COONAMBLE
SHIRE COUNCIL

STRATEGIC ASSET MANAGEMENT PLAN

2022-2032

Contents

1. Introduction

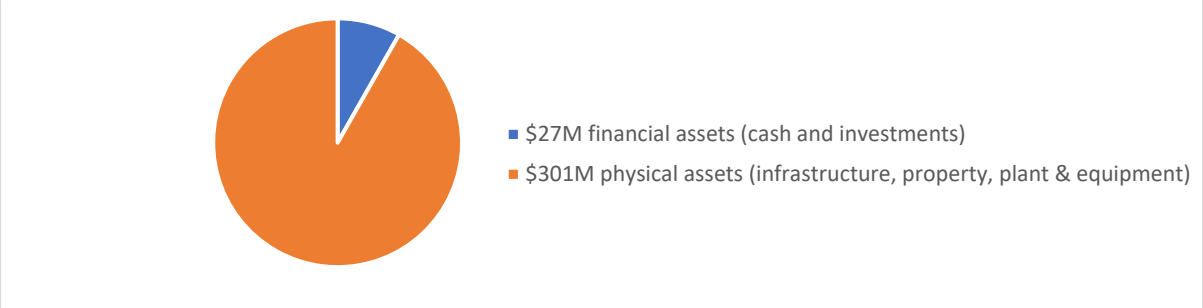
1.1 Council's Objective: Sound Financial Management

Council's Delivery Program reinforces its commitment to the principles of sound financial management set out in section 8B of the Local Government Act. Council has identified the following objectives in this regard for its term in office:

- Spending: a balanced operational budget
- Infrastructure investment:
    - Eliminating the backlog via a focus on renewals
    - Affordable service levels
    - Prioritisation of upgrades
- Effective financial and asset management
    - Continuous improvement in asset management (actions in SAMP)
    - Adequate reserves and appropriate borrowing (outlined in LTFP)

This Strategic Asset Management Plan supports Council's decision making in relation to all the above objectives. Council's commitment to asset management generally is documented in its **Asset Management Policy** (available on Council's website).

The chart below explains why Council must manage its *physical* assets, not just its *financial* assets, if it is to adhere to the principles of sound financial management in the Act: **Council's financial assets make up around 8% of community assets it is responsible for**.[1] If Council is to be responsible and sustainable, it must manage its physical assets, too.



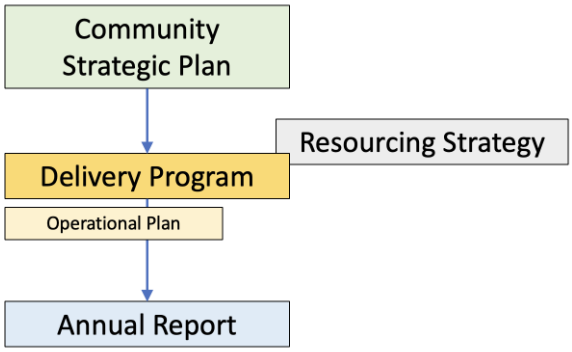
[1] Aligns with Statement of Financial Position in 2021 Financial Statements.

1.2 Relationship to Other Documents and Structure of this SAMP

This Strategic Asset Management Plan (SAMP) sits alongside the Long Term Financial Plan (LTFP) and Workforce Management Plan in Council's **Resourcing Strategy**. It incorporates requirements for both the 'Asset Management Strategy' and 'Asset Management Plans'.[2]

The Resourcing Strategy supports Council's decision making in its **Delivery Program** and **Operational Plan** (DP and OP).

As shown below, the Resourcing Strategy 'backs up' the Delivery Program in particular, as required by the Local Government Act (section 404): the DP details the activities Council will undertake to perform its functions *within the resources available in the Resourcing Strategy*.



It is important to note that it is in the Delivery Program (and annual Operational Plan that 'actions' it) and not in this SAMP where Council:

- allocates resources to undertake asset-related activities and
- establishes its objectives (including 'asset service standards'[3]), against which it will monitor, measure and report on its performance.

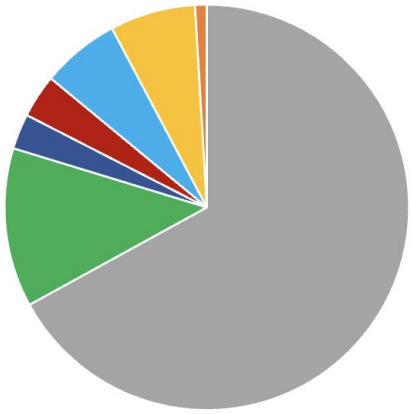
This SAMP is structured as follows:

- **Asset class summaries:** a big-picture view of
  - where we are now,
  - where we're headed with available resources in the LTFP and
  - key objectives to monitor to ensure we stay on track
- **Financial planning:**
  - Explanation how financial information aligns across all IP&R documents
  - 10 year capital works forecast with notes about each program
- **Risk management:** summary of critical risks and management strategies
- **Infrastructure asset performance measures:** analysis of Council's current and projected performance against mandatory benchmarks set by NSW Government
- **Asset management system:** overview of the system with key improvement actions

[2] IP&R Guidelines essential elements 3.14 to 3.23.
[3] IP&R Guidelines essential element 3.21 requires councils to include 'asset service standards' in their AMPs, but these are in Council's DP and OP.

2. Asset Class Summaries

The chart below summarises the **replacement value** of Council's main classes of physical assets. The total here ($426M[4]) is higher than the 'carrying value' in section 1.1 ($301M) as replacement value is what it is worth new, not what it is worth now (after depreciation).



	$M
Transport	285.3
Buildings and Facilities	54.0
Urban Stormwater	12.0
Plant and Equipment	14.7
Water Supply	26.6
Sewerage	29.1
Land	4.0
TOTAL	425.7

Each asset class (other than land) is considered in the following sections.

Land is not considered in the same way at present, although Council is updating its property register and preparing plans of management for all community and Crown land.

'Buildings and facilities' are considered together, including both buildings and 'other' assets (e.g. pools, playgrounds, parks and sports infrastructure) as most facilities include a building and these other assets as well.

[4] Aligns with Note C1-6 of 2021 Financial Statements, excluding capital works in progress.

TRANSPORT

What assets are we responsible for?

Asset category	Value $M	Asset category	Value $M
168km **sealed rural local** roads	46.5	1,114km **unsealed rural local** roads + 210km of 'formed only' roads	15.1
49km sealed + 24km unsealed **local urban** roads	16.8	204km sealed + 51km unsealed **regional** roads	72.1
32 Bridges and major culverts	26.2	59km kerb and gutter	7.2
1485 pipe culverts (rural roads)	9.5	15km footpaths and cycleways	1.8

Where are we now?

Council acknowledges that the current state of the road network is unsatisfactory to many in the community. It also recognises real improvements will require commitment to a long-term program that targets the limited funds available to the top priorities.

Sealed roads: investment in **reseals** (renewing the bitumen surface) has been insufficient but should be top priority. As a result, the 'waterproof' layer is gone on many roads, increasing the risk of premature failure of the underlying gravel pavement (this costs 6-8 times more to fix). Targets have been set (below) for reseals to be done each year (including an allowance for heavy patching of isolated pavement failures within reseals).

Some priorities for full **pavement rehabilitation** (roads too far gone to reseal) have been identified, but this list needs refining. The amount available for these works must be weighed up against priorities on unsealed roads, plus matching grants for upgrades (e.g. shoulder widening, extending seals). Upgrades shouldn't be prioritised over renewals.

Unsealed roads: the funds available for **grading** (to restore shape and shed water) are very limited given the size of the network. The fact that many roads are low-lying (water can't get away), recent wet weather and good harvests, are exacerbating the issues.

Funds for **resheeting** (adding gravel over the natural soil) are also limited, and limited access to borrow pits is adding to costs. Grading, and protecting roads from damage during wet periods (via closures), is critical to improving accessibility for landholders.

An ACTION PLAN to improve unsealed roads will be developed and endorsed by Council covering hierarchy, gravel vs. formed only, gravel sources, grading service targets, etc.

Bridges and culverts: several structures need rehabilitation to avoid failure of abutments. Assessment of all structures needs to be undertaken to identify defects for repair.

Kerb and gutter, footpaths: in urban areas is failing in a number of locations.

Where will we be in 10 years?

Sealed roads: focusing on reseals will reduce premature failure of pavements, and, with adequate funding for pavements, will see a gradual improvement in condition over time. Upgrades (e.g. widening, seal extension) will be limited to funding obtained via grants.

Unsealed roads: Council's ACTION PLAN to improve the unsealed network will see improved outcomes with available funds, but meeting community expectations will remain a challenge.

Bridges and culverts: priority repair works will be undertaken, guided by assessments.

Kerbs + footpaths: renewal works will be undertaken with funds available.

