be replaced.
- Reviewing, on a regular basis, Council assets to confirm compliance with adopted asset management principles defined below (point 7) and identify those assets which may no longer be required (e.g., parcels of undeveloped land) and may be sold to raise funds for more desirable community facilities. Asset sales will not be used to fund operations.

Borrowings

Council recognises that loan borrowings for capital works are an important funding source for Local Government and will accord to the principle of Inter-Generational Equity, Funding as defined below (point 7) in that the full cost of infrastructure should not be borne entirely by present-day ratepayers, but be contributed to by future ratepayers who will also benefit.

Council will:

- Restrict all borrowings to expenditure on identified capital projects that are considered by Council to be of the highest priority, and which are unable to be funded from revenue.
- Ensure that all borrowings (both internal and external) are in accordance with legislative requirements.
- Not borrow money to fund operating expenditure as this type of expenditure should be funded through operating revenue streams.
- Minimise the cost of borrowings.
- Ensure the total amount of loan borrowings is sustainable in terms of ability to meet future repayments and budgetary obligations.
- The term of any loan will not exceed the expected economic life of the asset being funded.
- Achieve a financial indicator of greater than 2 for the Debt Service Cover Ratio which is a key performance indicator of the Office of Local Government.

Definitions

Level of Service
The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance. Technical measures may relate to quality - roughness of roads, condition of a building, quantity - area of parks per resident.

Council's services are heavily reliant on an asset infrastructure that has been built up over generations. These assets require significant on-going investment in maintenance and renewal activities to ensure they are fit-for-purpose and able to deliver expected levels of service. It is necessary to engage the community in discussions on desired service levels and ensure asset investment decisions consider the 'whole of life' cost and balance the funding for investment in new/upgraded assets with the investment in asset renewal.

Asset Management Principles
Council will apply the following nine (9) key principles in managing its assets:-

- Best Practice: Council's asset management procedures will be developed to ensure asset management best practice is implemented throughout Council.
- Sustainability: Council will implement asset management in a sustainable manner balancing economic, social and community impacts while demonstrating civic and environmental leadership.
- Levels of Service: Agreed service levels will be determined in consultation with the community and defined in Council's Asset Management Plans.
- Accountability & Responsibility: Asset management accountabilities and responsibilities will be defined, understood and accepted by all involved.
- Environment: Council will develop and implement best value environmentally sustainable asset management practices.
- Finances: Council will integrate asset management, long term financial and strategic resource planning to ensure Council's long term financial sustainability.
- Risk Management: Council will apply risk management practices to ensure asset performance and community safety, including risks associated with climate change.
- Life Cycle Approach: Asset planning decisions will be based on full life cycle costs of an asset through acquisition, operation, maintenance, renewal and disposal.
- Statutory Compliance: Council will meet all relevant legislative requirements for asset management.

Inter-Generational Equity, Funding
Refers to equity between generations of ratepayers (intergenerational equity) whereby the mechanisms to fund specific capital expenditure and operations take into account the ratepayers who benefit from the expenditure and therefore on a user pay basis who should pay for the costs associated with such expenditure.

Council's Current Financial Position

The table below gives a snapshot of some key financial results for over the last two financial years:

Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	$ '000	Notes	Actual 2021	Restated Actual 2020
	Income from continuing operations			
33,318	Rates and annual charges	B2-1	**31,221**	32,443
15,418	User charges and fees	B2-2	**15,347**	14,440
555	Other revenue	B2-3	**1,315**	1,988
21,010	Grants and contributions provided for operating purposes	B2-4	**23,236**	29,627
17,949	Grants and contributions provided for capital purposes	B2-4	**9,775**	14,343
1,385	Interest and investment revenue	B2-5	**1,183**	1,675
412	Other income	B2-6	**844**	892
1,002	Net gains from the disposal of assets	B4-1	**–**	798
91,049	**Total income from continuing operations**		**82,921**	96,206
	Expenses from continuing operations			
32,616	Employee benefits and on-costs	B3-1	**33,425**	33,637
25,970	Materials and services	B3-2	**27,464**	25,973
167	Borrowing costs	B3-3	**487**	79
19,123	Depreciation, amortisation and impairment for non-financial assets	B3-4	**22,039**	20,486
1,609	Other expenses	B3-5	**13,950**	2,228
–	Net losses from the disposal of assets	B4-1	**640**	–
79,485	**Total expenses from continuing operations**		**98,005**	82,403
11,564	**Operating result from continuing operations**		**(15,084)**	13,803
11,564	Net operating result for the year attributable to Council		**(15,084)**	13,803
(6,385)	**Net operating result for the year before grants and contributions provided for capital purposes**		**(24,859)**	(540)

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2021

$ '000	Notes	2021	Restated 2020	Restated 1 July 2019
ASSETS				
Current assets				
Cash and cash equivalents	C1-1	**38,008**	6,546	11,113
Investments	C1-2	**17,000**	20,000	19,000
Receivables	C1-4	**14,927**	13,533	13,700
Inventories	C1-5	**2,397**	1,656	1,695
Other		**560**	423	299
Total current assets		72,892	42,158	45,807
Non-current assets				
Investments	C1-2	**21,000**	52,000	58,219
Receivables	C1-4	**36**	62	105
Infrastructure, property, plant and equipment	C1-6	**1,218,076**	1,215,249	1,146,936
Intangible Assets	C1-7	**3,745**	350	350
Right of use assets	C2-1	**103**	62	–
Total non-current assets		1,242,960	1,267,723	1,205,610
Total assets		1,315,852	1,309,881	1,251,417
LIABILITIES				
Current liabilities				
Payables	C3-1	**9,567**	8,990	10,254
Contract liabilities	C3-2	**9,090**	4,271	–
Lease liabilities	C2-1	**76**	49	–
Borrowings	C3-3	**297**	520	490
Employee benefit provisions	C3-4	**6,855**	6,918	6,688
Total current liabilities		25,885	20,748	17,432
Non-current liabilities				
Lease liabilities	C2-1	**38**	16	–
Borrowings	C3-3	**58**	356	875
Provisions	C3-5	**31,107**	19,545	5,052
Total non-current liabilities		31,203	19,917	5,927
Total liabilities		57,088	40,665	23,359
Net assets		**1,258,764**	1,269,216	1,228,058
EQUITY				
Accumulated surplus	C4-1	**1,169,772**	1,184,856	1,189,296
IPPE revaluation reserve	C4-1	**88,992**	84,360	38,543
Other reserves	C4-1	**–**	–	219
Council equity interest		1,258,764	1,269,216	1,228,058
Total equity		**1,258,764**	1,269,216	1,228,058

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2021

$ '000	Notes	as at 30/06/21 Accumulated surplus	IPPE revaluation reserve	Financial assets at FVOCI	Total equity	as at 30/06/20 Accumulated surplus Restated	IPPE revaluation reserve Restated	Financial assets at FVOCI	Total equity Restated
Opening balance at 1 July		**1,177,692**	**71,537**	**–**	**1,249,229**	1,189,296	25,720	219	1,215,235
Correction of prior period errors	G4-1	**7,164**	**12,823**	**–**	**19,987**	–	12,823	–	12,823
Changes due to AASB 1058 and AASB 15 adoption		–	–	–	–	(18,243)	–	–	(18,243)
Restated opening balance		**1,184,856**	**84,360**	**–**	**1,269,216**	1,171,053	38,543	219	1,209,815
Net operating result for the year		**(15,084)**	–	–	**(15,084)**	13,803	–	–	13,803
Restated net operating result for the period		**(15,084)**	**–**	**–**	**(15,084)**	13,803	–	–	13,803
Other comprehensive income									
– Gain (loss) on revaluation of infrastructure, property, plant & equipment	C1-6	**–**	**4,632**	**–**	**4,632**	–	45,817	–	45,817
Realised (gain) loss on available for sale investments recognised in operating result		–	–	–	–	–	–	(219)	(219)
Total comprehensive income		**(15,084)**	**4,632**	**–**	**(10,452)**	13,803	45,817	(219)	59,401
Closing balance		**1,169,772**	**88,992**	**–**	**1,258,764**	1,184,856	84,360	–	1,269,216

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	$ '000	Notes	Actual 2021	Actual 2020
	Cash flows from operating activities			
	Receipts:			
33,318	Rates and annual charges		**30,649**	31,547
15,418	User charges and fees		**14,730**	16,317
1,385	Investment and interest revenue received		**1,330**	2,011
38,959	Grants and contributions		**37,948**	28,765
–	Bonds, deposits and retention amounts received		**–**	182
967	Other		**7,062**	7,918
	Payments:			
(32,616)	Employee benefits and on-costs		**(33,118)**	(34,387)
(18,130)	Materials and services		**(32,264)**	(21,403)
(167)	Borrowing costs		**(49)**	(81)
–	Bonds, deposits and retention amounts refunded		**(204)**	–
(9,449)	Other		**(3,840)**	(11,459)
29,685	**Net cash provided from (or used in) operating activities**	G1-1	**22,244**	19,410
	Cash flows from investing activities			
	Receipts:			
–	Sale of investments		**34,000**	5,786
1,002	Sale of infrastructure, property, plant and equipment		**1,197**	1,128
	Payments:			
(48,925)	Purchase of infrastructure, property, plant and equipment		**(21,603)**	(30,322)
–	Purchase of intangible assets		**(3,771)**	–
(47,923)	**Net cash provided from (or used in) investing activities**		**9,823**	(23,408)
	Cash flows from financing activities			
	Payments:			
–	Repayment of borrowings		**(521)**	(489)
–	Principal component of lease payments		**(84)**	(80)
–	**Net cash flows from financing activities**		**(605)**	(569)
(18,238)	**Net change in cash and cash equivalents**		**31,462**	(4,567)
11,113	cash and cash equivalents at beginning of reporting period		**6,546**	11,113
(7,125)	Cash and cash equivalents at end of reporting period	C1-1	38,008	6,546
72,000	Investments on hand – end of year	C1-2	**38,000**	72,000
64,875	Total cash, cash equivalents and investments		76,008	78,546

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Some points to note:

- Councils are required to carry their assets at fair value, necessitating the comprehensive revaluation of infrastructure, property, plant and equipment on a cyclical basis. In 2020, Council revalued its transport assets and reassessed useful lives to more accurately reflect current practices. In 2021, Council revalued its community land holdings and other structures and in the current financial year, Council is revaluing its water and wastewater asset infrastructure following two years of indexation.
- Externally restricted cash are those which must be held for specific purposes, such as developer's contributions and aged care deposits. Internally restricted cash reflect those set aside by Council for specific purposes.
- Changes to the Local Government Code of Accounting Practice and Financial Reporting have reallocated the disclosure of many items of "Other Expenses" to "Materials and Contracts".

Methodology

The financial plan draws on the information contained in the Community Strategic Plan, Delivery Program, Operational Plan, Workforce Plan and Asset Management Plan. These documents help set the scope of what Council will seek to undertake over the life of the plan and include the financial implication of those activities.

Long Term Financial Plan Objectives

The objectives of Council's LTFP are:

- Allocate financial resources in alignment with community long-term aspirations
- Ensure that Council can meet the future financial pressures
- Identify opportunities for future income and economic growth
- Minimise increases in service costs while achieving a balanced budget

Assumptions and Forecasts

Details of the assumptions that have been used in preparation of the plan are listed in the following table. Assumptions are generally based on historical information as well as forecasts provided by agencies such as the Australia Bureau of Statistics and Reserve Bank of Australia.

Item	Index
Operating Income	
Rates - General	2.30%
Annual Charges - Domestic Waste	3.00%
Annual Charges - Water	2.49%
Annual Charges - Sewer	2.83%
User Charges - Water	3.13%
User Charges - Sewer	2.86%
User Charges - Waste Management	3.00%
Fees & Charges	3.00%
Other Revenues (Donations, Rebates, Leaseback)	3.00%
Operating Grants	2.00%
Operating Contributions	2.00%
Operating Contributions - General Purpose (Untied)	2.00%
Interest & Investment Revenues - Investments	1.00%
Rental Income - Other	3.00%
Operating Expenditure	
Employee Costs - Salaries & Wages	2.50%
Employee Costs - Superannuation	3.00%
Employee Costs - Workers Comp	2.50%
Employee Costs - Other (Recruitment, Training costs)	2.50%
Materials & Contracts - Raw Materials & Consumables	3.00%
Materials & Contracts - Contracts	3.00%
Materials & Contracts - Legal Expenses	3.00%
Other Expenses - Insurance	3.00%
Other Expenses - Utilities	3.00%
Other Expenses - Statutory & Regulatory	3.00%

General Assumptions

Demographics

Snowy Monaro has a population of approximately 21,207 people, comprising of 14,315 rateable properties. Population growth of 1% per annum is expected. The population comprises 28% below 25 years of age, 41% above 50 years of age and 25% have a vocational qualification.

Inflation

The February 2022 Reserve Bank of Australia statement on monetary policy forecasts inflation to increase further to 3.25% by mid-2022. Further out the drivers of inflation are anticipated to shift, with a steady pick-up in labour costs. The latest data available from the Australian Bureau of Statistics (ABS) on 28/04/2022 revealed the CPI rose 2.1 per cent in the March 2022 quarter, and 5.1 per cent annually.

Economy

Snowy Monaro Regional Council's Gross Regional Product is estimated at $1.18 billion, which represents 0.18% of the state's GSP (Gross State Product). There were 9,473 jobs located in Snowy Monaro Regional Council area in the year ending June 2021 and were 10,394 residents employed in the year ending June 2021. In the 2021 December quarter, the unemployment rate in Snowy Monaro Regional Council area was 5.1%

The value of building approvals in Snowy Monaro Regional Council area was $58m in the 2021-22 Jan FYTD financial year.

In February 2022, the retail trade estimate for NSW rose 2.8% from the previous year.

The Snowy Mountain regional economy as one of the most tourism dependant regional economies in Australia. In 2019/20, the total tourism and hospitality sales in Snowy Monaro Regional Council area was $611.4m, the total value added was $279.1 million.

Agriculture has historically underpinned the Snowy Monaro's economy and will continue to be an important economic driver into the future. In 2015/16, the total value of agricultural output in Snowy Monaro Regional Council area was $117m. The largest commodity produced was livestock slaughtering, which accounted for 61.0% of Snowy Monaro Regional Council area's total agricultural output in value terms.

Cooma is the commercial hub of the Snowy Monaro region and will continue to be an important aspect of the local economy. Facilities and services provided by the town include medical, aged care, education, agricultural and government.

Revenue Assumptions

Rates and Annual Charges – General Rates

The number of rateable assessments for the 2021/22 levy was 14,452 and is 14,502 as at 28 April 2022, a growth of 0.35%. There is no additional general rates income generated from an increase in the number of assessments due to rate pegging limits imposed by the State government and the annual revenue increase being spread across all assessments.

Council will continue to apply the maximum annual rates increase allowable by IPART and Office of Local Government. The maximum permissible rates increase in recent past years included 2015/2016 was 2.40%, 2016/2017 was 1.80%. 2017/2018 was 1.50%, 2018/2019 was 2.30%, 2019/2020 was 2.70%, 2020/2021 was 2.60% and 2021/2022 was 2%. The maximum increase in 2022/2023 is 2.30%. Council has projected the annual rate pegging limit increase to be 2.30% annually. This is based on historical data (past ten years) increase in maximum rate cap for general rates income. A 2.30% increase equates to an additional $402,000 general rates income. Further details for each individual rating category are available in Council's Operational Plan.

No special variation to general rates income is included in the Council Long Term Financial Plan projections for the Base Case Scenario. Council has the ability under the Local Government Act to apply for Special Rate Variations and increase its income at a greater level than that set by IPART.

Special Rates

Council does not impose any special rates.

Domestic Waste Charge

The Domestic Waste Management (DWM) service is provided by Council to the residential properties in townships and the immediate surrounding area of towns within the region. The DWM service provides garbage, recycling and green waste kerbside collection services. The basis of the DWM annual charge is on a full cost recovery basis to allow for the future upgrade of the DWM plant fleet, garbage bins, and partial allocation for the rehabilitation of the waste centres (rubbish tips) in the Region.

The DWM charge is projected to increase annually by 3% over the next ten year period. Council will continue to complete and publish in the Operational Plan a comprehensive domestic waste reasonable cost calculation in accordance with the Local Government Act 1993 requirements and to ensure any service changes are consulted with and conveyed to the community.

User Charges and Fees

Council raises revenue through fees and charges for provision of services and use of facilities. These are split into two categories:

Regulatory fees – determined by State Government Legislation and relates primarily to building, development and compliance activities. Council has no control over increases to these fees. Development fees are also affected by the levels of development within the shire.

Discretionary fees – Council has the ability to vary these fees in line with the costs associated with providing the service or facility. Other than Water, Sewer and Waste charges discretionary fees increase of 3% over the next 10 year period.

Water Revenue

Water supply charges are based upon reasonable cost recovery in providing the service. They consist of an access charge and a usage charge. The plan assumes an increase in the access charge of 2.49% and an increase in the usage charge of 3.13% over the next 10 year period.

Sewer Revenue

Sewer supply charge is based upon reasonable cost recovery in providing the service. They consist of an access charge and a usage charge. The plan assumes an increase in the access charge of 2.83% and an increase in the usage charge of 2.86% over the next 10 year period.

Waste Charges (Other than Domestic Waste Collection)

Council provide other waste collection services including trade waste, tipping fees and recycling. The plan assumes an increase in the access charge of 3% over the next 10 year period.

Interest and Investment Income

In accordance with Council's Investment Policy and Ministerial Investment Order, Council now invests only in term deposits, with varying maturity timeframes, with Australian authorised deposit taking institutions.

Income from investment is based on the projected cash balances at the end of each year as set out in the balance sheet report and an annual rate of return of 1% over the next 10 year period.

Operating Grants and Contributions

Council's most important and material recurrent operating grant is the untied Financial Assistance Grants (FAG) received from the Federal Government and administered by the NSW Local Government Grants Commission. The FAG grant accounts for around 50% of Council's total operating grants and contributions received annually.

Council has assumed that all recurrent grants and contributions for operating purposes will increase annually by a projection of 2% over the next 10 year period.

Capital Grants and Contributions

Capital grants are by their nature highly variable from year to year depending on the need and community support for major capital works projects and the availability of other government grant programs to assist in funding major capital improvement projects.

Council's Delivery Program details projects funded by capital grants over the 4 year period.

Loans

The LTFP includes an internal loan from the Water Fund to the General Fund and Aged Care Fund for capital projects to be repaid over the 10 year period of the plan at an interest rate of 1%. The amount of the internal loan and the projects are listed below:

Project	Fund	Amount
Extension to Yallambee Lodge	Aged Care	700,000
Construction of new library at Jindabyne	General	500,000
Replacement of bridge at Cowbed Creek	General	600,000
Upgrade of Cooma Pool	General	370,873
Upgrade of Bombala Pool	General	392,193
Demolition and rebuild of showground cottage	General	75,000
Total:		**2,638,066**

Internal loans are accounted for as a receivable of the fund providing the loan (Water) and a payable of the funds receiving the loan proceeds (General and Aged Care) and are eliminated on consolidation.

Other

Other income such as Council owned property rentals and leaseback fees are projected to increase 3% over the 10 year period of the plan.

Expense Assumptions

Employee Costs

Staff costs are linked to the Workforce plan in relation to staffing numbers. The Local Government Award allows for annual CPI increases to salaries which have been factored into overall employee costs. The Award increase for 2022/23 is 2.5% and the increase projected annually over the 10 year period of the plan.

The Superannuation Guarantee is set by the Federal Government and is required to be paid by Council to nominated superannuation funds as employer contributions on behalf of individual employees. The Superannuation Guarantee levy is set at 10.5% for 2022/23 and projected annually over the 10 year period of the plan.

Materials and Contracts

Materials purchased and contract and consultancies for services are a significant cost input for providing Council services. An annual increase of 3% is projected over the next 10 year period for materials and contracts expense.

Other Expenses

An annual increase of 3% is projected over the next 10 year period for other expenses, such as levies paid to the state government for the rural fire and emergency services and the NSW fire brigade.

Capital Expenditure

Capital expenditure requirements should be linked to the relevant Asset Management Plans that sets out spending required to maintain and renew assets. The Asset management policy and strategy require revision and are scheduled to be presented to the Council as drafts in June 2022. Asset management plans from NAMS+ provided life cycle modelling for linking to the Long Term Financial Plan and needs to be the basis of revised asset management plans in the near future.

Sensitivity Analysis

Sensitivity analysis provides a number of “what-if” scenarios which are used for long term planning and decision making. In all scenarios, the base is the Operating Budget 2022/23 with a Net Operating Deficit before Capital Grants and Contributions of $917,000.

For comparison purposes, the adjusted Net Operating Deficit before Capital Grants and Contributions for the current financial year ending 30 June 2022 is $4.631M. It differs by $741,000 with the result projected in the March 2022 Quarterly Budget Review Statement due to the book value of assets sold currently not recognised in the general ledger. Four scenarios are provided, including the base case which maintains the status quo.

Financial Scenarios

Scenario One

This is the base case – divest from Aged Care in November 2022 and a continuation of normal business with a targeted $3.865M reduction in current service levels in 2023/24 in order to achieve balanced budgets over the life of the plan. The results of the scenario show cash levels sufficient to fund internal and external reserves if reductions in expenses are achieved, sufficient to eliminate annual deficits.

Scenario Two (Preferred)

Divest from Aged Care in November 2022 and generate additional cash of $80 million to be applied to the renewal of transport assets over the 10 year life of the plan.

The SRV scenario represents Council's preferred long-term path to financial sustainability. The SRV scenario shows a path that allows Council to increase its revenues via increased rates and reduce its expenditure through efficiency gains and cost savings with moderate adjustments to service levels. It assumes that these shifts can be sustained in the long-term. Council's draft Financial Planning and Sustainability Policy outlines several actions Council can take to achieve its objective of delivering sustainable best value to the community. The assumptions that inform the SRV scenario are detailed below. The SRV scenario extrapolates from the 2022/23 operational budget. The primary financial reports for the scenario follow the discussion of assumptions. It is important to remember that the LTFP is subject to uncertainties and change, including changes due to uncontrollable events such as legislative changes, natural disasters and economic shocks.

Rates - Ordinary rates increase by 9.375% special rate variation in each of the next eight years, inclusive of the announced and assumed rate pegs.

Annual Charges - Annual charges increase as per the fees schedule for 2022/23 for the Waste, Water, Wastewater Funds and other charges, and then in line with CPI. However, in the future

Council utilities charges may change at a different rate depending on service level plans and infrastructure needs.

User Charges & Fees - Rates, fees and charges increase in line with assumed CPI. Commercial works revenue is included in fees & charges revenue.

Grants and other External Funding

Operational grant funding is assumed to remain at current levels, but no extraordinary revenue has been forecast. Council will pursue funding with a preference for operational funding. Any new and upgrade proposals to service levels and asset infrastructure are reviewed prior to funding submission and recommendations are based on whole-of-life costing, community benefit and affordability in the long-term. Financially unsustainable projects will not be pursued. Council's sustainability cannot be maintained should grant funding reduce. Over the longer term, as assets which are currently in good condition deteriorate, Council will need to increase its investment in replacements and to do so, it will need to draw on its operating income and its reserves unless additional grant funding can be sourced. Employee Costs and Organisational Structure Council's organisational structure budget reflects all current positions. It is based on the restructured administration that was put in place in November 2019 and includes the efficiency savings per Council's sustainability plan. Further organisational structure reviews are expected and will have an impact on future planning. Employee costs make up 35% of consolidated Council ongoing expenses. The overall salaries and wages budget is $17.2 million for the financial year 2022/23 excluding capitalised wages. Cost decreases resulted from the removal of positions from the structure between October 2021 and June 2022 and some further savings are expected into the future. Cost increases result from mandated wage increases under the Local Government Award, superannuation guarantee increases and staff moving through the award structure. Historically, award increases have been higher than the allowable rate peg; for the financial year 2022/23, the difference is 1.2%, i.e., (2% - 0.8%).

Scenario Three

Divest from Aged Care in November 2022 and maintain current service levels including a risk-based approach to renewal and maintenance of transport assets by introducing a one-off Special Rate Variation of 18.4% above rate pegging for the 2023/24 year. The results of the scenario show:

- Income will increase by $2.85 million in 2023/24
- A cumulative increase to income of $6.75 million over the 10 year life of the plan
- Positive cash flows
- Sufficient cash to fund all reserves

Scenario Four

Divest from Aged Care in November 2022 and generate additional cash of $33 million to be applied to the renewal of transport assets over the 10 year life of the plan. By increasing income from general rates by a 5% special rate variation in each of the next eight years, inclusive of the announced and assumed rate pegs.

Monitoring Financial Performance

Council continually monitors its financial performance using a number of methods:

Management Reporting

Managers are able to access online financial reports, which allow them to monitor budgets and make adjustments for any significant variances.

Monthly Reviews

Since February 2022, Council has been provided with monthly reports on financial performance, capital expenditure and cash position. Any adjustments highlighted in the monthly reviews are included for Council approval.

Key Performance Indicators

The following key performance indicators are monitored throughout the year and reported in the annual Financial Statements.

G6 Statement of performance measures

G6-1 Statement of performance measures – consolidated results

$ '000	Amounts 2021	Indicator 2021	Indicator 2020 Restated	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses [1,2]	(22,143)	(30.27)%	(1.55)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions [1]	73,146			
2. Own source operating revenue ratio				
Total continuing operating revenue excluding all grants and contributions [1]	49,910	60.19%	53.91%	> 60.00%
Total continuing operating revenue [1]	82,921			
3. Unrestricted current ratio				
Current assets less all external restrictions	19,398	2.27x	5.40x	> 1.50x
Current liabilities less specific purpose liabilities	8,553			
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation [1]	(1,290)	(1.18)x	29.80x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,092			
5. Rates and annual charges outstanding percentage				
Rates and annual charges outstanding	3,678	9.52%	12.09%	< 10.00%
Rates and annual charges collectable	38,649			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	76,008	13.02 mths	13.88 mths	> 3.00 mths
Monthly payments from cash flow of operating and financing activities	5,840			

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

Financial Projections

Scenario One

INCOME STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Base Scenario	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	31,221	34,906	33,992	34,845	35,720	36,618	37,538	38,481	39,449	40,441	41,459	42,502
User Charges & Fees	15,347	19,586	17,860	17,871	18,413	18,970	19,544	20,136	20,746	21,374	22,022	22,688
Other Revenues	1,315	618	529	543	557	572	587	602	618	635	652	670
Grants & Contributions provided for Operating Purposes	23,236	28,684	28,959	26,316	26,599	26,888	27,183	27,483	27,789	28,102	28,421	28,746
Grants & Contributions provided for Capital Purposes	9,775	52,745	88,231	18,077	1,456	1,456	-	-	-	-	-	-
Interest & Investment Revenue	1,183	1,380	1,288	1,299	1,310	1,322	1,333	1,344	1,356	1,368	1,380	1,391
Other Income:												
Net Gains from the Disposal of Assets	-	295	356	379	184	395	192	240	955	408	225	126
Other Income	844	1,063	1,075	1,107	1,141	1,175	1,210	1,246	1,284	1,322	1,362	1,403
Total Income from Continuing Operations	**82,921**	**139,277**	**172,290**	**100,437**	**85,380**	**87,394**	**87,587**	**89,533**	**92,197**	**93,651**	**95,520**	**97,526**
Expenses from Continuing Operations												
Employee Benefits & On-Costs	33,425	33,107	30,566	29,835	30,595	31,375	32,175	32,995	33,836	34,698	35,583	36,490
Borrowing Costs	487	136	5	-	(0)	(0)	-	0	0	-	-	-
Materials & Contracts	27,464	28,008	24,510	24,380	24,794	25,528	26,285	27,364	27,867	28,694	29,545	30,423
Depreciation & Amortisation	20,366	19,507	20,309	20,508	20,710	20,913	21,118	21,326	21,535	21,747	21,960	22,176
Impairment of receivables	403	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	13,547	10,405	9,586	9,806	10,086	10,376	10,673	10,980	11,296	11,622	11,957	12,302
Net Losses from the Disposal of Assets	640	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	1,673	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	**98,005**	**91,164**	**84,976**	**84,529**	**86,185**	**88,191**	**90,251**	**92,665**	**94,534**	**96,761**	**99,046**	**101,391**
Net Operating Result for the Year	**(15,084)**	**48,114**	**87,314**	**15,908**	**(805)**	**(797)**	**(2,664)**	**(3,132)**	**(2,337)**	**(3,110)**	**(3,526)**	**(3,865)**
Net Operating Result before Grants and Contributions provided for Capital Purposes	**(24,859)**	**(4,631)**	**(317)**	**(2,168)**	**(2,261)**	**(2,253)**	**(2,664)**	**(3,132)**	**(2,337)**	**(3,110)**	**(3,526)**	**(3,865)**

BALANCE SHEET - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Base Scenario	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	38,008	19,703	5,151	7,017	5,707	12,354	18,734	22,765	28,665	29,603	31,351	39,096
Investments	17,000	14,352	9,492	9,492	7,895	7,895	7,895	7,895	7,895	7,895	7,895	7,895
Receivables	14,927	20,868	20,966	18,063	17,813	18,224	18,547	18,944	19,360	19,766	20,194	20,631
Inventories	2,397	2,306	2,080	2,159	2,179	2,232	2,285	2,371	2,398	2,456	2,517	2,579
Other	560	654	594	619	630	649	668	696	709	730	752	775
Total Current Assets	72,892	57,882	38,282	37,350	34,225	41,353	48,130	52,672	59,027	60,451	62,709	70,976
Non-Current Assets												
Investments	21,000	23,648	16,400	16,400	14,019	14,019	14,019	14,019	14,019	14,019	14,019	14,019
Receivables	36	60	60	60	60	60	60	60	60	60	60	198
Infrastructure, Property, Plant & Equipment	1,218,076	1,276,697	1,392,782	1,406,287	1,410,051	1,405,669	1,400,111	1,396,554	1,391,122	1,390,126	1,388,281	1,377,858
Intangible Assets	3,745	3,745	3,369	2,993	2,617	2,241	1,864	1,488	1,112	736	360	(16)
Right of use assets	103	103	103	103	103	103	103	103	103	103	103	103
Total Non-Current Assets	1,242,960	1,304,253	1,412,714	1,425,843	1,426,850	1,422,092	1,416,158	1,412,224	1,406,417	1,405,044	1,402,823	1,392,162
TOTAL ASSETS	1,315,852	1,362,135	1,450,997	1,463,193	1,461,075	1,463,445	1,464,288	1,464,896	1,465,444	1,465,495	1,465,532	1,463,138
LIABILITIES												
Current Liabilities												
Payables	9,567	13,081	12,478	12,697	12,843	13,033	13,228	13,468	13,636	13,848	14,067	14,292
Contract liabilities	9,090	3,984	4,555	1,969	1,402	1,416	1,358	1,373	1,388	1,404	1,420	1,436
Lease liabilities	76	-	-	-	-	-	-	-	-	-	-	-
Borrowings	297	-	-	-	-	-	-	-	-	-	-	138
Provisions	6,855	6,855	10,214	13,657	17,186	20,803	24,510	28,311	32,206	36,198	40,291	44,486
Total Current Liabilities	25,885	23,920	27,248	28,323	31,430	35,252	39,097	43,152	47,230	51,451	55,778	60,352
Non-Current Liabilities												
Lease liabilities	38	115	115	115	115	115	115	115	115	115	115	115
Borrowings	58	-	0	0	0	-	0	0	0	-	-	-
Provisions	31,107	31,223	29,442	24,655	20,235	19,581	19,243	18,927	17,734	16,674	15,910	12,807
Total Non-Current Liabilities	31,203	31,337	29,557	24,770	20,349	19,696	19,357	19,042	17,849	16,789	16,025	12,922
TOTAL LIABILITIES	57,088	55,257	56,805	53,093	51,779	54,947	58,454	62,194	65,079	68,240	71,803	73,274
Net Assets	1,258,764	1,306,878	1,394,192	1,410,100	1,409,295	1,408,498	1,405,834	1,402,702	1,400,365	1,397,255	1,393,730	1,389,864
EQUITY												
Retained Earnings	1,169,772	1,217,886	1,305,200	1,321,108	1,320,303	1,319,506	1,316,842	1,313,710	1,311,373	1,308,263	1,304,738	1,300,872
Revaluation Reserves	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992
Total Equity	1,258,764	1,306,878	1,394,192	1,410,100	1,409,295	1,408,498	1,405,834	1,402,702	1,400,365	1,397,255	1,393,730	1,389,864

CASH FLOW STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Base Scenario	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	30,649	34,521	34,521	34,688	35,558	36,451	37,367	38,306	39,269	40,257	41,269	42,308
User Charges & Fees	14,730	18,208	17,974	17,761	18,277	18,830	19,400	19,988	20,593	21,217	21,859	22,521
Investment & Interest Revenue Received	1,330	1,480	1,352	1,342	1,216	1,291	1,312	1,349	1,354	1,387	1,388	1,404
Grants & Contributions	37,948	74,460	116,825	44,323	28,040	28,344	27,181	27,483	27,790	28,102	28,421	28,747
Other	7,062	232	1,503	2,300	1,828	1,727	1,795	1,828	1,881	1,935	1,992	2,049
Payments:												
Employee Benefits & On-Costs	(33,118)	(32,559)	(27,185)	(26,369)	(27,042)	(27,733)	(28,442)	(29,168)	(29,914)	(30,678)	(31,463)	(32,267)
Materials & Contracts	(32,264)	(26,344)	(24,488)	(24,374)	(24,777)	(25,516)	(26,272)	(27,357)	(27,849)	(28,680)	(29,532)	(30,408)
Borrowing Costs	(49)	(21)	(5)	-	-	-	-	-	-	-	-	-
Bonds & Deposits Refunded	(204)	-	-	-	-	-	-	-	-	-	-	-
Other	(3,840)	(10,100)	(11,496)	(14,547)	(14,474)	(10,988)	(10,969)	(11,246)	(12,451)	(12,636)	(12,674)	(15,357)
Net Cash provided (or used in) Operating Activities	22,244	59,877	109,001	35,124	18,626	22,406	21,372	21,183	20,673	20,903	21,262	18,997
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	34,000	-	12,108	-	3,978	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,197	738	544	944	890	855	327	571	923	981	684	378
Purchase of Infrastructure, Property, Plant & Equipment	(21,603)	(78,566)	(136,205)	(34,202)	(24,803)	(16,614)	(15,319)	(17,724)	(15,696)	(20,947)	(20,198)	(11,629)
Purchase of Intangible Assets	(3,771)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	9,823	(77,828)	(123,554)	(33,258)	(19,935)	(15,760)	(14,992)	(17,152)	(14,773)	(19,966)	(19,514)	(11,251)
Cash Flows from Financing Activities												
Payments:												
Repayment of Borrowings & Advances	(521)	(355)	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities (principal repayments)	(84)	1	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(605)	(354)	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	31,462	(18,305)	(14,552)	1,866	(1,310)	6,647	6,381	4,031	5,900	938	1,748	7,746
plus: Cash & Cash Equivalents - beginning of year	6,546	38,008	19,703	5,151	7,017	5,707	12,354	18,734	22,765	28,665	29,603	31,351
Cash & Cash Equivalents - end of the year	**38,008**	**19,703**	**5,151**	**7,017**	**5,707**	**12,354**	**18,734**	**22,765**	**28,665**	**29,603**	**31,351**	**39,096**
Cash & Cash Equivalents - end of the year	38,008	19,703	5,151	7,017	5,707	12,354	18,734	22,765	28,665	29,603	31,351	39,096
Investments - end of the year	38,000	38,000	25,892	25,892	21,914	21,914	21,914	21,914	21,914	21,914	21,914	21,914
Cash, Cash Equivalents & Investments - end of the year	**76,008**	**57,703**	**31,043**	**32,909**	**27,621**	**34,268**	**40,649**	**44,679**	**50,579**	**51,517**	**53,265**	**61,011**
Representing:												
- External Restrictions	66,749	50,042	18,381	20,940	16,139	20,953	23,759	25,203	31,353	32,288	31,590	39,526
- Internal Restrictions	9,259	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146
- Unrestricted	-	(1,485)	3,516	2,823	2,337	4,169	7,744	10,330	10,080	10,083	12,529	12,338
	76,008	**57,703**	**31,043**	**32,909**	**27,621**	**34,268**	**40,649**	**44,679**	**50,579**	**51,517**	**53,265**	**61,011**

