NORTHERN MIDLANDS COUNCIL

STRATEGIC ASSET MANAGEMENT PLAN

Adopted: 16 May 2022

NORTHERN MIDLANDS COUNCIL

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This Strategic Asset Management Plan is an overarching asset management plan largely informed by Council's individual Asset Management Plans for the three major asset classes (Transport, Buildings, and Stormwater) and Council's Long Term Financial Plan.

Contents

1.0 EXECUTIVE SUMMARY

1.1 Context

Council is responsible for an extensive range of physical assets with a current replacement value of **$490,055,015.** Council manages the acquisition, operation, maintenance, renewal and disposal of these assets. The purpose of this Strategic Asset Management Plan is to:

- show how Council's asset portfolio will meet the service delivery needs of the community into the future.
- enable Council's asset management policies to be achieved;
- aid the integration of Council's asset management with its Long Term Financial Plan and Strategic Plan.

This Strategic Asset Management Plan is prepared to assist Council in improving the way it delivers services from infrastructure assets. These assets include, but are not limited to, infrastructure such as roads, bridges, footpaths, buildings, land, stormwater drainage, the Longford Flood Levees, parks, playgrounds, car parks, vehicles, plant, IT equipment, office equipment and furniture. Refer to Figure 1 below and Table 2.2.1 for a detailed list of assets covered by this Strategic Asset Management Plan.