How will we know we're on track?

Activity	Target	Activity	Target
Reseals: Local Rural Local Urban Regional Roads	9km p.a. 2km p.a. 11km p.a.	Prioritised works program for reseals and pavements + unsealed resheets	Program endorsed for 2023 budget
ACTION PLAN to improve the unsealed road network	Endorsed by 2023	Road upgrade priority list (for grant applications)	List endorsed by 2023
Scope up known repair works on bridges	For 24 Budget	Inspection program for all bridges/major culverts	Consider in 2024 budget
Review road hierarchy	By 2023	Kerb and footpath priority works list	List endorsed by 2023

BUILDINGS AND FACILITIES

What assets are we responsible for?

Asset category	Value $M	Asset category	Value $M
Administration office	1.2	9 Residential dwellings	1.4
Aerodrome (buildings, runway, lights)	10.1	Saleyards (office, yards, amenities)	1.4
Caravan Park (cabins, amenities)	2.1	2 Showgrounds	4.1
Community buildings (4)	4.2	22 Sports buildings and public toilets	3.4
Depots (sheds, parking)	2.8	Other sports (lights, fields, courts)	3.0
Emergency services (16 RFS, SES)	4.6	Swimming pools	6.0
3 Libraries	1.0	3 Waste centres (sheds, fencing)	1.1
Parks assets (playgrounds, shelters)	0.9	Museum (sheds, amenities)	1.1
Quarry assets (sheds, hardstand)	0.7	Service NSW (+ vacant offices)	1.6
		Visitor Information Centre	new

Where are we now?

Council's buildings and 'other' assets associated with facilities (lights, playgrounds, sports and parks assets, shelters, fences, etc.) are generally in acceptable condition and meet user needs. Most assets need maintenance, not renewal. An overview of assets follows.

Swimming Pools: Coonamble needs major work to extend its operating life. Opportunity to undertake additional upgrades to the pool precinct and neighbouring McDonald Park, to take full advantage of its potential for the community. A masterplan has been drafted for this. Works are valued at $12M but could be more if further works are required to the pool structures to fix leaks (further investigations will clarify this). Council will be pursuing grant assistance to complete this project. Quambone pool also needs significant refurbishment or upgrade. Gular pool is good.

Sports buildings and public toilets: Council is investing in renewals (grandstand, lighting, shed) at Coonamble Sportsground. Gulargambone Sportsground needs upgrade e.g. lighting (subject to grant funding). Quambone Sportsground needs a disabled toilet.

Parks and playgrounds: some sites need maintenance, potential for rationalisation.

Admin offices: need refurbishment to make room for staff and support service delivery.

Aerodrome: terminal needs refurbishment (but usage is limited). Runway is OK.

Caravan Park: has been upgraded recently. 2 older cabins need refurbishment. Internal roadworks and drainage is programmed.

Community halls: Gular Mechanical Institute (incl. Library) needs minor maintenance. Quambone hall has works programmed. Combara hall needs work (subject to grants).

Depots: are aged. Workshop and stores could do with refurbishment to improve functionality. Fencing is poor at all 3 depots – needs improvement for security.

Emergency: new SES facility is being built in 2023. Works on RFS assets arranged by RFS.

Libraries: are generally suitable for users. **Museum**: minor maintenance required.

Quarry: is all functional. **Waste:** facilities are generally adequate.

Residential dwellings: need refurbishment so they are in acceptable condition for residents.

Saleyards: works programmed this year for kiosk. Facilities generally fit for purpose.

Showgrounds: are generally good. Future works being developed as per Plan of Mgmt.

Service NSW offices: generally OK, painting needed. **Visitor Info Centre:** is new.

Where will we be in 10 years?

Given the limited funds available, Council needs to prioritise its investments and avoid taking on additional responsibilities and, where possible, rationalise its assets by identifying under-utilised assets with limited value to the community for disposal.

Following the revaluation of building assets in 2023, a structured works program will be developed based on condition assessments to ensure they continue to meet user needs.

How will we know we're on track?

Activity	Target
Finalise Pool + McDonald Park Masterplan and costing (inc. pool repairs if required) and pursue grants for delivery.	By 2023
Develop structured maintenance and renewal for playground equipment	By 2023
Develop forward works program (maintenance + renewals) for buildings and other assets based on inspections, identify priorities for upgrades	by 2023
Prepare a list of underutilised/surplus buildings and facilities, for Council consideration as to rationalisation and disposal.	by 2023

URBAN STORMWATER DRAINAGE and FLOOD LEVY MANAGEMENT

What assets are we responsible for?

Asset category	Value $M
3.4km of urban stormwater drainage pipes	2.4
52 pits and other structures	0.2
Note: drainage pipes and culverts in rural areas are included in Transport	

Where are we now?

Coonamble Flood Levee: protects the CBD (located between Castlereagh River and Wareena Creek). Currently access to the levee around Warrana Weir is not controlled and vehicle traffic is creating maintenance issues (wheel ruts, illegal dumping, scouring). In addition, there is little to no maintenance undertaken on the levee in private property hence vegetation and pests creates other issues (piping and undermining of the levee).

Council needs to restrict access, repair erosion, manage vegetation, etc.

Council also a need to procure a flood barrier for the Castlereagh Highway crossing of the levee, plus a shipping container to store it.

West Coonamble: is subject to flooding as detailed in the 2021 Floodplain Risk Management Study and Plan. High priority actions identified in this include a new development control plan, education and awareness, SES Flood Plan revision and concept for Quambone Road upgrade at Gidgenbar watercourse.

Underground urban stormwater drainage: is limited to Coonamble. Council has limited info on its condition. A CCTV inspection program (starting with a small sample of a few critical lines, as proposed below) will assess the value of a full-scale inspection program.

Some **valves** on outlets of pipes (which are there to stop the river surcharging back to town when the river is in flood) aren't working. All valves need inspection and maintenance, and a system needs to be established to do so periodically into the future.

At this stage, it is not envisaged that Council will be able to afford to provide **additional drainage infrastructure** (to address localised flooding issues) but this should also be considered in the context of the priority works identified above.

Detention Basin on Auburn St: needs improvements including establishing a permanent site for a generator and pump (which pumps from town, over the levy to the river), improving alignment of outlet pipe, and generally tidying up the area as open space that can be maintained. A prioritised plan identifying potential works is the first step here.

Where will we be in 10 years?

Some priority works will have been completed within budget constraints, but it is expected that there will be outstanding works identified beyond available resources. Council will need to consider allocating additional funds and will actively pursue grants.

How will we know we're on track?

Activity	Target
Maintenance issues (e.g. blockages) responded to as required	ongoing
CCTV inspection program undertaken on 3 'higher risk' pipes (focus on areas more likely to have condition problems and with higher consequence of failures); review the value of investment in doing more.	By 2023
Progress actions in West Coonamble Floodplain Study and Plan	Report progress
Valves on outlets inspected and maintained, program in place for periodic inspections in future	By 2023
Maintenance actions + ongoing program for levee	By 2023
Consider purchase of flood barrier + shipping container for storage for Castlereagh Highway crossing of the levee in budget (approx. $210,000)	2024 Budget
Prioritised list of works at detention basin on Auburn St.	By 2023

PLANT AND EQUIPMENT

What assets are we responsible for?

Asset category	Value $M
Heavy (civil construction) plant, trucks, mowers, utilities, and cars	11.5
Office equipment (information technology, furniture, etc.)	3.2

Where are we now?

Council has a generally modern and reliable plant fleet that is adequate to support efficient and effective operations (in roads, parks, water, and sewer, etc.).

There are some surplus items requiring review based on operational needs, and potentially some new items that would be a good investment to improve service delivery.

There is a need for ongoing review of plant utilisation and hire rates to ensure sufficient funds are being generated for operations and future replacement.

There is an opportunity to improve safety of operations, e.g. installing GPS tracking, and ongoing monitoring of faults and repairs.

Council has invested in information technology to support efficient and effective operations (in office-based activities) but needs to continue to invest in replacing ageing equipment as much of this has a short service life, as well as investing in new technologies where there is a business case to do so.

Communications technology is an issue to support operations (e.g. paperless office, records management). Solutions needs investigation.

Where will we be in 10 years?

Council will have a clearer picture of the costs of operating individual plant items and be allocating this to the appropriate areas, as well as having improved reporting on plant performance to optimise fleet management decisions.

Investment in information technology will improve the efficiency and effectiveness of Council's operations.

How will we know we're on track?

Activity	Target
Plant replacement programs implemented	Ongoing
Review current fleet asset portfolio and identify items to delete and/or add to better support operations.	Ongoing
Develop an action plan identifying priority investments in Information and Communications Technology and consider in budget	2023

WATER SUPPLY

Coonamble, Gulargambone, Quambone

What assets are we responsible for?