EQUITY STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Base Scenario	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening Balance (as at 1/7)	1,249,229	1,258,764	1,306,878	1,394,192	1,410,100	1,409,295	1,408,498	1,405,834	1,402,702	1,400,365	1,397,255	1,393,730
Adjustments to opening balance	19,987	-										
Restated opening Balance (as at 1/7)	1,269,216	1,258,764	1,306,878	1,394,192	1,410,100	1,409,295	1,408,498	1,405,834	1,402,702	1,400,365	1,397,255	1,393,730
Net Operating Result for the Year	(15,084)	48,114	87,314	15,908	(805)	(797)	(2,664)	(3,132)	(2,337)	(3,110)	(3,526)	(3,865)
Adjustments to net operating result	-	-	-	-	-	-	-	-	-	-	-	-
Restated Net Operating Result for the Year	(15,084)	48,114	87,314	15,908	(805)	(797)	(2,664)	(3,132)	(2,337)	(3,110)	(3,526)	(3,865)
Other Comprehensive Income												
- Gain (loss) on revaluation of IPP&E	4,632	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	4,632	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	(10,452)	48,114	87,314	15,908	(805)	(797)	(2,664)	(3,132)	(2,337)	(3,110)	(3,526)	(3,865)
Equity - Balance at end of the reporting period	**1,258,764**	**1,306,878**	**1,394,192**	**1,410,100**	**1,409,295**	**1,408,498**	**1,405,834**	**1,402,702**	**1,400,365**	**1,397,255**	**1,393,730**	**1,389,864**

Scenario Two

INCOME STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 2	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	31,221	34,906	33,992	36,096	38,368	40,823	43,477	46,347	49,454	52,818	56,462	57,851
User Charges & Fees	15,347	19,586	17,860	17,871	18,413	18,970	19,544	20,136	20,746	21,374	22,022	22,688
Other Revenues	1,315	618	529	543	557	572	587	602	618	635	652	670
Grants & Contributions provided for Operating Purposes	23,236	28,684	28,959	26,316	26,599	26,888	27,183	27,483	27,789	28,102	28,421	28,746
Grants & Contributions provided for Capital Purposes	9,775	52,745	88,231	18,077	1,456	1,456	-	-	-	-	-	-
Interest & Investment Revenue	1,183	1,380	1,288	1,299	1,310	1,322	1,333	1,344	1,356	1,368	1,380	1,391
Other Income:												
Net Gains from the Disposal of Assets	-	295	356	379	184	395	192	240	955	408	225	126
Other Income	844	1,063	1,075	1,107	1,141	1,175	1,210	1,246	1,284	1,322	1,362	1,403
Total Income from Continuing Operations	**82,921**	**139,277**	**172,290**	**101,688**	**88,028**	**91,600**	**93,526**	**97,399**	**102,202**	**106,027**	**110,524**	**112,875**
Expenses from Continuing Operations												
Employee Benefits & On-Costs	33,425	33,107	30,566	29,835	30,595	31,375	32,175	32,995	33,836	34,698	35,583	36,490
Borrowing Costs	487	136	5	-	(0)	(0)	-	0	0	-	-	-
Materials & Contracts	27,464	28,008	24,510	24,380	24,794	25,528	26,285	27,364	27,867	28,694	29,545	30,423
Depreciation & Amortisation	20,366	19,507	20,309	20,508	20,710	20,913	21,118	21,326	21,535	21,747	21,960	22,176
Impairment of receivables	403	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	13,547	10,405	9,586	9,806	10,086	10,376	10,673	10,980	11,296	11,622	11,957	12,302
Net Losses from the Disposal of Assets	640	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	1,673	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	**98,005**	**91,164**	**84,976**	**84,529**	**86,185**	**88,191**	**90,251**	**92,665**	**94,534**	**96,761**	**99,046**	**101,391**
Net Operating Result for the Year	**(15,084)**	**48,114**	**87,314**	**17,159**	**1,843**	**3,408**	**3,275**	**4,734**	**7,668**	**9,267**	**11,478**	**11,484**
Net Operating Result before Grants and Contributions provided for Capital Purposes	**(24,859)**	**(4,631)**	**(917)**	**(917)**	**387**	**1,953**	**3,275**	**4,734**	**7,668**	**9,267**	**11,478**	**11,484**

BALANCE SHEET - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 2	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	38,008	19,703	5,151	8,104	9,233	19,821	31,815	43,320	58,758	71,523	87,634	110,323
Investments	17,000	14,352	9,492	9,492	7,895	7,895	7,895	7,895	7,895	7,895	7,895	7,895
Receivables	14,927	20,868	20,966	18,275	18,287	19,022	19,736	20,599	21,564	22,609	23,778	24,632
Inventories	2,397	2,306	2,080	2,159	2,179	2,232	2,285	2,371	2,398	2,456	2,517	2,579
Other	560	654	594	619	630	649	668	696	709	730	752	775
Total Current Assets	72,892	57,882	38,282	38,649	38,225	49,618	62,400	74,881	91,323	105,214	122,576	146,205
Non-Current Assets												
Investments	21,000	23,648	16,400	16,400	14,019	14,019	14,019	14,019	14,019	14,019	14,019	14,019
Receivables	36	60	60	60	60	60	60	60	60	60	60	198
Infrastructure, Property, Plant & Equipment	1,218,076	1,276,697	1,392,782	1,406,287	1,410,051	1,405,669	1,400,111	1,396,554	1,391,122	1,390,126	1,388,281	1,377,858
Intangible Assets	3,745	3,745	3,369	2,993	2,617	2,241	1,864	1,488	1,112	736	360	(16)
Right of use assets	103	103	103	103	103	103	103	103	103	103	103	103
Total Non-Current Assets	1,242,960	1,304,253	1,412,714	1,425,843	1,426,850	1,422,092	1,416,158	1,412,224	1,406,417	1,405,044	1,402,823	1,392,162
TOTAL ASSETS	**1,315,852**	**1,362,135**	**1,450,997**	**1,464,492**	**1,465,075**	**1,471,710**	**1,478,558**	**1,487,105**	**1,497,740**	**1,510,258**	**1,525,399**	**1,538,367**
LIABILITIES												
Current Liabilities												
Payables	9,567	13,081	12,478	12,745	12,944	13,193	13,455	13,769	14,018	14,321	14,640	14,878
Contract liabilities	9,090	3,984	4,555	1,969	1,402	1,416	1,358	1,373	1,388	1,404	1,420	1,436
Lease liabilities	76	-	-	-	-	-	-	-	-	-	-	-
Borrowings	297	-	-	-	-	-	-	-	-	-	-	138
Provisions	6,855	6,855	10,214	13,657	17,186	20,803	24,510	28,311	32,206	36,198	40,291	44,486
Total Current Liabilities	25,885	23,920	27,248	28,370	31,531	35,412	39,323	43,452	47,612	51,924	56,351	60,938
Non-Current Liabilities												
Lease liabilities	38	115	115	115	115	115	115	115	115	115	115	115
Borrowings	58	-	0	0	0	-	0	0	0	-	-	-
Provisions	31,107	31,223	29,442	24,655	20,235	19,581	19,243	18,927	17,734	16,674	15,910	12,807
Total Non-Current Liabilities	31,203	31,337	29,557	24,770	20,349	19,696	19,357	19,042	17,849	16,789	16,025	12,922
TOTAL LIABILITIES	**57,088**	**55,257**	**56,805**	**53,141**	**51,881**	**55,108**	**58,681**	**62,494**	**65,461**	**68,713**	**72,376**	**73,860**
Net Assets	**1,258,764**	**1,306,878**	**1,394,192**	**1,411,351**	**1,413,194**	**1,416,602**	**1,419,877**	**1,424,611**	**1,432,279**	**1,441,546**	**1,453,024**	**1,464,507**
EQUITY												
Retained Earnings	1,169,772	1,217,886	1,305,200	1,322,359	1,324,202	1,327,610	1,330,885	1,335,619	1,343,287	1,352,554	1,364,032	1,375,515
Revaluation Reserves	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992
Total Equity	**1,258,764**	**1,306,878**	**1,394,192**	**1,411,351**	**1,413,194**	**1,416,602**	**1,419,877**	**1,424,611**	**1,432,279**	**1,441,546**	**1,453,024**	**1,464,507**

CASH FLOW STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 2	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	30,649	34,521	34,521	35,821	38,076	40,511	43,144	45,991	49,073	52,411	56,027	57,624
User Charges & Fees	14,730	18,208	17,974	17,761	18,277	18,830	19,400	19,988	20,593	21,217	21,859	22,521
Investment & Interest Revenue Received	1,330	1,480	1,352	1,295	1,138	1,173	1,150	1,137	1,087	1,060	994	1,031
Grants & Contributions	37,948	74,460	116,825	44,323	28,040	28,344	27,181	27,483	27,790	28,102	28,421	28,747
Other	7,062	232	1,503	2,300	1,828	1,727	1,795	1,828	1,881	1,935	1,992	2,049
Payments:												
Employee Benefits & On-Costs	(33,118)	(32,559)	(27,185)	(26,369)	(27,042)	(27,733)	(28,442)	(29,168)	(29,914)	(30,678)	(31,463)	(32,267)
Materials & Contracts	(32,264)	(26,344)	(24,488)	(24,374)	(24,777)	(25,516)	(26,272)	(27,357)	(27,849)	(28,680)	(29,532)	(30,408)
Borrowing Costs	(49)	(21)	(5)	-	-	-	-	-	-	-	-	-
Bonds & Deposits Refunded	(204)	-	-	-	-	-	-	-	-	-	-	-
Other	(3,840)	(10,100)	(11,496)	(14,547)	(14,474)	(10,988)	(10,969)	(11,246)	(12,451)	(12,636)	(12,674)	(15,357)
Net Cash provided (or used in) Operating Activities	22,244	59,877	109,001	36,211	21,065	26,347	26,986	28,657	30,211	32,731	35,625	33,941
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	34,000	-	12,108	-	3,978	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,197	738	544	944	890	855	327	571	923	981	684	378
Purchase of Infrastructure, Property, Plant & Equipment	(21,603)	(78,566)	(136,205)	(34,202)	(24,803)	(16,614)	(15,319)	(17,724)	(15,696)	(20,947)	(20,198)	(11,629)
Purchase of Intangible Assets	(3,771)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	9,823	(77,828)	(123,554)	(33,258)	(19,935)	(15,760)	(14,992)	(17,152)	(14,773)	(19,966)	(19,514)	(11,251)
Cash Flows from Financing Activities												
Payments:												
Repayment of Borrowings & Advances	(521)	(355)	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities (principal repayments)	(84)	1	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(605)	(354)	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	31,462	(18,305)	(14,552)	2,953	1,129	10,588	11,995	11,504	15,438	12,765	16,111	22,689
plus: Cash & Cash Equivalents - beginning of year	6,546	38,008	19,703	5,151	8,104	9,233	19,821	31,815	43,320	58,758	71,523	87,634
Cash & Cash Equivalents - end of the year	**38,008**	**19,703**	**5,151**	**8,104**	**9,233**	**19,821**	**31,815**	**43,320**	**58,758**	**71,523**	**87,634**	**110,323**
Cash & Cash Equivalents - end of the year	38,008	19,703	5,151	8,104	9,233	19,821	31,815	43,320	58,758	71,523	87,634	110,323
Investments - end of the year	38,000	38,000	25,892	25,892	21,914	21,914	21,914	21,914	21,914	21,914	21,914	21,914
Cash, Cash Equivalents & Investments - end of the year	**76,008**	**57,703**	**31,043**	**33,996**	**31,147**	**41,735**	**53,730**	**65,234**	**80,672**	**93,437**	**109,548**	**132,238**
Representing:												
- External Restrictions	66,749	50,042	18,381	20,940	16,139	20,953	23,759	25,203	31,353	32,288	31,590	39,526
- Internal Restrictions	9,259	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146
- Unrestricted	-	(1,485)	3,516	3,910	5,863	11,636	20,825	30,885	40,172	52,003	68,813	83,565
	76,008	**57,703**	**31,043**	**33,996**	**31,147**	**41,735**	**53,730**	**65,234**	**80,672**	**93,437**	**109,548**	**132,238**

EQUITY STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 2	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening Balance (as at 1/7)	1,249,229	1,258,764	1,306,878	1,394,192	1,411,351	1,413,194	1,416,602	1,419,877	1,424,611	1,432,279	1,441,546	1,453,024
Adjustments to opening balance	19,987	-										
Restated opening Balance (as at 1/7)	1,269,216	1,258,764	1,306,878	1,394,192	1,411,351	1,413,194	1,416,602	1,419,877	1,424,611	1,432,279	1,441,546	1,453,024
Net Operating Result for the Year	(15,084)	48,114	87,314	17,159	1,843	3,408	3,275	4,734	7,668	9,267	11,478	11,484
Adjustments to net operating result	-	-	-	-	-	-	-	-	-	-	-	-
Restated Net Operating Result for the Year	(15,084)	48,114	87,314	17,159	1,843	3,408	3,275	4,734	7,668	9,267	11,478	11,484
Other Comprehensive Income												
- Gain (loss) on revaluation of IPP&E	4,632	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	4,632	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	(10,452)	48,114	87,314	17,159	1,843	3,408	3,275	4,734	7,668	9,267	11,478	11,484
Equity - Balance at end of the reporting period	1,258,764	1,306,878	1,394,192	1,411,351	1,413,194	1,416,602	1,419,877	1,424,611	1,432,279	1,441,546	1,453,024	1,464,507

Scenario Three

INCOME STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 3	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	31,221	34,906	33,992	37,692	38,632	39,597	40,585	41,599	42,638	43,704	44,797	45,917
User Charges & Fees	15,347	19,586	17,860	17,871	18,413	18,970	19,544	20,136	20,746	21,374	22,022	22,688
Other Revenues	1,315	618	529	543	557	572	587	602	618	635	652	670
Grants & Contributions provided for Operating Purposes	23,236	28,684	28,959	26,316	26,599	26,888	27,183	27,483	27,789	28,102	28,421	28,746
Grants & Contributions provided for Capital Purposes	9,775	52,745	88,231	18,077	1,456	1,456	-	-	-	-	-	-
Interest & Investment Revenue	1,183	1,380	1,288	1,299	1,310	1,322	1,333	1,344	1,356	1,368	1,380	1,391
Other Income:												
Net Gains from the Disposal of Assets	-	295	356	379	184	395	192	240	955	408	225	126
Other Income	844	1,063	1,075	1,107	1,141	1,175	1,210	1,246	1,284	1,322	1,362	1,403
Total Income from Continuing Operations	82,921	139,277	172,290	103,284	88,292	90,373	90,634	92,651	95,387	96,914	98,858	100,941
Expenses from Continuing Operations												
Employee Benefits & On-Costs	33,425	33,107	30,566	29,835	30,595	31,375	32,175	32,995	33,836	34,698	35,583	36,490
Borrowing Costs	487	136	5	-	(0)	(0)	-	0	0	-	-	-
Materials & Contracts	27,464	28,008	24,510	24,380	24,794	25,528	26,285	27,364	27,867	28,694	29,545	30,423
Depreciation & Amortisation	20,366	19,507	20,309	20,508	20,710	20,913	21,118	21,326	21,535	21,747	21,960	22,176
Impairment of receivables	403	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	13,547	10,405	9,586	9,806	10,086	10,376	10,673	10,980	11,296	11,622	11,957	12,302
Net Losses from the Disposal of Assets	640	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	1,673	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	98,005	91,164	84,976	84,529	86,185	88,191	90,251	92,665	94,534	96,761	99,046	101,391
Net Operating Result for the Year	(15,084)	48,114	87,314	18,755	2,107	2,182	383	(14)	853	153	(188)	(451)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(24,859)	(4,631)	(917)	678	652	726	383	(14)	853	153	(188)	(451)

BALANCE SHEET - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 3	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	38,008	19,703	5,151	9,490	11,025	20,570	29,917	36,981	45,985	50,097	55,093	66,162
Investments	17,000	14,352	9,492	9,492	7,895	7,895	7,895	7,895	7,895	7,895	7,895	7,895
Receivables	14,927	20,868	20,966	18,545	18,365	18,859	19,267	19,751	20,255	20,752	21,273	21,804
Inventories	2,397	2,306	2,080	2,159	2,179	2,232	2,285	2,371	2,398	2,456	2,517	2,579
Other	560	654	594	619	630	649	668	696	709	730	752	775
Total Current Assets	72,892	57,882	38,282	40,305	40,095	50,205	60,032	67,694	77,242	81,931	87,530	99,215
Non-Current Assets												
Investments	21,000	23,648	16,400	16,400	14,019	14,019	14,019	14,019	14,019	14,019	14,019	14,019
Receivables	36	60	60	60	60	60	60	60	60	60	60	198
Infrastructure, Property, Plant & Equipment	1,218,076	1,276,697	1,392,782	1,406,287	1,410,051	1,405,669	1,400,111	1,396,554	1,391,122	1,390,126	1,388,281	1,377,858
Intangible Assets	3,745	3,745	3,369	2,993	2,617	2,241	1,864	1,488	1,112	736	360	(16)
Right of use assets	103	103	103	103	103	103	103	103	103	103	103	103
Total Non-Current Assets	1,242,960	1,304,253	1,412,714	1,425,843	1,426,850	1,422,092	1,416,158	1,412,224	1,406,417	1,405,044	1,402,823	1,392,162
TOTAL ASSETS	1,315,852	1,362,135	1,450,997	1,466,148	1,466,945	1,472,297	1,476,190	1,479,918	1,483,659	1,486,976	1,490,354	1,491,377
LIABILITIES												
Current Liabilities												
Payables	9,567	13,081	12,478	12,806	12,954	13,147	13,345	13,587	13,758	13,973	14,194	14,422
Contract liabilities	9,090	3,984	4,555	1,969	1,402	1,416	1,358	1,373	1,388	1,404	1,420	1,436
Borrowings	297	-	-	-	-	-	-	-	-	-	-	138
Provisions	6,855	6,855	10,214	13,657	17,186	20,803	24,510	28,311	32,206	36,198	40,291	44,486
Total Current Liabilities	25,885	23,920	27,248	28,431	31,541	35,366	39,213	43,271	47,352	51,576	55,905	60,482
Non-Current Liabilities												
Lease liabilities	38	115	115	115	115	115	115	115	115	115	115	115
Provisions	31,107	31,223	29,442	24,655	20,235	19,581	19,243	18,927	17,734	16,674	15,910	12,807
Total Non-Current Liabilities	31,203	31,337	29,557	24,770	20,349	19,696	19,357	19,042	17,849	16,789	16,025	12,922
TOTAL LIABILITIES	57,088	55,257	56,805	53,201	51,891	55,061	58,571	62,313	65,201	68,365	71,930	73,404
Net Assets	1,258,764	1,306,878	1,394,192	1,412,947	1,415,054	1,417,236	1,417,619	1,417,606	1,418,458	1,418,611	1,418,423	1,417,973
EQUITY												
Retained Earnings	1,169,772	1,217,886	1,305,200	1,323,955	1,326,062	1,328,244	1,328,627	1,328,614	1,329,466	1,329,619	1,329,431	1,328,981
Revaluation Reserves	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992
Total Equity	1,258,764	1,306,878	1,394,192	1,412,947	1,415,054	1,417,236	1,417,619	1,417,606	1,418,458	1,418,611	1,418,423	1,417,973

CASH FLOW STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 3	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	30,649	34,521	34,521	37,268	38,465	39,424	40,408	41,417	42,452	43,513	44,600	45,715
User Charges & Fees	14,730	18,208	17,974	17,761	18,277	18,830	19,400	19,988	20,593	21,217	21,859	22,521
Investment & Interest Revenue Received	1,330	1,480	1,352	1,236	1,154	1,217	1,237	1,272	1,275	1,306	1,305	1,319
Grants & Contributions	37,948	74,460	116,825	44,323	28,040	28,344	27,181	27,483	27,790	28,102	28,421	28,747
Other	7,062	232	1,503	2,300	1,828	1,727	1,795	1,828	1,881	1,935	1,992	2,049
Payments:												
Employee Benefits & On-Costs	(33,118)	(32,559)	(27,185)	(26,369)	(27,042)	(27,733)	(28,442)	(29,168)	(29,914)	(30,678)	(31,463)	(32,267)
Materials & Contracts	(32,264)	(26,344)	(24,488)	(24,374)	(24,777)	(25,516)	(26,272)	(27,357)	(27,849)	(28,680)	(29,532)	(30,408)
Borrowing Costs	(49)	(21)	(5)	-	-	-	-	-	-	-	-	-
Bonds & Deposits Refunded	(204)	-	-	-	-	-	-	-	-	-	-	-
Other	(3,840)	(10,100)	(11,496)	(14,547)	(14,474)	(10,988)	(10,969)	(11,246)	(12,451)	(12,636)	(12,674)	(15,357)
Net Cash provided (or used in) Operating Activities	22,244	59,877	109,001	37,598	21,470	25,305	24,338	24,217	23,777	24,078	24,510	22,320
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	34,000	-	12,108	-	3,978	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,197	738	544	944	890	855	327	571	923	981	684	378
Payments:												
Purchase of Infrastructure, Property, Plant & Equipment	(21,603)	(78,566)	(136,205)	(34,202)	(24,803)	(16,614)	(15,319)	(17,724)	(15,696)	(20,947)	(20,198)	(11,629)
Purchase of Intangible Assets	(3,771)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	9,823	(77,828)	(123,554)	(33,258)	(19,935)	(15,760)	(14,992)	(17,152)	(14,773)	(19,966)	(19,514)	(11,251)
Cash Flows from Financing Activities												
Payments:												
Repayment of Borrowings & Advances	(521)	(355)	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities (principal repayments)	(84)	1	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(605)	(354)	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	31,462	(18,305)	(14,552)	4,340	1,534	9,545	9,347	7,065	9,004	4,113	4,996	11,068
plus: Cash & Cash Equivalents - beginning of year	6,546	38,008	19,703	5,151	9,490	11,025	20,570	29,917	36,981	45,985	50,097	55,093
Cash & Cash Equivalents - end of the year	**38,008**	**19,703**	**5,151**	**9,490**	**11,025**	**20,570**	**29,917**	**36,981**	**45,985**	**50,097**	**55,093**	**66,162**
Cash & Cash Equivalents - end of the year	38,008	19,703	5,151	9,490	11,025	20,570	29,917	36,981	45,985	50,097	55,093	66,162
Investments - end of the year	38,000	38,000	25,892	25,892	21,914	21,914	21,914	21,914	21,914	21,914	21,914	21,914
Cash, Cash Equivalents & Investments - end of the year	**76,008**	**57,703**	**31,043**	**35,383**	**32,939**	**42,484**	**51,831**	**58,896**	**67,899**	**72,012**	**77,008**	**88,076**
Representing:												
- External Restrictions	66,749	50,042	18,381	20,940	16,139	20,953	23,759	25,203	31,353	32,288	31,590	39,526
- Internal Restrictions	9,259	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146
- Unrestricted	-	(1,485)	3,516	5,296	7,655	12,386	18,926	24,546	27,400	30,578	36,272	39,404
	76,008	**57,703**	**31,043**	**35,383**	**32,939**	**42,484**	**51,831**	**58,896**	**67,899**	**72,012**	**77,008**	**88,076**

EQUITY STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 3	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening Balance (as at 1/7)	1,249,229	1,258,764	1,306,878	1,394,192	1,412,947	1,415,054	1,417,236	1,417,619	1,417,606	1,418,458	1,418,611	1,418,423
Adjustments to opening balance	19,987	-										
Restated opening Balance (as at 1/7)	1,269,216	1,258,764	1,306,878	1,394,192	1,412,947	1,415,054	1,417,236	1,417,619	1,417,606	1,418,458	1,418,611	1,418,423
Net Operating Result for the Year	(15,084)	48,114	87,314	18,755	2,107	2,182	383	(14)	853	153	(188)	(451)
Adjustments to net operating result	-	-	-	-	-	-	-	-	-	-	-	-
Restated Net Operating Result for the Year	(15,084)	48,114	87,314	18,755	2,107	2,182	383	(14)	853	153	(188)	(451)
Other Comprehensive Income												
- Gain (loss) on revaluation of IPP&E	4,632	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	4,632	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	(10,452)	48,114	87,314	18,755	2,107	2,182	383	(14)	853	153	(188)	(451)
Equity - Balance at end of the reporting period	1,258,764	1,306,878	1,394,192	1,412,947	1,415,054	1,417,236	1,417,619	1,417,606	1,418,458	1,418,611	1,418,423	1,417,973

Scenario Four

INCOME STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 4	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	31,221	34,906	33,992	35,323	36,710	38,156	39,664	41,237	42,877	44,588	46,373	47,530
User Charges & Fees	15,347	19,586	17,860	17,871	18,413	18,970	19,544	20,136	20,746	21,374	22,022	22,688
Other Revenues	1,315	618	529	543	557	572	587	602	618	635	652	670
Grants & Contributions provided for Operating Purposes	23,236	28,684	28,959	26,316	26,599	26,888	27,183	27,483	27,789	28,102	28,421	28,746
Grants & Contributions provided for Capital Purposes	9,775	52,745	88,231	18,077	1,456	1,456	-	-	-	-	-	-
Interest & Investment Revenue	1,183	1,380	1,288	1,299	1,310	1,322	1,333	1,344	1,356	1,368	1,380	1,391
Other Income:												
Net Gains from the Disposal of Assets	-	295	356	379	184	395	192	240	955	408	225	126
Other Income	844	1,063	1,075	1,107	1,141	1,175	1,210	1,246	1,284	1,322	1,362	1,403
Total Income from Continuing Operations	82,921	139,277	172,290	100,915	86,369	88,933	89,713	92,289	95,626	97,798	100,434	102,554
Expenses from Continuing Operations												
Employee Benefits & On-Costs	33,425	33,107	30,566	29,835	30,595	31,375	32,175	32,995	33,836	34,698	35,583	36,490
Borrowing Costs	487	136	5	-	(0)	(0)	-	0	0	-	-	-
Materials & Contracts	27,464	28,008	24,510	24,380	24,794	25,528	26,285	27,364	27,867	28,694	29,545	30,423
Depreciation & Amortisation	20,366	19,507	20,309	20,508	20,710	20,913	21,118	21,326	21,535	21,747	21,960	22,176
Impairment of receivables	403	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	13,547	10,405	9,586	9,806	10,086	10,376	10,673	10,980	11,296	11,622	11,957	12,302
Net Losses from the Disposal of Assets	640	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	1,673	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	98,005	91,164	84,976	84,529	86,185	88,191	90,251	92,665	94,534	96,761	99,046	101,391
Net Operating Result for the Year	(15,084)	48,114	87,314	16,386	185	741	(538)	(376)	1,092	1,037	1,389	1,162
Net Operating Result before Grants and Contributions provided for Capital Purposes	(24,859)	(4,631)	(917)	(1,691)	(1,271)	(714)	(538)	(376)	1,092	1,037	1,389	1,162

BALANCE SHEET - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 4	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	38,008	19,703	5,151	7,431	7,034	15,125	23,520	30,174	39,349	44,258	50,720	63,360
Investments	17,000	14,352	9,492	9,492	7,895	7,895	7,895	7,895	7,895	7,895	7,895	7,895
Receivables	14,927	20,868	20,966	18,144	17,990	18,517	18,975	19,529	20,125	20,734	21,391	21,965
Inventories	2,397	2,306	2,080	2,159	2,179	2,232	2,285	2,371	2,398	2,456	2,517	2,579
Other	560	654	594	619	630	649	668	696	709	730	752	775
Total Current Assets	72,892	57,882	38,282	37,845	35,729	44,418	53,344	60,665	70,475	76,074	83,276	96,574
Non-Current Assets												
Investments	21,000	23,648	16,400	16,400	14,019	14,019	14,019	14,019	14,019	14,019	14,019	14,019
Receivables	36	60	60	60	60	60	60	60	60	60	60	198
Infrastructure, Property, Plant & Equipment	1,218,076	1,276,697	1,392,782	1,406,287	1,410,051	1,405,669	1,400,111	1,396,554	1,391,122	1,390,126	1,388,281	1,377,858
Intangible Assets	3,745	3,745	3,369	2,993	2,617	2,241	1,864	1,488	1,112	736	360	(16)
Right of use assets	103	103	103	103	103	103	103	103	103	103	103	103
Total Non-Current Assets	1,242,960	1,304,253	1,412,714	1,425,843	1,426,850	1,422,092	1,416,158	1,412,224	1,406,417	1,405,044	1,402,823	1,392,162
TOTAL ASSETS	**1,315,852**	**1,362,135**	**1,450,997**	**1,463,689**	**1,462,580**	**1,466,510**	**1,469,502**	**1,472,889**	**1,476,892**	**1,481,118**	**1,486,099**	**1,488,736**
LIABILITIES												
Current Liabilities												
Payables	9,567	13,081	12,478	12,715	12,881	13,092	13,309	13,574	13,767	14,007	14,255	14,484
Contract liabilities	9,090	3,984	4,555	1,969	1,402	1,416	1,358	1,373	1,388	1,404	1,420	1,436
Lease liabilities	76	-	-	-	-	-	-	-	-	-	-	-
Borrowings	297	-	-	-	-	-	-	-	-	-	-	138
Provisions	6,855	6,855	10,214	13,657	17,186	20,803	24,510	28,311	32,206	36,198	40,291	44,486
Total Current Liabilities	25,885	23,920	27,248	28,341	31,468	35,311	39,178	43,257	47,361	51,609	55,966	60,544
Non-Current Liabilities												
Lease liabilities	38	115	115	115	115	115	115	115	115	115	115	115
Borrowings	58	-	0	0	0	-	0	0	0	-	-	-
Provisions	31,107	31,223	29,442	24,655	20,235	19,581	19,243	18,927	17,734	16,674	15,910	12,807
Total Non-Current Liabilities	31,203	31,337	29,557	24,770	20,349	19,696	19,357	19,042	17,849	16,789	16,025	12,922
TOTAL LIABILITIES	**57,088**	**55,257**	**56,805**	**53,111**	**51,817**	**55,006**	**58,535**	**62,299**	**65,210**	**68,398**	**71,990**	**73,466**
Net Assets	**1,258,764**	**1,306,878**	**1,394,192**	**1,410,578**	**1,410,762**	**1,411,504**	**1,410,966**	**1,410,591**	**1,411,682**	**1,412,720**	**1,414,108**	**1,415,271**
EQUITY												
Retained Earnings	1,169,772	1,217,886	1,305,200	1,321,586	1,321,770	1,322,512	1,321,974	1,321,599	1,322,690	1,323,728	1,325,116	1,326,279
Revaluation Reserves	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992	88,992
Total Equity	**1,258,764**	**1,306,878**	**1,394,192**	**1,410,578**	**1,410,762**	**1,411,504**	**1,410,966**	**1,410,591**	**1,411,682**	**1,412,720**	**1,414,108**	**1,415,271**

CASH FLOW STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 4	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	30,649	34,521	34,521	35,120	36,500	37,939	39,439	41,003	42,635	44,337	46,112	47,325
User Charges & Fees	14,730	18,208	17,974	17,761	18,277	18,830	19,400	19,988	20,593	21,217	21,859	22,521
Investment & Interest Revenue Received	1,330	1,480	1,352	1,324	1,187	1,248	1,254	1,275	1,263	1,278	1,260	1,282
Grants & Contributions	37,948	74,460	116,825	44,323	28,040	28,344	27,181	27,483	27,790	28,102	28,421	28,747
Other	7,062	232	1,503	2,300	1,828	1,727	1,795	1,828	1,881	1,935	1,992	2,049
Payments:												
Employee Benefits & On-Costs	(33,118)	(32,559)	(27,185)	(26,369)	(27,042)	(27,733)	(28,442)	(29,168)	(29,914)	(30,678)	(31,463)	(32,267)
Materials & Contracts	(32,264)	(26,344)	(24,488)	(24,374)	(24,777)	(25,516)	(26,272)	(27,357)	(27,849)	(28,680)	(29,532)	(30,408)
Borrowing Costs	(49)	(21)	(5)	-	-	-	-	-	-	-	-	-
Bonds & Deposits Refunded	(204)	-	-	-	-	-	-	-	-	-	-	-
Other	(3,840)	(10,100)	(11,496)	(14,547)	(14,474)	(10,988)	(10,969)	(11,246)	(12,451)	(12,636)	(12,674)	(15,357)
Net Cash provided (or used in) Operating Activities	22,244	59,877	109,001	35,539	19,538	23,851	23,386	23,807	23,948	24,875	25,976	23,891
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	34,000	-	12,108	-	3,978	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,197	738	544	944	890	855	327	571	923	981	684	378
Purchase of Infrastructure, Property, Plant & Equipment	(21,603)	(78,566)	(136,205)	(34,202)	(24,803)	(16,614)	(15,319)	(17,724)	(15,696)	(20,947)	(20,198)	(11,629)
Purchase of Intangible Assets	(3,771)	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	9,823	(77,828)	(123,554)	(33,258)	(19,935)	(15,760)	(14,992)	(17,152)	(14,773)	(19,966)	(19,514)	(11,251)
Cash Flows from Financing Activities												
Payments:												
Repayment of Borrowings & Advances	(521)	(355)	-	-	-	-	-	-	-	-	-	-
Repayment of lease liabilities (principal repayments)	(84)	1	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(605)	(354)	-	-	-	-	-	-	-	-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	31,462	(18,305)	(14,552)	2,281	(397)	8,091	8,395	6,654	9,175	4,909	6,462	12,640
plus: Cash & Cash Equivalents - beginning of year	6,546	38,008	19,703	5,151	7,431	7,034	15,125	23,520	30,174	39,349	44,258	50,720
Cash & Cash Equivalents - end of the year	**38,008**	**19,703**	**5,151**	**7,431**	**7,034**	**15,125**	**23,520**	**30,174**	**39,349**	**44,258**	**50,720**	**63,360**
Cash & Cash Equivalents - end of the year	38,008	19,703	5,151	7,431	7,034	15,125	23,520	30,174	39,349	44,258	50,720	63,360
Investments - end of the year	38,000	38,000	25,892	25,892	21,914	21,914	21,914	21,914	21,914	21,914	21,914	21,914
Cash, Cash Equivalents & Investments - end of the year	**76,008**	**57,703**	**31,043**	**33,324**	**28,949**	**37,040**	**45,434**	**52,088**	**61,263**	**66,172**	**72,634**	**85,275**
Representing:												
- External Restrictions	66,749	50,042	18,381	20,940	16,139	20,953	23,759	25,203	31,353	32,288	31,590	39,526
- Internal Restrictions	9,259	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146	9,146
- Unrestricted	-	(1,485)	3,516	3,237	3,664	6,941	12,529	17,739	20,764	24,738	31,899	36,602
	76,008	**57,703**	**31,043**	**33,324**	**28,949**	**37,040**	**45,434**	**52,088**	**61,263**	**66,172**	**72,634**	**85,275**

EQUITY STATEMENT - CONSOLIDATED	Actuals	Current Year	Projected Years									
Scenario: Scenario 4	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening Balance (as at 1/7)	1,249,229	1,258,764	1,306,878	1,394,192	1,410,578	1,410,762	1,411,504	1,410,966	1,410,591	1,411,682	1,412,720	1,414,108
Adjustments to opening balance	19,987	-										
Restated opening Balance (as at 1/7)	1,269,216	1,258,764	1,306,878	1,394,192	1,410,578	1,410,762	1,411,504	1,410,966	1,410,591	1,411,682	1,412,720	1,414,108
Net Operating Result for the Year	(15,084)	48,114	87,314	16,386	185	741	(538)	(376)	1,092	1,037	1,389	1,162
Restated Net Operating Result for the Year	(15,084)	48,114	87,314	16,386	185	741	(538)	(376)	1,092	1,037	1,389	1,162
Other Comprehensive Income												
- Gain (loss) on revaluation of IPP&E	4,632	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	4,632	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	(10,452)	48,114	87,314	16,386	185	741	(538)	(376)	1,092	1,037	1,389	1,162
Equity - Balance at end of the reporting period	**1,258,764**	**1,306,878**	**1,394,192**	**1,410,578**	**1,410,762**	**1,411,504**	**1,410,966**	**1,410,591**	**1,411,682**	**1,412,720**	**1,414,108**	**1,415,271**

Further Information

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For further information visit:

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Snowy Monaro Regional Council

@snowymonaroregionalcouncil

Snowy Monaro Regional Council

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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 our services, plans and reports. If you would like to comment, or require additional information regarding this report please contact us.