Figure 1: Asset Replacement Values

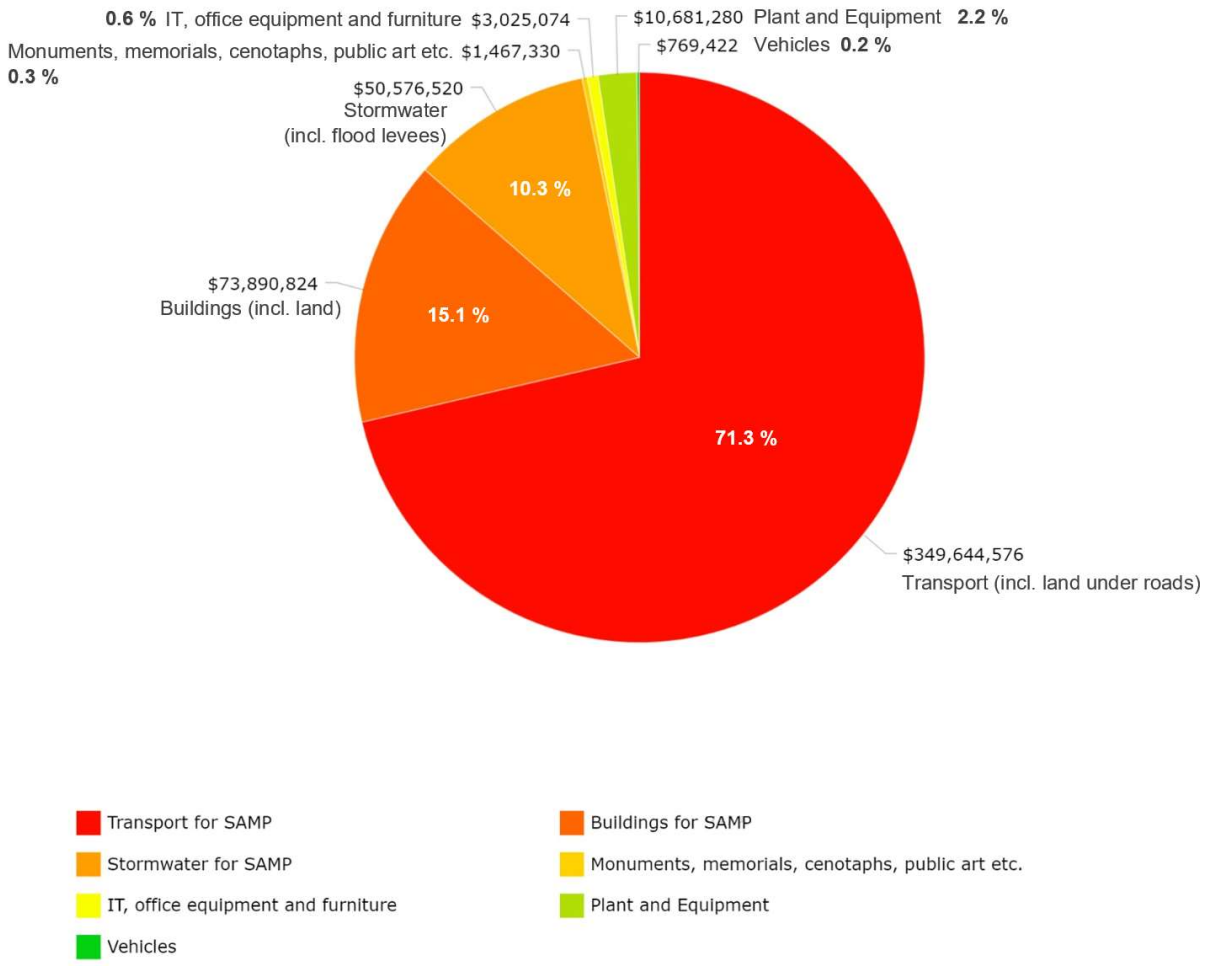


Figure 1 Note: Asset values derived from *Northern Midlands Council Annual Report 2020/2021*.

This Strategic Asset Management Plan develops asset management strategies required to achieve Council objectives detailed in our *Northern Midlands Strategic Plan 2021-2027*. It summarises forecast costs and planned budget figures from the asset management plans for Council's three largest asset classes, and the Long Term Financial Plan.

1.2 Current situation

Council is on the journey towards achieving best practice asset management. Significant progress has been made over the past decade with the development and adoption of the following key asset management documents (these documents have been continually revised and improved over this time):

- *Northern Midlands Strategic Plan 2021-2027*
- *Asset Management Policy*
- *Northern Midlands Council Strategic Risk Register*
- *Long Term Financial Plan 2020-2030*
- *Financial Management Strategy*
- *Annual Plan* & *Annual Report* (for current year)
- *Strategic Asset Management Plan* (this plan) – this replaces the previous *Asset Management Strategy*
- *Asset Management Plans* for our three major asset classes (96.7 % of Council's total asset value):
    - Transport
    - Buildings
    - Stormwater (including Longford Flood Levees)

Our aim is to achieve 'core' maturity for all asset management activities by 2025, and then continue maturity improvement where benefits exceed cost. Improvement tasks and target dates have been identified and documented in Table 8.2. Council is continually improving its asset management practices to ensure they adhere to the *Local Government Act 1993* and best practice asset management. Part of this process is the regular updating and use of asset management plans, such as this document, and the above mentioned strategic documents. Council first began developing key asset management documents in 2011. Since then, Council has continually updated, maintained, improved, and created new documents as required, endeavouring to achieve best practice asset management.

1.3 Forecast costs vs planned budget

Total Lifecycle (Acquisition, Operation, Maintenance, Renewal, Disposal)

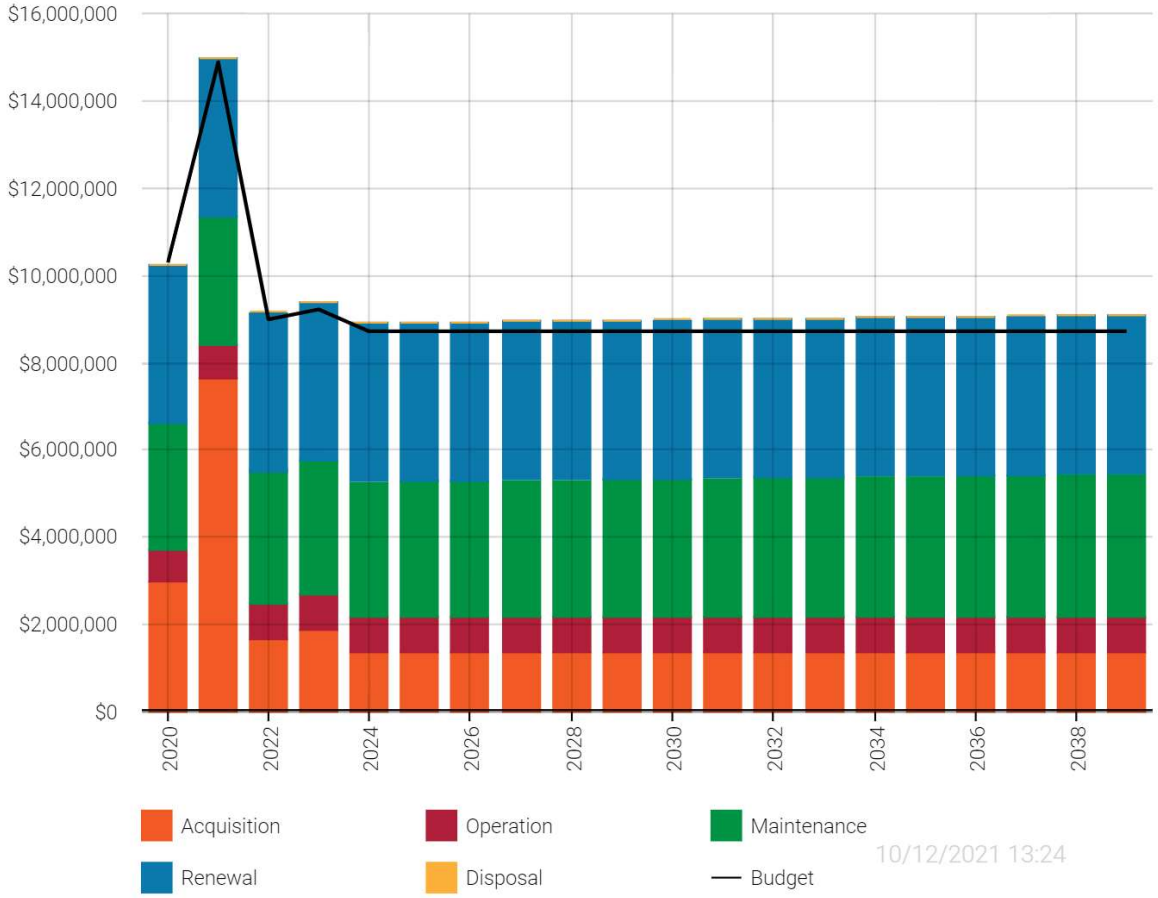
The forecast total lifecycle cost (for the three major asset classes) is **$9,744,601 on average per year** over the planning period, whilst the total lifecycle planned budget is **$9,571,602 on average per year**.