Asset category	Value $M	Asset category	Value $M
77km water supply pipelines	58.2	Gulargambone and Quambone bores and chlorination plants	0.4 G + Q
Coonamble Bores and Water Treatment Plant	5.1	5 service reservoirs	

Where are we now?

The key concerns with Council's water supplies are resilience and reliability. Council can fund most of the work required but pursues grants for larger projects if possible.

Service reservoirs: a new reservoir is needed at Coonamble to increase storage capacity. 1 of the 3 existing reservoirs is decommissioned and the others aren't big enough to provide a 'buffer' in times of breakdowns (there is less than 24 hours storage in peak summer demand). Structural assessment needed on stand at Q + reservoirs 3 & 4 at C.

Bores: new bores needed at Coonamble and Quambone to improve security of supply and replace infrastructure at the end of its useful life. Old disused bores to be capped.

Water treatment plant: at C is in good condition, but the two sediment ponds are too small, so they fill up too fast. The ponds need repairs, possibly lining, and possibly a new pond is needed. Scoping study to be commissioned to determine works required.

Water pipelines: in older areas (26km of asbestos cement pipes, 1/3 of all pipes) are reaching the end of their service life and are expected to need replacing in the next 10-15 years. The budget forecast allows to do so, but the rate at which pipes need to be renewed needs monitoring and review since, other than critical lines, pipes shouldn't be replaced until they need it (as evidenced by breaks) to minimise long term costs.

Service connections across the network fail often. Replaced individually, as breaks occur.

A lack of functioning **valves** is a problem as larger areas of town need to be isolated to fix breaks in pipes. A budget to replace valves is allocated for several years to address this.

Hydrants have been maintained recently in Coonamble, but more work is needed in the villages. Ongoing program is essential (see 'preventative maintenance' below).

Water meters: are at the end of their service life. Replacing these with 'smart' meters will not only increase revenues (meters are built to read slower, less than actual usage, as they age) but also free up operations crews (who currently read meters) for other duties.

Water loss: current losses are estimated to be as high as 40%. Replacing meters and installing flow meters on Coonamble reservoirs will improve the accuracy of this figure and help identify and address losses in the system.

Preventative maintenance: program needs to be developed (as discussed under sewer).

Drinking Water Quality Management System: in place as per NSW Health requirements.

Where will we be in 10 years?

With investment by Council, and support from other levels of government, the resilience and reliability of supplies will improve.

Continued investment in renewals, particularly of pipelines and mechanical and electrical equipment, will be required to ensure reliability of the supply. Resilience will be improved with new bores for Coonamble and Quambone, and new reservoir for C.

How will we know we're on track?

Activity	Target
New reservoir for Coonamble: finalise concept design and budget	By 2023
New bores for Coonamble and Quambone completed	By 2025
Water supplied meets Australian Drinking Water Guidelines	100%
Capital & maintenance programs: pipes, valves, hydrants, mech/elec.	Completed
Interruptions to supply (planned outages: minimum 3 days' notice)	< 8 hours
Water losses throughout the system	Reducing
Water meters: business case for smart meters, budget/implementation	By 2024

SEWERAGE

Coonamble and Gulargambone

What assets are we responsible for?

Asset category	Value $M	Asset category	Value $M
37km gravity pipes, inc. 668 manholes	13.2	Coonamble Sewage Treatment Plant	7.5
11km rising mains (pressure pipe)	3.1	Gulargambone Sewage Trtmt. Plant	1.7
16 sewage pumping stations	5.0		

Where are we now?

The key concern with Council's sewerage systems is managing risks of failure associated with ageing infrastructure. Council can fund some of the work required to replace these assets but needs grants to help replace the Coonamble Plant in particular.

Coonamble Sewage Treatment Plant: is at the end of its useful life. Effluent quality isn't good enough to discharge to the environment, so it must be reused (at golf club or irrigated at old landfill site). EPA has issued a prevention notice because insufficient effluent is being reused, but Council has limited control over this. A new plant is needed.

Council expects to secure grant assistance for most of this project. An options report and business case has been commissioned and is due for completion in 2023.

Gulargambone Sewage Treatment Plant: is generally compliant with licence conditions apart from discharge volumes (maximum is exceeded in wet weather due to infiltration – work on pipes will reduce this), but the plant needs refurbishment to remain operational. Works on the main channel were completed in 2022. Next steps are lining of maturation pond and construction of a catch pond so grit can be cleaned from the main channel.

Gravity pipelines and manholes: older pipes in Coonamble and Gulargambone are reaching the end of their useful life. Investment in CCTV needs to be ramped up to identify problems and fix them earlier (by relining existing pipes, avoiding costly dig ups). This is planned in 2024, at which time future funding needs will be reassessed, depending on the extent of problems found. Structural assessment of manholes is also required.

Sewage rising mains: (pressure pipes from pump stations) are critical to the system. No renewals proposed at this stage, but Council needs to monitor breaks and act if required.

Sewage pumping stations: some pump stations in Coonamble are getting older. An assessment of these sites with advice on rehabilitation options will be undertaken. Ongoing investment in pump replacements is essential to system reliability.

Preventative maintenance: programs need to be developed to improve the reliability of mechanical and electrical equipment (pumps, switchboards, telemetry, etc.).

Telemetry: needs replacing over the next few years as existing units are largely obsolete.

Liquid trade waste management: Council doesn't have a policy or program in place.

Where will we be in 10 years?

With continued investment by Council, and assistance from other levels of government for Coonamble Sewage Treatment Plant in particular, Council will reduce the risk of failures across its two sewerage systems.

How will we know we're on track?

Activity	Target
Coonamble Sewage Treatment Plant: options study (grant dependent) Concept design and business case (grant dependent)	by Dec 2022 by June 2023
Complete refurbishment works Gulargambone Sewage Treatment Plan	By 2024
Review funding forecasts once full CCTV inspection of all pipelines done Gravity pipelines CCTV and relining program, plus manholes (length of CCTV done and pipes relined to be reported)	2024 budget Ongoing
Business case for preventative maintenance program	By 2023
Incidence of failures (sewerage chokes, pump failures)	Decreasing
Trade Waste Policy and Program (best practice mgmt. requirement)	by 2024

3. Financial Planning

The allocation of Council's limited resources always involves a balance between:

- **performance** ('level of service' as needed or desired by the community),
- **cost** (what is affordable to Council, as determined in the budget and LTFP) and
- **risk** (what is 'acceptable' to Council under its Risk Management Framework).

It is critical that financial information ('cost') aligns across all of Council's IP&R documents. This SAMP is based on budgets in the Delivery Program and the 'base case' in the LTFP.

Forecast costs for **operations and maintenance** – activities that 'retain' an asset in service rather than 'restore' it (as with capital works) – are not included in this SAMP (as required by the IP&R Guidelines[5]) because these forecasts are in the OP budget, DP financial forecasts and LTFP. Unless specified otherwise, indexation applied to budgets generally (employees, materials, etc.) applies to budgets for asset operations and maintenance, too.

Forecast costs for **capital works** *programs* – activities to renew or upgrade existing assets and to build/acquire new assets – are included in the following tables. Alignment with numbers in the other IP&R documents is as follows:

Document	Level of detail provided
Strategic Asset Management Plan	Capital works program set out in section 3. Includes amounts for each *asset class* (e.g. transport, buildings) and *programs* within these (e.g. unsealed roads within transport). Major *projects* may also be identified. Figures are *not indexed,* i.e., they are in current year (nominal) dollars.
Long Term Financial Plan	Total capital works from SAMP shown as 'capital works' in the cashflow statement at 'purchase of infrastructure, property, plant and equipment. Figures are *indexed.*
Delivery Program (financial forecasts)	Similar level of detail to what is in the SAMP, numbers align with years 1-3 of the LTFP. Figures are *indexed*.
Operational Plan (annual budget)	Total of capital works equals total for year 1 of SAMP. Individual *projects* within each *program* identified in the SAMP are identified. Only current year projects are 'locked in'. Projects for future years may be listed for information but are subject to change. Unfunded projects may be included to guide grant applications.

[5] Essential element 3.22 says AMPs 'must contain long-term projections of asset maintenance, rehabilitation and replacement, including forecast costs for reflection in LTFP'. Forecast costs generally *are* in the LTFP. Projections (in terms of outcomes) are in asset class summaries and risk management strategies.

If there is a need for Council to consider varying the funding allocated now or in future (forecasts), this will be identified in one or more of the following ways:

- in the **asset class summaries** (section 2) by identifying an issue of concern with outcomes Council can achieve now ('where are we now?') and/or what it can achieve in future ('where will we be in 10 years?')[6]
- as a **risk management strategy** (section 4) that Council needs to implement to bring a particular risk down to an 'acceptable' level
- as a shortfall expressed in terms of the **infrastructure asset performance measures** ('backlog' or 'required maintenance' in section 5) and/or
- as a scenario in the **LTFP** (where the additional funding to address the issue is provided) in addition to the scenarios currently included.