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WORKFORCE MANAGEMENT STRATEGY 2022 -2026

SNOWY MONARO REGIONAL COUNCIL

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. The Snowy Monaro is, and always will be, Aboriginal Country.

Record of Versions

Uncontrolled document when printed. Please refer to intranet for controlled document.

Version	Date Published	Reason for Amendments	Resolution	Author/Document Owner
1.0		Final Draft for Council Meeting		
1.1				
1.2				
1.4				
1.5				
1.6				
1.7				

Photography:
MJD Photography Cover, 2

Contents

1. Introduction

The purpose of this Workforce Management Strategy (WMS) is to provide a platform to identify, consider and respond to any workforce significant issues and risks facing the organisation now and into the future. The implementation of this WMS will deliver a safe, skilled and engaged workforce that provides valuable service to the Snowy Monaro Regional Council (SMRC) community in alignment with our Community and Council vision.

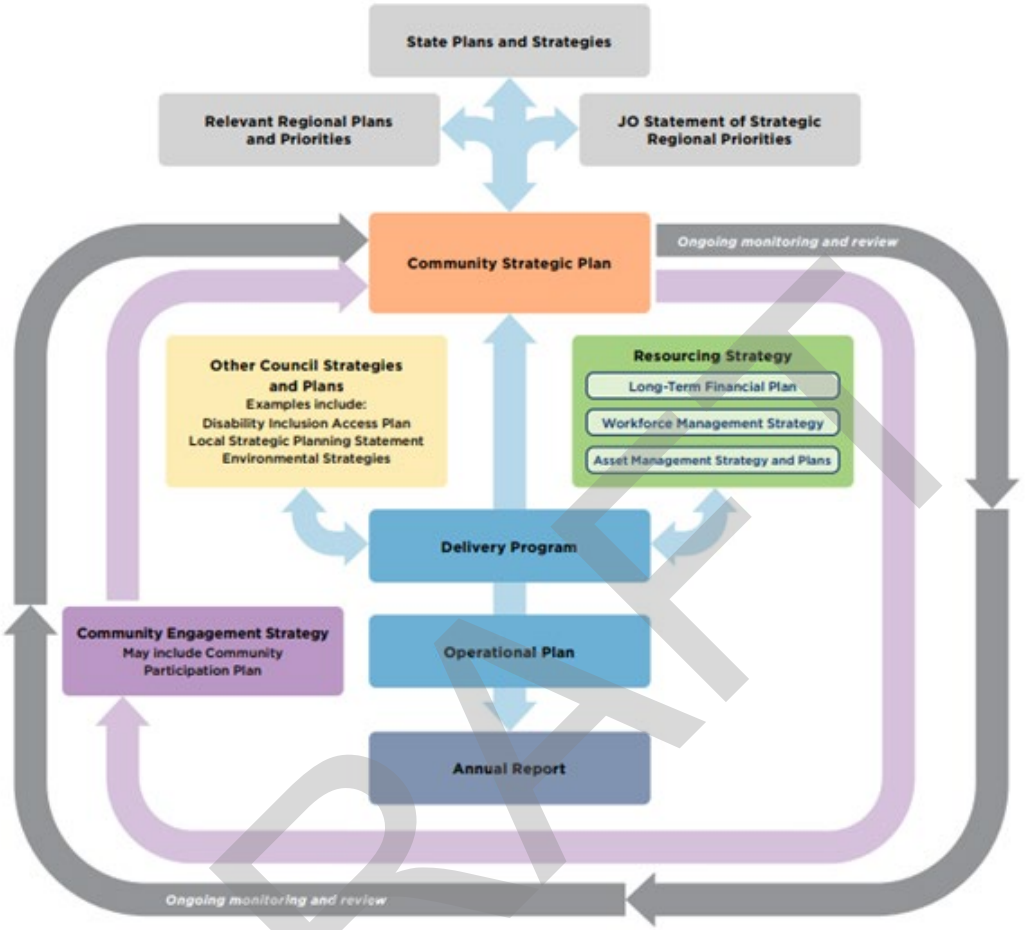
The past four years have been difficult for our workforce which has endured periods of social challenge and significant change. Post amalgamation, we have seen the commencement of the Snowy Hydro 2.0 project and subsequent housing impacts, COVID 19 and a growing local social media focus on council achievements. These have all had significant impacts on the wellbeing of our organisation in a variety of ways.

SMRC employs over 400 people across a wide range of disciplines. We recognise that our employees are more than just the service providers to our community – they are a valued and essential part of our community. This strategyaims to provide a roadmap to meet the current and future workforce needs and requirements for Council, so that we may continue to serve our community to the best of our ability. The principles and strategies set out in this document are intended to support and contribute to an engaged and productive workforce as we strive towards achieving our community vision:

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. Where Does This Strategy Fit?

This Workforce Management Strategy (WMS) is part of Snowy Monaro Regional Council's broader Integrated Planning and Reporting documentation and is directly linked to the Delivery Program. It is a critical pillar to the future development of SMRC's service delivery capability and its ongoing commitment to developing skills and work capabilities of our people.



We aim to measure the success and implementation of this WMS through regular data collection, review, analysis and, where required, adjustment of approach. This WMS intends to be agile and flexible so that we may adapt and modify our approach to meet the changing needs and circumstances of our workforce and the community we serve.

3. Our Vision

Community Vision

'The Snowy Monaro Region is a welcoming diverse and inclusive community where everyone can belong, participate and work together. Our natural environment and heritage is 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.'

Understanding the Community Vision

Welcoming - We are committed to a region where everyone can belong and participate in social, cultural, economic and civic life.

Natural environment - Considers both the local natural and atmospheric environment and the broader global environment, considering issues such as resource use and climate change.

Place of opportunity - Envisions a community with education, training, professional and economic opportunities for people of all ages and backgrounds.

Council Vision

Council continually strives to uphold its vision of being "a trusted community partner" through providing a transparent, honest and hard-working organisation. Council fosters important links with the community to establish itself as a trusted partner.

4. Our Values

Our values are the underpinning guiding framework that allows us to navigate forward and overcome any obstacle. They are necessarily front and centre to the target audience, attraction strategies and evaluation of candidates and roles within the organisational structure. For our workforce to align to and live the values of the organisation, it is critical that they are considered and applied within every facet of our service delivery.

Solutionary
We inspire others by best practice and inventive problem resolution that delivers revolutionary changes and quality outcomes for our customers and our community

Together
We collaborate and work together in a harmonious and well organised way to support organisational initiatives

Accountable
We own and take responsibility for our decisions and actions that are evidence based and justifiable, and we do what we say

Innovative
We constantly seek continuous improvement, we use creative thinking to look for new ways of doing things, embracing new ideas and advancing original ideas, products, methods and systems

Caring
Our service culture is based on caring, displaying kindness and concern for each other and our community and being proud of what we deliver

5. Our Workforce – A Snapshot

Snowy Monaro Regional Council covers 15,162 square kilometres with ten primary townships, surrounded by rolling plains country and mountain ranges. Council employs over 400 staff, incorporating full time, part time and casual positions.

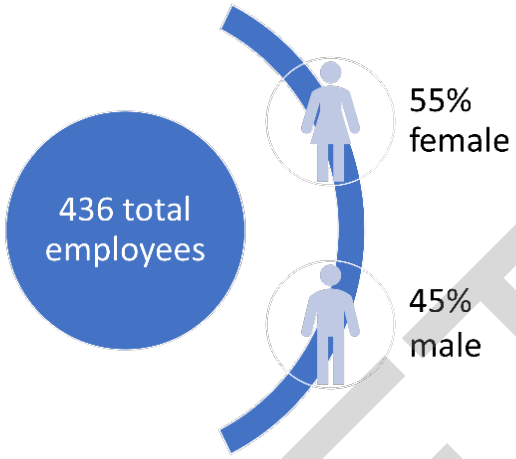


Figure 1: Total Employees by Gender

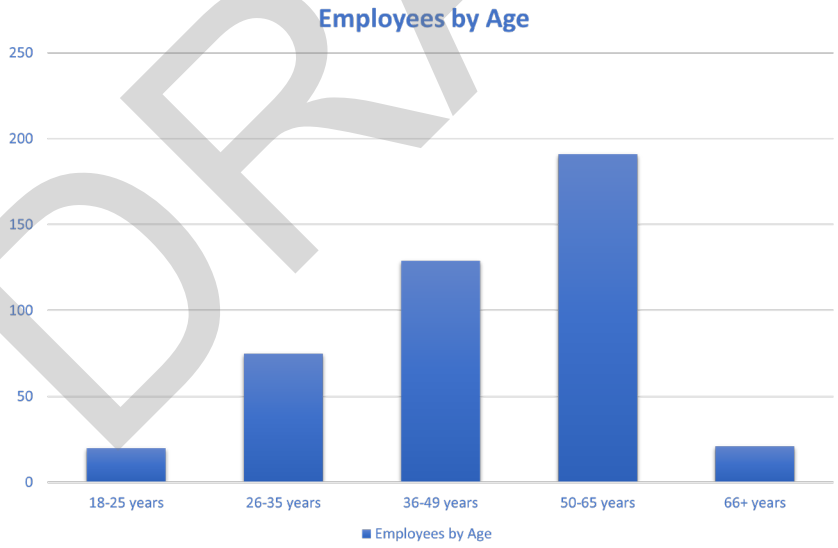


Figure 2: Employees by Age

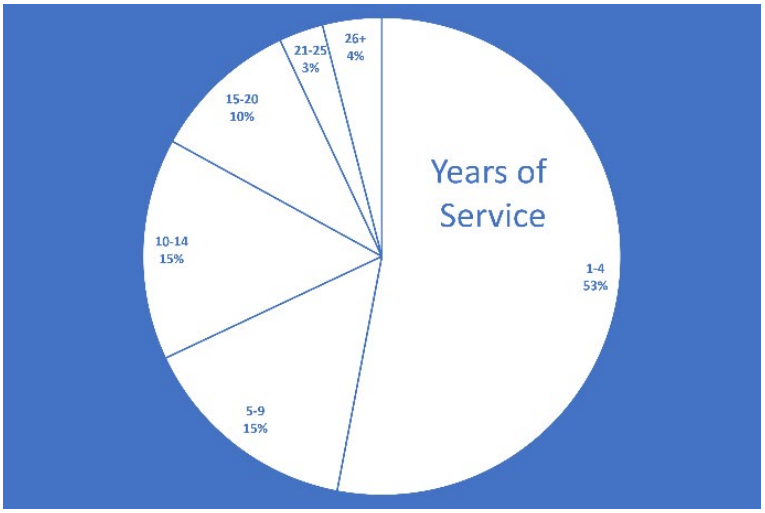


Figure 3: Employees by Years of Service

While Council's head office is located in Cooma, an additional three locations, in Berridale, Bombala and Jindabyne, serve as hubs to provide services to our community.

Figure 4: The Snowy Monaro Regional Council Area

6. Workforce Challenges

Acknowledging our current challenges and anticipating what may lie ahead allows us to be honest with ourselves, face our responsibilities head on and cultivate a “lead by example” approach. These challenges require us to employ lateral thinking to creatively address and formulate solutions. Some of the challenges we currently face include:

Community Wide

- Limited affordable and available housing opportunities for new/potential staff who currently reside outside of the Local Government Area (LGA) impacts our ability to meaningfully attract and recruit new staff
- Shifting trends in home/house rentals from long term to short term occupancy impacts staff who currently reside in rental properties within the LGA
- Impact of the “Great Resignation/Migration” contributing to above average turnover and forcing SMRC to compete for staff with other major organisations/businesses within the area
- Knowledge, experience and industry skills shortage due to staff turnover and limited tenure/retention

Council Specific

- Operating within geographically dispersed teams
- Impact of the current Council financial situation on resourcing, recruitment and reputation
- Ill-informed social media commentary regarding the effectiveness of Council impacts on our morale and recruitment.
- Employee and community perception of Snowy Monaro Regional Council as an employer
- Award rates for local government do not compete with projects such as Snowy Hydro 2.0 or with other levels of government
- Our buildings and workplaces are ageing and offer far from industry standard employment conditions

We must focus on becoming an employer that provides employees with an empowered team, a motivating environment and an enjoyable workplace. By keeping an open-mind and taking a solutions-based approach to addressing these challenges, we can work together to achieve our workforce strategic objectives and support SMRC’s Delivery Plan to better service our community.

7. Workforce Culture and Leadership

What we believe in and who we want to be known as will play an important role in what shapes us as we look to the next four years.

Over the life of this WMS we will aim to develop a culture statement along with a set of leadership principles that will give clear understanding of how we expect our workforce will operate. The below is an example of how we might want these to look in support of our organisational goals.

Culture

Our preferred culture may involve:

- A proactive, out-front and agile workforce
- Effective prioritisation and planning of all activities
- A considered and future-proofed talent pipeline and succession plan to support and anticipate current and future workforce needs
- Transparent and well communicated goals, performance outcomes and expectations
- Co-operation of staff across locations, teams, departments and business units to achieve the common goal of people who want to be here, to make a difference and create a greater Snowy Monaro Community

Leadership Principles

The goal of our leadership is to create an environment where staff feel valued, listened to, informed and part of a team of people working productively together. We are accountable for our work and the way in which it is delivered. By embracing our role as organisational and community leaders, we accept the responsibility and hold ourselves accountable to the delivery of this Workforce Management Strategy.

Our leadership principles may incorporate:

Be Visible and Communicative

We are visible to all staff and make sure that we are communicating with, connecting with and seeing our team in formal and informal settings.

Be Empowering

We realise the potential of all of our people and encourage involvement in decision making at appropriate levels.

Be Collaborative

We engage respectfully with each other are inclusive; listening to each other, valuing ideas and working to ask how we can, not why we can't. We are honest and give feedback to grow our capability.

Be Goal Focused

We strive as one council to achieve the goals of council and serve the Snowy Monaro community. Our teams know what their roles are and are supported to deliver their work and understand and how they connect to the broader role of council.

Be Positive

We strive to create a great team environment, where we can enjoy each other's company and have fun in a productive and safe workplace.

8. Workforce Strategic Objectives

To realise and achieve the aims of this WMS and contribute meaningfully to the success of the SMRC Delivery Program for our community, there are five objectives that have been identified as key priorities for engaging and supporting our workforce through the next four years. These five objectives are equally weighted and do not appear in order of priority.

Once decisions about direction of the Long Term Financial Plan are made, any significant impacts from this may necessitate a re-evaluation of this WMS. .

Continuous Improvement

Objective 1 - Adopt a workforce culture of continuous improvement in order to keep pace with the demands of our community and evolving economy where innovation and progressive change is the norm.

Reference	What we want to achieve
1.1	Ensure ongoing education and implementation of programs and processes in line with the Australian Business Excellence Framework (ABEF)
1.2	Continue the service review program delivery, reviewing and implementing outcomes provided by outsourced assessors to enable a faster and more objective review process
1.3	Encourage two way communication and actively seek feedback from employees to empower employee involvement and internal influence, create better outcomes and ensure we are working as one team in one direction for the benefit of our community
1.4	Foster an environment that embraces business solutions to improve flexibility and support the evolution of an agile and diverse workforce so that we may be better positioned to retain and attract talent in a competitive skills market

Performance Management

Objective 2 - Provide clear expectations of roles and support our employees to realise their full potential and achieve their best.

Reference	What we want to achieve
2.1	Encourage employee reward and recognition for high performance in a timely manner
2.2	Promote and normalise regular and candid feedback discussions between supervisors and employees to help support employees when below standard performance is identified
2.3	Implement the Salary System Procedure and provide staff with the opportunity to undertake step progression within their roles
2.4	Promote and develop a constructive and regular goal setting and performance feedback mechanism with the aim to enhance employee engagement, foster achievement recognition and identify opportunities for growth
2.5	Undertake a review of current SMRC Position Descriptions and consider alignment of roles and tasks where appropriate to ensure consistency and clarity in language, objectives and expectations for current employees and facilitate a more streamlined and comparable recruitment of roles of a similar nature

Leadership Capability

Objective 3 - Develop and refine leadership skills critical to supporting and guiding our workforce and empowering our leaders to make workforce decisions.

Reference	What we want to achieve
3.1	Develop and implement an internal leadership development program to increase the capability of our leaders
3.2	Empower our leaders to make decisions, take action, collaborate and work together to enhance service delivery to our community

Safety and Wellbeing

Objective 4 - Promote and encourage continual improvement of employee safety and wellbeing.

Reference	What we want to achieve
4.1	Review and adjust as required SMRC's Recover at Work Program to improve the outcomes and timeframes on rehabilitation for employees injured at work
4.2	Promote a safe workplace environment through improved knowledge, accessibility and usage our incident reporting system throughout SMRC to identify and eliminate risks and reduce incidents in the workplace
4.3	Support and promote employee health and wellbeing by continued development of wellbeing programs and ensuring the SMRC Employee Assistance Program (EAP) is fit for purpose and tailored to the needs of our organisation

HR Business as Usual

Objective 5 - Continuously assess, review and adjust as required HR Business As Usual processes and undertakings.

Reference	What we want to achieve
5.1	Enhance our employer brand and explore implementation strategies to attract, retain and develop the best workforce talent. Review, refine and streamline end-to-end processes for faster, effective and efficient recruitment. We will explore opportunities to partner with the community on school leaver based traineeships, TAFE and other educational institutions on developing other employment programs. To create identified career paths and increased workplace flexibility to attract employees and give them a sense of value in joining Council. We will need to monitor workforce trends and consider access to workforce through international labour programs where local markets have been exhausted. (Recruitment)
5.2	Examine and report on Workforce Management data to provide regular updates to our councillors, executive, workforce and stakeholders on emerging workforce trends and identify levers to adjust where appropriate. (Reporting)

Reference	What we want to achieve
5.3	Verify and ensure employees are paid accurately and on-time within every pay cycle and conduct ongoing review of processes and systems to ensure they meet the needs of the organisation and are fit for purpose. (Payroll)
5.4	Establish an effective approach to developing our skills and capabilities. Initially focused on compliance training, aiming to progress to an overall approach to capability building through effective learning programs. (Learning & Development)
5.5	Utilise HR Business Partnering Services to support and empower leaders to make appropriate workforce decisions and take action for themselves and their team. (HRBP)

9. Measuring Performance

Council aims to monitor the performance of this WMS through several key indicators as outlined in SMRC's Operational Plan (OP). Measures include:

- Payroll – Completion of payroll on a fortnightly basis
- Salary System – 85% of self-surveyed responses indicate an improved salary system
- Performance Reviews – 95% completed annually
- Vacancy – Less than 20% vacancy rate across all SMRC positions
- Recruitment – 75% of positions are reruited for within two months
- WHS Induction – 100% of new employees inducted
- Australian Business Excellence Framework – Achieve a % of change from the 2020 results in the ABEF self-assessment
- Service Review – Undertake Assets Service Review by 31 December 2022
- Service Review – Develop program outlining which Service Reviews will be undertaken in the next four years

In addition to the above performance measures, we aim to assess our successful implementation of this WMS by conducting employee engagement or pulse surveys and engaging in regular performance discussions. The indicators that we may also measure could include, but are not limited to:

Employee Recognition
Recognition refers to both the quality and frequency of recognition that employees receive and give one another

Employee Wellness
Identifying how healthy our employees are, taking into account factors such as sleeping habits, eating habits, energy levels and exercise frequency

Employee Turnover
Employee turnover measures the number of employees leaving the organisation as a percentage. A healthy workplace has a reasonable level of workplace turnover to ensure retention of knowledge but also a level of new employees to bring fresh ideas and experience

Organisational Culture
This indicator is measured through employee behaviour and through regular pulse surveys.

Absenteeism
Number of days sick leave per employee per year which affects employees and team productivity

Further Information

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ASSET MANAGEMENT STRATEGY 2022 -2032

SNOWY MONARO REGIONAL COUNCIL

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1.0		Final Draft for Council Meeting		
1.1				
1.2				
1.4				
1.5				
1.6				
1.7				

Photography:
MJD Photography Cover, 2

Contents

EXECUTIVE SUMMARY

This Asset Management Strategy is prepared to assist Council in improving the way it delivers services from infrastructure including roads, bridges, footpaths, stormwater drainage, parks and recreation, buildings, water and wastewater. These infrastructure assets have a replacement cost of $1,576,406.

The Asset Management Strategy is to enable Council to:

- show how its asset portfolio will meet the service delivery needs of its community into the future,
- enable Councils' asset management policies to be achieved, and
- ensure the integration of Councils' asset management practices with its long-term strategic plan.[1]

Adopting this Asset Management Strategy will assist Council in meeting the requirements of national sustainability frameworks, the NSW Integrated Planning and Reporting Guidelines and the *NSW Local Government Act, 1993* by demonstrating what level of service can be delivered in a financially sustainable manner.

The Asset Management Strategy is prepared following a review of the Council's service delivery practices, financial sustainability indicators, asset management maturity and fit with Council's vision for the future outlined in the Community Strategic Plan

The strategy outlines an asset management improvement plan detailing a program of tasks to be completed and resources required to bring Council to a minimum 'core' level of asset maturity and competence.

Strategy outlook

1. The organisation is currently undertaking community consultations on 4 proposed financial scenarios. The result of this consultation and the path chosen will determine the strategic outlook of the organisation.

2. The organisation is not able to fund current infrastructure life cycle cost at current levels of service and available funds.

3. The organisation's current asset management maturity is at 'core' level and investment is needed to improve information management, lifecycle management, service management and accountability and direction

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

1. INTRODUCTION

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

Infrastructure assets such as roads, drains, bridges, water and sewerage and public buildings present unique challenges. Financing needs can be large, requiring planning for large peaks and troughs in expenditure for renewing and replacing such assets. The demand for new and improved services also adds to the planning and financing challenges.[2]

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.[3]

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 on the performance of the Council against strategic objectives.[4]

The Asset Management Strategy is to enable Council to:

- establish a framework to guide the planning, construction, maintenance, and operation of the infrastructure essential for Council to provide services to the community
- show how its asset portfolio will meet the service delivery needs of its community into the future,
- to enable Council's asset management policies to be achieved, and
- to ensure the integration of Council's asset management practices with its long-term strategic plan.[5]

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

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

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

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

The goal of asset management is to ensure through the acquisition, maintenance, operation, renewal, and disposal of assets that services are provided in the most cost-effective manner for present and future consumers.

1.1 Legislative requirements

Applicable legislative requirements vary depending on asset category. These requirements are detailed in the individual asset management plans.

2. WHAT ASSETS DO WE HAVE?

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 1.

Table 1: 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

3. OUR INFRASTRUCTURE ASSETS AND THEIR MANAGEMENT

3.1 State of the Assets

The financial status of the organisation's assets is shown in Table 2.

Table 2: Financial Status of the Assets

Asset Class	Replacement Cost ($000)	Residual Value ($000)	Depreciable Amount ($000)	Depreciated Replacement Cost ($000)	Depreciation Expense ($000)
Transport Infrastructure	x		$652,942	$321,039	$12,240
Buildings	$113,224	-	$113,224	$60,393	$2,577
Land	$47,424	-	-	$47,424	-
Open space & Recreation	$56,210	-	$56,210	$32,984	$1,756
Water*	$138,247	-	$138,247	$56,760	$2,596
Wastewater*	$120,631	-	$120,631	$51,165	$2,127
Other Structures	$7,704	-	$7,704	$4,244	$227
Total	**$1,576,406**	**-**	**$1,088,958**	**$574,009**	**$21,523**

** Water and wastewater assets are undergoing a comprehensive revaluation at time of writing, and the values shown will change as a result*

Figure 1 shows the replacement costs of Council's assets.

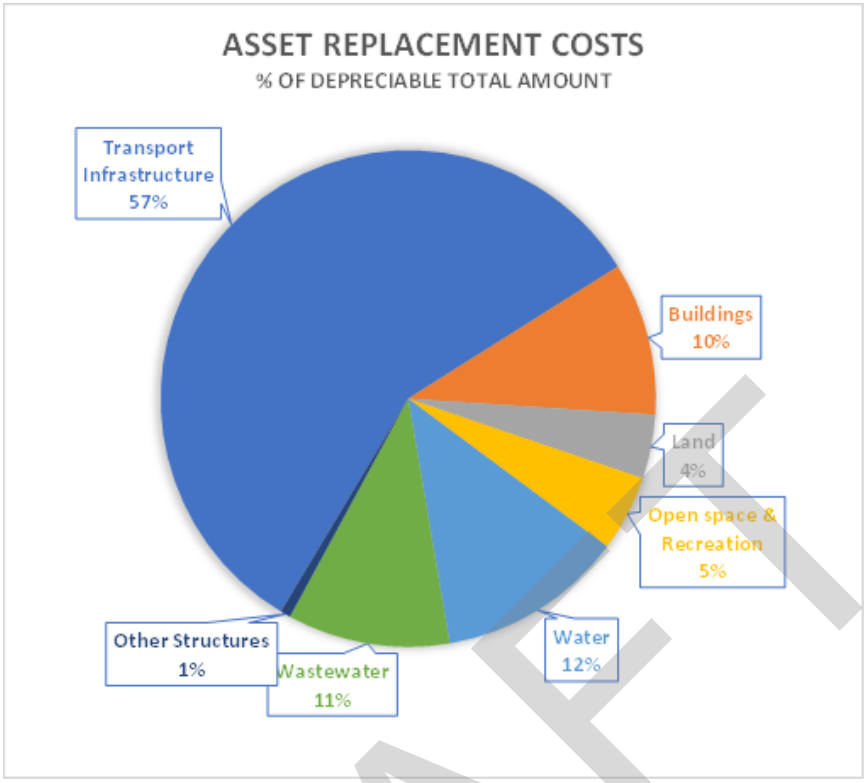


Figure 1: Asset Replacement Values

The proportion of assets in good, fair, and poor condition, function, and capacity is shown in Figure 2.

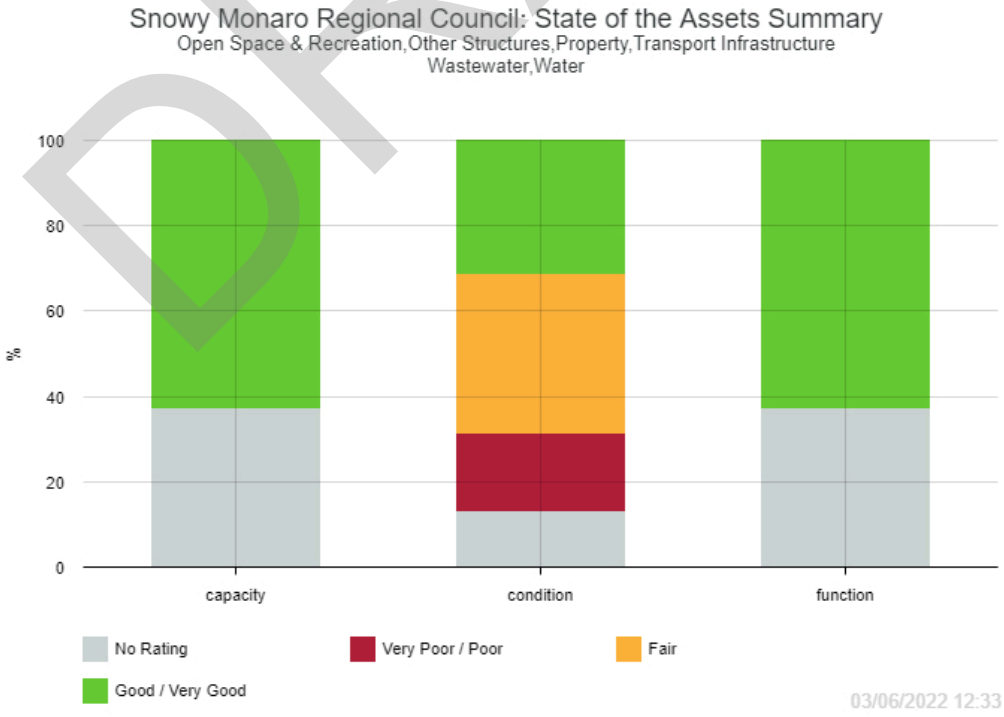


Figure 2: State of the Assets

3.2 Lifecycle Costs

Lifecycle costs (or whole of life costs) are the average annual costs that are required to sustain the service levels over the longest asset life. Lifecycle costs include operations, maintenance, renewal, and acquisition costs. The lifecycle cost for the services covered in the asset management plan(s) is shown in Table 3.

Table 3: Lifecycle Costs for Council Services

Service	Average annual forecast lifecycle costs				Lifecycle Cost ($/yr)
	Operations*	Maintenance	Renewal	Acquisition	
Transport Infrastructure	-	$8,488,000	$10,059,092	0	$18,751,492
Buildings	-	$4,035,000	$225,943	0	$4,535,443
Open space & Recreation	-	$1,686,308	$211,523	0	$1,897,832
Water	-	$3,721,920	$3,499,097	$735,000	$7,956,017
Wastewater	-	$3,497,640	$3,274,356	$50,000	$6,821,996
Other Structures	-	$192,612	$110,325	0	$302,937
TOTAL	**-**	**$21,621,480**	**$17,380,336**	**$785,000**	**$40,265,717**

** Council does not currently record operations costs separately*

Lifecycle costs can be compared to the lifecycle funding allocated in the financial plan to give an indicator of sustainability in service provision. The lifecycle planned budget includes operations, maintenance, capital renewal and acquisition expenditure annualised over the planning period. The lifecycle planned budget can vary depending on the timing of asset renewals. The annualised life cycle planned budget at the start of the plan is shown in Table 4.

Table 4: Lifecycle planned budget for Council Services

Service	Average annual planned budget				Lifecycle Budget ($/yr)
	Operations *	Maintenance	Renewal	Acquisition	
Transport Infrastructure	-	$5,077,000	$8,452,209	0	$13,529,209
Buildings	-	$810,000	$225,943	0	$1,035,943
Open space & Recreation	-	$139,000	$211,523	0	$350,523
Water	-	$1,527,000	$2,000,000	$735,000	$4,262,000
Wastewater	-	$1,366,000	$2,000,000	$50,000	$3,416,000
Other Structures	-	$96,000	$110,325	0	$206,325
TOTAL	**-**	**$9,015,000**	**$13,000,000**	**$785,000**	**$22,800,000**

** Council does not currently record operations costs separately*

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

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is unavailable will assist Council in providing services to their communities in a financially sustainable manner. This is the purpose of integrating the AM Plans with the long-term financial plan.

A shortfall between lifecycle costs and planned budgets gives an indication of the lifecycle gap to be addressed in the asset management and long-term financial plan.

The lifecycle gap and lifecycle indicator for services covered by the asset management plan(s) is summarised in Table 5.

Table 5: Lifecycle Indicators

Service	Lifecycle Cost ($/yr)	Lifecycle Budget ($/yr)	Life Cycle Gap * ($/yr)	Lifecycle Indicator (%)
Transport Infrastructure	$18,751,492	$13,529,209	-$5,222,283	72%
Buildings	$4,535,443	$1,035,943	-$3,499,500	23%
Open space & Recreation	$1,897,823	$350,523	-$1,547,300	18%
Water	$7,956,017	$4,262,000	-$3,694,017	54%
Wastewater	$6,821,996	$3,416,000	-$3,405,996	50%
Other Structures	$$302,937	$206,325	-$96,612	68%
All Services	**$39,962,771**	**$22,800,000**	**-$17,465,708**	**59%**

*Note: * The lifecycle gap is calculated is the LCC less the LCB reported as a negative value.*
The lifecycle Indicator is calculated by dividing the LCB by the LCC expressed as a percentage.

3.6 Strategy Outlook

1. The organisation is currently facing the situation where a large portion of the infrastructure under management is at substandard condition.

2. The existing assets have sufficient capacity and functionality to meet the services set out in the delivery plan.

3. There is a shortfall in investment in the infrastructure, indicating that the Council cannot sustainably maintain the asset base. This indicates under the current direction there will be increasing losses of capacity and functionality as well and increasing deterioration in the condition of assets.

4. WHERE DO WE WANT TO BE?

4.1 Council's Vision, Mission, Goals and Objectives

Council has adopted a Vision for the future in the Council Strategic Plan.

Councils' Vision:

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

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 6: Goals and Objectives for Infrastructure Services

Goals	Objectives
4.1 Our health is supported by fit for purpose infrastructure 4.2 Transport infrastructure allows us to effectively move around the region and beyond as needed 4.4 We have in place infrastructure that supports our lifestyles	• Our water and wastewater infrastructure is well maintained and has capacity to meet the 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

Council's Asset Management Policy defines the Council's vision and service delivery objectives for asset management in accordance with legislative requirements, community needs and affordability.

4.2 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 Strategy is developed to support the asset management policy and is to enable Council to:

- show how its asset portfolio will meet the service delivery needs of the community into the future,
- enable Councils' asset management policies to be achieved, and
- ensure the integration of Councils' asset management practices with its long-term strategic plan.

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

5. HOW WILL WE GET THERE?

The Asset Management Strategy proposes strategies to enable the objectives of the Strategic Plan, Asset Management Policy and Asset Management Vision to be achieved.

Table 7: Asset Management Strategies

No	Strategy	Desired Outcome
1	Ensure Councillors and the community understand the lifecycle cost of the assets needed to support service delivery.	A sustainable funding model to provide Council services is in place. Council's decisions are made from accurate and current information in asset registers, on service level performance and 'whole of life' costs. The long-term implications of Council services are considered in annual budget deliberations. Council and the community are aware of changes to service levels and costs arising from budget decisions.
2	Ensure that full lifecycle costs are considered in all decisions relating to provision of new or changed services.	Decisions are supported by full and accurate information.
3	Works with the community to determine the sustainable balance between service levels and affordability.	Determine the assets that should be retained by Council and manage the divestment of assets that are not funded.
4	Develop and annually review Asset Management Plans (covering at least 10 years) for all major asset classes which are linked to the delivery and long term financial plans.	Assets needed to meet service delivery are identified and planned to be available. Assets are managed efficiently and effectively. Plans are in place to rectify the current condition and funding shortfalls.
5	Report on Council's resources and operational capability to deliver the services needed by the community.	Services delivery is matched to available resources and operational capabilities. Plans are in place to ensure any emerging gaps are proactively managed
6	Implement an improvement plan to move from 'core' to 'advanced' maturity for the financial and asset management competencies.	Improved financial and asset management capacity within Council.

6. CRITICAL ASSETS AND RISK MANAGEMENT

Critical assets are identified in Appendix C.

Risk management strategies currently in place are shown in Table 8.

Table 8: 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.

7. 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 9.

Table 9: Asset Management Improvement Plan

Ref	Action	Responsibility	Target Date	Resources
1	Develop a process to ensure that full lifecycle costs are considered in all decisions relating to acquisition of new assets and provision of new services	All staff involved in decisions relating to new assets and services	Ongoing	N/A
2	Review and improve accuracy and currency of asset registers	Asset team	Ongoing	Internal staff time
3	Recording of operating and maintenance costs are recorded	Finance and Operational staff	2024	Internal staff time
4	Develop a process to improve linking of customer requests to asset records	Assets & Operational staff	2024	Internal staff time
5	Identify critical assets in each category and develop plans to manage the associated risk	Operational and Risk Management staff	2024	Internal staff time
6	Develop a process to improve the quality of asset condition data	Assets & Operational staff	Ongoing	Internal staff time
7	Progress the maturity of asset management planning from 'core' to 'advanced' level	Asset team	2026	Internal staff time

8. APPENDICES

Appendix A: Asset Management Maturity Assessment

Following amalgamation in May 2016, Council has focussed 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

a) All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset 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) 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.
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.

3 Principles

a) 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.

b) Council's assets, including physical assets and employees, will be safeguarded by implementing appropriate asset management strategies and appropriate financial resources for those assets.
c) An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
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.