This results in a total **shortfall** of **$172,999 on average per year**, and a funding ratio of **98.2 %.** Refer Figure 1.1 below.

We have balanced the forecast costs in the Strategic Asset Management Plan with the planned budget from the Long Term Financial Plan, this has involved:

- providing desirable and affordable levels of service
- balancing service performance, risk and cost in a trade-off of with desired asset lifecycle activities (acquisitions, operations, maintenance, renewal, disposal)
- considering the impact of trade-offs and accepting the service and risk consequences

Figure 1.1: Lifecycle Summary (major asset classes – Transport, Buildings, Stormwater)



All figure values are shown in current day dollars.

1.4 What we will do

Our aim is to provide Council services to the community in a financially sustainable way. This requires balancing levels of service with cost and risk.

Not all expectations for services can be met with current financial resources. We will continue to engage with our community to ensure that services are provided at appropriate levels of service, at an affordable cost, while managing risks.

Council anticipates that current service levels can be maintained for the vast majority of assets over the next 10 years, with planned budget matching closely to lifecycle forecasts (refer Figure 1.1).

Council's current asset management maturity is slightly below 'core' level, and investment is needed to continue to improve information management, lifecycle management, service management, accountability and direction.

1.5 What we cannot do

We currently do not allocate enough budget to sustain all services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Upgrade of unsealed pavements to sealed pavements.

- Provision of footpaths on both sides of streets.
- Upgrade of single lane bridges to dual lane.
- Upgrade all Council buildings to the standard of new buildings (e.g. provision of double glazing, insulation, and heating to all buildings)
- Fund any major acquisitions from internal funding (reliant on external funding)
- Operation (to the existing level of service) of any new assets acquired over the planning period.
- Delivery of all proposed capital works, relating to stormwater assets, within the next five years - refer Appendix A.
- Major upgrades of stormwater systems at Translink Industrial Precinct and West Perth - may need to be staged over several years, unless external funding sources are identified.
- Extension of the Longford Flood levee systems.
- Fund all community/management committee requests without external funding and long term planning.
- A small amount of operation, maintenance and renewal activities to some lower priority assets.

Council cannot acquire assets where there is no planned budget assigned to service the full lifecycle costs (acquisition, operation, maintenance, renewal and disposal) over the planning period. This includes externally funded capital works.

1.6 Managing the risks

Major risks associated with the provision of assets and services included in this plan are detailed in Appendix F, however the most critical risks are detailed below:

- Loss of knowledge due to departure of key staff
- Reduced level of service due to shortfall between forecast costs and planned budget (underfunding causing delayed completion of lifecycle activities)
- Recurrent damage and risk to assets due to increased frequency of flood/storm events (climate change)
- Acquisition of assets (major assets and cumulative effect of acquisitions)
- Unknown condition ratings for some assets – potentially hiding additional renewal costs.
- Asbestos exposure
- Underfunding of required stormwater drainage upgrades leading to a lower level of service in some instances

We will endeavour to manage these risks within available funding by:

- Developing a succession plan for key staff, documenting knowledge, providing training, appropriate expertise in strategic roles, and improved record keeping.
- Allocating budget to allow best practice asset management (strategic level). Ensure sufficient experienced staff are resourced to manage Council's assets, including use and continual updating of Asset Management Plans and Long Term Financial Plans.
- Formation of an active Asset Management Team to enable proper asset management.
- Undertake improvement works to prevent flooding. Improve vulnerable assets (where appropriate).
- Ensure lifecycle costs are considered prior to acquiring new assets. Ensure prioritised maintenance, renewals and acquisitions are budgeted for (works plan).