[6] A distinction isn't made in the asset class summaries between 'operations' and 'capital' as the focus is outcomes, not accounting.

3.1 Capital Works Program for General Fund

The table below details the capital works program for each *program* area.

		Capital works program										
PROG.#	**PROGRAM**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**10 YEARS**
T 1	Local sealed rural roads	4,625	670	470	550	550	550	550	550	550	550	**9,615**
T 2	Urban streets (local, sealed + unsealed)	950	200	200	200	200	200	200	200	200	200	**2,750**
T 3	Unsealed rural roads	725	1,030	1,230	1,150	1,150	1,150	1,150	1,150	1,150	1,150	**11,035**
T 4	Local road upgrades (Tooraweenah)	13,566	9,044									**22,610**
T 5	Regional roads	1,367	950	950	950	950	950	950	950	950	950	**9,917**
T 6	Kerb and gutter	75	50	50	100	100	100	100	100	100	100	**875**
T 7	Footpaths	45	50	50	30	30	30	30	30	30	30	**355**
T 8	Other road assets (bridges, culverts guardrail, signs, shelters, furniture, etc.)		100	100	100	25	25	25	25	25	25	**450**
T 9	Earthworks & sub-base (non-depreciable)											-
	TRANSPORT	**21,353**	**12,094**	**3,050**	**3,080**	**3,005**	**3,005**	**3,005**	**3,005**	**3,005**	**3,005**	**57,607**
UD 1	Urban drainage renewals	175	100	100	35	35	35	35	35	35	35	**620**
UD 2	Urban drainage upgrades		210									**210**
	URBAN STORMWATER DRAINAGE	**175**	**310**	**100**	**35**	**35**	**35**	**35**	**35**	**35**	**35**	**830**
BF 1	Administration		50	50								***100***
BF 2	Aerodrome	40										***40***
BF 3	Community & cultural buildings	63										***63***
BF 4	Depots		50	50								***100***
BF 5	Emergency services (SES)	950										***950***
BF 6	Libraries (buildings + library resources)	65	15	15	15	15	15	15	15	15	15	***200***
BF 7	Residential premises	198										***198***
BF 8	Sports buildings and public toilets	483										***483***
BF 9	Showgrounds	134										***134***
BF 10	Swimming pool buildings	467	*Grants to be sought for Coonamble Pool / McDonald Park upgrade ($12M estimate)*									***467***
BF 11	*BUILDINGS - UNALLOCATED*	*70*	*70*	*70*	*70*	*70*	*70*	*70*	*70*	*70*	*70*	**700**
BF 12	Playgrounds (renew/upgrade/disposals)		10	10	10	10	10	10	10	10	10	**90**
BF 13	Other open space + cemetery assets	20	20	20								**60**
	BUILDINGS & FACILITIES	**2,490**	**215**	**215**	**95**	**95**	**95**	**95**	**95**	**95**	**95**	**3,585**
PE 1	Heavy plant and light vehicles	1648	1,963	628	1,210	1,210	1,210	1,210	1,210	1,210	1,210	**12,709**
PE 2	Office equipment and IT	73	40	40	40	40	40	40	40	40	40	**433**
	PLANT AND EQUIPMENT	**1,721**	**2,003**	**668**	**1,250**	**1,250**	**1,250**	**1,250**	**1,250**	**1,250**	**1,250**	**13,142**
WM 1	Waste management	50	new cells?									**50**
	WASTE MANAGEMENT	**50**	-	-	-	-	-	-	-	-	-	**50**
	TOTAL GENERAL FUND	**25,789**	**14,622**	**4,033**	**4,460**	**4,385**	**4,385**	**4,385**	**4,385**	**4,385**	**4,385**	**75,214**

Comments on each program are provided in the table below (use the 'prog. #' column on the left below to match the financials above with the commentary in the other table).

As noted above, individual *projects* within each *program* are identified in the Operational Plan.

Comments on Capital Works Program (above)

NOTE: actual projects and budgets will be identified in the Operational Plan.

TRANSPORT
T1. RURAL SEALED ROADS: Council needs to spend around $850k p.a., on average, to achieve the target of 9km p.a. in reseals (this is top priority, equivalent to a 20 year reseal cycle). This allows for around 20% heavy patching on these reseal areas. But taking into account grants in 2023 – $1.8M for repairs to Box Ridge Rd (24km) $3.6M for Carinya Rd (69km) – a budget of $550k p.a. for the period 2024-2032 may be sufficient. This would fund resealing of all 44km of other sealed roads, plus 20% patching (16% needs patching now). Some further work is likely on other sections of Box Ridge and Carinya too. Council needs to monitor and report on 'backlog' (reseals + pavements) to monitor the adequacy of funding over time. It may be best to accelerate funding in early years for reseals.
T2. URBAN STREETS: on average, Council needs to spend around $235k p.a. to achieve the target of 2km of reseals p.a. (20 year reseal cycle) including 20% heavy patching *plus* $20k p.a. for resheeting of unsealed urban streets. An assessment of the 37km of urban streets suggests $200k p.a. is sufficient (about 13% needs patching), but Council needs to monitor and report on 'backlog' here, too.
T3. UNSEALED RURAL ROADS: Council has identified unsealed roads as needing substantial additional investment. The $1.15M p.a. in the budget for 2026 to 2032 is based on $1.9M p.a. traditionally available for roads overall ($1.2M R2R grant + $0.7M of CSC revenues, noting that FAGs local roads component is $1.5M p.a.), less allocations to rural and urban roads. Council would need to spend more than this to keep up with needs across the 1,114km of unsealed roads classified as 'gravel' (not 'formed only') *and* to address deficiencies (especially, building up the formation to improve drainage). The ACTION PLAN for improving unsealed roads needs to consider the length of road to be resheeted, and also the need for additional funding. Impacts of grants for restoration works after floods need to be factored in, too.
T4. LOCAL ROAD UPGRADES: the upgrade of Tooraweenah Rd ($13.6M + $9M) is the only project currently identified. No allowance has been made in future years for other projects due to the significant funding challenges noted above. Council needs to be cautious about spending its own money on upgrades, given the challenges with renewals (if it doesn't fund renewals as a priority, it will lead to overall deterioration of the network and higher costs long term). Ideally, grants in future years should focus on roads in need of renewal anyway. Developing a prioritised list of road upgrades (sealed and unsealed) is an action in this SAMP.
T5. REGIONAL ROADS: Council receives around $1.36M in grants for regional roads (including REPAIR grant) and spends around $560k p.a. on maintenance. This leaves around $800k p.a. for capital works. Around $950k p.a. is needed for 10km p.a. reseals + 20% heavy patching, which is what is forecast here but it may not be realistic to reduce maintenance budgets by this amount. As with other programs above, there is minimal allowance for pavement rehabilitation apart from with reseals, or for any upgrades. Condition inspection required to clarify needs.
T6. KERB AND GUTTER: the $100k p.a. budget forecast is sufficient to replace 300m of kerb per year, depending on associated works (e.g. repairs to adjacent road pavement, which is unlikely to be funded from urban roads program – above – due to competing priorities). There is a considerable length of kerb failing (e.g. pushing up, not draining water) around town. Developing a priority program is an action of this SAMP.

T7. FOOTPATHS: a $50k p.a. budget is included, but there is likely to be need to mix renewal of existing paths with maintenance (fixing small sections and trip hazards) as well some upgrades of priority areas. Council has applied for funding to prepare a new Pedestrian Access and Mobility Plan which will help guide future priorities.
T8. OTHER ROAD ASSETS: $100k p.a. in years 2-4 is for repairs to abutments on 4 bridges, however this budget may need increasing (subject to engineering advice). Ongoing estimate $25k p.a. allows for minor renewals and repairs, but proposed inspection program is likely to identify the need for further renewal funding, as well as maintenance.
T9. EARTHWORKS AND SUBBASE: are non-depreciable, no renewal funding required.
URBAN STORMWATER DRAINAGE
UD1. RENEWAL PROGRAM: further work is required to determine actual renewal needs (e.g. CCTV of pipes, prioritised projects associated with Auburn St detention basin, levee repairs). It may be possible to utilise some of the funds currently earmarked for renewals for upgrades, although there are other priorities in other areas (e.g. roads).
UD2. UPGRADE PROGRAM: $210k budget in 2024 is for flood barriers at Castlereagh Highway. No other funding is available for upgrades to the network at present. Priority projects will be listed for budget consideration in future, following further investigation based on the actions identified in the summary above.
BUILDINGS AND FACILITIES
Some of the potential projects are identified in the asset class summary. This needs further work following the completion of condition assessments as part of the revaluation.
PLANT AND EQUIPMENT
PE1. HEAVY PLANT + LIGHT VEHICLES Heavy plant fleet (graders, backhoes, trucks) replacement program is planned to optimise productivity, reliability and whole of life costs; light vehicles planned to minimise operating costs
PE2. ICT & OFFICE EQUIPMENT: investment in equipment for productivity/efficiency
WASTE MANAGEMENT
WM1. WASTE MANAGEMENT Projects in future years, and other works required, to be included in next revision of Plan. This will include new landfill cells, asset renewals, etc.