Appendix C: Critical Assets

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

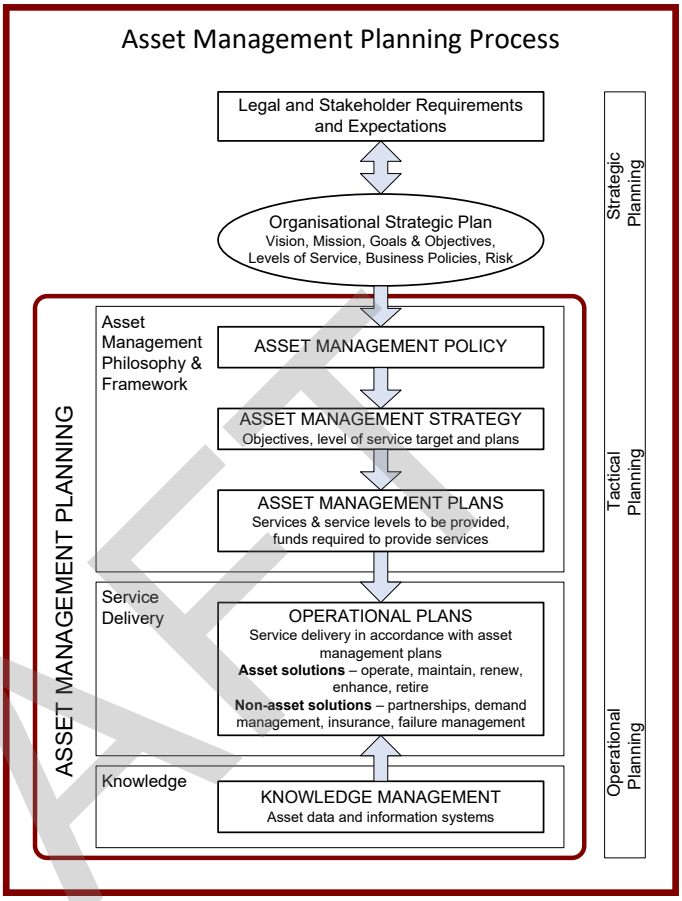
Critical Asset	Failure Mode	Impact
Water Treatment Plants	Failure of treatment process through loss of power, contamination in catchments	Inability to provide safe water to community Impact on public health and essential community services Impact of Council reputation
Pump Stations (water)	Failure of 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 financially 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[6] to assess maturity under the National Frameworks. The core competencies are:

Financial Planning and Reporting

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

[6] Asset Planning and Management Element 2 *Asset Management Strategy and Plans* divided into Asset Management Strategy and Asset Management Plans practice areas.

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

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.

For further information visit:

www.snowymonaro.nsw.gov.au

Snowy Monaro Regional Council

@snowymonaroregionalcouncil

Snowy Monaro Regional Council

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 our services, plans and reports. If you would like to comment, or require additional information regarding this report please contact us.

Contact Us

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ASSET MANAGEMENT PLAN
OPEN SPACE AND RECREATION
2022 -2032

SNOWY MONARO REGIONAL COUNCIL

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. The Snowy Monaro is, and always will be, Aboriginal Country.

Record of Versions

Uncontrolled document when printed. Please refer to intranet for controlled document.

Version	Date Published	Reason for Amendments	Resolution	Author/Document Owner
1.0		Final Draft for Council Meeting		
1.1				
1.2				
1.4				
1.5				
1.6				
1.7				

Photography:
MJD Photography Cover, 2

Contents

1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the ten year planning period. The AMP will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

1.2 Asset Description

This plan covers the infrastructure assets that provide Open Space & Recreation services.

The Open Space & Recreation network comprises:

- Over 30 parks, reserves and playgrounds
- 10 Swimming Pools at 5 locations
- 5 Skate parks
- 147 items of play and exercise equipment
- 29 sporting facilities or assets
- 60 seats and benches
- 57 picnic tables
- 28 barbeques
- 1 conversation pit

The above infrastructure assets have replacement value estimated at $56,210,000.

1.3 Levels of Service

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

At time of writing this plan, Council is in the process of community consultation on a number of proposed funding scenarios which will have impact on future budgets. The outcome of these consultations will be incorporated into future revisions of this plan.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Changes in population
- Changes in demographics
- Changed tourist visitation patterns

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for the Open Space & Recreation service is estimated as $18,978,230 or $1,897,823 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is $3,505,232 or $350,523 on average per year as per the Long-Term Financial plan or Planned Budget. This is 18% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for [Enter Asset Group] leaves a shortfall of $-1,547,300 on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

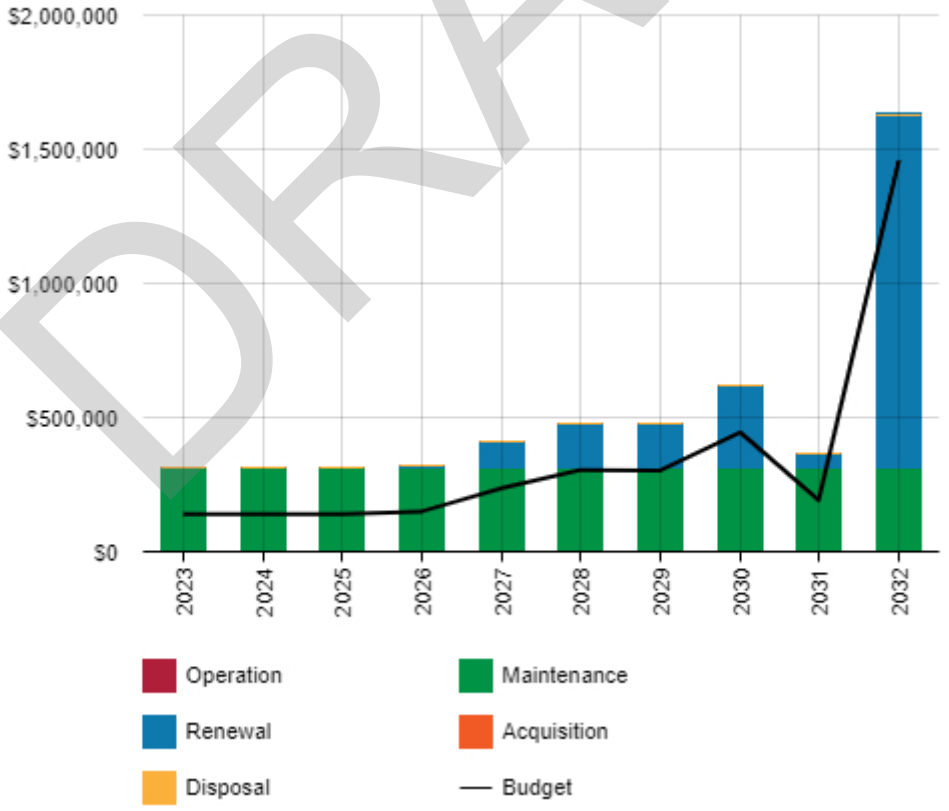


Figure Values are in current dollars.

We plan to provide Open Space & Recreation services for the following:

- Operation, maintenance, renewal and acquisition of assets to meet service levels set by Council in annual budgets.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period
- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Asset Register Method was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a reliable level of confidence information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- Continue to review accuracy and currency of asset registers
- Separate identification and recording of operating costs
- Improve linking of customer requests to asset record
- Progress asset management maturity level from ‘Core’ to ‘Advanced’

2.0 INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Snowy Monaro Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Asset Management Policy
- Asset Management Strategy

The infrastructure assets covered by this AMP include a variety of asset types. For a detailed summary of the assets covered in this AMP refer to Table in Section 5.

These assets are used to provide recreational services.

The infrastructure assets included in this plan have a total replacement value of $56,210,000.

2.2 Goals and Objectives of Asset Ownership

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

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

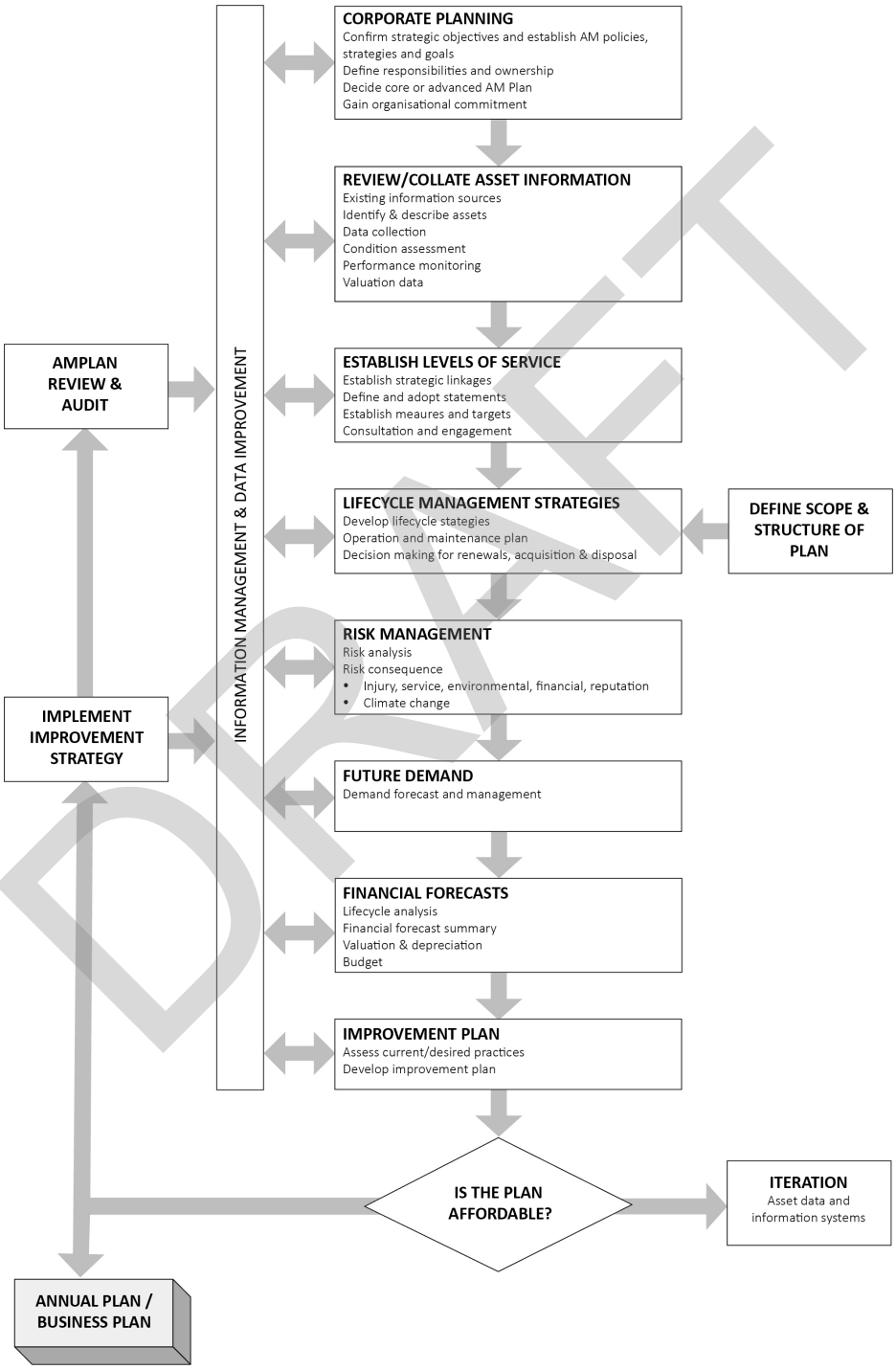
- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 [1]
- ISO 55000[2]

A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan
Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[2] ISO 55000 Overview, principles and terminology

3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by the Snowy Monaro Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist the Snowy Monaro Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Snowy Monaro Regional Council vision, mission, goals and objectives.

Our vision is:

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

Strategic goals have been set by the Snowy Monaro Regional Council. The relevant goals and objectives and how these are addressed in this AMP are summarised in Table 3.2.

Table 3.2: Goals and how these are addressed in this Plan

Objectives	How Goal and Objectives are addressed in the AMP
4.1 Our health is supported by fit for purpose infrastructure 4.4 We have in place infrastructure that supports our lifestyles	• By developing long term works programs and projecting expenditure required to implement these programs. • By minimising the required physical and monetary resources through focussing on "whole-of-lifecycle" costs • By optimising maintenance works so that the desired outcomes are delivered at the least possible cost • By coordinating with other departments when planning and scheduling maintenance and capital works programmes, to ensure minimum impact on visual amenity

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Recreation Service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. Amended in 2009 by the Local Government Amendment (Planning and Reporting) Act 2009, to incorporate the Integrated Planning & Reporting framework.
Disability Discriminations Act, 1992	The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people. (a) to eliminate, as far as possible, discrimination against persons on the ground of disability in the areas of: (i) work, accommodation, education, access to premises, clubs and sport; and (ii) the provision of goods, facilities, services and land; and (iii) existing laws; and (iv) the administration of Commonwealth laws and programs; and (b) to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and to promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.
Work Health & Safety Act 2011	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Council is to provide a safe working environment and supply equipment to ensure safety.
Crown Lands Act, 2016	An Act to provide for the ownership, use and management of the Crown land of New South Wales and provide clarity concerning the law applicable to Crown land..

3.4 Levels of Service

Council's current service levels are detailed in Tables 3.4

Table 3.4: Levels of Service – Open Space & Recreation

Level of Service	Measure	Current Performance
COMMUNITY LEVELS OF SERVICE		
Maintain high priority, high use parks, sporting facilities and other grounds	Facilities are maintained and available 80% of the time	To be determined
	Mean satisfaction score within Annual Community Satisfaction Survey >3.61	To be determined
Maintain amenities throughout the region	80% of Council provided amenities are clean and available within scheduled opening times	To be determined
	Mean satisfaction score within Annual Community Satisfaction Survey >3.33	To be determined
TECHNICAL LEVELS OF SERVICE		
Will be developed in future versions of this plan		

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

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

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	21,207	1% growth per annum	Minimal impact on demand for services	NA

4.4 Asset Programs to meet demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Snowy Monaro Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Snowy Monaro Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

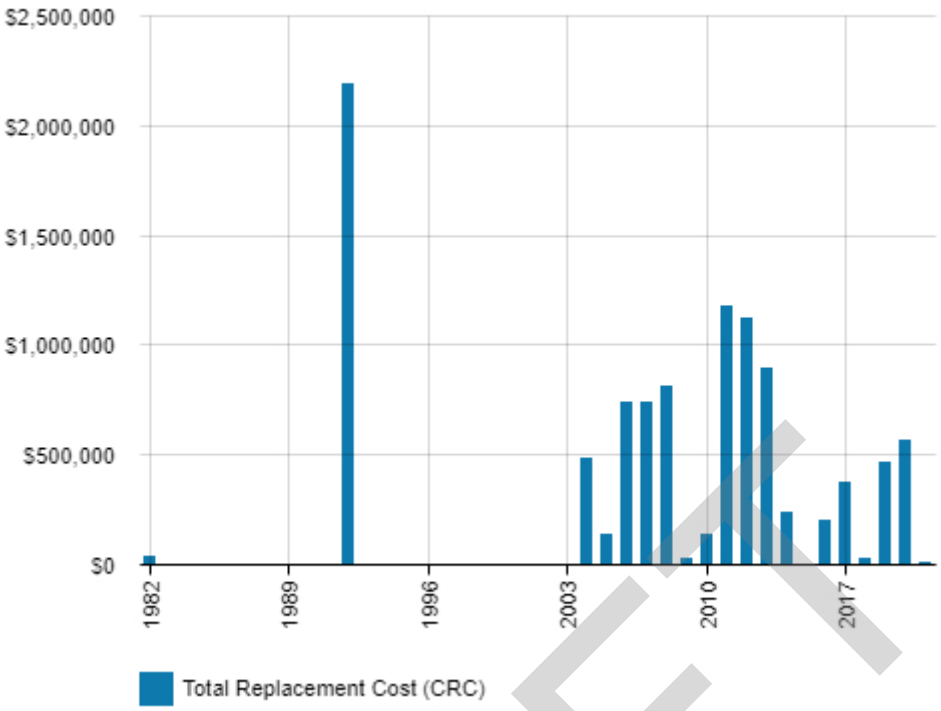
5.1.1 Physical parameters

The assets covered by this AMP are shown in Table 5.1.1.

The age profile of the assets included in this AMP are shown in Figure 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Swimming Pools	10	$50,000,000
Skate Parks	5	$2,261,765
Exercise & Play Stations	147	$1,438,616
Sports equipment/assets	29	$2,219,853
Picnic tables, benches and seats	117	$134,230
Barbeques	28	$149,740
TOTAL		**$56,204,204**



All figure values are shown in current day dollars.

Add discussion about the age asset profile. Outline how past peaks of investment that may require peaks in renewals in the future. Comment on the overall age versus useful lives of the assets.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
	None currently identified

5.1.3 Asset condition

Condition is measured using a 1 – 5 grading system[3] as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

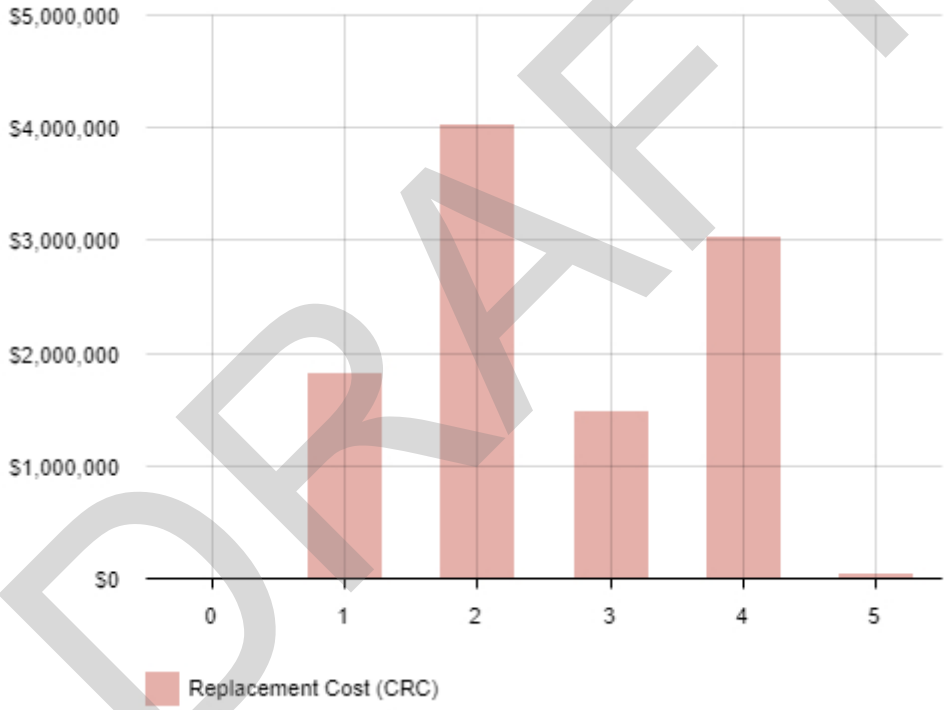
[3] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

Table 5.1.3: Condition Grading System

Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile



All figure values are shown in current day dollars.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget $
2017/18	$177,000
2018/19	$113,000
2019/20	$128,000

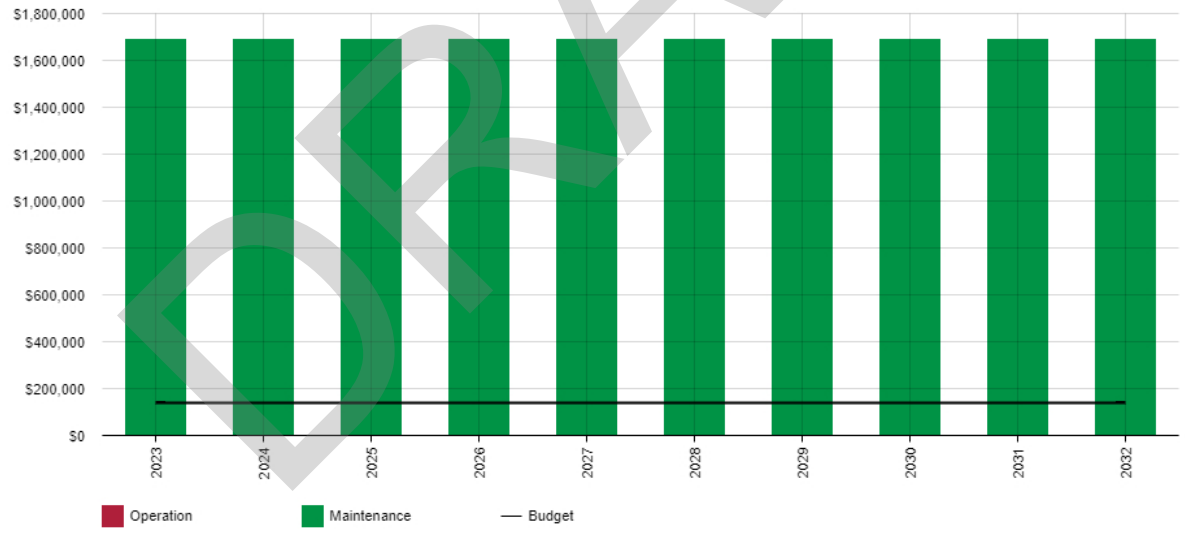
Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 26 July 2021.

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Swimming pools	50 years
Skate parks	50 years
Exercise/play equipment	25 years
Picnic tables, seats, benches	20 years
Sporting assets	20 years
Barbeques	10 years

The estimates for renewals in this AMP were based on the asset register method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).[4]

It is possible to prioritise renewals by identifying assets or asset groups that:

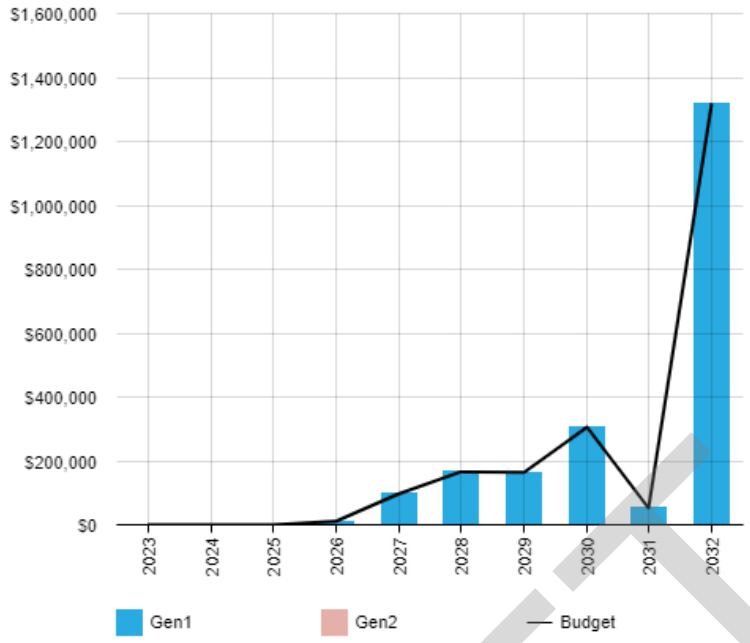
- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[5]

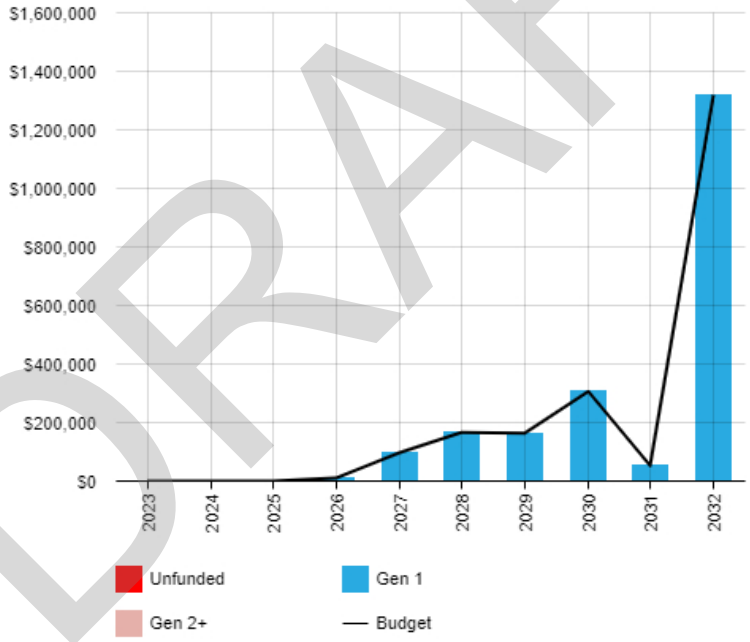
5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4.1: Forecast Renewal Costs

[4] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.
[5] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.





All figure values are shown in current day dollars.

5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Snowy Monaro Regional Council.

5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

Table 5.5.1: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
To be determined	To be determined

Summary of future asset acquisition costs

No assets are forecast to be acquired in the planning period.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Table 5.6: Assets Identified for Disposal

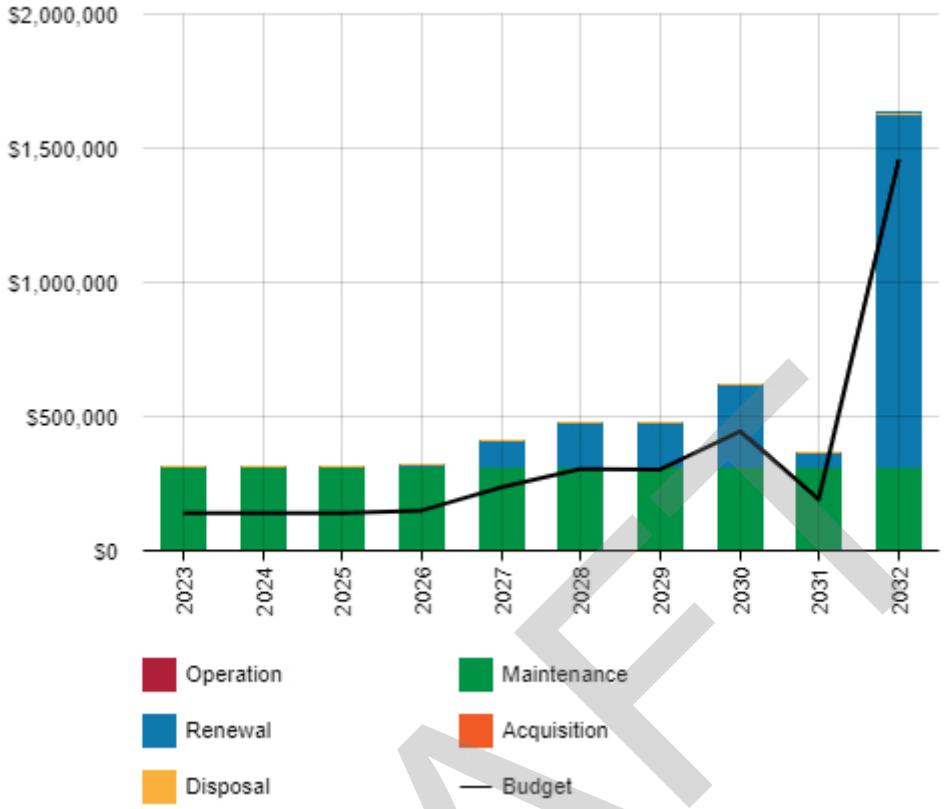
Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
No assets currently identified for disposal				

5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.7.1: Lifecycle Summary



All figure values are shown in current day dollars.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[6].

An assessment of risks[7] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

[6] ISO 31000:2009, p 2

[7] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
None currently identified		

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

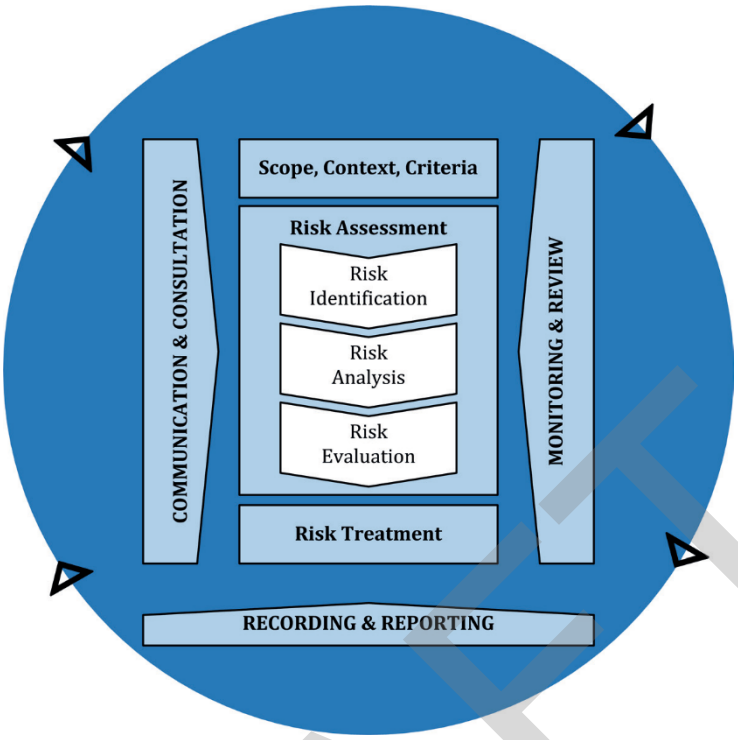


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and Snowy Monaro Regional Council.

Table 6.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Will be identified in future revisions of this plan	NA	NA	NA	NA	NA

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[8] 100.0%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 100.0% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is $522884 average per year.

The proposed (budget) operations, maintenance and renewal funding is $350523 on average per year giving a 10 year funding shortfall of $-172361 per year. This indicates that 67.04% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

[8] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the 'gap' by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2022 dollar values.

Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2023	0	0	1,686,300	0	0
2024	0	0	1,686,300	0	0
2025	0	0	1,686,300	0	0
2026	0	0	1,686,300	10,920	0
2027	0	0	1,686,300	97,460	0
2028	0	0	1,686,300	165,903	0
2029	0	0	1,686,300	163,787	0
2030	0	0	1,686,300	305,679	0
2031	0	0	1,686,300	52,888	0
2032	0	0	1,686,300	1,318,595	0

7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

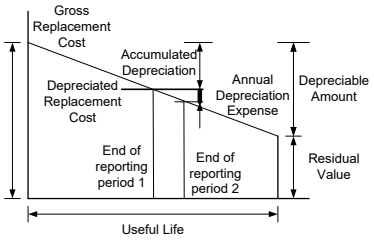
The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value on a replacement cost basis.

Replacement Cost (Current/Gross)	$56,210,000
Depreciable Amount	$56,210,000
Depreciated Replacement Cost[9]	$32,984,234
Depreciation	$1,756,652



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period
- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale[10] in accordance with Table 7.5.1.

[9] Also reported as Written Down Value, Carrying or Net Book Value.
[10] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is considered to be Medium confidence

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[11]

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Civica Authority corporate system

8.1.2 Asset management data sources

This AMP also utilises asset management data. The source of the data is the Assets Module of the Civica Authority corporate system.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

[11] ISO 55000 Refers to this as the Asset Management System

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Continue to review accuracy and currency of asset registers	Asset team	Staff time	Ongoing
2	Separate recording of operating and maintenance costs	Finance and operational staff	Staff time	2024
3	Improve linking of customer requests to asset records	Assets & Civic Maintenance team	Staff time	2024
4	Develop Risk Management Plans for Critical Assets	Corporate Risk Management Staff	Staff time	2024
5	Progress the maturity of asset management planning from 'core' to 'advanced' level	Assets Team	Staff time	2025
6	Develop Technical Levels of Service to complement the Community Levels of Service documented in this plan	Civic Maintenance team	Staff time	2023

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within one year of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The degree to which the required forecast costs identified in this AMP are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AMP,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

9.0 REFERENCES

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- IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8
- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source
No assets are forecast to be acquired within the planning period.

A.2 – Acquisition Project Summary
No assets are forecast to be acquired within the planning period

A.3 – Acquisition Forecast Summary
No assets are forecast to be acquired within the planning period

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source
Operations costs are currently not identified separately.

B.2 – Operation Forecast Summary
Operations costs are currently not identified separately.

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source
Maintenance spending is estimated from the average spend over the past three years as listed in Special Schedule 7.

C.2 – Maintenance Forecast Summary
The required maintenance forecast is based on a calculation of 3.0% of gross replacement cost of the assets.

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2023	139,000	0	1,686,300
2024	139,000	0	1,686,300
2025	139,000	0	1,686,300
2026	139,000	0	1,686,300
2027	139,000	0	1,686,300
2028	139,000	0	1,686,300
2029	139,000	0	1,686,300
2030	139,000	0	1,686,300
2031	139,000	0	1,686,300
2032	139,000	0	1,686,300

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Renewals are assumed to be done at end of life as projected by the asset register.

D.2 – Renewal Project Summary
The project titles included in the lifecycle forecast include:

- Play equipment
- Sports equipment
- Barbeques
- Picnic tables & seats

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2023	0	0
2024	0	0
2025	0	0
2026	10,920	10,920
2027	97,460	97,460
2028	165,903	165,903
2029	163,787	163,787
2030	305,679	305,679
2031	52,888	52,888
2032	1,318,595	1318,595

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source
No asset disposals are currently identified

E.2 – Disposal Project Summary
No asset disposals are currently identified

E.3 – Disposal Forecast Summary
No asset disposals are currently identified

Appendix F Budget Summary by Lifecycle Activity

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2023	0	0	139,000	0	0	139,000
2024	0	0	139,000	0	0	139,000
2025	0	0	139,000	0	0	139,000
2026	0	0	139,000	10,920	0	149,920
2027	0	0	139,000	97,460	0	236,460
2028	0	0	139,000	165,903	0	304,903
2029	0	0	139,000	163,787	0	302,787
2030	0	0	139,000	305,679	0	444,679
2031	0	0	139,000	52,888	0	191,888
2032	0	0	139,000	1,318,595	0	1,457,595

ASSET MANAGEMENT PLAN

PROPERTY

2022 -2032

SNOWY MONARO REGIONAL COUNCIL

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. The Snowy Monaro is, and always will be, Aboriginal Country.

Record of Versions

Uncontrolled document when printed. Please refer to intranet for controlled document.

Version	Date Published	Reason for Amendments	Resolution	Author/Document Owner
1.0		Final Draft for Council Meeting		
1.1				
1.2				
1.4				
1.5				
1.6				
1.7				

Photography:
MJD Photography Cover, 2

Contents

1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the ten year planning period. The AMP will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

1.2 Asset Description

This plan covers the infrastructure assets that provide Property services

The Property network comprises:

- 382 Buildings
- 24 Community Halls (included in above number)
- Administration buildings, depots, fire sheds, amenities buildings
- 23 Cemeteries
- 174 parcels of Community Land
- 306 parcels of Operational Land

The above infrastructure assets have replacement value estimated at $113,224,000 (excluding non-depreciating land assets).

1.3 Levels of Service

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

The factors influencing future demand and the impacts they have on service delivery are created by:

- Changes in population
- Changes in demographics
- Changed tourist visitation patterns

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for Property assets is estimated as $45,354,432 or $4,535,443 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is $10,359,430 or $1,035,943 on average per year as per the Long-Term Financial plan or Planned Budget. This is 22.84% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Property assets leaves a shortfall of $-3499500 on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

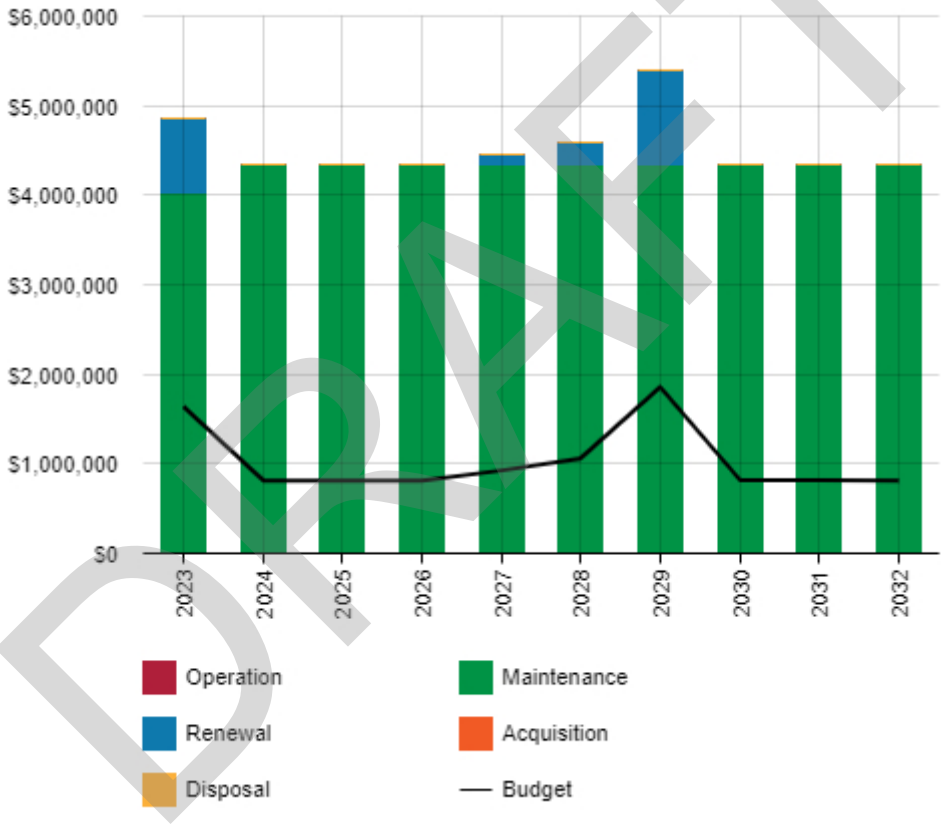


Figure Values are in current dollars.