- Develop yearly acquisition, maintenance and renewal plans.
- Climate change adaptation, refer Section 4.5
- Undertaking regular condition assessments of assets and maintain assets and registers appropriately
- Continue to maintain Council's asbestos register
- Ensuring the Long Term Financial Plan is informed by the asset management plans
- Undertaking condition assessments at defined intervals

1.7 Confidence levels

Considering all data sources, the estimated confidence level for and reliability of data used in developing this Strategic Asset Management Plan is considered to be **Medium**. Refer section 7.5.

1.8 The next steps

The actions resulting from this plan are:

- implement the improvement plan in Section 8.0, this is critical in Council providing sustainable services to the community
- improve consultation methods to increase awareness of service performance, risk and cost pressures
- investigate actions to extend the life of assets without affecting performance and risk
- review asset renewal options to reduce service delivery lifecycle costs

2.0 ASSET MANAGEMENT STRATEGY

2.1 Asset management system

Asset management enables an organisation to realise value from assets in the achievement of organisational objectives, while balancing financial, environmental and social costs, risk, quality of service and performance related to assets.[1]

An asset management system is a set of interacting elements of an organisation to establish the asset management policy and asset management objectives, and the processes, needed to achieve those objectives. An asset management system is more than 'management information system' software. The asset management system provides a means for:

- Coordinating contributions from and interactions between functional units within an organisation,[2] and
- Consistent application of the asset management processes to achieve uniform outcomes and objectives.

The asset management system includes:

- The asset management policy
- The asset management objectives
- The Strategic Asset Management Plan
- The asset management plans, which are implemented in
    - operational planning and control
    - supporting activities
    - control activities
    - other relevant processes.[3]

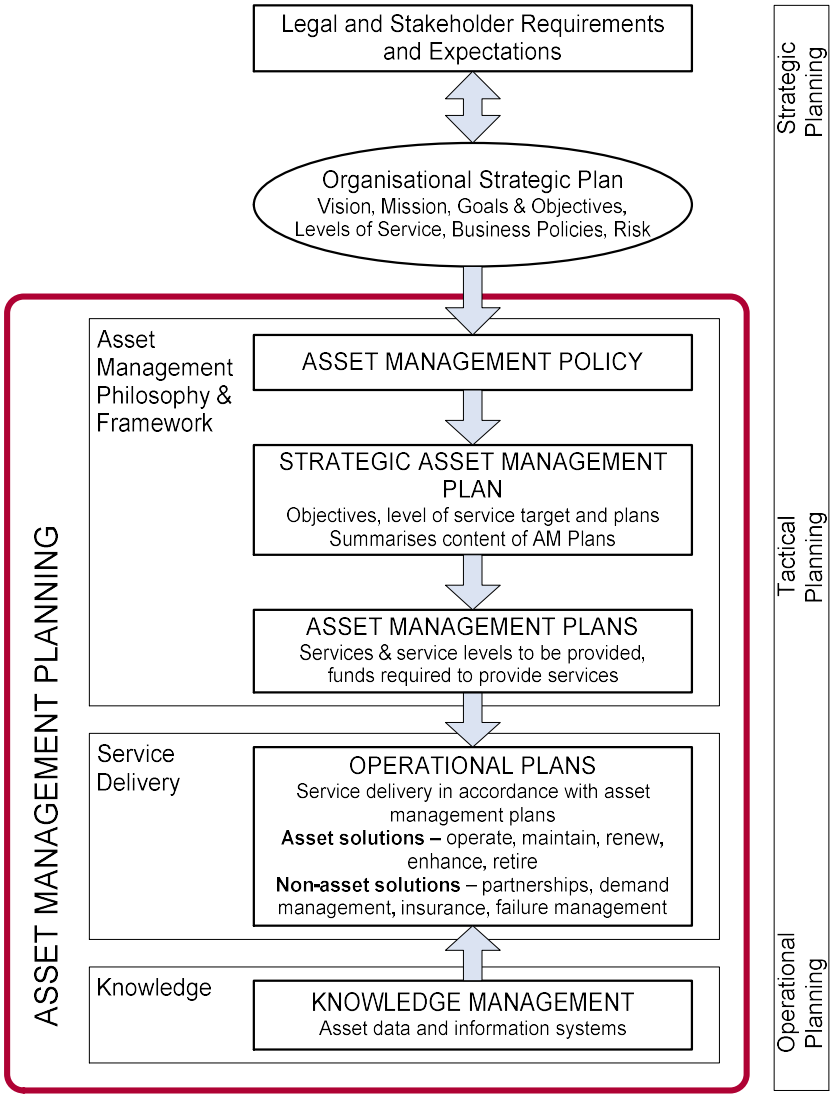
The asset management system fits within Council's strategic planning and delivery process as shown in Figure 2.