Renewal Ratio Analysis

As discussed in section 5, the *Asset Renewal Ratio* is one of 4 infrastructure asset performance indicators councils must report on in their annual financial statements. The Ratio is calculated by dividing expenditure on asset renewals by annual depreciation expenses.

Depreciation is important in the context of financial and asset planning for several reasons:

- to understand, and account for, the long term costs of asset ownership
- to quantify the cash Council should aim to generate from its operations to fund capital works (asset renewals) in the context of a balanced budget (see section 3.2 of the LTFP)
- to understand the scale of renewal needs over a given period relative to renewal needs over the entire life cycle of the asset (this is how it is used in the table below).

But depreciation is <u>not</u> useful as a performance benchmark for renewals over short timeframes, or when it is calculated across Council's asset portfolio as a whole (combining all asset classes).

The amount Council needs to spend renewing its assets depends on their condition. Renewal needs vary dramatically over time. This is best understood in relation to calculations for the renewal ratio over the next 10 years by asset program in the table below. For example, Council's buildings are generally in relatively good condition (needing maintenance not renewal) and so renewal needs are low (renewal ratio is only 37%, but this excludes the Coonamble Swimming Pool); whereas Council's roads and drainage assets need more investment (hence the renewal ratio is higher, 102% and 177% respectively).

PROG.#	PROGRAM	Renewal only (10yr)	Depreciation (1yr)	Renewal Ratio (10yr)	Replacement Cost
T 1	Local sealed rural roads	9,615	795	**121%**	46.5
T 2	Urban streets (local, sealed + unsealed)	2,750	226	**122%**	16.8
T 3	Unsealed rural roads	11,035	1,038	**106%**	105.1
T 4	Local road upgrades (Tooraweenah)	2,000		N/A	
T 5	Regional roads	9,917	1,169	**85%**	72.1
T 6	Kerb and gutter	875	87	**101%**	7.2
T 7	Footpaths	355	31	**115%**	1.8
T 8	Other road assets (bridges, culverts guardrail, signs, shelters, furniture, etc.)	450	284	**16%**	35.7
T 9	Earthworks & sub-base (non-depreciable)			N/A	
	TRANSPORT	**36,997**	**3,630**	**102%**	**285.2**
UD 1	Urban drainage renewals	620	35	**177%**	2.6
UD 2	Urban drainage upgrades	-	N/A	N/A	N/A
	URBAN STORMWATER DRAINAGE	**620**	**35**	**177%**	**2.6**
BF 1	Administration				
BF 2	Aerodrome				
BF 3	Community & cultural buildings				
BF 4	Depots				
BF 5	Emergency services (SES)	*2,735*			
BF 6	Libraries (buildings + library resources)				
BF 7	Residential premises				
BF 8	Sports buildings and public toilets				
BF 9	Showgrounds				
BF 10	Swimming pool buildings				
BF 11	*BUILDINGS - UNALLOCATED*	*700*			
BF 12	Playgrounds (renew/upgrade/disposals)	90			34.6
BF 13	Other open space + cemetery assets	60			
	BUILDINGS & FACILITIES	**3,585**	**969**	**37%**	**34.6**
PE 1	Heavy plant and light vehicles	12,709	1,232	**103%**	23.7
PE 2	Office equipment and IT	433	155	**28%**	5.7
	PLANT AND EQUIPMENT	**13,142**	**1,387**	**95%**	**29.4**
WM 1	Waste management	50			
	WASTE MANAGEMENT	**50**			
	TOTAL GENERAL FUND	**54,344**	**6,021**	**90%**	**351.8**

Capital Works Program for Water Fund

Council's water supply business is accounted for separate to 'general fund' (covering all other activities) as required by National Competition Policy and NSW Local Government Act.

The capital works program for the water fund is shown below.

		Capital works program											Renewal
PROG.#	PROGRAM	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEARS	only (10yr)
WS 1	Water treatment	165	100	10	10	10	10	10	10	10	10	**345**	345
WS 2	Bores and pumping		70	900								**970**	970
WS 3	Pipelines and valves	1,002	443	381	300	300	300	300	300	300	300	**3,926**	3,926
WS 4	Service reservoirs	39	50	2,750								**2,839**	2,839
WS 5	Other (e.g. telemetry, plant & equip't, water meters, minor issues for above assets)	25	175	425	25	25	25	25	25	25	25	**800**	800
	TOTAL WATER FUND	**1,231**	**838**	**4,466**	**335**	**335**	**335**	**335**	**335**	**335**	**335**	**8,880**	**8,880**

Comments on the *programs* are in the table below. Individual *projects* will be identified in the Operational Plan (annual budget).

WATER SUPPLY
W1. WATER TREATMENT: works in 2023 are focused on improving chlorine storage and monitoring at all 3 sites. Budget for 2024 is an allowance for repairs, and possibly lining, of the sedimentation ponds at Coonamble WTP. External advice on scope of works and budgets is required. Minor allowance for renewal works for rest of 10 years ($10k p.a.).
W2. BORES AND PUMPING: project in 2024 is $50k for planning for new bores at Coonamble and Quambone (this is the $900k project in 2025), plus $20k for capping of old bores at Coonamble and Gulargambone (to prevent contamination of aquifer) and CCTV inspection of existing bores (although this may be determined as not required).
W3. PIPELINES AND VALVES: forecast funding is estimated to be sufficient to replace all 26.6km of asbestos cement (AC) pipes within 10 years (there is approx. $4.5M in total, about $1.2M has been replaced since 2019), plus $0.5M in total to replace valves. *HOWEVER,* this program may need to be accelerated if the frequency of breaks increases (breaks are usually worse in drought periods). The next group of pipes likely to need replacement is the 13.5km pre-1990 PVC (this is more prone to breaks than the later, better quality material, but it is less urgent than the AC). The cost of this work is estimated at another $2.2M and is likely to need to commence in earnest once all the AC mains are replaced.
W4. SERVICE RESERVOIRS: 2023 project is lockable access at Coonamble and Quambone. $50k in 2024 is for investigations/designs for new reservoir at Coonamble, as well as other minor works (e.g. structural assessment of reservoir 4 prior to taking it offline if/when required, structural assessment of reservoir stand at Quambone). $2.75M in 2025 is for new reservoir in Coonamble (further investigation required to confirm project estimate, and other associated works). No allowance has been made for demolition of reservoir 3 (Castlereagh St with artistic painting) although this is expected to be required within the next 20 years.
W5. OTHER: basic allowance of $25k p.a. to cover telemetry and minor plant and equipment. Full replacement of water meters (with new smart meters) forecast for 2024-5 at $600k, however this is subject to a business case compared to installing conventional meters.

The *Asset Renewal Ratio* for the next 10 years is calculated in the table below.

As can be seen, the recommended program is far higher (more than double) the long term renewal need (i.e., depreciation) due to the major investments in pipelines and reservoirs.

Initial analysis of works required beyond 10 years (particularly over the next 2 decades) suggests renewal needs will be lower (pipe renewals will be less, focused on pre-1990 PVC; mechanical and electrical equipment at the Coonamble Water Plant – built in 2014 – will probably need renewal around 2040) and so it would be appropriate for Council to borrow to help 'get over the peak' in capital expenditure outlined here. This will need further analysis in the Long Term Financial Plan.

PROG.#	PROGRAM	al works pro 10 YEARS	Renewal only (10yr)	Depreciation (1yr)	Renewal Ratio (10yr)	Replacement Cost
WS 1	Water treatment	**345**	345			
WS 2	Bores and pumping	**970**	970			
WS 3	Pipelines and valves	**3,926**	3,926			
WS 4	Service reservoirs	**2,839**	2,839			
WS 5	Other (e.g. telemetry, plant & equip't, water meters, minor issues for above assets)	**800**	800			
	TOTAL WATER FUND	**8,880**	**8,880**	**400**	**222%**	**26.6**

The depreciation and renewal ratio for each program area needs updating once the revaluation of assets is completed.

Refer also to comments on issues with this ratio under general fund capital works above.

Capital Works Program for Sewer Fund

Council's sewerage business is accounted for separate to 'general fund' (covering all other activities) as required by National Competition Policy and the NSW Local Government Act.

The capital works program for the sewer fund is shown below.