We plan to provide services for the following:

- Operation, maintenance, renewal and acquisition of Property assets to meet service levels set by Snowy Monaro Regional Council in annual budgets.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period

- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Asset Register Method was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a reliable level of confidence information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- Continue to review accuracy and currency of asset registers
- Separate identification and recording of operating costs
- Improve linking of customer requests to asset record
- Progress asset management maturity level from 'Core' to 'Advanced'

2.0 INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Snowy Monaro Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Asset Management Policy
- Asset Management Strategy

The infrastructure assets covered by this AMP include building, operational land and community land. For a detailed summary of the assets covered in this AMP refer to Table in Section 5.

These assets are used to provide Property services.

The infrastructure assets included in this plan have a total replacement value of $113,223,704.

2.2 Goals and Objectives of Asset Ownership

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

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,

forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

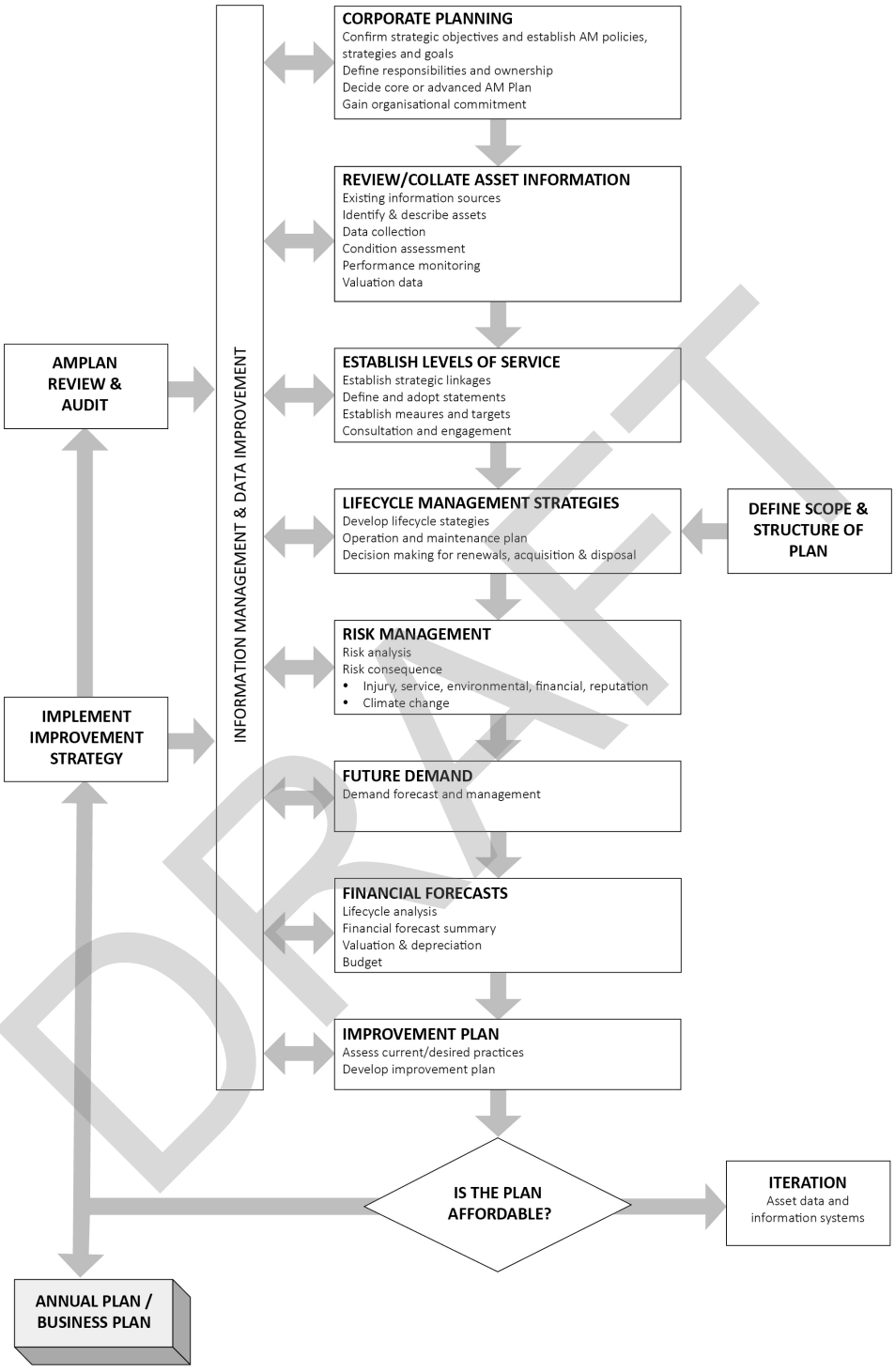
- International Infrastructure Management Manual 2015 [1]
- ISO 55000[2]

A road map for preparing an AMP is shown overpage.

[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[2] ISO 55000 Overview, principles and terminology

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by the Snowy Monaro Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist the Snowy Monaro Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Snowy Monaro Regional Council vision, mission, goals and objectives.

Our vision is:

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

Strategic goals have been set by the Snowy Monaro Regional Council. The relevant goals and objectives and how these are addressed in this AMP are summarised in Table 3.2.

Table 3.2: Goals and how these are addressed in this Plan

Objectives	How Goal and Objectives are addressed in the AMP
4.1 Our health is supported by fit for purpose infrastructure 4.4 We have in place infrastructure that supports our lifestyles	• By developing long term works programs and projecting expenditure required to implement these programs. • By minimising the required physical and monetary resources through focussing on "whole-of-lifecycle" costs • By optimising maintenance works so that the desired outcomes are delivered at the least possible cost • By coordinating with other departments when planning and scheduling maintenance and capital works programmes, to ensure minimum impact on visual amenity

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Property service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act, 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. Under S64 of the Act, in conjunction with the Water Management Act it facilitates the levying of developer charges. Amended in 2009 by the Local Government Amendment (Planning and Reporting) Act 2009, to incorporate the Integrated Planning & Reporting framework.
Disability Discriminations Act, 1992	The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people. (a) to eliminate, as far as possible, discrimination against persons on the ground of disability in the areas of: (i) work, accommodation, education, access to premises, clubs and sport; and (ii) the provision of goods, facilities, services and land; and (iii) existing laws; and (iv) the administration of Commonwealth laws and programs; and (b) to ensure, as far as practicable, that persons with disabilities have the same rights to equality before the law as the rest of the community; and to promote recognition and acceptance within the community of the principle that persons with disabilities have the same fundamental rights as the rest of the community.
Work Health & Safety Act 2011	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Council is to provide a safe working environment and supply equipment to ensure safety.
Environmental Planning and Assessment Act 1979	An Act to institute a system of environmental planning and assessment for the State of New South Wales. Among other requirements the Act outlines the requirement for the preparation of Local Environmental Plans (LEP), Development Control Plans (DCP), Environmental Impact Assessments (EIA) and Environmental Impact Statements.
Crown Lands Act, 2016	An Act to provide for the ownership, use and management of the Crown land of New South Wales and provide clarity concerning the law applicable to Crown land.
Building Code of Australia	The goal of the BCA is to enable the achievement of nationally consistent, minimum necessary standards of relevant, health, safety (including structural safety and safety from fire), amenity and sustainability objectives efficiently.

3.4 Levels of Service

Council's current service levels are detailed in Tables 3.4

Table 3.4: Levels of Service – Land and Property

Level of Service	Measure	Current Performance
COMMUNITY LEVELS OF SERVICE		
Operate and maintain Council owned public buildings	Submit required reporting to the Commonwealth, with alignment to DoHA parameters to be maintained 60% Council buildings maintained to an asset condition level <= 4	To be determined
Continuously strive to develop an understanding of the community's needs associated with Crown Land under Council's care and control, ensuring intended use is in accordance with the PoMs	<10 complaints received of illegal activity	To be determined
Manage Crown Land under Council's care and control, ensuring intended use is in accordance with the Plans of Management (PoMs	< 10 complaints of illegal activity against compliance with POMs	To be determined
Ongoing adjustments to land ownership title and rectifying legacy land matter	A minimum of 40 titles changed	To be determined
TECHNICAL LEVELS OF SERVICE		
Will be developed in future versions of this plan		

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

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

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management Plan

Current position	Projection	Impact on services	Demand Management Plan
Cooma cemetery reaching capacity	Expected to reach end of life in 5-6 years	Inability to provide burials	A project is currently underway to expand the cemetery to provide an additional 9-10 years of service
Gegedzerick cemetery reaching capacity	Expected to reach end of life in 5-8 years	Inability to provide burials	Currently re-surveying boundary to determine best way forward

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Snowy Monaro Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Snowy Monaro Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

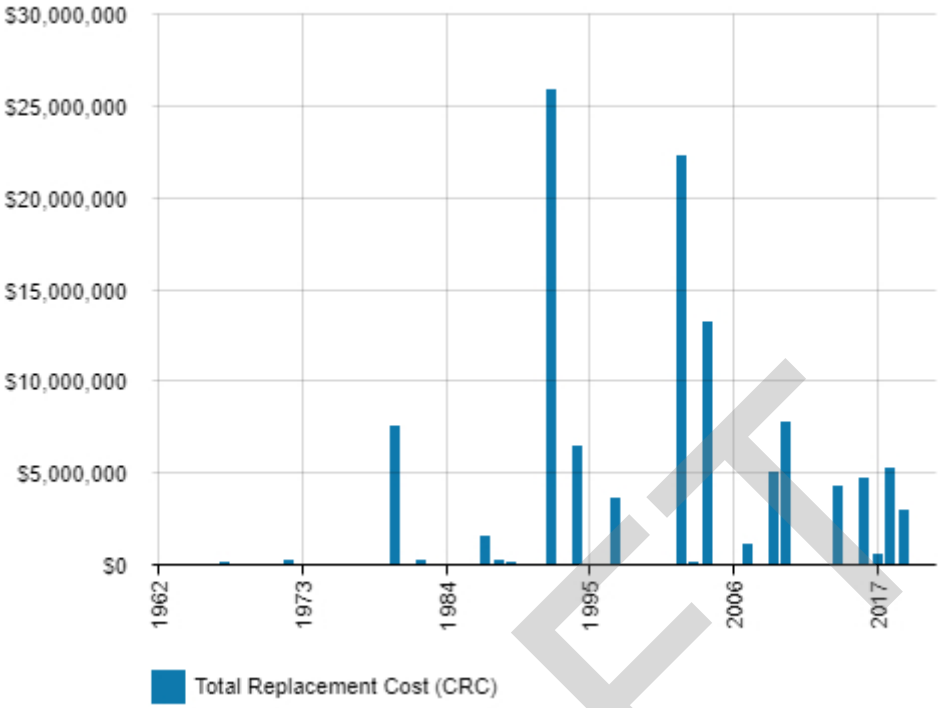
The assets covered by this AMP are shown in Table 5.1.1.

The age profile of the assets included in this AMP are shown in Figure 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Buildings	382	$113,224,000
TOTAL		**$113,224,000**

Figure 5.1.1: Age Profile of Assets



All figure values are shown in current day dollars.

Note: Land assets, that do not depreciate and do not require replacement are excluded from the above list and chart.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Cooma Council Chambers	Problems with disabled access

5.1.3 Asset condition

Condition is currently monitored through inspection every five years

Condition is measured using a 1 – 5 grading system[3] as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

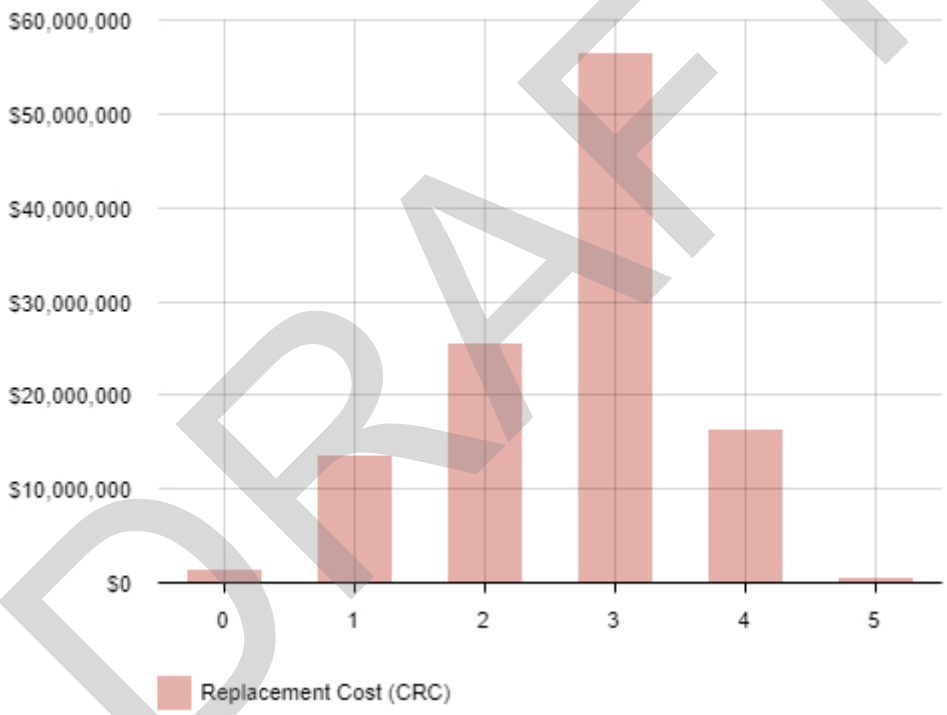
[3] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

Table 5.1.3: Condition Grading System

Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile



All figure values are shown in current day dollars.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

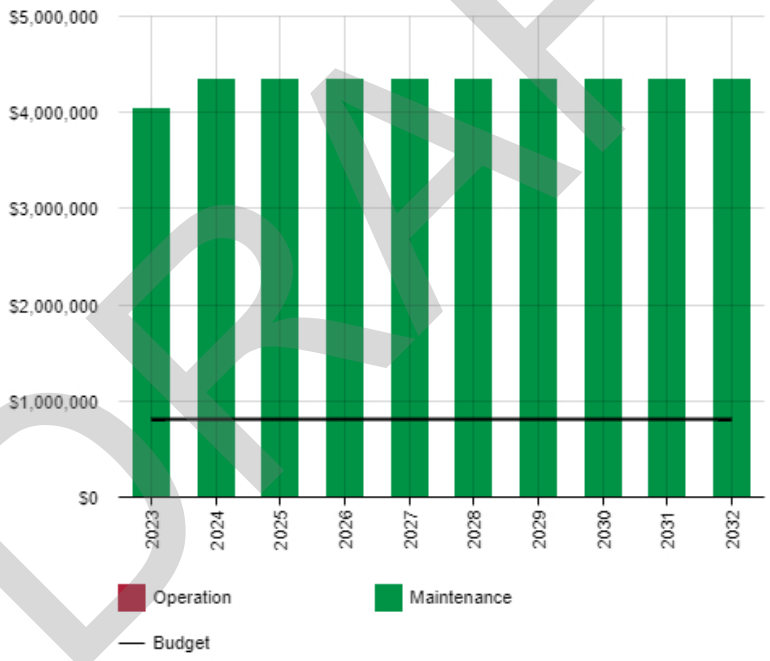
Year	Maintenance Budget $
2017/18	$937,000
2018/19	$792,000
2019/20	$700,000

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
-

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 26 July 2021

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Building Structure	60 Years or 50 years depending on construction
Roof	40 Years
Finishes	25 Years
Services	25 Years

The estimates for renewals in this AMP were based on the Asset Register Method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).[4]

It is possible to prioritise renewals by identifying assets or asset groups that:

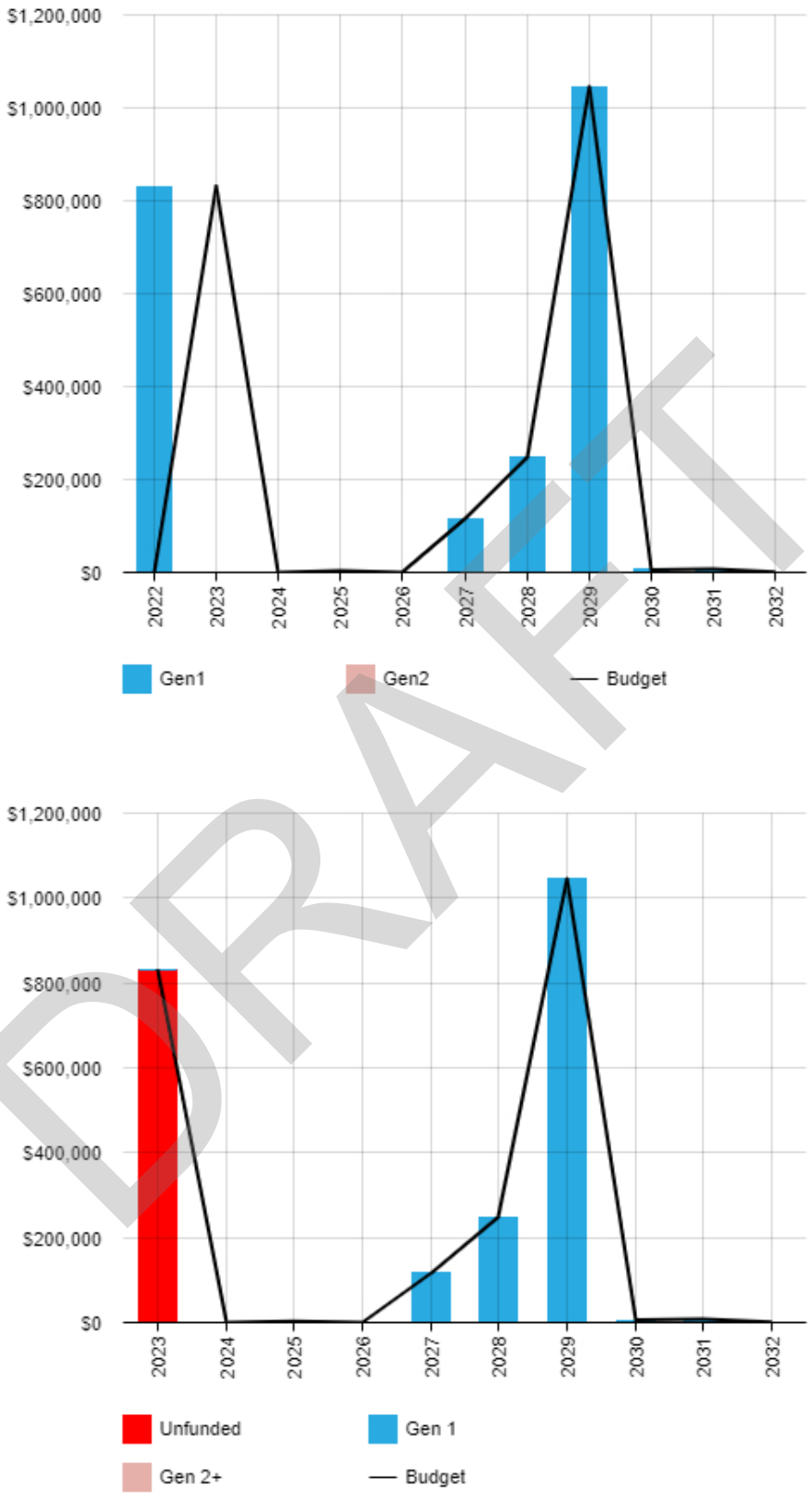
- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[5]

5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

[4] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.
[5] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Snowy Monaro Regional Council.

5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

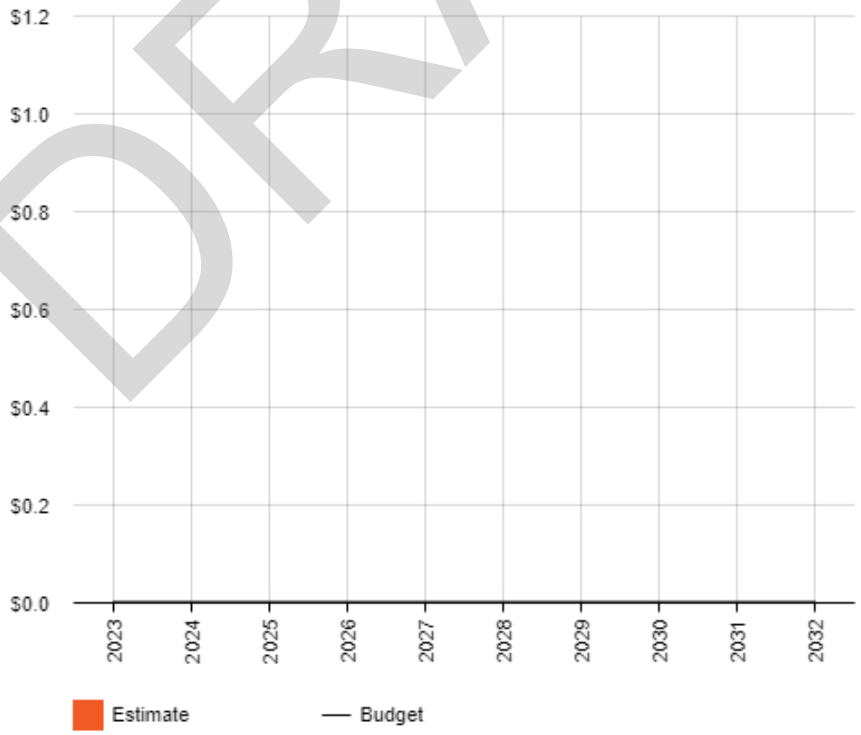
Table 5.5.1: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
To be determined	To be determined

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

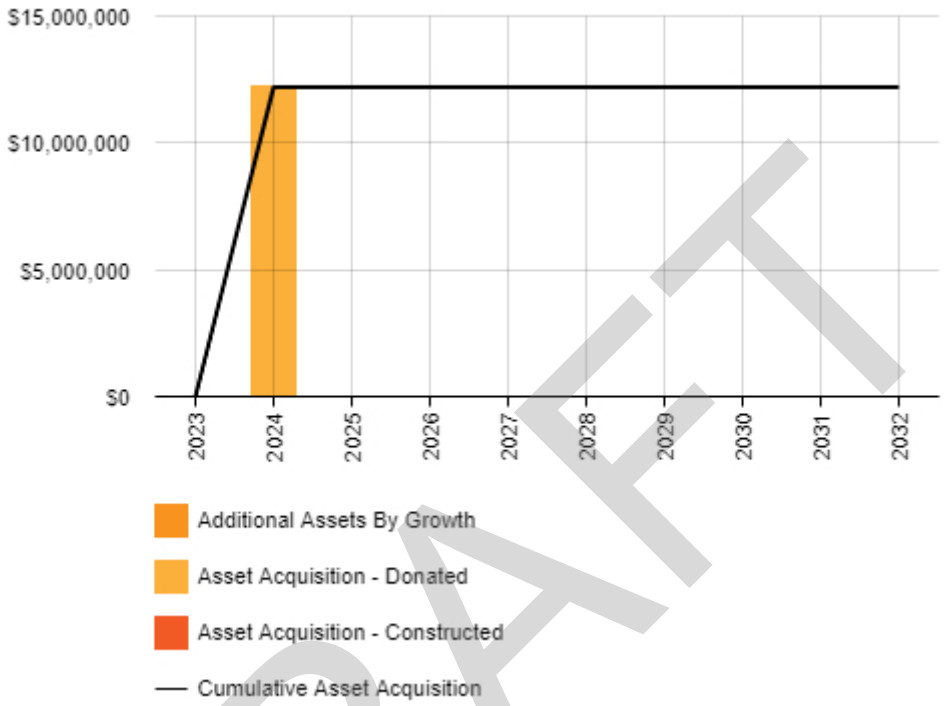
Figure 5.5.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

The donated asset shown as being acquired in 2024 is the Cooma Sports Hub to be built adjacent to the Monaro High School.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Table 5.6: Assets Identified for Disposal

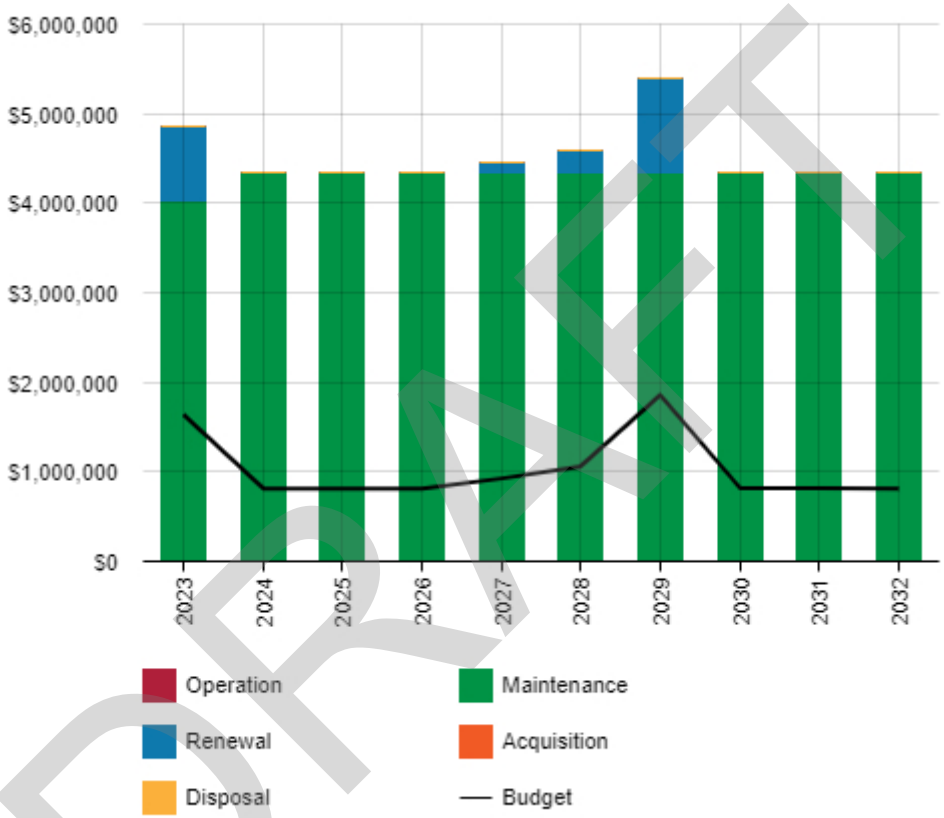
Asset	Reason for Disposal		Disposal Costs	Operations & Maintenance Annual Savings
No assets currently identified for disposal				

5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.7.1: Lifecycle Summary



All figure values are shown in current day dollars.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[6].

An assessment of risks[7] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock',

[6] ISO 31000:2009, p 2

[7] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
None currently identified		

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

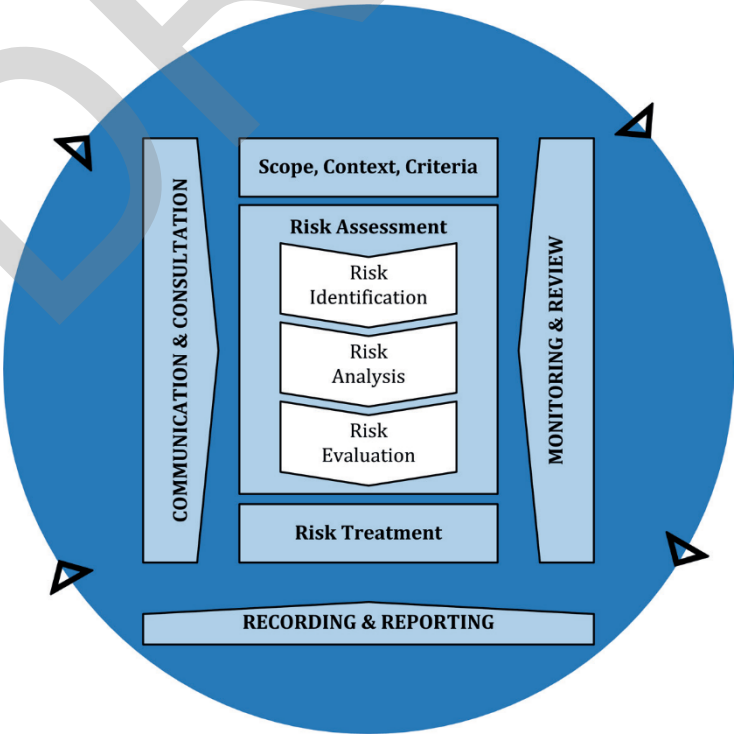


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Snowy Monaro Regional Council.

Table 6.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Will be identified in future revisions of this plan	NA	NA	NA	NA	NA

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[8] 100.0%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 100.0% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is $4535443 average per year.

The proposed (budget) operations, maintenance and renewal funding is $1035943 on average per year giving a 10 year funding shortfall of $-3499500 per year. This indicates that 22.84% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the ‘gap’ by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

[8] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Forecast costs are shown in 2022 dollar values.

Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2023	0	0	4,035,000	831,574	0
2024	0	0	4,340,000	0	0
2025	0	0	4,340,000	3,269	0
2026	0	0	4,340,000	0	0
2027	0	0	4,340,000	116,377	0
2028	0	0	4,340,000	24,8101	0
2029	0	0	4,340,000	1,045,607	0
2030	0	0	4,340,000	5,972	0
2031	0	0	4,340,000	7,803	0
2032	0	0	4,340,000	727	0

7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

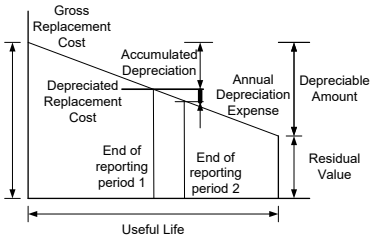
The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value at on a replacement cost basis.

Replacement Cost (Current/Gross)	$113,223,704
Depreciable Amount	$113,223,704
Depreciated Replacement Cost[9]	$60,392,912
Depreciation	$2,577,517



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period

[9] Also reported as Written Down Value, Carrying or Net Book Value.

- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale[10] in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is considered to be Medium confidence.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[11]

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Civica Authority corporate system.

Asset management data sources

This AMP also utilises asset management data. The source of the data is the Asset Module of the Civica Authority corporate system..

[10] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.
[11] ISO 55000 Refers to this as the Asset Management System

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Continue to review accuracy and currency of asset registers	Asset team	Staff time	Ongoing
2	Separate recording of operating and maintenance costs	Finance and operational staff	Staff time	2024
3	Improve linking of customer requests to asset records	Assets & Property team	Staff time	2024
4	Develop Risk Management Plans for Critical Assets	Corporate Risk Management Staff	Staff time	2024
5	Progress the maturity of asset management planning from 'core' to 'advanced' level	Assets Team	Staff time	2025
6	Develop Technical Levels of Service to complement the Community Levels of Service documented in this plan	Operational staff	Staff time	2023

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within one year of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

The degree to which the required forecast costs identified in this AMP are incorporated into the long-term financial plan,

The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AMP,

The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,

The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

9.0 REFERENCES

IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM

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IPWEA, 2018, Practice Note 12.1, 'Climate Change Impacts on the Useful Life of Assets', Institute of Public Works Engineering Australasia, Sydney

IPWEA, 2012, Practice Note 6 Long-Term Financial Planning, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn6

IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8

ISO, 2014, ISO 55000:2014, Overview, principles and terminology

ISO, 2018, ISO 31000:2018, Risk management – Guidelines

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

Acquisition forecasts are based the capital works programs in the Operational Plan and assets projected to be donated to Council (e.g. the Cooma Sports Hub)

A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here.

The Cooma Sports Hub

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2023	0	0	0
2024	0	12,200,000	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source
Operations costs are currently not identified separately.

B.2 – Operation Forecast Summary
Operations costs are currently not identified separately.

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0		
2032	0	0	0

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source
Maintenance spending is estimated from the average spend over the past three years as listed in Special Schedule 7

C.2 – Maintenance Forecast Summary
The required maintenance forecast is based on a calculation of 2.5% of gross replacement cost of the assets
.

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2023	810,000	0	4,035,000
2024	810,000	0	4,340,000
2025	810,000	0	4,340,000
2026	810,000	0	4,340,000
2027	810,000	0	4,340,000
2028	810,000	0	4,340,000
2029	810,000	0	4,340,000
2030	810,000	0	4,340,000
2031	810,000	0	4,340,000
2032	810,000	0	4,340,000

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Renewals are assumed to be done at end of life as projected by the asset register

D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast are included here.

Building structures
Roofs
Services
Finishes

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2023	831,574	831,574
2024	0	0
2025	3,269	3,269
2026	0	0
2027	116,377	116,377
2028	248,101	248,101
2029	1,045,607	1,045,607
2030	5,972	5,972
2031	7,803	7,803
2032	727	727

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source
No asset disposals are currently identified

E.2 – Disposal Project Summary
No asset disposals are currently identified

E.3 – Disposal Forecast Summary
No asset disposals are currently identified.

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0

Appendix F Budget Summary by Lifecycle Activity

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2023	0	0	810,000	831,574	0	1,641,574
2024	0	0	810,000	0	0	810,000
2025	0	0	810,000	3,269	0	813,269
2026	0	0	810,000	0	0	810,000
2027	0	0	810,000	116,377	0	926,377
2028	0	0	810,000	248,101	0	1,058,101
2029	0	0	810,000	1,045,607	0	1,855,607
2030	0	0	810,000	5,972	0	815,972
2031	0	0	810,000	7,803	0	817,803
2032	0	0	810,000	727	0	810,727

ASSET MANAGEMENT PLAN
TRANSPORT
2022 -2032

SNOWY MONARO
REGIONAL COUNCIL

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. The Snowy Monaro is, and always will be, Aboriginal Country.

Record of Versions

Uncontrolled document when printed. Please refer to intranet for controlled document.

Version	Date Published	Reason for Amendments	Resolution	Author/Document Owner
1.0		Final Draft for Council Meeting		
1.1				
1.2				
1.4				
1.5				
1.6				
1.7				

Photography:
MJD Photography Cover, 2

Contents

1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the ten year planning period. The AMP will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

1.2 Asset Description

This plan covers the infrastructure assets that provide Transport Services.

The Transport network comprises:

- Approximately 933 km of sealed roads
- Approximately 1,750 km of unsealed roads
- 84 concrete or steel bridges
- 45 Timber bridges
- 62 km of Footpaths
- 170km of Kerb & Gutter

The above infrastructure assets have replacement value estimated at $652,942,000, excluding non-depreciating assets such as earthworks.

1.3 Levels of Service

The allocation in the planned budget is
planning period.