[1] ISO, 2014, ISO 55000, Sec 2.2, p 2

[2] ISO, 2014, ISO 55000, Sec 2.5.1, p 5

[3] ISO, 2014, ISO 55002, Sec 4.1.1, p 2.

Figure 2: Strategic Asset Management Plan fit in Planning Process



2.1.1 Asset management policy

The *Asset Management Policy* sets out the principles by which Council intends applying asset management to achieve its organisational objectives.[4] Organisational objectives are documented in Council's *Northern Midlands Council Strategic Plan 2021–2027* document. Council's *Asset Management Policy* is available at: https://northernmidlands.tas.gov.au/source-assets/images/Asset-Management.pdf and the Strategic Plan document is available at: https://northernmidlands.tas.gov.au/source-assets/images/Northern-Midlands-Council-Strategic-Plan-2021.pdf

[4] ISO, 2014, ISO 55002, Sec 5.2, p 7.

2.1.2 Asset management objectives

The asset management goals and objectives developed in Section 2.4 provide the essential link between Council objectives and the individual Asset Management Plans that describe how those objectives are going to be achieved. The asset management objectives transform the required outcomes (product or service) to be provided by the assets, into activities typically described in the asset management plans. Asset management objectives should be specific, measureable, achievable, realistic and time bound (i.e. SMART objectives).[5]

2.1.3 Strategic Asset Management Plan

This Strategic Asset Management Plan is to document the relationship between Council objectives set out in Council's *Strategic Plan 2021-2027* and the asset management (or service) objectives and define the strategic framework required to achieve the asset management objectives.[6]

The asset management objectives must be aligned with Council's strategic objectives set out in its strategic plan.

This Strategic Asset Management Plan encompasses the following asset classes, which enables the provision of services to the community:

- Transport
- Buildings
- Stormwater
- Plant and Equipment
- Vehicles
- IT, Office Equipment, and Furniture
- Monuments, memorials, cenotaphs, public art etc.

The strategic asset management framework incorporates strategies to achieve the asset management objectives. The strategies are developed in 4 steps:

- What assets do we have?
- Our assets and their management
- Where do we want to be?
- How will we get there?[7]

[5] ISO, 2014, ISO 55002, Sec 6.2.1, p 9.

[6] ISO, 2014, ISO 55002, Sec 4.1.1, p 2.

[7] LGPMC, 2009, Framework 2, Sec 4.2, p 4.

2.1.4 Asset Management Plans

Supporting the Strategic Asset Management Plan are asset management plans for major asset classes. The asset management plans document the activities to be implemented and resources to be applied to meet the asset management objectives. The asset management plans are public documents and they are available on Council's website: https://northernmidlands.tas.gov.au/documents/strategic-annual-plan/annual-plan-and-financial-documents

The Strategic Asset Management Plan summarises the following asset management plans:

- Transport
- Buildings
- Stormwater (including Longford Flood Levee infrastructure)

This Strategic Asset Management Plan is part of Council's strategic and annual planning and reporting cycle as shown in Table 2.1.

Table 2.1 - Strategic Asset Management Plan within the Planning and Reporting Cycle

	Plan	Planning Cycle	Performance Reporting	Reporting Method
Community Planning	20 year Community Plan	4 – 10 years	Community Objectives Indicators	Annual Report
Strategic Planning	10 year Strategic Plan	4 years	Organisational Objectives	Annual Report
	10 year Long Term Financial Plan		Financial Indicators	
	Strategic Asset Management Plan Asset Management Plans		Asset Management Objectives	
Operational Planning	4 year Operational Plan	4 years	Operational Objectives incorporated into Annual Plan	Annual Report
Annual Planning & Budget	Annual Plan & Budget	Annual	Annual Objectives Budget Objectives	Annual Report Monthly Reports to Council
	Departmental Work Plans		Work Plan Objectives	Monthly Reports to Council
	Individual Work Plans		Work Plan Objectives	Performance Reviews

2.2 What assets do we have?

We manage many assets to provide services to our community (refer Table 2.2. below). These assets provide the foundation for the community to carry out its everyday activities, while contributing to overall quality of life.