		Capital works program										
PROG.#	PROGRAM	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEARS
S 1	Gravity pipelines and manholes	770	500	500	350	350	350	500	350	350	350	**4,370**
S 2	Sewage pumping stations	20	20	20	20	110	10	10	10	110	10	**340**
S 3	Sewage treatment plants	610	100	10,000	10,000							**20,710**
S 4	Rising mains		50		50		50		50		50	**250**
S 5	Other (e.g. telemetry, plant and equip't)		25	25	25	25	25	25	25	25	25	**225**
	SEWERAGE FUND	**1,400**	**695**	**10,545**	**10,445**	**485**	**435**	**535**	**435**	**485**	**435**	**25,895**

Comments on the *programs* are in the table below. Individual *projects* will be identified in the Operational Plan (annual budget).

SEWERAGE
S1. GRAVITY PIPELINES AND MANHOLES: higher budget in 2023-2025 should be sufficient to clean and CCTV inspect all pipes likely to be a problem (older asbestos cement, earthenware and pre-1990 PVC). Cost of this is around $150k. The most significant cost required immediately will be repairing failed sections by digging them up. Based on recent years works, this is estimated to be 1 dig up/100m @ $5k each. Over the 17km of older pipelines left to inspect (not done in recent years), dig ups are estimated to cost $850k. Council should then invest enough in relining to fix problems before they get to the point they need digging up. Based on a unit rate of $200/m (which needs review) relining the entire 24km of older pipes will cost $5M. A budget of $350k p.a. will thus be sufficient to fund relining of all older pipes within 15 years. No specific allowance has been made at this stage for manhole rehabilitation. A budget for this needs consideration following an initial sampling program to determine the extent of renewals likely to be required, and the scope and cost of such work.
S2. SEWAGE PUMPING STATIONS: budget includes an allowance for pump replacements based on age (large $20k / small $10k), plus $100k for civil refurbishments in 2027 and 2031. Further assessment of the condition of existing infrastructure is required (including the need for upgrades to address WHS issues, etc.) to refine the estimate for civil works. The proposed preventative maintenance program will help extend the life of pumps, switchboards, etc.
S3. SEWAGE TREATMENT PLANTS: budgets in 2023-4 are for refurbishment at Gular STP and concept design for Coonamble STP (latter is mostly grant funded). Budgets in 2025-6 are for renewal of Coonamble STP (grants of $18M assumed). Minor renewal works can be funded from the 'other' program below if required.
S4. RISING MAINS: there are 12 individual rising mains that are nearing the end of their expected service life. An allowance of $50k ever 2 years is forecast as a starting point. This may be more than what is required in early years (renewal works should be delayed until the pipe is at risk of or actually fails: it may be possible to keep these lines in service for many years yet) but is likely to need to be increased in future. The pipes most likely to need renewal first are asbestos cement (AC). There is around $560k of AC rising mains.

The line from SPS 2 (PVC) is critical as it carries around 40% of sewage for Coonamble and goes across the bridge. The performance of this pipe needs monitoring, but it isn't considered warranted to renew it at this time.
S5. OTHER: budget to cover replacement of telemetry and minor plant and equipment. May not be required in all years / other years may need more.

The *Asset Renewal Ratio* for the next 10 years is calculated in the table below.

As can be seen, the recommended program is far higher (almost 8 times) the long term renewal need (i.e., depreciation) due to the major investments in pipelines and the Coonamble Sewage Treatment Plant.

Initial analysis of works required beyond 10 years (particularly over the next 2 decades) suggests renewal needs will be lower (pipe relining needs will drop off once the older pipes are all done). As with water supply, this suggests it would be appropriate for Council to borrow to help 'get over the peak' in capital expenditure outlined here. This will need further analysis in the Long Term Financial Plan.

PROG.#	PROGRAM	al works pro 10 YEARS	Renewal only (10yr)	Depreciation (1yr)	Renewal Ratio (10yr)	Replacement Cost
S 1	Gravity pipelines and manholes	**4,370**	4,370			
S 2	Sewage pumping stations	**340**	340			
S 3	Sewage treatment plants	**20,710**	20,710			
S 4	Rising mains	**250**	250			
S 5	Other (e.g. telemetry, plant and equip't)	**225**	225			
	SEWERAGE FUND	**25,895**	**25,895**	**336**	**771%**	**28.4**

The depreciation and renewal ratio for each program area needs updating once the revaluation of assets is completed.

Refer to comments on issues with this ratio under general fund capital works above.

4. Risk Management

The table below summarises critical risks[7] associated with each of Council's asset classes and the management strategies Council has in place to manage these. Council's corporate risk register has considerable additional detail regarding these issues.

Where additional management strategies are required, and need additional funding to be implemented, this is noted.

If a lack of funding gives rise to an 'unacceptable' level of risk, funding required to implement the strategy will be included in calculations of infrastructure asset performance measures (section 5).

Asset-Related Risk	Management Strategy
TRANSPORT	
Insufficient investment in resealing (on sealed roads) leads to costly premature failure of underlying gravel pavements	• Condition assessment (inspections) undertaken; prioritised list of works prepared • Adequate funding of reseal program
Insufficient investment in unsealed roads maintenance (grading) and capital works (gravel resheeting) results in rural properties being inaccessible, road safety, public transport, hampering agricultural activities, etc.	• Develop ACTION PLAN to improve unsealed roads • Review of service levels on unsealed roads • Inspection program in place • Seek grants to repair damage following natural disasters (flooding)
Several bridge structures (abutments) in poor condition needing rehabilitation	• Works proposed on 4 bridges with known problems, but budget will need review following formal engineering advice
Inspection of bridges and major culverts is likely to identify structural issues that may warrant load limiting, restricting access for heavy vehicles	• Carry out inspection program • Assess the need for funding to address structural issues and avoid load limiting of route
Transport infrastructure fails, leading to person and/or property damage	• Customer request system in place to respond to defects (supplemented with some inspections) • Program to inspect all bridge structures and culverts
URBAN STORMWATER DRAINAGE	
Break in levee at Castlereagh Highway	• Purchase flood barriers (proposed in 2024 budget)
Failure in levee due to inadequate maintenance	• Undertake maintenance and repairs • Restrict access by vehicles
Failure in detention basin operations	• Develop prioritised list of works and consider in future budgets
Drainage infrastructure fails, leading to person and/or property damage	• Undertake inspection program (start with CCTV inspection of a sample of urban drainage network), funding to fix problems • Priority is to inspect valves on outlets
Drainage infrastructure has insufficient capacity to cater for storm event leading to person and/or property damage	• Scope up works required to improve functioning of detention basin on Auburn Street for future budget consideration

[7] This approach has been used instead of 'critical assets' (as per essential element 3.18 of IP&R Guidelines) to align with Council's Risk Mgmt. Framework (a 'critical asset' is 'high risk': see ISO55000 clause 3.2.8).

Asset-Related Risk	Management Strategy
BUILDINGS AND FACILITIES	
Asset failure leads to person and/or property damage	• Inspection program in place for higher risk assets (playgrounds), customer request • Non-compliant playground equipment to be removed (refer capital works program) • Funding of capital works and maintenance • Maintenance program for electrical, fire safety and other issues • Review user agreements at sports facilities, showgrounds, etc.
Exposure to asbestos in Council building	• Asbestos management plan in place
Drowning at swimming pool	• Safety measures in place (signage, security, staffing at Coonamble and Gulargambone) • Commission audit by RLSA and act on issues
PLANT AND EQUIPMENT	
Plant or equipment failure leads to person and/or property damage	• Scheduled maintenance and inspection programs in place for plant and equipment • Funding of plant replacement program
WATER SUPPLY	
Water supplied fails to comply with Australian Drinking Water Guidelines	• Drinking Water Quality Management System developed and implemented in accordance with NSW Health Guidelines
Dead end mains in Gulargambone results in poor water quality	• Scope up program to construct ring mains for budget consideration • Maintain water main flushing program
A mix of ageing infrastructure (pipes breaking) and lack of storage capacity in reservoirs (there is less than 24 hours peak summer storage in Coonamble) results in water shortages.	• Construction of new reservoir in Coonamble to increase storage capacity and resilience • Ongoing renewals program to reduce instances of failures (particularly pipes)
Drought results in water shortage in Coonamble	• Construct new bore (as budgeted) • Drought Management Plan prepared
Water security at Quambone due to only having one bore	• Construct new bore (as budgeted)
High water demand and limited capacity at Coonamble Water Treatment Plant results in water shortages	• Implement water restrictions as per Drought Management Plan
Structural failure of sedimentation ponds at Coonamble Water Treatment Plant	• Repairs to be undertaken (as budgeted)
Structural failure of reservoirs	• Structural assessment to be undertaken on stand at Quambone, reservoirs 3 and 4 at Coonamble
Ageing water meters are under-reading consumption, resulting in lost revenue	• Allocate funding for meter replacement program
Inadequate flow and or pressure in water pipelines, or inoperable fire hydrant, hampers firefighting efforts. **Refer details in Scoping Study*	• Preventative maintenance program to be developed and implemented (hydrants + valves) • Evaluate the need for further analysis following completion of new reservoir
Capability and capacity (technical staff, trades, engineers, admin support)	• Workforce Management Plan • Resourcing Plan