The main service consequences of the Planned Budget are:

- Asset renewals not always occurring at the optimal time
- Gradual decline in asset condition
- Negative impact of service levels

At time of writing this plan, Council is in the process of community consultation on a number of proposed funding scenarios which will have impact on future budgets. The outcome of these consultations will be incorporated into future revisions of this plan

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Increases in population
- Demographic changes such as ageing population
- Changed tourist visitation patterns

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for Transport infrastructure is estimated as $187514912 or $18751492 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is $50,770,000 or $5,077,000 on average per year as per the Long-Term Financial plan or Planned Budget. This is 27.08% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Transport leaves a shortfall of $-13674492 on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

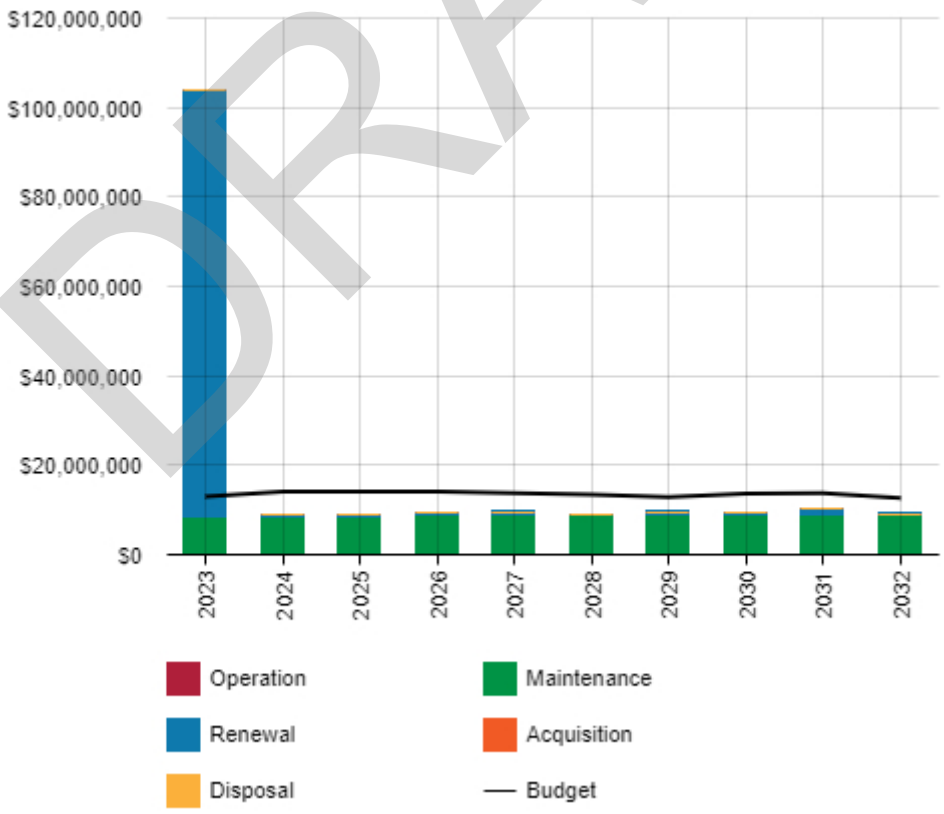


Figure Values are in current dollars.

We plan to provide Transport services for the following:

- Operation, maintenance, renewal and acquisition of roads, bridges, footpaths and other transport assets to meet service levels set by Snowy Monaro Regional Council in annual budgets.
- The large spike in renewal expenditure in the first year of the planning period in the chart above represents the renewal backlog based on current useful lives. In practice, theses renewals will be spread out over the 10 year planning period, dependent on available funding
- Council is expected to acquire $22.5M of donated road assets as part of the Jindabyne Special Activation Precinct (SAP) within the 10 year planning period.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period
- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Asset Register Method was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on reliable level of confidence information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- Continue to review accuracy and currency of asset registers
- Document maintenance response levels
- Separate recording of operating and maintenance costs
- Improve linking of customer requests to asset records

2.0 INTRODUCTION

2.1 Background

communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Snowy Monaro Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Asset Management Policy
- Asset Management Strategy

The infrastructure assets covered by this AMP include sealed and unsealed roads, bridges, footpaths kerb & gutter and associated street furniture. For a detailed summary of the assets covered in this AMP refer to Table 5.1.1 in Section 5.

These assets are used to provide Transport services.

2.2 Goals and Objectives of Asset Ownership

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

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

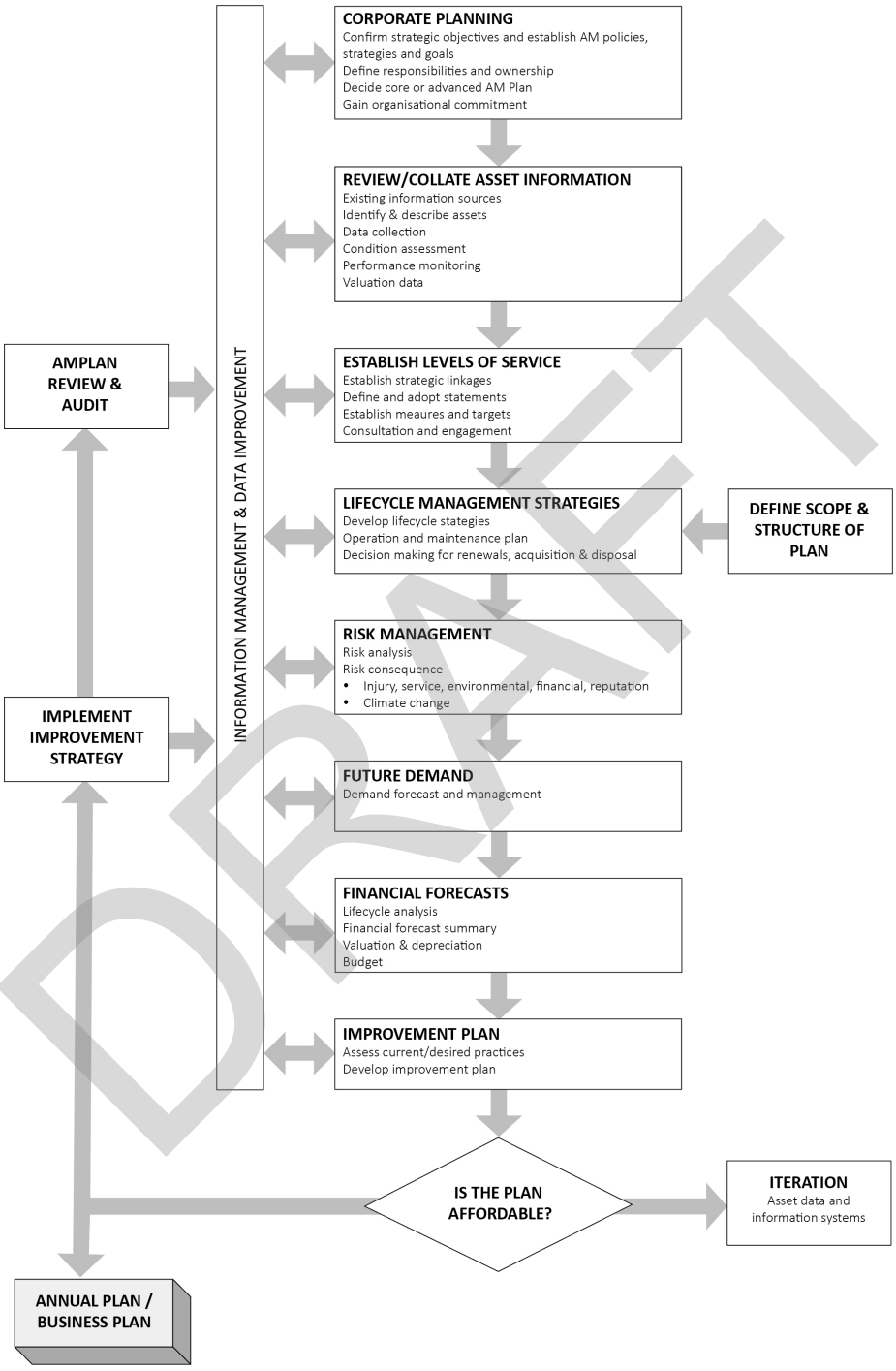
Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 [1]
- ISO 55000[2]

[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[2] ISO 55000 Overview, principles and terminology

A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan
Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by Snowy Monaro Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Snowy Monaro Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Snowy Monaro Regional Council vision, mission, goals and objectives.

Our vision:

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

Strategic goals have been set by the Snowy Monaro Regional Council. The relevant goals and objectives and how these are addressed in this AMP are summarised in Table 3.2.

Table 3.2: Objectives and how these are addressed in this Plan

Objectives	How Goal and Objectives are addressed in the AMP
4.1 Our health is supported by fit for purpose infrastructure 4.2 Transport infrastructure allows us to effectively move around the region and beyond as needed 4.4 We have in place infrastructure that supports our lifestyles	• By developing long term works programs and projecting expenditure required to implement these programs. • By minimising the required physical and monetary resources through focussing on "whole-of-lifecycle" costs • By optimising maintenance works so that the desired outcomes are delivered at the least possible cost • By coordinating with other departments when planning and scheduling maintenance and capital works programmes, to ensure minimum impact on visual amenity

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Transport service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Roads Act 1993	*Sets out rights of members of the public to pass along public roads, establishes procedures for opening and closing a public road, and provides for the classification of roads. It also provides for declaration of the RTA and other public authorities as roads authorities for both classified and unclassified roads, and confers certain functions (in particular, the function of carrying out roadwork) on the RTA and other roads authorities. Finally it provides for distribution of functions conferred by this Act between the RTA and other roads authorities, and regulates the carrying out of various activities on public roads.*
Occupational Health and Safety Act 2000	*Sets out roles and responsibilities to secure the health, safety and welfare of persons at work. All Councils operational activities are affected by the requirements of this Act*
Road Transport (General)Act 2005	*Provides for the administration and enforcement of road transport legislation.*
Road Transport (Safety and Traffic Management) Act 1999	*Facilitates the adoption of nationally consistent road rules in NSW, the Australian Road Rules. It also makes provision for safety and traffic management on roads and road related areas including alcohol and other drug use, speeding and other dangerous driving, traffic control devices and vehicle safety accidents.*

3.4 Levels of Service

Council's current service levels are detailed in Tables 3.4

Table 3.4: Levels of Service – Transport Network

Level of Service	Measure	Current Performance
Development of Service Level Agreements for the Transport Network	Agreement of 70% of engaged local residents	To be determined
Undertake Councils Resealing Program	1/15 of road network or 67km of the 15-year program is undertaken each year	To be determined
Undertake Council's Heavy Patching Program	A minimum of 3% of Council's road network to be heavy patched during each year	To be determined
Undertake Gravel Re-sheeting	1/15 of road network or 115km's of the 15-year program is undertaken each year	To be determined
Undertake Reactive Maintenance	Respond to immediate works within 3 weeks of being notified	To be determined
Undertake Gravel Regrading	80% of unsealed network graded each year	To be determined
Undertake Bridge Maintenance	<5 road closures or detours per year 20% of bridges maintained each year	To be determined
Undertake scheduled Transport Infrastructure Maintenance	Agreement of 70% of engaged local residents Roads maintained to a mean satisfaction score of >2.77 within the Annual Community Satisfaction Survey	To be determined
Undertake Kerb and Gutter Renewals	Annual program completed	To be determined
Undertake Footpath Renewals	Annual program completed	To be determined
Undertake Rural Culverts Renewals	Annual program completed	To be determined

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and

expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

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

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management Plan

Demand Driver	Current position	Projection	Impact on services	Demand Management Plan
Population	21,207	1% growth per annum	Negligible impact on demand for services	NA

4.4 Asset Programs to meet demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Snowy Monaro Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Snowy Monaro Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this AMP are shown in Table 5.1.1.

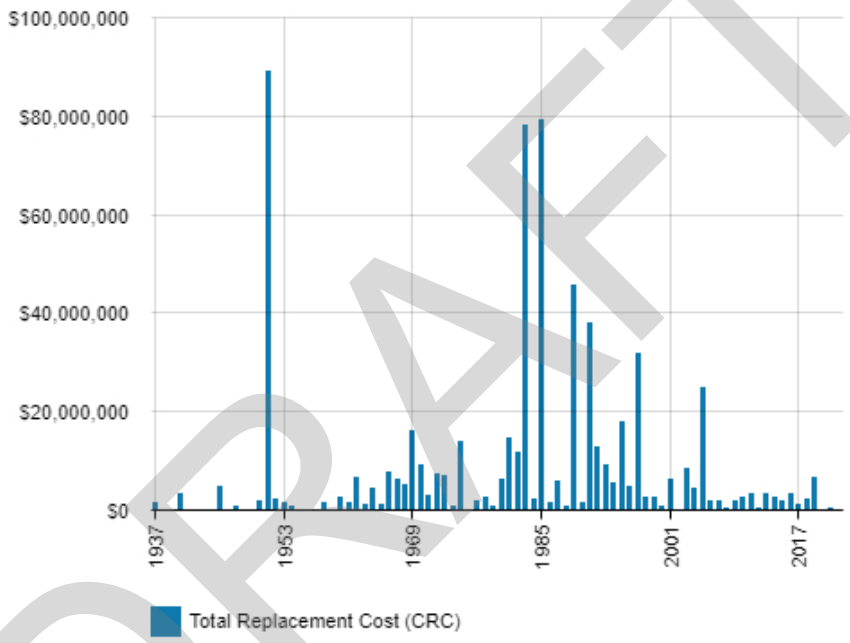
The age profile of the assets included in this AMP are shown in Figure 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Sealed Roads	~ 933 km	$223,602,889

Unsealed Roads	~ 1750 km	$223,230,191
Bridges	129	$ 124,503,587
Footpaths	62 km (~ 110,000 sqm)	$14,487,719
Kerb & Gutter	169.5 km	$30,508,199
Culverts	7184	$21,251,762
Causeways	127	$12,453,383
Islands & Roundabouts	87	$2,129,856
TOTAL		**$652,167,585**

Figure 5.1.1: Total Replacement Cost



All figure values are shown in current day dollars.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Bridges	Several older timber bridges have been identified as needing repair, rehabilitation or upgrading. These are being addressed as funding becomes available

5.1.3 Asset condition

Condition is currently monitored by inspection of the road network every 5 years.

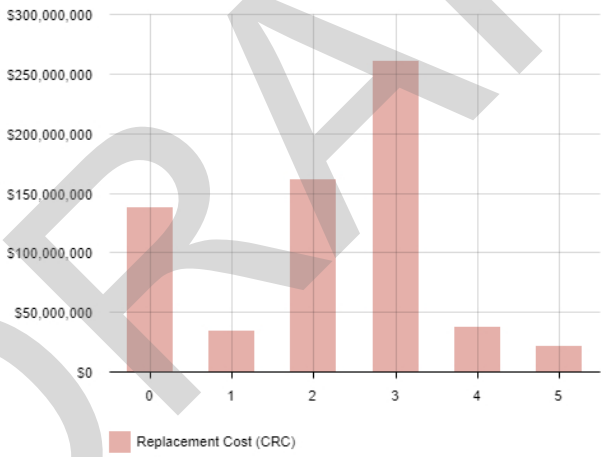
Condition is measured using a 1 – 5 grading system[3] as detailed in Table 5.1.3.

Table 5.1.3: Condition Grading System

Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile



The majority of assets are in Condition 3 (Fair). There are also a significant number of assets whose condition is not known (shown as Condition 0 in the above chart). Resource constraints currently prevent Council from having a complete picture of asset condition.

All figure values are shown in current day dollars.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

[3] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Expenditure Trends

Year	Maintenance Expenditure
2018	$4,431,000
2019	$5,515,000
2020	$5,286,000

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown is Table 5.2.2.

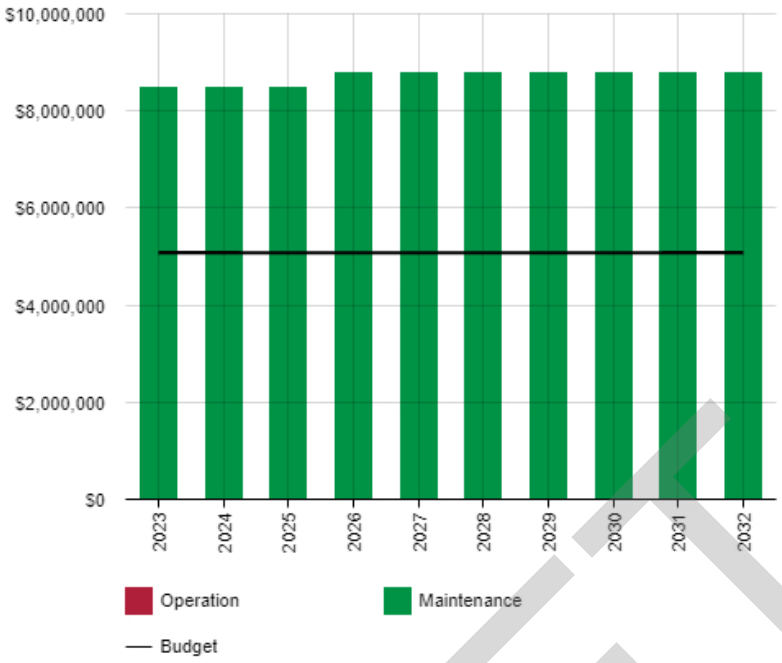
Table 5.2.2: Asset Service Hierarchy

Service Hierarchy	Service Level Objective
Regional roads	Typically provide for travel between towns
Collector roads	Provide movement from local areas to regional or arterial roads
Local roads	Provide movement within local areas
Minor access roads	Provide access to individual properties

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 26 July 2021.

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Wearing course	15 years
Pavement	80 years (sealed); 65 years (unsealed)
Sub-base	120 years
Bridge	120 years (steel/concrete); 100 years (timber)
Footpath	60 years (concrete); 25 years (spray seal)
Kerb & Gutter	70 years
Islands & Roundabouts	50 years

The estimates for renewals in this AMP were based on the Asset Register Method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).[4]

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[5]

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

Table 5.3.1: Renewal Priority Ranking Criteria

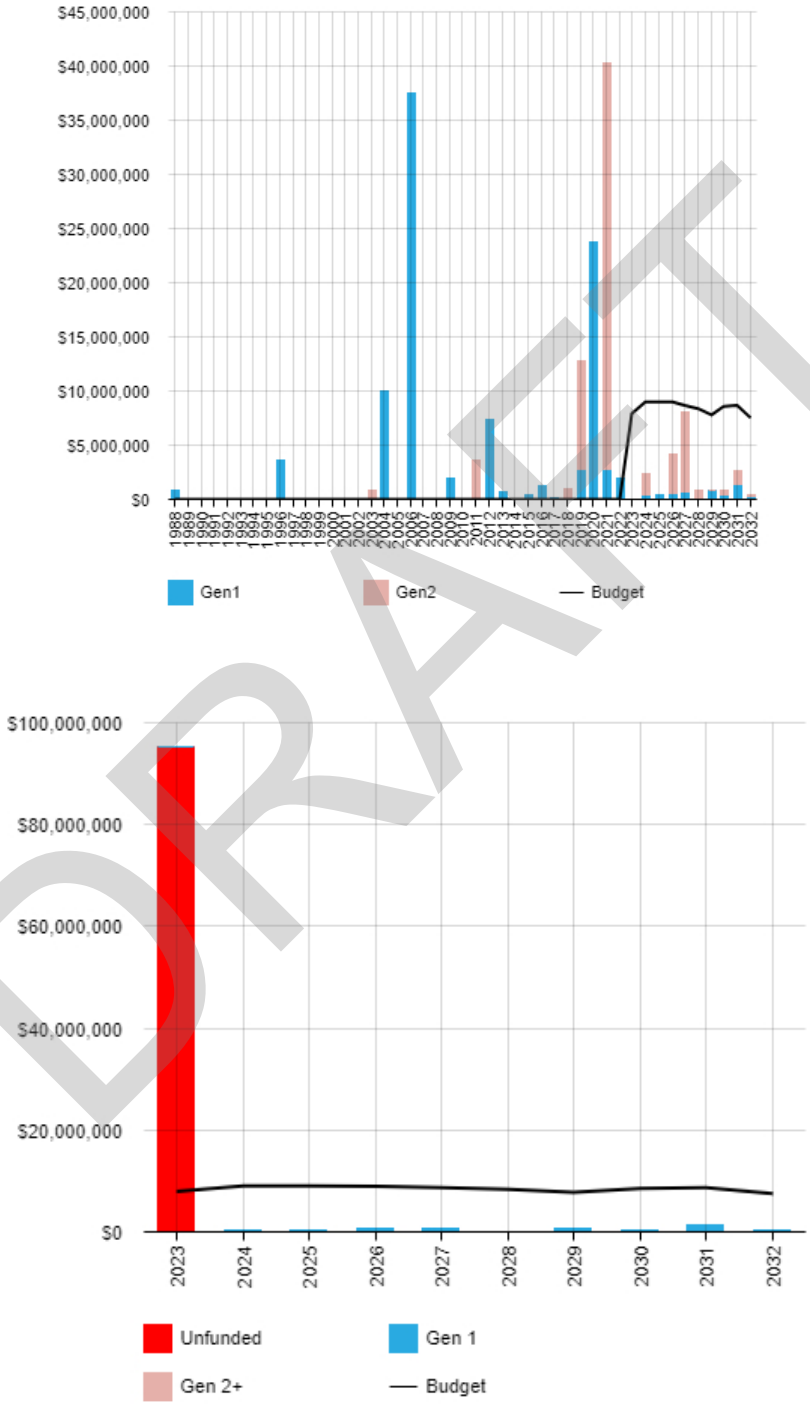
Criteria	Weighting
Asset Condition	50%
Annual Average Daily Traffic (AADT)	20%
Consequence of Failure	15%
Excessive maintenance cost	15%
Total	**100%**

[4] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.
[5] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Snowy Monaro Regional Council.

5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

Table 5.5.1: Acquired Assets Priority Ranking Criteria

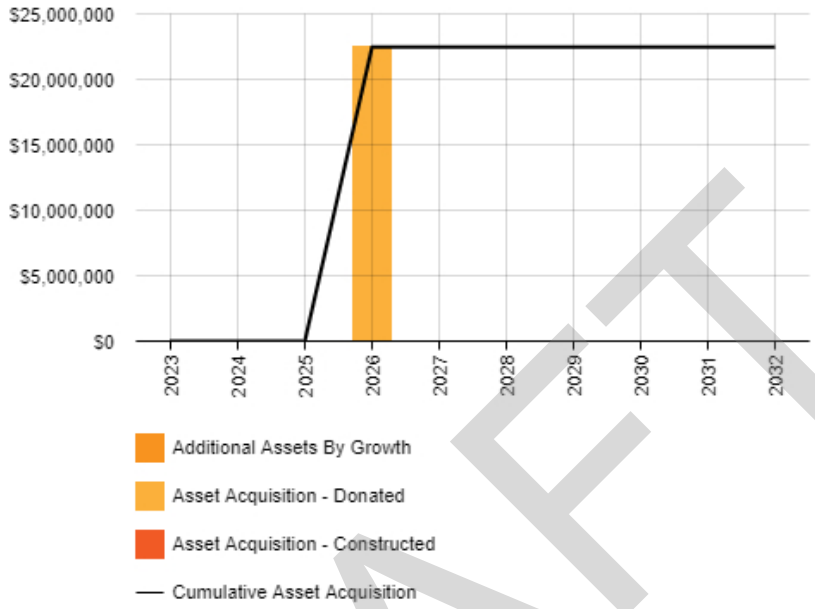
Criteria	Weighting
To be determined	To be determined
Total	**100%**

Summary of future asset acquisition costs

No constructed acquisitions are forecast in the planning period.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.1.

Figure 5.5.1: Acquisition Summary



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

The donated assets shown as being acquired in 2026 in the above graph relate to assets that will be handed over to Council ownership as part of the Special Activation Precinct (SAP) in Jindabyne. Acquiring these new assets will commit the funding of ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Table .6: Assets Identified for Disposal

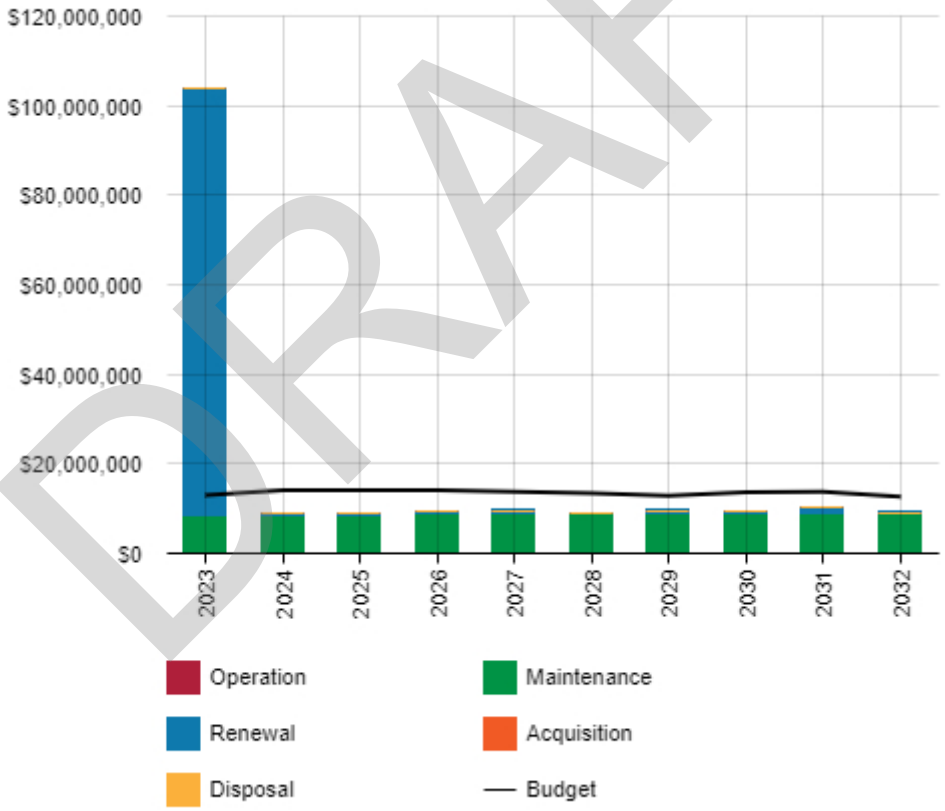
Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
No assets currently identified for disposal	NA	NA	NA	NA

5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.7.1: Lifecycle Summary



All figure values are shown in current day dollars.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[6].

An assessment of risks[7] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
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

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

[6] ISO 31000:2009, p 2

[7] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

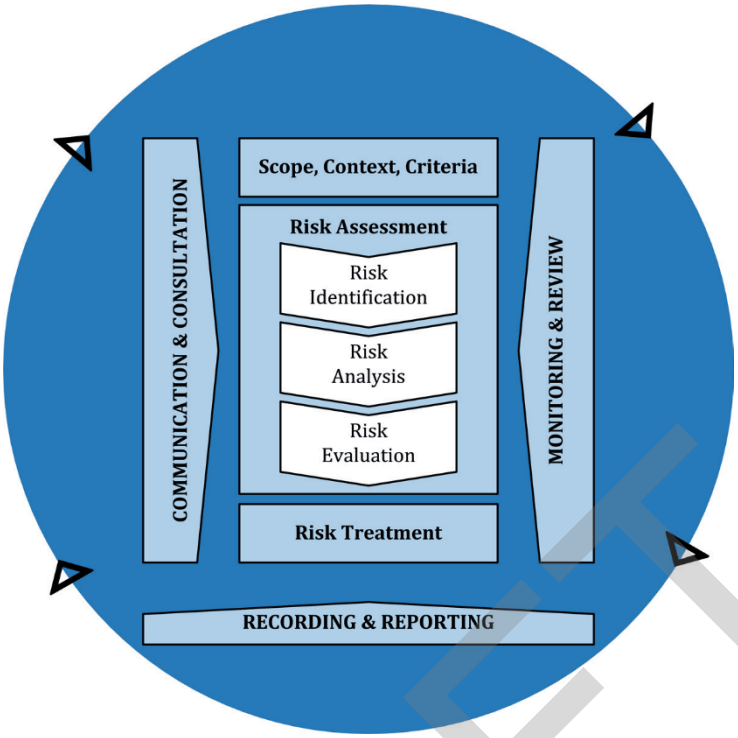


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Snowy Monaro Regional Council.

Table 6.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Will be identified in future revisions of this document	NA	NA	NA	NA	NA

6.3 Infrastructure Resilience Approach

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[8] 84%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 84% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is $18751492 average per year.

The proposed (budget) operations, maintenance and renewal funding is $5077000 on average per year giving a 10 year funding shortfall of $-13674492 per year. This indicates that 27.08% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

[8] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the 'gap' by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2022 dollar values.

Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2023	0	0	8,488,000	95,343,864	0
2024	0	0	8,488,000	398,067	0
2025	0	0	8,488,000	408,601	0
2026	0	0	8,780,000	536,160	0
2027	0	0	8,780,000	758,285	0
2028	0	0	8,780,000	100,875	0
2029	0	0	8,780,000	790,695	0
2030	0	0	8,780,000	478,735	0
2031	0	0	8,780,000	1,446,464	0
2032	0	0	8,780,000	329,169	0

7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

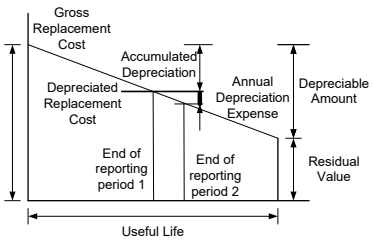
The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value on a replacement cost basis.

Replacement Cost (Current/Gross)	$652,941,652
Depreciable Amount	$652,941,652
Depreciated Replacement Cost[9]	$321,039,808
Depreciation	$12,240,236



[9] Also reported as Written Down Value, Carrying or Net Book Value.

7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period
- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale[10] in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

[10] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

The estimated confidence level for and reliability of data used in this AMP is considered to be Medium confidence.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[11]

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Civica Authority corporate system.

8.1.2 Asset management data sources

This AMP also utilises asset management data. The source of the data is the Asset Module of the Civica Authority corporate system.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

	Task	Responsibility	Resources Required	Timeline
1	Continue to review accuracy and currency of asset registers	Asset team	Staff time	Ongoing
2	Document maintenance response levels	Assets & Roads team	Staff time	To be determined
3	Separate recording of operating and maintenance costs	To be determined	Staff time	To be determined
4	Improve linking of customer requests to asset records	Assets & Roads team	Staff time	To be determined

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within one year of each Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

[11] ISO 55000 Refers to this as the Asset Management System

- The degree to which the required forecast costs identified in this AMP are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AMP,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

9.0 REFERENCES

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- IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8
- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

Acquisition forecasts are based the capital works programs in the Operational Plan and assets projected to be donated to Council as part of the Jindabyne SAP

A.2 – Acquisition Project Summary

The projects included in the lifecycle forecast are:

Upgrade of Kosciuszko Road as part of the Jindabyne SAP

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	22,470,000	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Operations costs are currently not identified separately.

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Maintenance spending is estimated from the average spend over the past three years as listed in Special Schedule 7

C.2 – Maintenance Forecast Summary

The required maintenance forecast is based on a calculation of 1.3% of gross replacement cost of the assets

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2023	5,077,000	0	8,488,000
2024	5,077,000	0	8,488,000
2025	5,077,000	0	8,488,000
2026	5,077,000	0	8,78,0000
2027	5,077,000	0	8,78,0000
2028	5,077,000	0	8,78,0000
2029	5,077,000	0	8,78,0000
2030	5,077,000	0	8,78,0000
2031	5,077,000	0	8,78,0000
2032	5,077,000	0	8,78,0000

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Renewals are assumed to be done at end of life as projected by the asset register

D.2 – Renewal Project Summary

Renewals projected in the 10 year planning window include the following asset types:

Wearing Course
Footpath
Culverts

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2023	95,343,864	7,930,026
2024	398,067	9,000,000
2025	408,601	899,6731
2026	536,160	8,989,080
2027	758,285	8,673,763
2028	100,875	8,374,082
2029	790,695	7,789,082
2030	478,735	8,572,116
2031	1,446,464	8,678,104
2032	329,169	751,9105

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source
No asset disposals are currently identified

E.2 – Disposal Project Summary
No asset disposals are currently identified

E.3 – Disposal Forecast Summary
No asset disposals are currently identified
.

Appendix F Budget Summary by Lifecycle Activity

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2023	0	0	5,077,000	7,930,026	0	13,007,026
2024	0	0	5,077,000	9,000,000	0	14,077,000
2025	0	0	5,077,000	8,996,731	0	14,073,731
2026	0	0	5,077,000	8,989,080	0	14,066,080
2027	0	0	5,077,000	8,673,763	0	13,750,763
2028	0	0	5,077,000	8,374,082	0	13,451,082
2029	0	0	5,077,000	7,789,082	0	12,866,082
2030	0	0	5,077,000	8,572,116	0	13,649,116
2031	0	0	5,077,000	8,678,104	0	13,755,104
2032	0	0	5,077,000	7,519,105	0	12,596,105

ASSET MANAGEMENT PLAN

WATER

2022 -2032

SNOWY MONARO REGIONAL COUNCIL

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. The Snowy Monaro is, and always will be, Aboriginal Country.

Record of Versions

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1.0		Final Draft for Council Meeting		
1.1				
1.2				
1.4				
1.5				
1.6				
1.7				

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MJD Photography: pg 2

Contents

1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the ten year planning period. The AMP will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

1.2 Asset Description

This plan covers the infrastructure assets that provide Water services

The Water network comprises:

- 315km of water mains
- 9 treatment facilities
- 15 pump stations
- 34 reservoirs
- Telemetry network

The above infrastructure assets have replacement value estimated at $138,247,000

1.3 Levels of Service

The allocation in the planned budget is sufficient to continue providing existing services at current levels for the planning period.

The factors influencing future demand and the impacts they have on service delivery are created by:

- Increases in population
- Demographic changes such as ageing population
- Changed tourist visitation patterns

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for the Water Service is estimated as $79,560,168 or $7,956,017 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is $42620000 or $4262000 on average per year as per the Long-Term Financial plan or Planned Budget. This is 53.57% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for [Enter Asset Group] leaves a shortfall of $-3694017 on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

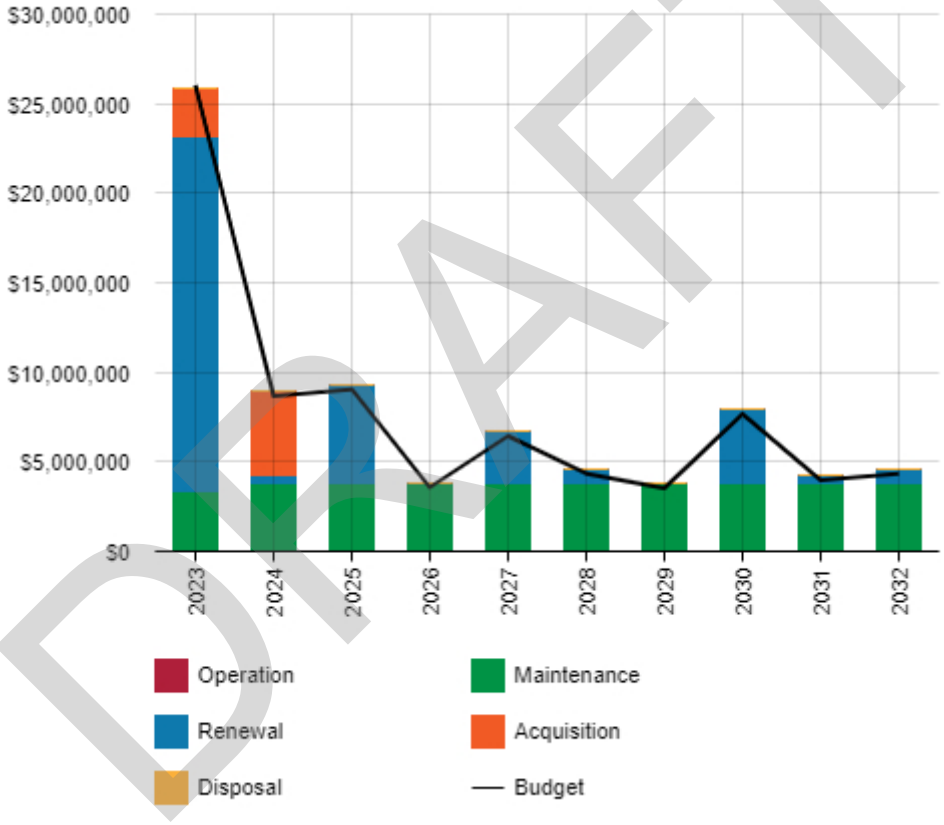


Figure Values are in current dollars.

We plan to provide water supply services for the following:

- Operation, maintenance, renewal and acquisition of water mains, reservoirs, treatment facilities and pumping stations to meet service levels set by Snowy Monaro Regional Council in annual budgets.

Renewal/replacement/upgrade of the Cooma Weir/fishway, telemetry and Snowy 1 reservoir within the 10 year planning period.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period
- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Asset Register Method was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a reliable level of confidence information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- Develop Risk Management Plans for critical assets
- Improve the quality of asset condition data
- Progress the maturity of asset management planning from ‘core’ to ‘advanced’ level
- Separately identify and record operating costs
- Improve linking of customer requests to asset records

2.0 INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Snowy Monaro Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Asset Management Policy
- Asset Management Strategy

Comment on the current status of Asset Management in the Organisation.