Table 2.2 - Assets covered by this Plan

Asset Class	Elements	Dimension	Replacement Value
Transport (including land under roads)	Sealed roads:	574.88 km	$231,003,504
	Unsealed roads:	385.45 km	$30,883,378
	Footpaths:	71.49 km	$11,373,134
	Kerb and channel:	139.13 km	$17,840,351
	Other road assets including roundabouts and carparks:	-	$787,814
	Land under roads:	14,069,252 m^2	$17,094,467
	Bridges:	251	$40,661,914
Buildings (including land)	Council administration offices, work depots and sheds/garages:	45	$6,478,273
	Community halls:	14	$11,075,064
	Community building facilities:	26	$9,812,811
	Public toilet blocks:	23	$2,731,057
	Residential houses/units:	14	$2,039,005
	Recreation ground buildings:	64	$23,000,618
	Shelters:	39	$844,798
	Other structures:	27	$1,328,901
	Land (including land for all buildings above):	-	$16,580,299
Stormwater (including flood levee infrastructure)	Stormwater pipes:	99.05 km	$36,602,291
	Stormwater pits:	3154	$8,768,287
	Flood levee infrastructure - earthworks:	4.12 km	$3,316,457
	Flood levee infrastructure - other infrastructure	-	$1,889,485
Other	Monuments, memorials, cenotaphs, public art etc.:	70	$1,467,330
IT, Office Equipment, and Furniture	IT Equipment:	460	$1,032,467
	Office Equipment and Furniture:	2755	$1,992,607
Plant and Equipment	Heavy Plant:	55	$4,135,682
	Other plant and equipment:	686	$6,012,837
	Other equipment:	52	$532,761
Vehicles	Cars, utes etc.	26	$769,422
		TOTAL:	**$490,055,015**

2.3 Our assets and their management

2.3.1 Asset values

The infrastructure assets covered by this Strategic Asset Management Plan are shown in Table 2.3.1 alongside their replacement value, depreciated replacement cost and annual depreciation. These assets are used to provide services to the community.

Table 2.3.1: Assets value summary

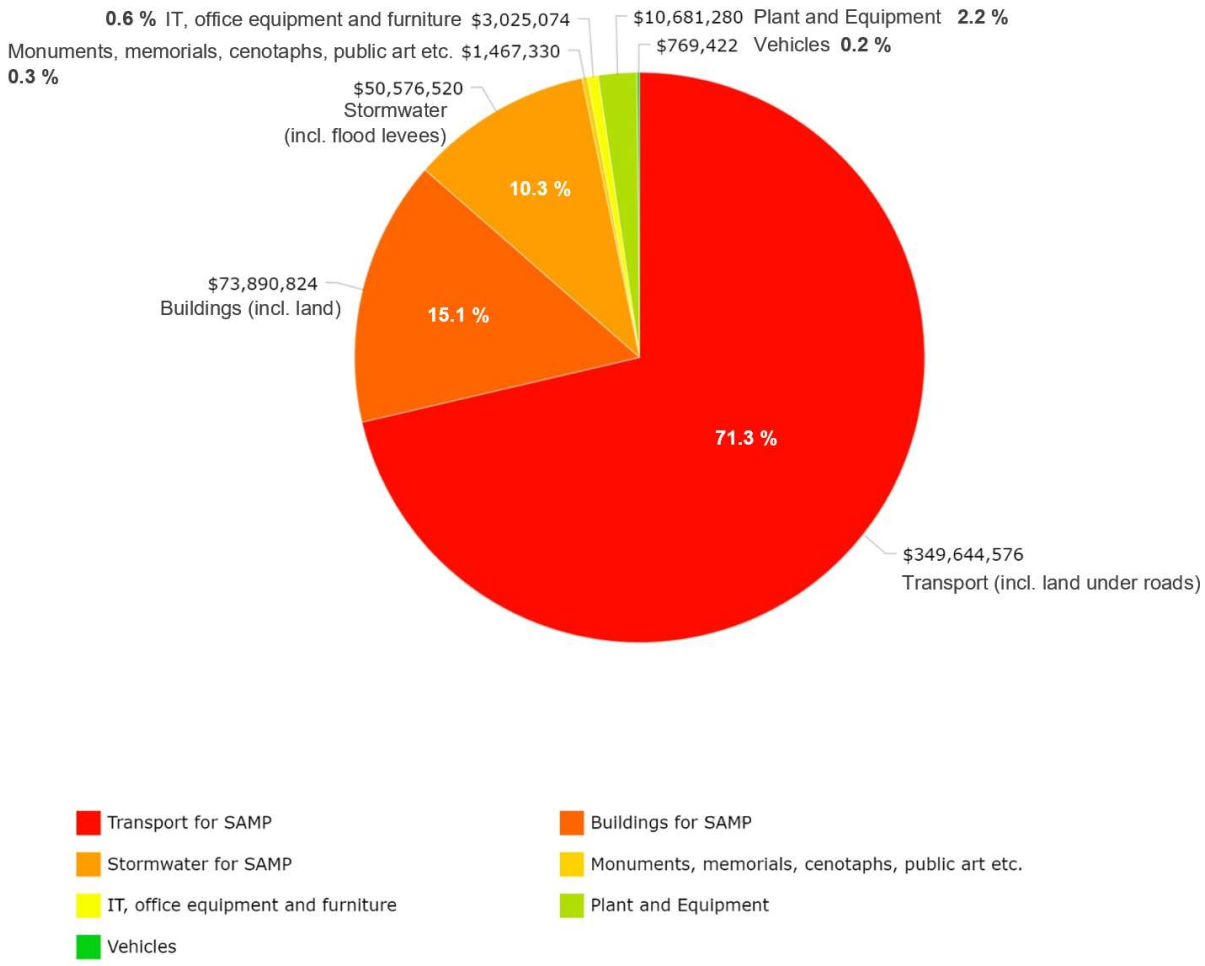
Asset Class	Asset replacement value	Depreciated Replacement Cost (written down value)	Annual Depreciation
Transport	$349,644,562	$255,671,100	$4,451,268
Buildings (incl. land)	$73,890,827	$54,898,535	$573,693
Stormwater (inc. flood levees)	$50,576,520	$39,171,258	$455,978
IT, Office Equipment, and Furniture	$3,025,074	$1,241,068	$181,018
Fleet (plant & vehicles)	$5,437,864	$3,117,031	$441,888