Asset-Related Risk	Management Strategy
SEWERAGE	
Inadequate reuse of effluent from Coonamble Sewage Treatment Plant (STP) results in regulatory action	• Alternative use – irrigation at old tip site – established as usage by golf club is insufficient to meet regulatory obligations • Progress the replacement of the STP (finalise scoping study and business case, seek grant assistance for construction)
Flows from Gulargambone STP exceed licence condition, resulting in regulatory action	• Continue with CCTV and relining program for gravity pipelines, add program for manholes, to reduce infiltration • Smoke testing done to reduce inflows • Infiltration at pumping stations to be assessed
Operational or asset failure results in effluent being discharged from Sewage Treatment Plant that fails to meet standards of Environmental Protection Licence	• SCADA and telemetry system in place to monitor processes and send alarms • Trained operators in place • Operational controls preventing immediate discharge • Replacement of STP (grant dependant) • Preventative maintenance program to be developed and implemented • Pollution Incident Response Management Plan
Structural failure of gravity pipeline or manhole results in significant repair costs and release of raw sewage to environment	• Accelerate CCTV inspection program to identify priorities for pipe relining • Funding of relining program • Introduction of manhole inspection program (budget to be allocated following this) • Emergency response team
Break in rising main (pressure pipeline from sewage pumping station) results in release of sewage to the environment	• Top priority pipeline from sewage pump station (SPS) 1 to STP has been replaced • Rising main 2 can be replaced when needed, breaks can be repaired • Other pipes: monitor performance (breaks), budget available for renewal as needed • Emergency response team
Failure at sewage pumping station results in release of raw sewage to environment	• Pump replacement program budgeted • Develop preventative maintenance program • Portable generator available in power outages • Structural assessment of older SPS (e.g. hospital)
Functionality issues with sewage pump station 1/2 at Coonamble results in WHS incident	• WHS assessment to inform safe work methods, possible further work required
Coonamble STP digestor roof	• Replace with plant
Capability and capacity (technical staff, trades, engineers, admin support)	• Workforce Management Plan • Resourcing Plan
Operational or asset failure (e.g. pump station or pipeline) results in raw sewage being discharged to the environment	• Telemetry to monitor pump operations • Emergency response team • Preventative maintenance program to be developed and implemented

5. Infrastructure Asset Performance Reporting

The Local Government Code of Accounting Practice and Financial Reporting prescribes several performance measures councils are required to report on in their annual financial statements.

The table below explains each one, and Council's approach to satisfying reporting requirements.

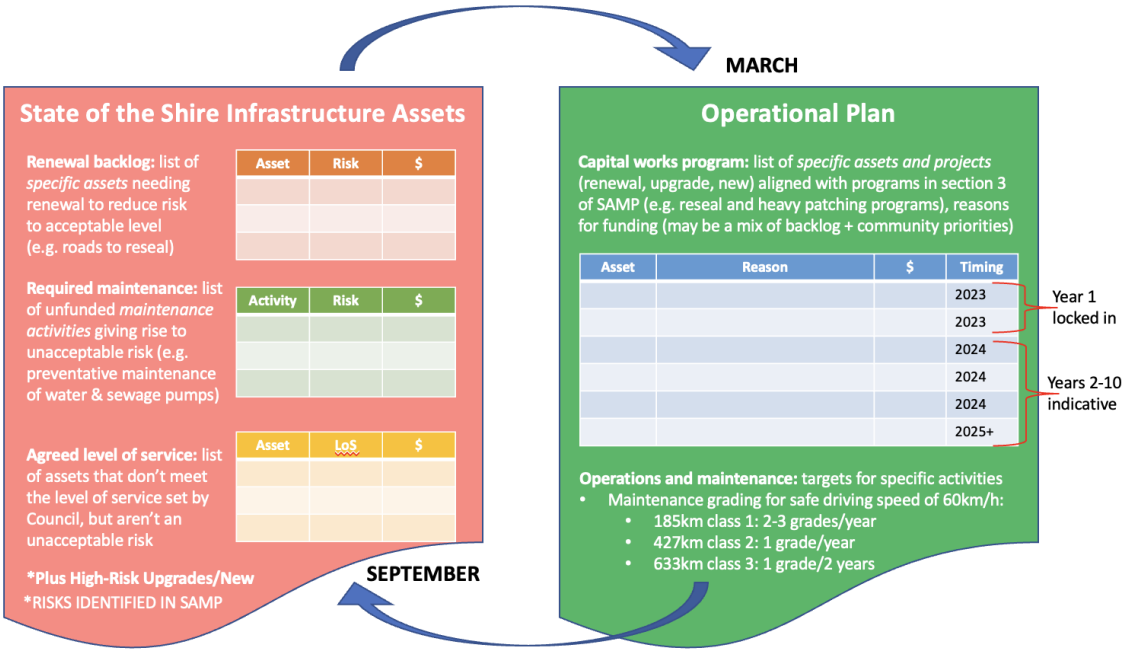
As discussed in section 6, the Asset Management Steering Group will prepare an annual **State of the Shire Infrastructure Report** addressing these and related issues to support mandatory reporting.

Measure	Calculation	Application for PSC
Building and infrastructure asset renewals ratio	Expenditure on renewal of *all* existing assets divided by annual depreciation (benchmark > 100%, averaged over 3 years)	As discussed in section 3, Council doesn't consider the renewals ratio to be an appropriate performance measure. Council will, however, monitor and report on its progress with implementing the forecast capital works it has determined it needs to undertake (section 3) and continue to refine estimates for future renewal needs (informed by improvement actions in section 6).
Infrastructure backlog ratio	'Cost to bring assets to satisfactory condition' (renewal works only) to net carrying amount (benchmark < 2%)	Council will limit the backlog to the cost to undertake renewal works that, if not done, give rise to an *unacceptable level of risk* as assessed in accordance with its Risk Management Framework. 'High risk' issues where a backlog is anticipated to be reported include the following: • resealing of sealed roads (to avoid costly premature failure of underlying pavements) • resheeting of unsealed (gravel) roads where the road may become impassable
Asset maintenance ratio	'Actual' maintenance divided by 'required' maintenance (benchmark > 100%)	Council will only report a shortfall in maintenance spending if the work that was not done due to inadequate funding gives rise to an *unacceptable level of risk* as assessed in accordance with its Risk Management Framework. 'High risk' issues where a shortfall in maintenance funding is anticipated to be reported (to fund the management strategies identified the table in section 4) include: • unsealed roads maintenance to maintain adequate access to properties • programs to inspect the urban drainage network as well as bridges and culverts on rural roads and to identify potential failures and address these

Measure	Calculation	Application for PSC
Cost to bring assets to agreed level of service	'Cost to bring assets to agreed level of service' divided by gross replacement cost (no benchmark set)	At this stage, Council has not undertaken sufficient analysis of current service levels or the funding required to deliver alternative service levels, and then engaged the community about these *and* their willingness to pay for higher levels of service (if required) to report in a meaningful way against the cost to bring assets to agreed level of service. This is identified in section 6 as an improvement action. Examples of the issues to be investigated include: • service levels on unsealed roads (e.g. gravel resheeting frequencies) • service levels on sealed roads (e.g. the condition pavement reaches before rehabilitation). At this stage, Council considers that the service levels that are 'agreed' are what Council can afford to deliver *provided that the risks associated with these assets are 'acceptable'*. As such, Council will simply report the 'cost to bring assets to agreed level of service' equal to 'backlog' at this stage.

The figure below explains how it is intended that the State of the Shire Infrastructure Assets Report is intended to inform, and be informed by, Council's Operational Plan.

For example, if Council is reporting a backlog of roads needing reseal, this should be considered a high priority in the following year's budget.



6. Asset Management System and Improvement Actions

Council's **Asset Management Policy** documents its commitment to:

- providing the best possible value from its infrastructure assets,
- implementing an asset management (AM) system that reflects best practice (the international standard, ISO 55001:2014) to support the achievement of this objective,
- continuously improving the AM system and so its AM capability, and
- establishing an Asset Management Steering Group to keep the AM system under review and report to Council and the Audit, Risk and Improvement Committee regarding AM generally, and to Council's Roads Committee regarding transport-related AM issues.

Actions to improve Council's AM capability are summarised in Appendix 2. These were identified during the development of this SAMP and an assessment against the National Asset Management Assessment Framework (NAMAF) undertaken in conjunction with other Central West JO councils.