The infrastructure assets covered by this AMP include water mains, reservoirs, treatment facilities and pumping stations. For a detailed summary of the assets covered in this AMP refer to Table in Section 5.

These assets are used to provide water supply services.

The infrastructure assets included in this plan have a total replacement value of $138,246,997.

2.2 Goals and Objectives of Asset Ownership

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

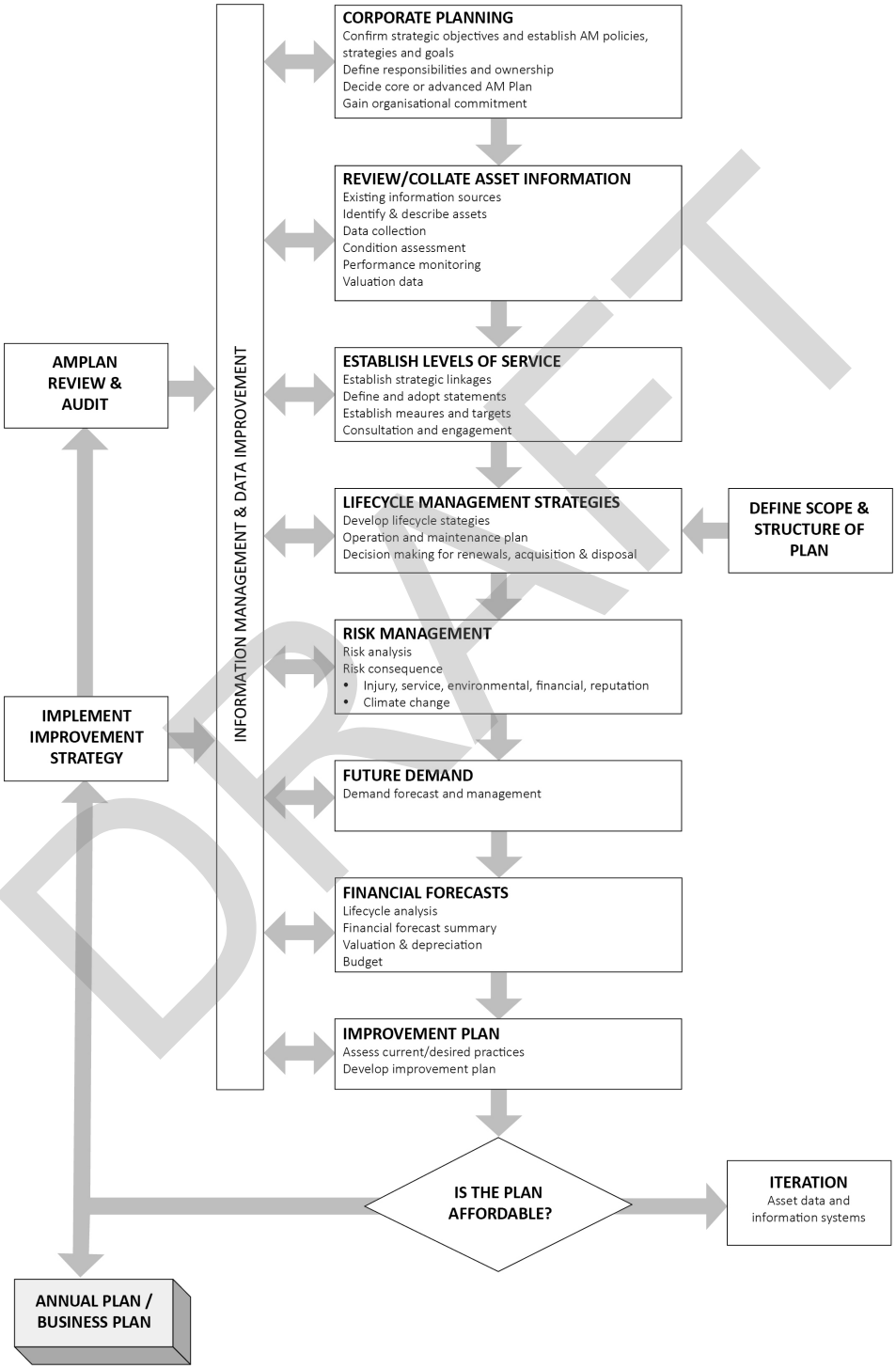
- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 [1]
- ISO 55000[2]

A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan
Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[2] ISO 55000 Overview, principles and terminology

3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by the by Snowy Monaro Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist the Snowy Monaro Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

We currently have no research on customer expectations. This will be investigated for future updates of the AMP.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Snowy Monaro Regional Council vision, mission, goals and objectives.

Our vision is:

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

Strategic goals have been set by the Snowy Monaro Regional Council. The relevant goals and objectives and how these are addressed in this AMP are summarised in Table 3.2.

Table 3.2: Goals and how these are addressed in this Plan

Objective	How Goal and Objectives are addressed in the AMP
4.1 Our health is supported by fit for purpose infrastructure 4.4 We have in place infrastructure that supports our lifestyles	• By developing long term works programs and projecting expenditure required to implement these programs. • By minimising the required physical and monetary resources through focussing on "whole-of-lifecycle" costs • By optimising maintenance works so that the desired outcomes are delivered at the least possible cost • By coordinating with other departments when planning and scheduling maintenance and capital works programmes, to ensure minimum impact on visual amenity

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the water service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. Under S64 of the Act, in conjunction with the Water Management Act it facilitates the levying of developer charges. Amended in 2009 by the Local Government Amendment (Planning and Reporting) Act 2009, to incorporate the Integrated Planning & Reporting framework
Water Management Act 2000	Covers issues such as water rights, licences and water allocations and mechanisms for levying developer charges.
Fluoridation of Public Water Supplies Act 1957	Under the Act the approval of the Department of Health is required in order that a Council can add fluoride to a water supply.
Public Health Act 1991	The Act provides for the prevention of the spread of disease and allows for the inspection and sampling of water supplies as well as prohibition of pollution and closure of polluted water supply.
Pollution Control Act 1970 and Clean Waters Act 1970	These Acts cover limits for monitoring and reporting of discharge from water treatment plants and environmental safeguards for the quantity and quality of waste output.
Environmental Offences and Penalties Act 1989	This Act supplements other legislation in protecting the additional offences relating to the disposal of wastes and the leaking, spillage and escape of substances from their containers. The Act requires that Council be duly diligent in undertaking operations that do or may have an adverse effect on the environment. The main application of this Act would be pollution arising from chlorination of the Water Supply and sludge from the treatment of the raw water.
Protection of the Environment Operations Act (POEO)	The Protection of the Environment Operations (POEO) 1997 as amended by the POEO Amendment Act 2005 is the primary piece of legislation for the control of environmental pollution in NSW. The POEO Act provides a key role for local councils in regulating non-scheduled industry. Authorised officers within local government are responsible for the management of all media: air, noise, water and waste for which they are the appropriate regulatory authority (ARA)
Environmental Planning and Assessment Act 1979	The Act requires that the environmental impact of projects be studied at all stages on the basis of scale, location and performance. This Act is applicable to approvals for subdivision and major redevelopments as well as water supply works in their own right. The Act would be applicable to major Capital works involving new construction.

Catchment Management Authorities Act 2003	This Act establishes catchment management authorities and devolves to them certain natural resource management functions in their regions. This Act repealed the Catchment Management Act 1989.
Soil Conservation Act 1938	The objectives of this Act are the conservation of soil resources, farm water resources and the mitigation of erosion and land degradation. Aspects of this Act will affect construction works, particularly where proposed works are likely to cause erosion which could be prevented and which are reported to the Secretary.
Dams Safety Act 1978	Under the Act the Dams Safety Committee may require the owner of a prescribed dam to make observations, take measurements and furnish the Committee with such information. Councils are required to prepare five-yearly Dam Surveillance Reports for their dams.
Occupational Health and Safety Act 2000	All Councils Operational activities are affected by the requirements of this Act
Dangerous Goods Act 1975	This Act sets down guidelines for the handling of prescribed dangerous goods (includes chlorine and caustic soda) and requires Council's facilities for the storage of such goods to be licensed if more than the prescribed quantity is kept in storage. For chlorine, the prescribed amount is 50kg in gaseous form, whilst for caustic soda the amount is 500kg or 500 litres. In addition, the chlorine shall be kept and conveyed in accordance with the Chlorine Code ED 2B 03, "Recommended Practice for the Storage and handling of Chlorine" published by the Workcover Authority.

3.4 Levels of Service

Council has defined service levels in two terms.

Customer Levels of Service relate to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.

Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met.

At time of writing this plan, Council is in the process of community consultation on a number of proposed funding scenarios which will have impact on future budgets and service levels. The outcome of these consultations will be incorporated into future revisions of this plan

Council's current service levels are detailed in Table 3.5.

Table 3.5: Level of Service Measures

Key Performance Measure	Level of Service	Performance Measure	Performance Target	Current Performance
CUSTOMER LEVELS OF SERVICE				
Quality	Provision of clean, clear disinfected water	Customer satisfaction rating from Annual Community Satisfaction Survey	>3	
Safety	Drinking water is safe from any pollutants or contaminants	Compliance with Australian Drinking Water Guidelines	100% compliance in areas that are supplied with potable water	
TECHNICAL LEVELS OF SERVICE				
Availability of supply	Minimise number of water main breaks	Number of water main breaks per 100km per year	<30	
	Minimise unplanned water supply interruptions	Number of unplanned interruptions per 1000 connections per year	<50	
	Reduce response time to emergency water interruptions	Average response time to water incidents	<4 hours	

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

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

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	21,207	1% growth per annum	Minimal impact on demand for services	NA

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Snowy Monaro Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Snowy Monaro Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

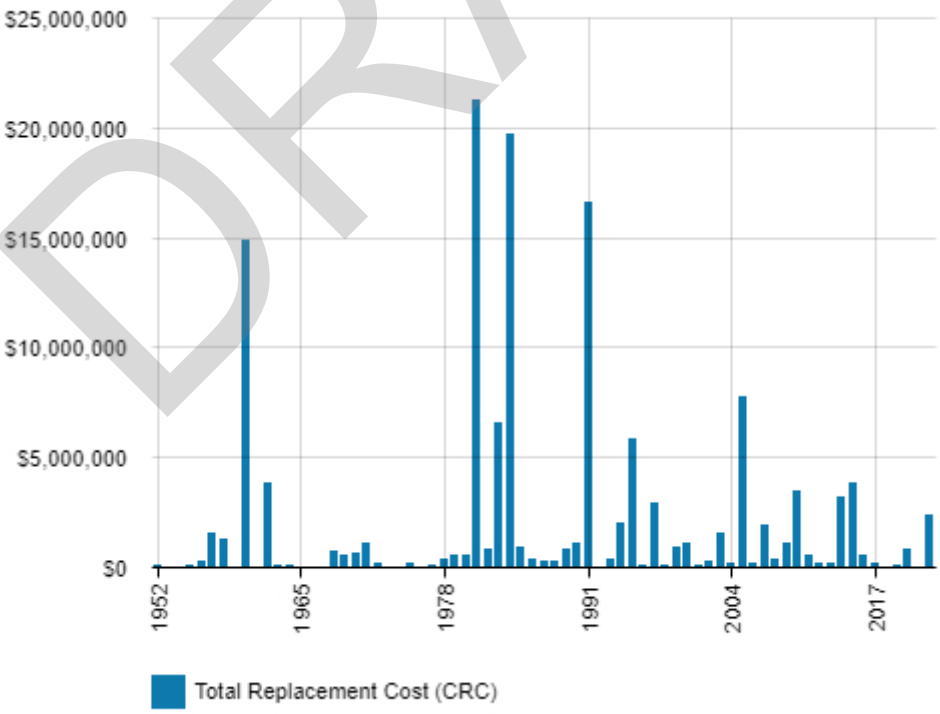
5.1.1 Physical parameters

The assets covered by this AMP are shown in Table 5.1.1.

The age profile of the assets included in this AMP are shown in Figure 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Water mains	315km	$48,826,228
Treatment facilities	9 nos.	$30,436,820
Pumping stations	15 nos.	$3,956,726
Reservoirs	34 nos.	$23,200,914
Telemetry	-	$527,796
Dams	1	$5,608,374
Intakes	-	$25,690,050
TOTAL		**$138,246,908**



All figure values are shown in current day dollars.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
	None currently identified

5.1.3 Asset condition

Condition is measured using a 1 – 5 grading system[3] as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

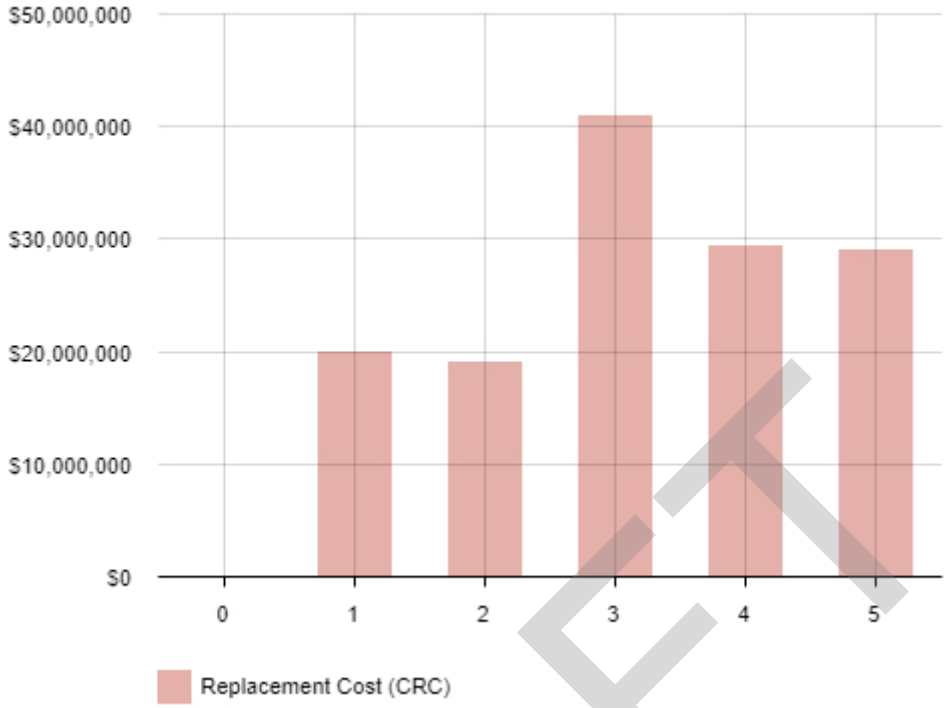
Table 5.1.3: Condition Grading System

Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

[3] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

Figure 5.1.3: Asset Condition Profile



All figure values are shown in current day dollars.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget $
2017/18	$1,503,000
2018/19	$1,428,000
2019/20	$1,649,000

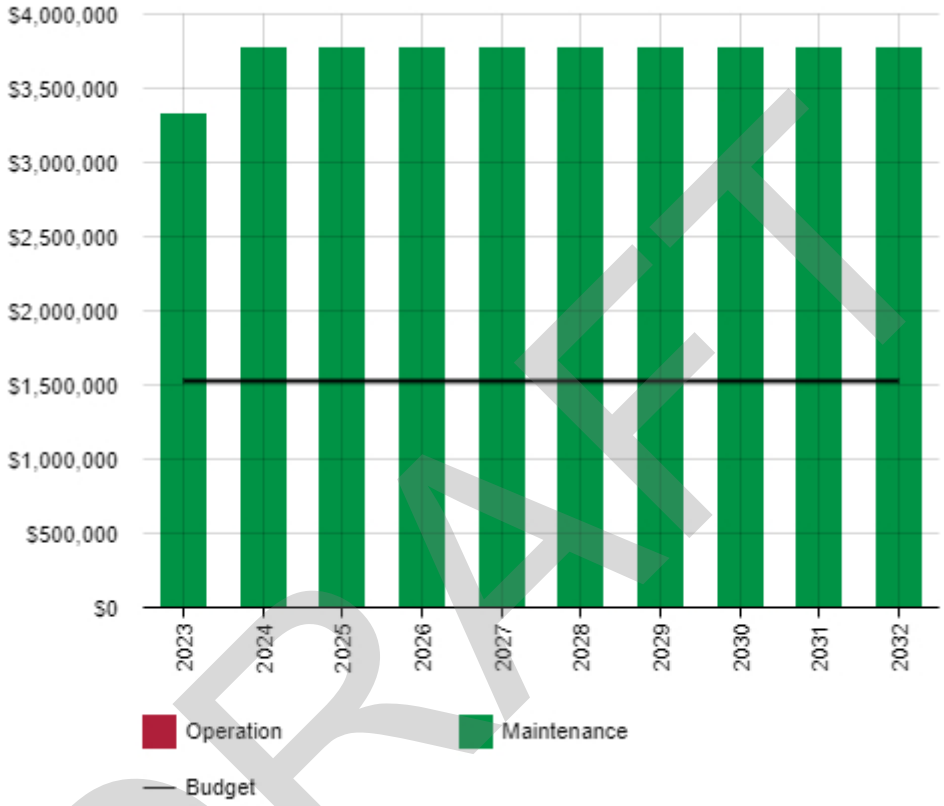
Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

The forecast maintenance costs in the above chart are based on a figure of 2.4% of gross replacement cost.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 26 July 2021.

Table 5.3: Useful Lives of Assets

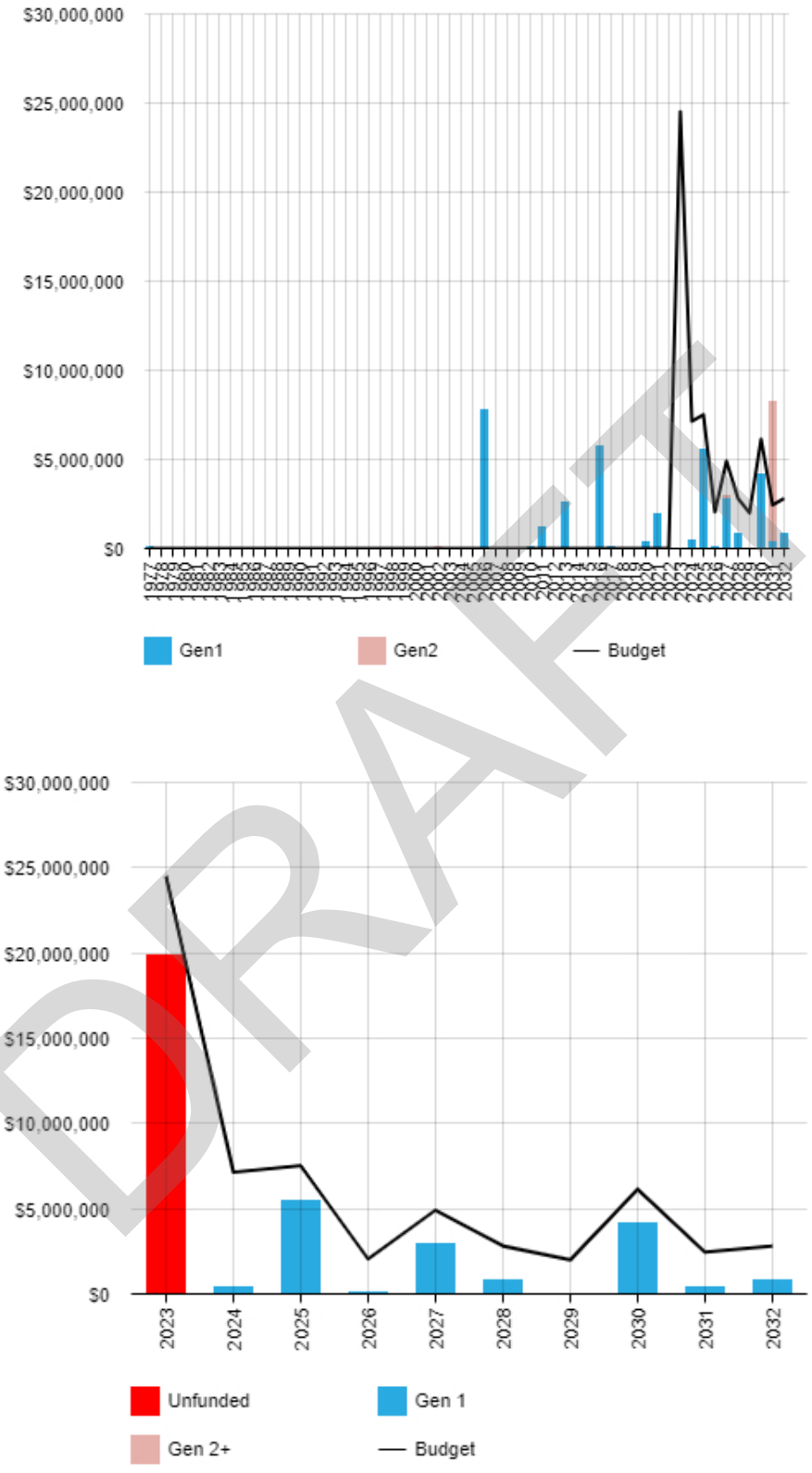
Asset (Sub)Category	
Water mains	80 years
Treatment facilities	70 years (civil), 30 years (mechanical, electrical, process), 25 years (chemical treatment)
Pump Stations	70 years (civil), 30 years (mechanical, electrical)
Reservoirs	100 years (structure), 40 years (roof)

The estimates for renewals in this AMP were based on the asset register method.

5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Snowy Monaro Regional Council.

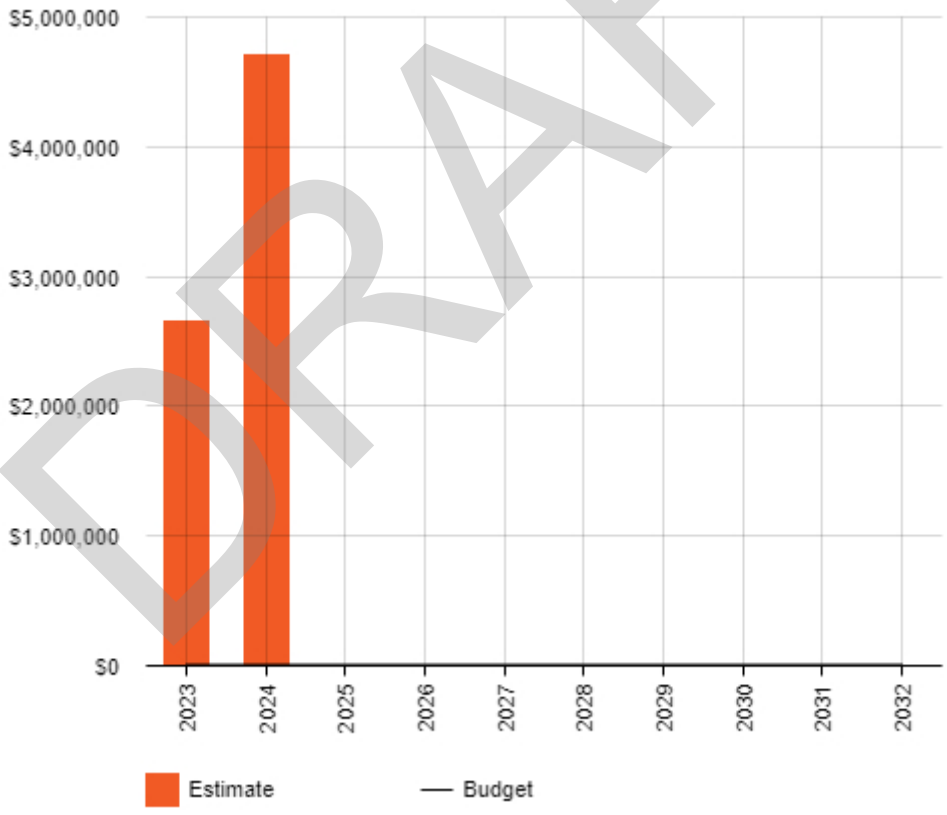
5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes.

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital

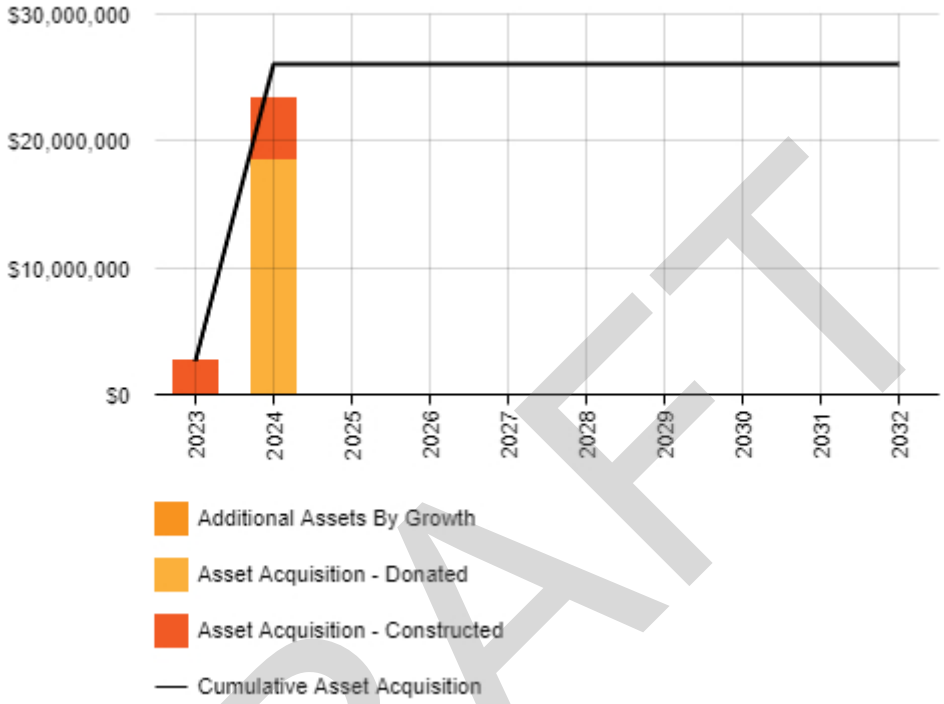
Figure 5.5.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

Acquisitions in the above chart include the Cooma Weir/fishway, telemetry and Snowy 1 reservoir, as well as the proposed upgrade of the water treatment plant in Jindabyne as part of the Special Activation Precinct (SAP).

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Table 5.6: Assets Identified for Disposal

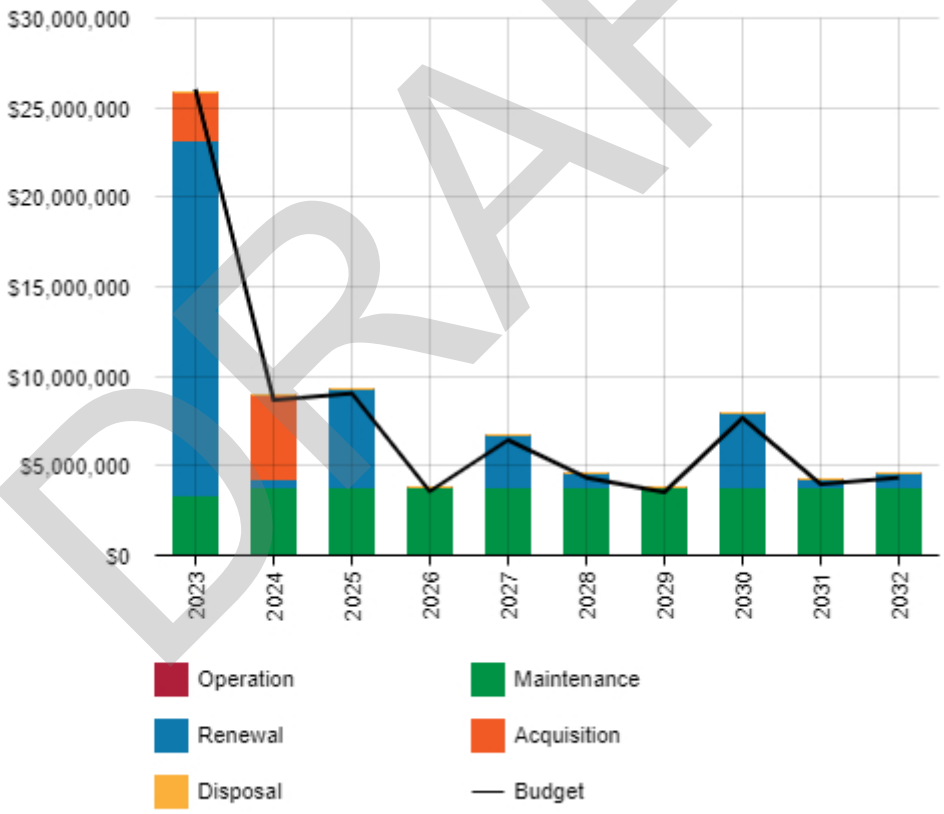
Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
No assets currently identified for disposal	NA	NA	NA	NA

5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.7.1: Lifecycle Summary



All figure values are shown in current day dollars.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[4].

An assessment of risks[5] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	
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	Failure of pumping	• Inability to provide safe water to community • Impact on firefighting capability of community • Impact of Council reputation

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

[4] ISO 31000:2009, p 2

[5] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

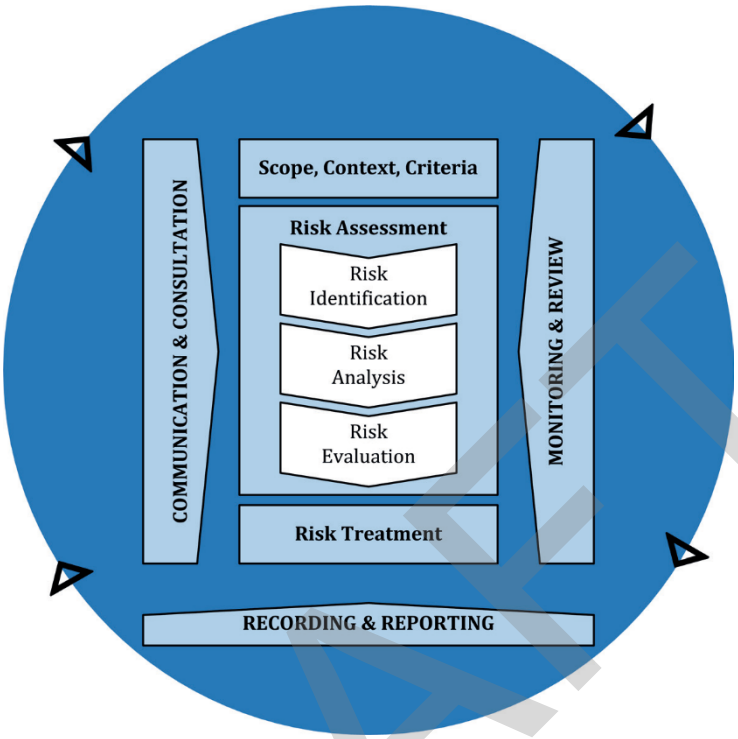


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks[6] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

[6] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

Table 6.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Will be identified in future revisions of this document		NA	NA	NA	NA

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[7] 78.16%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 78.16% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is $7,221,017 average per year.

The proposed (budget) operations, maintenance and renewal funding is $4,262,000 on average per year giving a 10 year funding shortfall of $-2,959,017 per year. This indicates that 59.02% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

[7] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the 'gap' by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2022 dollar values.

Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2023	2,650,000	0	3,318,000	19,853,484	0
2024	4,700,000	0	3,766,800	442,378	0
2025	0	0	3,766,800	5,514,470	0
2026	0	0	3,766,800	54,137	0
2027	0	0	3,766,800	2,910,858	0
2028	0	0	3,766,800	814,124	0
2029	0	0	3,766,800	0	0
2030	0	0	3,766,800	4,139,057	0
2031	0	0	3,766,800	445,773	0
2032	0	0	3,766,800	816,690	0

7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

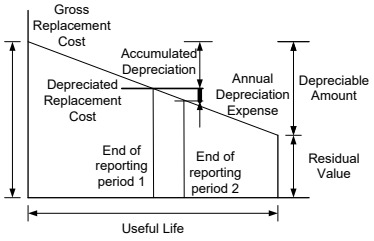
The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value on a replacement cost basis.:

Replacement Cost (Current/Gross)	$138,246,997
Depreciable Amount	$138,246,997
Depreciated Replacement Cost[8]	$56,760,764
Depreciation	$2,596,356.95



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

At time of writing this plan, valuation of water and wastewater assets is taking place, and the above valuations will change at the end of this process.

[8] Also reported as Written Down Value, Carrying or Net Book Value.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period
- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale[9] in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is considered to be Medium confidence.

[9] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[10]

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Civica Authority corporate system.

8.1.2 Asset management data sources

This AMP also utilises asset management data. The source of the data is the Asset Module of the Civica Authority corporate system.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

Task		Responsibility	Resources Required	Timeline
1	Develop Risk Management Plans for Critical Assets	Corporate Risk Management Staff	Staff time	TBD
2	Improve the quality of asset condition data	Assets and Water teams	TBD	TBD
3	Progress the maturity of asset management planning from 'core' to 'advanced' level	Asset team	Staff time	TBD
4	Separate recording of operating and maintenance costs	Water and Finance teams	Staff time	TBD
5	Improve linking of customer requests to asset records	Assets and Water teams	Staff time	TBD

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and within one year of each Council election.

[10] ISO 55000 Refers to this as the Asset Management System

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The degree to which the required forecast costs identified in this AMP are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AMP,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2015, 3rd edn., 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
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- IPWEA, 2018, Practice Note 12.1, 'Climate Change Impacts on the Useful Life of Assets', Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2012, Practice Note 6 Long-Term Financial Planning, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn6
- IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8
- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The Acquisition forecasts are based the capital works programs in the Operational Plan and assets projected to be donated to Council as part of the Jindabyne SAP.

A.2 – Acquisition Project Summary

The projects included in the lifecycle forecast are:

Telemetry upgrade - $150,000
Cooma weir & fishway - $2,500,000
Snowy 1 reservoir replacement - $4,700,000
SAP WTP upgrade - $18,700,000 (donated asset)

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2023	265,0000	0	0
2024	4,700,000	18,700,000	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source
Operations costs are currently not identified separately

B.2 – Operation Forecast Summary
Operations costs are currently not identified separately

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source
Maintenance spending is estimated from the average spend over the past three years as listed in Special Schedule 7

C.2 – Maintenance Forecast Summary
The required maintenance forecast is based on a calculation of 2.4% of gross replacement cost of the assets

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2023	1,527,000	0	3,318,000
2024	1,527,000	0	3,766,800
2025	1,527,000	0	3,766,800
2026	1,527,000	0	3,766,800
2027	1,527,000	0	3,766,800
2028	1,527,000	0	3,766,800
2029	1,527,000	0	3,766,800
2030	1,527,000	0	3,766,800
2031	1,527,000	0	3,766,800
2032	1,527,000	0	3,766,800

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source
Renewals are assumed to be done at end of life as projected by the asset register

D.2 – Renewal Project Summary
Renewals projected in the 10 year planning window include the following asset types:

- Reservoirs
- Pump stations
- Treatment plants
- Raw water intakes

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2023	19,853,484	24,503,484
2024	442,378	7,142,378
2025	5,514,470	7,514,470
2026	54,137	2,054,137
2027	2,910,858	4,910,858
2028	814,124	2,814,124
2029	0	2,000,000
2030	4,139,057	6,139,057
2031	445,773	2,445,773
2032	816,690	2,816,690

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source
No asset disposals are currently identified

E.2 – Disposal Project Summary
No asset disposals are currently identified

E.3 – Disposal Forecast Summary
No asset disposals are currently identified

.

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0

Appendix F Budget Summary by Lifecycle Activity

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2023	0	0	1,527,000	24,503,484	0	26,030,484
2024	0	0	1,527,000	7,142,378	0	8,669,378
2025	0	0	1,527,000	7,514,470	0	9,041,470
2026	0	0	1,527,000	2,054,137	0	3,581,137
2027	0	0	1,527,000	4,910,858	0	6,437,858
2028	0	0	1,527,000	2,814,124	0	4,341,124
2029	0	0	1,527,000	2,000,000	0	3,527,000
2030	0	0	1,527,000	6,139,057	0	7,666,057
2031	0	0	1,527,000	2,445,773	0	3,972,773
2032	0	0	1,527,000	2,816,690	0	4,343,690

ASSET MANAGEMENT PLAN
WASTEWATER
2022 -2032

SNOWY MONARO REGIONAL COUNCIL

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. The Snowy Monaro is, and always will be, Aboriginal Country.

Record of Versions

Uncontrolled document when printed. Please refer to intranet for controlled document.