Other plant and equipment	$6,012,837	$3,028,210	$251,932
TOTAL	**$ 488,587,684***	**$357,127,202**	**$6,355,777**

*excludes monuments, memorials, cenotaphs, public art etc.

Figure 3 provides a graphical representation of the replacement value of Council's asset. The infrastructure assets included in this plan have a total replacement value of **$490,055,015.**

Figure 3 - Asset Replacement Values



Note: Asset values derived from *Northern Midlands Council Annual Report 2020/2021*.

As can be noted above in Table 2.3.1 and Figure 3 above, there are four smaller additional asset classes (*"Vehicles"*, *"Plant & Equipment"*, *"IT, Office Equipment, and furniture"* and *"Monuments, memorials, cenotaphs, public art etc."*) which do not require individual asset management plans but are noted within this plan. A brief note on each of these smaller asset classes is provided below:

2.3.1.1 IT, Office Equipment, and Furniture

IT, Office Equipment, and Furniture assets are registered within Council's finance system *Open Office Local Government Solutions* and are recorded on a cost basis. No formal asset management is currently undertaken of this

asset class. The total replacement value of all assets within this class is approximately 0.6 % of Council's total asset value, refer Tables 2.2, 2.3.1 and Figure 3. Given this low percentage, developing core asset management maturity for this asset class is less of a priority than the major three asset classes. Resources should be initially concentrated on improving the major asset class maturity, where much greater value is to be obtained from this work.

2.3.1.2 Plant & Equipment

Plant & Equipment assets are registered within Council's finance system *Open Office Local Government Solutions* and are recorded on a cost basis. No formal asset management has traditionally been undertaken for this class, however recent efforts have seen improvements with asset registers.

Examples of *'Plant'* – Street lights, pool & gym equipment, generators, tools, playground equipment etc.

Examples of *'Equipment'* –Furniture & fittings,

The total replacement value of all assets within this class is approximately 2.2% of Council's total asset value, refer Tables 2.2, 2.3.1 and Figure 3. Given this low percentage, developing core asset management maturity for this asset class is less of a priority than the major three asset classes. Resources should be initially concentrated on improving the major asset class maturity, where much greater value is to be obtained from this work.

2.3.1.3 Vehicles (Fleet)

Vehicles are registered within Council's finance system *Open Office Local Government Solutions* and are recorded on a cost basis. No formal asset management has traditionally been undertaken for this class, however recent efforts have seen improvements with asset registers and a 10 year renewal plan being developed.