Council intends to formally assess its AM capability against ISO 55001 as a catalyst for continuous improvement, but the actions below are deemed fundamental, and will take significant resources and commitment already, so a formal assessment against ISO will not be progressed at this time.

Perhaps the most fundamental issue is the need for a *stronger governance framework*, in particular the establishment of the Asset Management Steering Group. This was arguably the biggest gap in maturity identified in the NAMAF assessment. The **Terms of Reference for the Asset Management Steering Group** are included in Appendix 1.

The Steering Group will monitor and report on progress with improvement actions (as per the Terms of Reference), but some actions may also be included in the Operational Plan, where appropriate.

APPENDIX 1: Terms of Reference for Asset Mgmt. Steering Group

Purpose

The General Manager has established the Asset Management Steering Group (AMSG) to monitor and review the implementation and improvement of the Asset Management (AM) system to ensure Council's AM objectives, as defined in the AM Policy, are met.

The AMSG is a cross-functional forum for planning and coordinating AM activities, including raising awareness of, and communicating about, AM issues.

Membership

- Executive Leaders Corporate and Sustainability, Infrastructure
- Managers of Assets, Roads, Water and Sewer, Urban Services
- Other staff as required

Agenda Items

Standard agenda items will include the following:

- Progress with improvement action plan (Appendix 2 of SAMP)
- Problems or potential problems identified with Council's assets or AM system; actions to correct or prevent these; progress on actions taken
- Adequacy of resourcing of AM activities and clarity of roles
- Integration with Council's risk management system
- Proposed changes to AM system and assessment of associated risks
- Proposed outsourcing of AM activities, controls and monitoring required

Each year, the AMSG will undertake a review of the AM system and Improvement Action Plan when updating the SAMP (usually, February-March) and endorse a new Action Plan. This review will also inform Council's annual Operational Plan.

Each year, the AMSG will prepare a 'State of Shire Infrastructure Assets' Report to support mandatory reporting in the annual financial statements (usually, October). This will include:

- Issues of note from last year's capital works program (note: capital works monitored monthly, the focus here is the annual program delivery)
- Delivery of last year's maintenance program
- Details of specific risks included in reporting on the renewal 'backlog' and shortfall in maintenance funding ('required maintenance')
- How these risks have informed the current year's capital works program as well as key maintenance activities, further actions that will need to be considered in next year's program, and any other issues of note.

Distribution of Minutes

Minutes of the AMSG will be tabled for information at meetings of Senior Staff and the Audit, Risk and Improvement Committee.

APPENDIX 2: Asset Management Improvement Action Plan

The actions identified below in relation to particular asset classes are generally an expanded version of the objectives identified in the 'asset class summaries' in section 2.

Ref	Improvement Action	Who	When
	GENERAL		
G1	Establish Asset Management Steering Group, monthly report to Senior Staff; progress reporting to Audit, Risk and Improvement Committee	AMSG	Quarterly meeting
G2	Establish 'State of the Shire Infrastructure' report to supplement mandatory reporting on assets in annual financial statements including details regarding backlog (high risk assets needing renewal), progress with capital program and shortfall in funding for maintenance (if any)	AMSG	Report to Council Oct each year
G3	Review the adequacy of current definitions for responsibilities for asset management across Council and prepare a plan to improve this	AMSG	2022
G4	Review and improve capital works process from start to finish, focusing on the elements of the SAMP, Operational Plan and 'SoSI' Report	AMSG	2022
G5	Review structure of asset data and alignment to capital works programs	AMSG	2023
G6	Improve understanding of current service levels to inform reporting on 'agreed level of service' and future deliberations to balance the budget	AMSG	2023
G7	Review of depreciation expenses as part of revaluation processes	AMSG	Ongoing
	TRANSPORT		
T1	Develop a **prioritised works program** for sealed roads (reseals and pavement renewals) based on an inspection of the entire network; assess the urgency and scope of works (reseals and heavy patching within reseal areas should be top priority), define what is reported as 'backlog' (high risk), quantify pavement renewal works required across the network (evaluate what is affordable once reseals are funded, but also what are high risk and need doing urgently), review work methods and unit rates, monitor progress, review best format to manage data, report to Council on a project list to publish (with road names, etc.)	Manager Roads	2022
T2	Develop **ACTION PLAN for improving unsealed roads** covering road hierarchy, potential reclassification of some 'gravel' roads to 'formed only', maintenance grading frequencies and funding (including benchmarking against other councils), gravel pits (sources and quality), drainage, service levels and reporting (e.g. roughness measures)	Manager Roads	2022
T3	Assess **gravel resheeting needs** across the unsealed network	Mgr Rds	2022
T4	Review **road hierarchy** including consideration of factors in prioritisation (traffic volumes, tonnage of agricultural products, school bus routes, alternative access, etc.) and data collection program to refine actual allocation of roads to different classes on the hierarchy	Manager Roads (OR ASSETS?)	Dec 23
T4	Develop a **road upgrade priority list** for grant applications considering road hierarchy including identification of key freight routes throughout the Shire based on current strategies, define target standards for each class of road, prioritisation criteria for projects, longer-term works program (based on assumed funding availability and unit rates for required works);	Manager Roads	Report to Council by June 2023
T5	Develop program for inspecting all bridges and culverts including resourcing (e.g. need for structural engineering, work able to be done in house), budgets, timeframes, data collection method (including update of asset register), etc.	Manager Roads	2023
T6	Develop a prioritised program for kerb and gutter renewals, align with program for urban sealed roads renewals; consider the need for drainage infrastructure	Manager Roads	2023
T7	Develop a prioritised program for footpath upgrades drawing on Pedestrian Access and Mobility Plan, but also incorporating asset renewals and widening of existing paths; consider objectives / timing in light of available funds	Manager Urban Services	Report to Council by 2023

Ref	Improvement Action	Who	When
URBAN DRAINAGE			
U1	Undertake CCTV inspection program of 3 'higher risk' pipes (focus on areas more likely to be in poor condition, and with higher consequence of failure) and assess the need for repairs/renewals and also the value of further inspections across the network	Manager Roads	2023
U2	Inspection of all valves on outlets, carry out maintenance as required	Manager Roads	2022
U3	Develop a prioritised list of works at detention basin on Auburn Street as well as other drainage upgrades to address localised flooding issues	Manager Roads	2023
U4	Determine budget required for maintenance and repair works on Coonamble levee as well as flood barriers	Mgr Rds	2023
BUILDINGS AND FACILITIES			
BF1	Finalise estimates for Pool Masterplan following public exhibition and clarification of need for further works to address leaks in pool	Manager Urban	2022
BF2	Develop a prioritised works program for buildings informed by condition inspections, as part of revaluation	Manager Urban	2023
BF3	Review Council's property portfolio, identify assets for disposal and/or consolidation and prepare a report for consideration by Council that aligns such works with upgrades, renewals and other projects	Manager Urban	2023, report to Council
BF4	Develop a Playgrounds Strategy for consideration by Council to address non-compliant sites, potentially by removing some minor facilities while investing more in several 'district' facilities	Manager Urban	June 2023, report to Council
BF5	Develop and implement a program to better automate irrigation and also reduce demand on potable water supplies	Manager Urban	2023
BF5	Identify further actions for pools, airport, cemetery and other facilities		
WATER SUPPLY			
W1	Develop design, specification and estimate for major projects including: • new reservoir at Coonamble (including flow meters for monitoring water loss), • new bores at Coonamble and Quambone and • repairs / augmentation of sediment ponds at Coonamble WTP	Manager W&S	For 2024 budget
W2	Develop a prioritised list of water main renewal projects based on criticality (e.g. number and type of customers) and likelihood of failure (e.g. materials, break history) to be reviewed each year, with budgets to be set based on the number of higher risk pipelines at the end of their useful life	Manager W&S	Annually
W3	Commission a structural assessment of ageing reservoirs including tank stand at Quambone and reservoirs 3 and 4 at Coonamble (plus advice regarding taking this reservoir off line as required)	Manager W&S	2023
W4	Business case for replacement of water meters with 'smart' meters	Manager W&S	For 2024 budget
W6	Develop a preventative maintenance program including mech/elec, hydrants, valves, chlorination systems, etc. (also for sewer assets)	Manager W&S	For 2024 budget
SEWERAGE			
S1	Addendum to Scoping Study (Dec 22), followed by Business Case (June 23), for replacement of Coonamble Sewage Treatment Plant	Manager W&S	Dec 2022 June 2023
S2	Complete refurbishment of Gulargambone STP	Mgr W&S	By 2024
S3	Progress the gravity pipeline CCTV and relining program (report on lengths CCTV and relined), review need to accelerate program based on CCTV condition inspections	Manager W&S	Ongoing
S4	Develop program for manhole inspections, carry some out, review need for additional budget for rehabilitation/replacements	Manager W&S	By 2023
S5	Update GIS data / asset register with pipes that have been relined	Manager Assets	By 2022