Version	Date Published	Reason for Amendments	Resolution	Author/Document Owner
1.0		Final Draft for Council Meeting		
1.1				
1.2				
1.4				
1.5				
1.6				
1.7				

Photography:
MJD Photography Cover, 2

Contents

1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

This Asset Management Plan (AMP) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the ten year planning period. The AMP will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

1.2 Asset Description

This plan covers the infrastructure assets that provide Wastewater services.

The Wastewater network comprises:

- 248km of wastewater mains
- 8 treatment facilities
- 31 pump stations
- Telemetry network

The above infrastructure assets have replacement value estimated at $120,631,000.

1.3 Levels of Service

The allocation in the planned budget is sufficient to continue providing existing services at current levels for the planning period

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Increases in population
- Demographic changes such as ageing population
- Changed tourist visitation patterns

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for the wastewater service is estimated as $68,219,960 or $6,821,997 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is $34160000 or $3416000 on average per year as per the Long-Term Financial plan or Planned Budget. This is 50.07% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for [Enter Asset Group] leaves a shortfall of $-3405996 on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

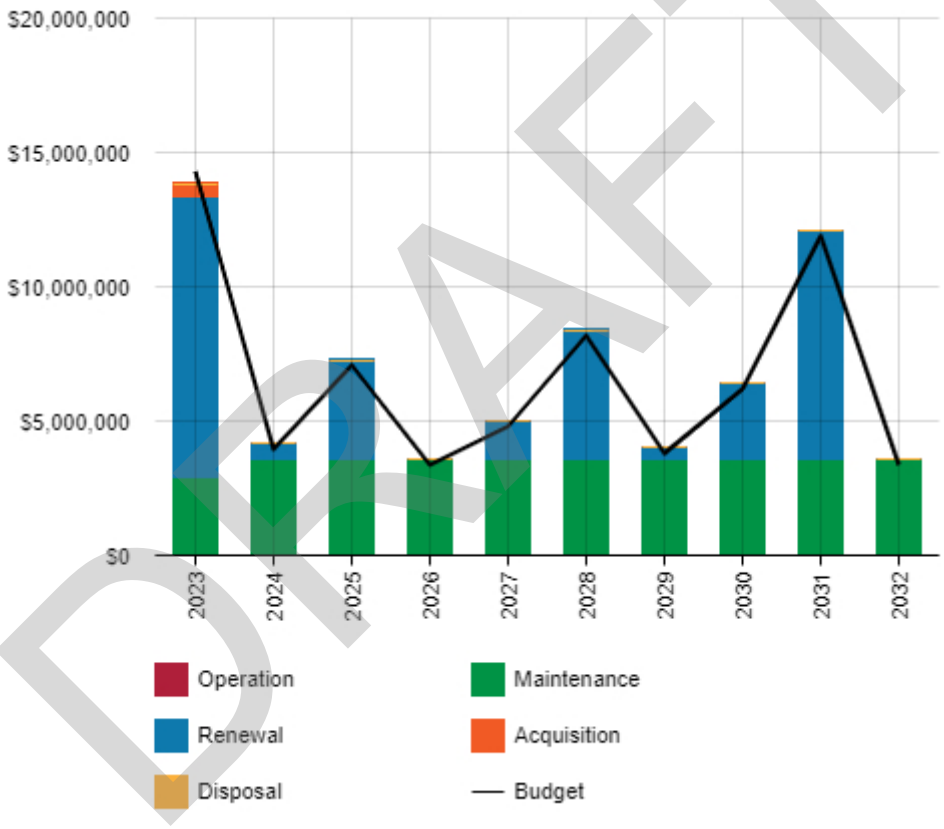


Figure Values are in current dollars.

We plan to provide wastewater services for the following:

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period
- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Asset Register Method was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a reliable level of confidence information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- Develop Risk Management Plans for critical assets
- Improve the quality of asset condition data
- Progress the maturity of asset management planning from ‘core’ to ‘advanced’ level
- Separately identify and record operating costs
- Improve linking of customer requests to asset records

2.0 INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Snowy Monaro Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- SMRC Asset Management Policy
- SMRC Asset Management Strategy

Comment on the current status of Asset Management in the Organisation.

The infrastructure assets covered by this AMP include treatment plants, reticulation, pump stations and telemetry. For a detailed summary of the assets covered in this AMP refer to Table in Section 5.

These assets are used to provide wastewater services.

The infrastructure assets included in this plan have a total replacement value of $120,630,826.

2.2 Goals and Objectives of Asset Ownership

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,

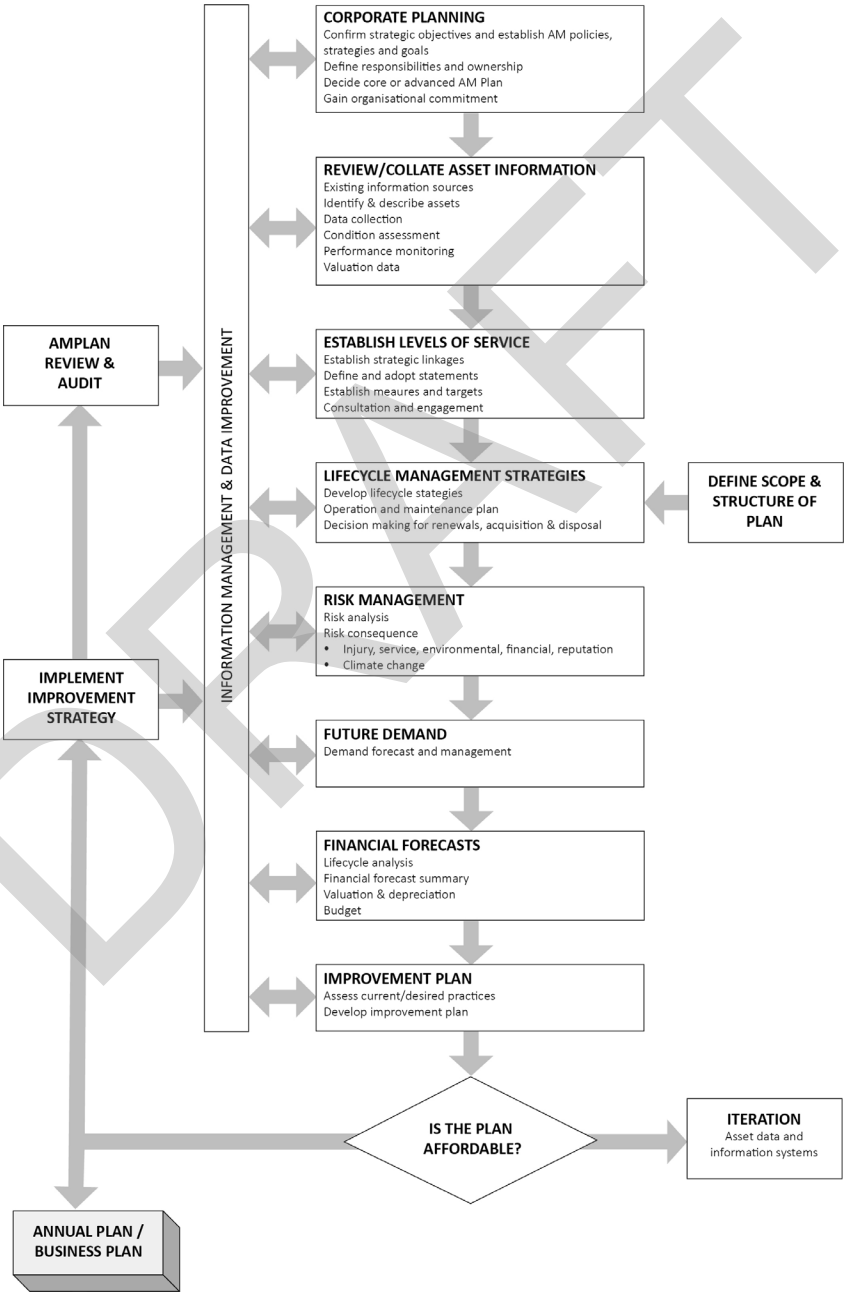
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 [1]
- ISO 55000[2]

A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan
Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



[1] Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13
[2] ISO 55000 Overview, principles and terminology

3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by Snowy Monaro Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist the Snowy Monaro Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

We currently have no research on customer expectations. This will be investigated for future updates of the AMP.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Snowy Monaro Regional Council vision, mission, goals and objectives.

Our vision is:

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

Strategic goals have been set by the Snowy Monaro Regional Council. The relevant goals and objectives and how these are addressed in this AMP are summarised in Table 3.2.

Table 3.2: Goals and how these are addressed in this Plan

Objective	How Goal and Objectives are addressed in the AMP
4.1 Our health is supported by fit for purpose infrastructure 4.4 We have in place infrastructure that supports our lifestyles	• By developing long term works programs and projecting expenditure required to implement these programs. • By minimising the required physical and monetary resources through focussing on "whole-of-lifecycle" costs • By optimising maintenance works so that the desired outcomes are delivered at the least possible cost • By coordinating with other departments when planning and scheduling maintenance and capital works programmes, to ensure minimum impact on visual amenity

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the wastewater service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. Under S64 of the Act, in conjunction with the Water Management Act it facilitates the levying of developer charges. Amended in 2009 by the Local Government Amendment (Planning and Reporting) Act 2009, to incorporate the Integrated Planning & Reporting framework
Pollution Control Act 1970 and Clean Waters Act 1970	Specify limits for monitoring and reporting of discharge from wastewater treatment plants and environmental safeguards for quantity and quality of waste output
Environmental Offences and Penalties Act 1989	This Act supplements other legislation in protecting the environment from pollution and in particular creates additional offences relating to the disposal of wastes and the leaking, spillage and escape of substances from their containers. The Act requires that Council be duly diligent in undertaking operations that do or may have an adverse effect on the environment.
Protection of the Environment Operations Act (POEO)	The Protection of the Environment Operations (POEO) 1997 as amended by the POEO Amendment Act 2005 is the primary piece of legislation for the control of environmental pollution in NSW. The POEO Act provides a key role for local councils in regulating non-scheduled industry. Authorised officers within local government are responsible for the management of all media: air, noise, water and waste for which they are the appropriate regulatory authority (ARA
Occupational Health and Safety Act 2000	All Councils Operational activities are affected by the requirements of this Act
Dangerous Goods Act 1975	This Act sets down guidelines for the handling of prescribed dangerous goods (includes chlorine and caustic soda) and requires Council's facilities for the storage of such goods to be licensed if more than the prescribed quantity is kept in storage. For chlorine, the prescribed amount is 50kg in gaseous form, whilst for caustic soda the amount is 500kg or 500 litres. In addition, the chlorine shall be kept and conveyed in accordance with the Chlorine Code ED 2B 03, "Recommended Practice for the Storage and handling of Chlorine" published by the Workcover Authority.

3.4 Levels of Service

Council has defined service levels in two terms.

Customer Levels of Service relate to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.

Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met.

At time of writing this plan, Council is in the process of community consultation on a number of proposed funding scenarios which will have impact on future budgets and service levels. The outcome of these consultations will be incorporated into future revisions of this plan.

Table 3.5: Level of Service Measures

Key Performance Measure	Level of Service	Performance Measure	Performance Target	Current Performance
CUSTOMER LEVELS OF SERVICE				
Quality	Provision of a quality sewerage service	Customer satisfaction rating from Annual Community Satisfaction Survey	>3	
TECHNICAL LEVELS OF SERVICE				
Service delivery	Continuity of service delivery	Number of repairs and chokes	<20 per 100km per year	
	Response time	Average response time to sewerage incidents	<4 hours	
Compliance	Protection of the Environment	Compliance with EPA licence conditions at Adaminaby, Berridale, Bombala, Cooma, Delegate, Jindabyne and Nimmitabel	100% compliance	
	Annual compliance reporting to EPA	Submission of annual return to EPA	Return submitted on time	

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

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

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	21,207	1% growth per annum	Minimal impact on demand for services	NA

4.4 Asset Programs to meet demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Snowy Monaro Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Snowy Monaro Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this AMP are shown in Table 5.1.1.

The age profile of the assets included in this AMP are shown in Figure 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Sewer mains	248km	$59,832,985
Sewer Treatment Plants	8 nos.	$31,127,813
Pump Stations	31 nos.	$29,436,854
Telemetry	-	$233,150
TOTAL		**$120,630,802**

Figure 5.1.1: Asset Age Profile

All figure values are shown in current day dollars.

Add discussion about the age asset profile. Outline how past peaks of investment that may require peaks in renewals in the future. Comment on the overall age versus useful lives of the assets.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
	None currently identified

5.1.3 Asset condition

Condition is measured using a 1 – 5 grading system[3] as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

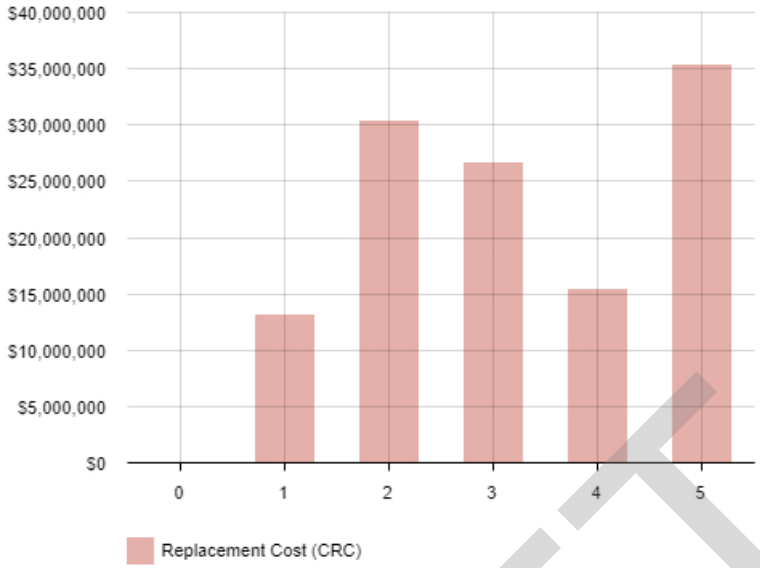
Table 5.1.3: Condition Grading System

Condition Grading	Description of Condition
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

[3] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

Figure 5.1.3: Asset Condition Profile



All figure values are shown in current day dollars.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget
2017/18	
2018/19	$1,039,000
2019/20	$1,849,000

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP and service risks considered in the Infrastructure Risk Management Plan.

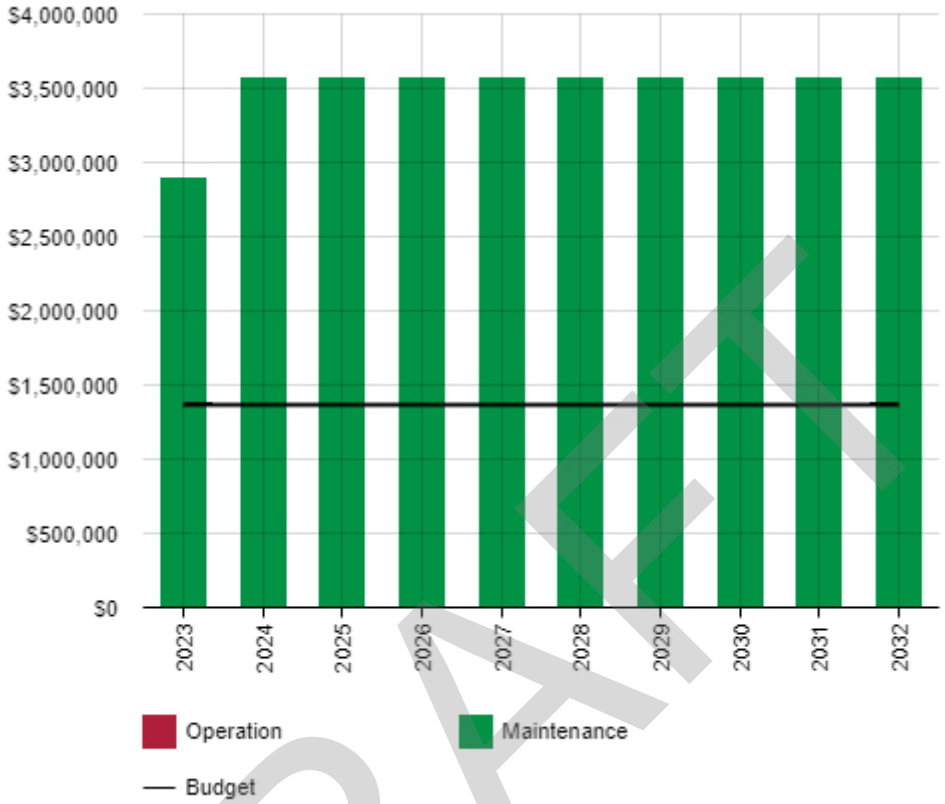
Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation

and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

The forecast maintenance costs in the above chart are based on a figure of 2.4% of gross replacement cost.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 26 July 2021

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Sewer Mains	80 years
Treatment Plants	50 years
Pump Stations	70 years (civil), 35 years (mechanical, electrical), 20 years (dump points)
Telemetry	20 years

The estimates for renewals in this AMP were based on the asset register method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

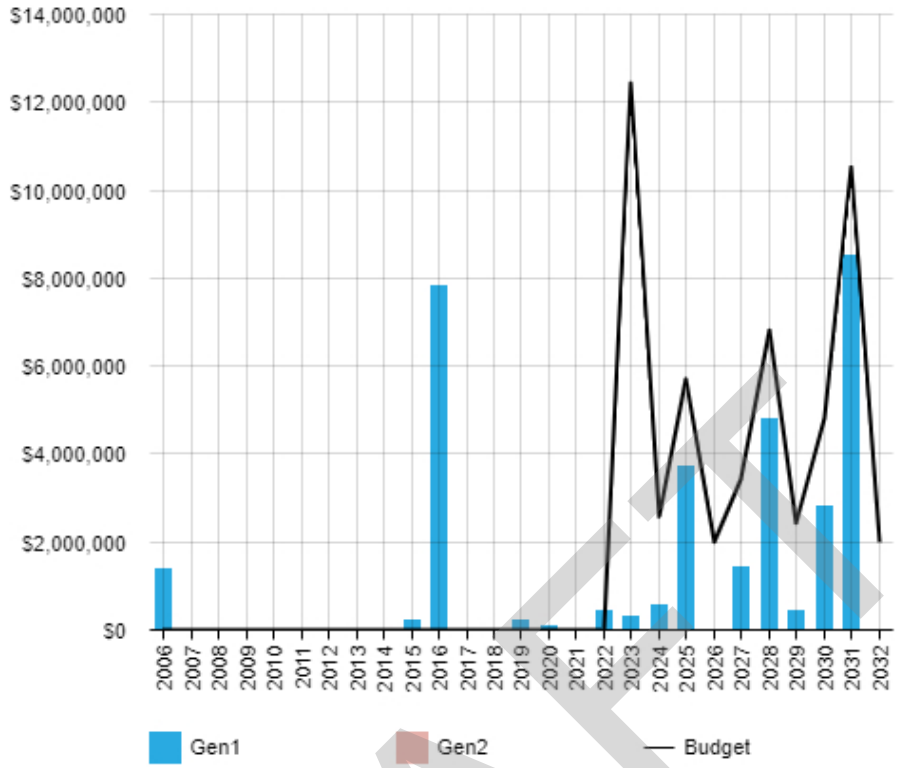
- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).[4]
- It is possible to prioritise renewals by identifying assets or asset groups that:
- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[5]

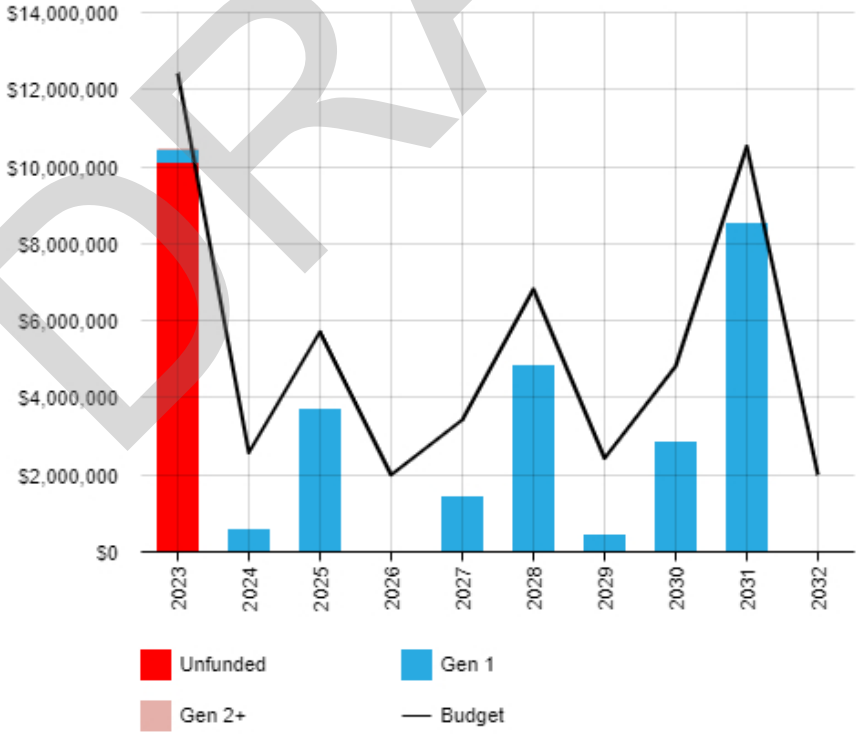
5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

[4] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.
[5] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Figure 5.4.1: Forecast Renewal Costs





All figure values are shown in current day dollars.

5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Snowy Monaro Regional Council.

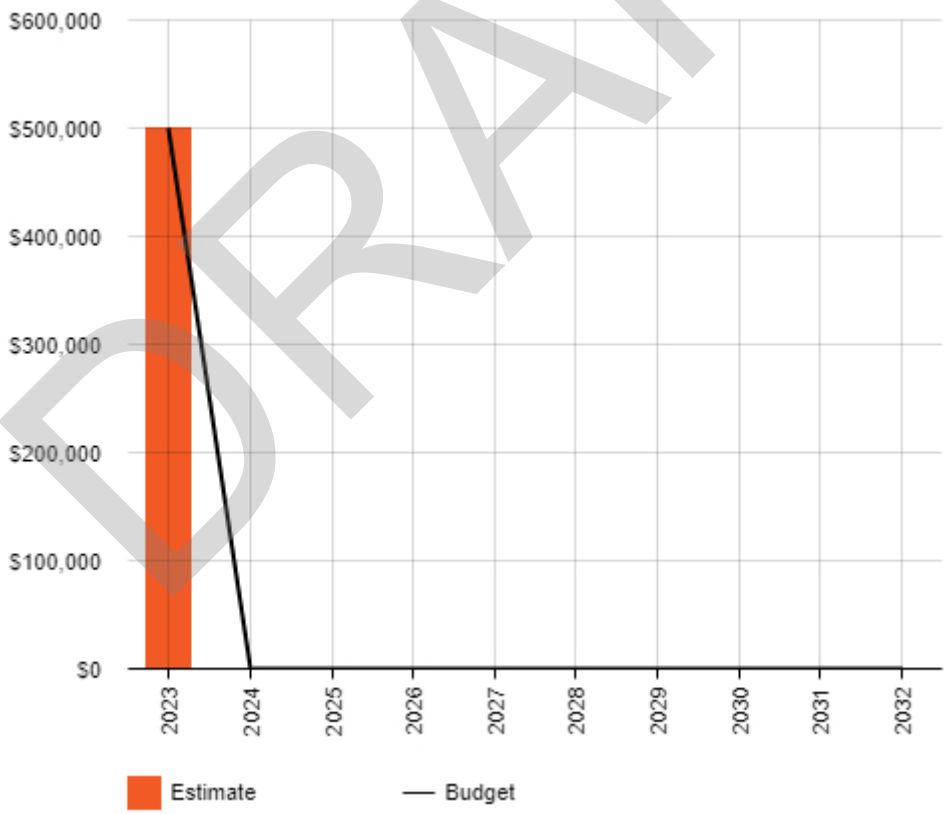
5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes.

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

Figure 5.5.1: Acquisition (Constructed) Summary

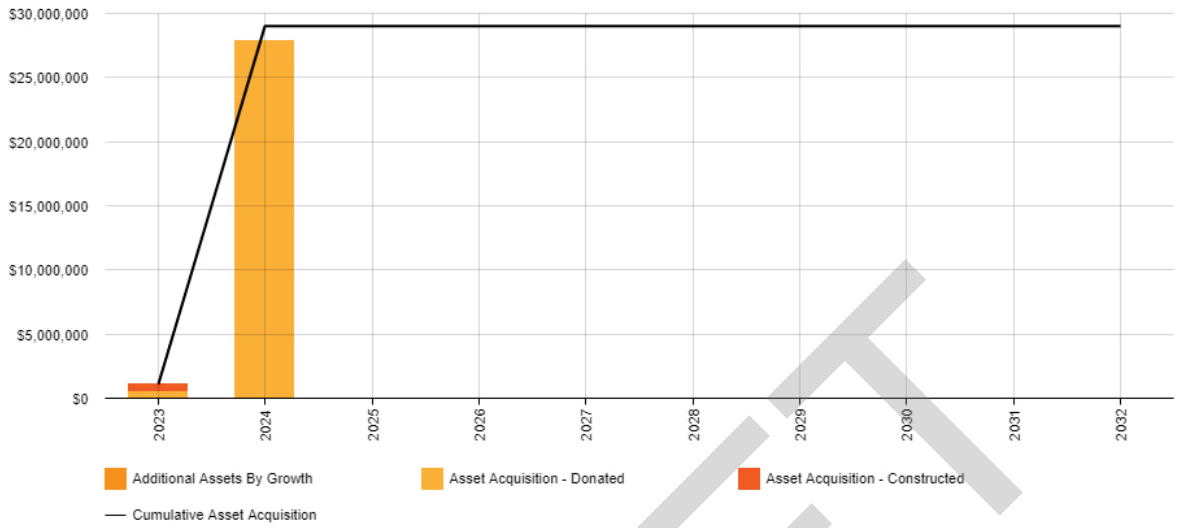


All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset

acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

5.6 Disposal Plan

. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Table 5.6: Assets Identified for Disposal

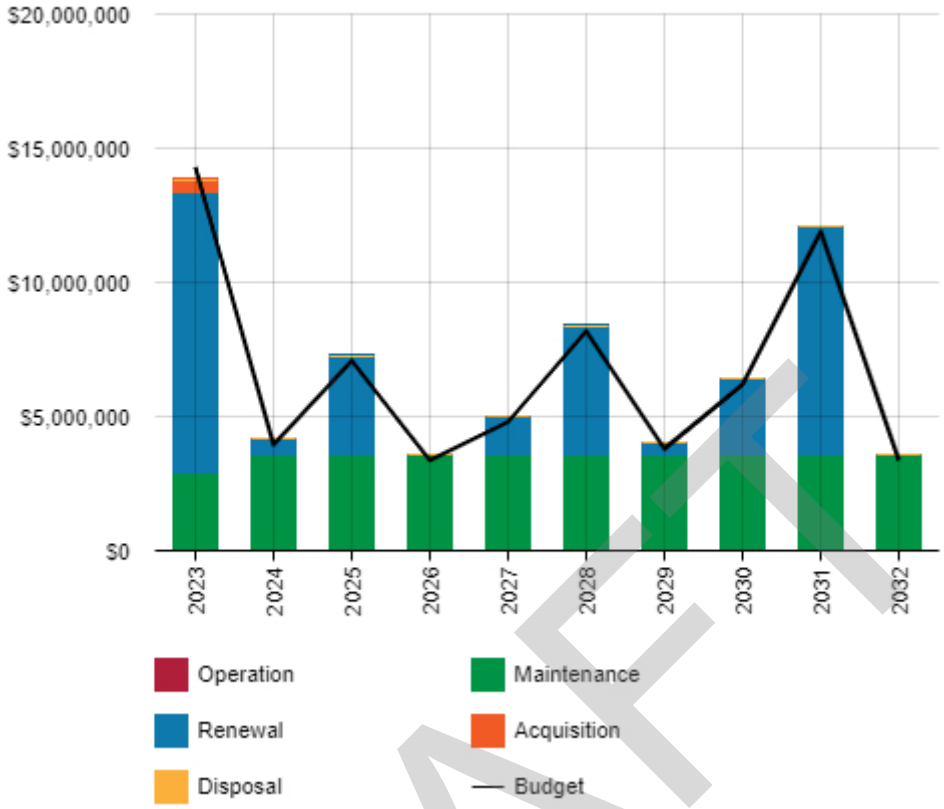
Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
No assets currently identified for disposal	NA	NA	NA	NA

5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.7.1: Lifecycle Summary



All figure values are shown in current day dollars.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[6].

An assessment of risks[7] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Treatment Plants	Failure of treatment process through loss of power, contamination	• Potential Environmental pollution incident • Impact on Council reputation
Pump Stations	Loss of pumping	• Potential health hazard if service not provided • Impact on Council reputation

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

[6] ISO 31000:2009, p 2

[7] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

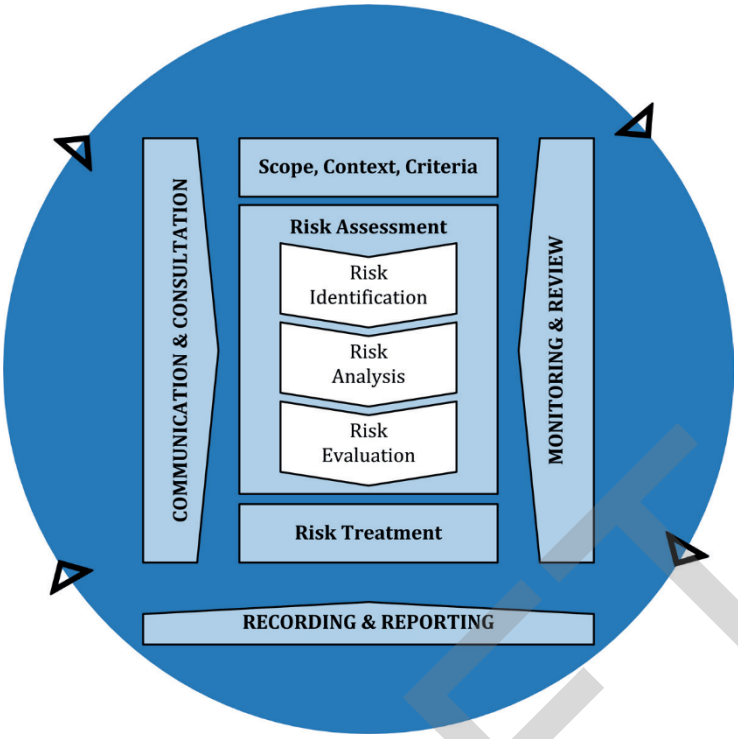


Fig 6.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Table 6.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Will be identified in future revisions of this plan	NA	NA	NA	NA	NA

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AMP.

7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[8] 61.08%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 61.08% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is $6771997 average per year.

The proposed (budget) operations, maintenance and renewal funding is $3366000 on average per year giving a 10 year funding shortfall of $-3405996 per year. This indicates that 49.7% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

[8] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the 'gap' by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2022 dollar values.

Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year		Operation	Maintenance	Renewal	Disposal
2023	500,000	0	2895000	10,429,497	0
2024	0	0	3564600	579,828	0
2025	0	0	3564600	3,710,103	0
2026	0	0	3564600	0	0
2027	0	0	3564600	1,431,909	0
2028	0	0	3564600	4,816,123	0
2029	0	0	3564600	429,456	0
2030	0	0	3564600	2,820,948	0
2031	0	0	3564600	8,525,699	0
2032	0	0	3564600	0	0

7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

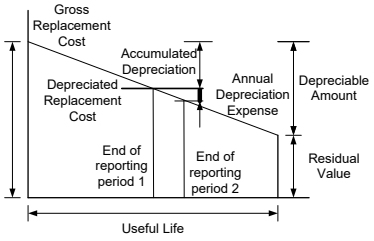
The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value on a replacement cost basis:

Replacement Cost (Current/Gross)	$120,630,826
Depreciable Amount	$120,630,826
Depreciated Replacement Cost[9]	$51,164,648
Depreciation	$2,127,598



[9] Also reported as Written Down Value, Carrying or Net Book Value.

7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

At time of writing this plan, valuation of water and wastewater assets is taking place, and the above valuations will change at the end of this process.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- The assets will remain in the organisations ownership and control throughout the planning period
- Planned and reactive maintenance will take place in accordance with relevant guidelines/standards
- All expenditure is stated in 2021/22 dollar values
- Regulations and standards relating to operations will remain unchanged over the planning period

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale[10] in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is considered to be Medium confidence.

[10] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices[11]

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is the Civica Authority corporate system.

Asset management data sources

This AMP also utilises asset management data. The source of the data is the Asset Module of the Civica Authority corporate system.

Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

Task		Responsibility	Resources Required	Timeline
1	Develop Risk Management Plans for Critical Assets	Corporate Risk Management Staff	Staff time	TBD
2	Improve the quality of asset condition data	Assets and Wastewater teams	TBD	TBD
3	Progress the maturity of asset management planning from 'core' to 'advanced' level	Asset team	Staff time	TBD
4	Separate recording of operating and maintenance costs	Water and Finance teams	Staff time	TBD
5	Improve linking of customer requests to asset records	Assets and Wastewater teams	Staff time	TBD

8.2 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within one year of each Council election.

[11] ISO 55000 Refers to this as the Asset Management System

8.3 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The degree to which the required forecast costs identified in this AMP are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AMP,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

9.0 REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The Acquisition forecasts are based the capital works programs in the Operational Plan

A.2 – Acquisition Project Summary

The projects included in the lifecycle forecast include:

Jindabyne Town Centre Sewer/Laneway upgrade 2023
SAP Jindabyne STP upgrade 2024

A.3 – Acquisition Forecast Summary

Recommend using NAMS+ Outputs Summary for Acquisition

Table A3 - Acquisition Forecast Summary

Year	Constructed	Donated	Growth
2023	500,000	600,000	0
2024	0	27,900,000	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Operations costs are currently not identified separately.

B.2 – Operation Forecast Summary

Operations costs are currently not identified separately

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Maintenance spending is estimated from the average spend over the past three years as listed in Special Schedule 7

C.2 – Maintenance Forecast Summary

The required maintenance forecast is based on a calculation of 2.4% of gross replacement cost of the asset.

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2023	1,366,000	0	2,895,000
2024	1,366,000	0	3,564,600
2025	1,366,000	0	3,564,600
2026	1,366,000	0	3,564,600
2027	1,366,000	0	3,564,600
2028	1,366,000	0	3,564,600
2029	1,366,000	0	3,564,600
2030	1,366,000	0	3,564,600
2031	1,366,000	0	3,564,600
2032	1,366,000	0	3,564,600

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Renewals are assumed to be done at end of life as projected by the asset register

D.2 – Renewal Project Summary

The renewal projects included in the lifecycle forecast include:.

- Treatment Plant assets
- Reticulation
- Pump Stations
- Telemetry

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2023	10,429497	12,429497
2024	579,828	2,579,828
2025	3,710,103	5,710,103
2026	0	2,000,000
2027	1,431,909	3,431,909
2028	4,816,123	6,816,123
2029	429,456	2,429,456
2030	2,820,948	4,820,948
2031	8,525,699	10,525,699
2032	0	2,000,000

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source
No asset disposals are currently identified.

E.2 – Disposal Project Summary
No asset disposals are currently identified

E.3 – Disposal Forecast Summary
No asset disposals are currently identified.

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0

Appendix F Budget Summary by Lifecycle Activity

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Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2023	500,000	0	1,366,000	12,429,497	0	1,4295,497
2024	0	0	1,366,000	2,579,828	0	3,945,828
2025	0	0	1,366,000	5710,103	0	7,076,103
2026	0	0	1,366,000	2,000,000	0	3,366,000
2027	0	0	1,366,000	3,431,909	0	4,797,909
2028	0	0	1,366,000	6,816,123	0	8,182,123
2029	0	0	1,366,000	2,429,456	0	3,795,456
2030	0	0	1,366,000	4,820,948	0	6,186,948
2031	0	0	1,366,000	10,525,699	0	11,891,699
2032	0	0	1,366,000	2,000,000	0	3,366,000

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.

For further information visit:

www.snowymonaro.nsw.gov.au

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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 our services, plans and reports. If you would like to comment, or require additional information regarding this report please contact us.

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