Examples of *'Heavy Plant'* – Excavators, graders, rollers, trucks

Examples of 'Light Fleet' – Sedans, utilities, vans

The total replacement value of all assets within this category is approximately 0.2 % of Council's total asset value, refer Tables 2.2, 2.3.1 and Figure 3. Given this low percentage, developing core asset management maturity for this asset class is less of a priority than the major three asset classes. Resources should be initially concentrated on improving the major asset class maturity, where much greater value is to be obtained from this work.

2.3.1.4 Monuments, memorials, cenotaphs, public art etc.

Vehicles are registered within Council's finance system *Open Office Local Government Solutions* and are recorded on a cost basis. No formal asset management has traditionally been undertaken for this asset class.

The total replacement value of all assets within this category is approximately 0.3 % of Council's total asset value, refer Tables 2.2, 2.3.1 and Figure 3. Given this low percentage, developing core asset management maturity for this asset class is less of a priority than the major five asset classes. Resources should be initially concentrated on improving the major asset class maturity, where much greater value is to be obtained from this work.

2.3.2 State of the assets

Our State of the Assets report monitors the performance of the assets under three community service indicators:

Condition How good is the service? What is the condition or quality of the service?

Function Is it suitable for its intended purpose? Is it the right service?

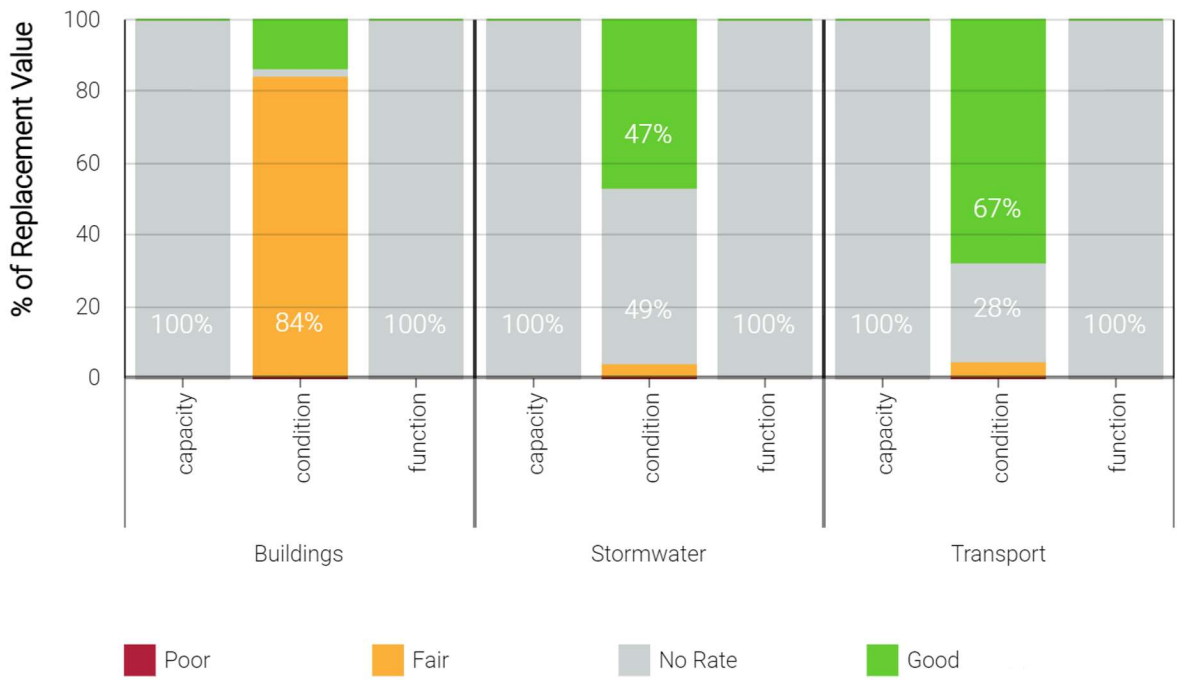
Capacity/Use Is the service over or under used? Do we need more or less of these assets?

Figure 2.3.2 (a) below shows the state of the assets (their condition, function, capacity) as a percentage of their replacement value. Only the three major asset classes feature (those with individual asset management plans). These three major classes make up approximately 97 % of Council's total asset value.

Interpretation of Figure 2.3.2 (a) - The vertical axis represents the percentage of overall asset value. Good performance is shown by the green. Poor performance is shown by the red. Fair performance is shown by the orange, and grey shows the assets where we currently have no data (noted for improvement in Section 8.0).

For example, according to the asset register *Transport* has 67 % of the class asset value considered in *good* condition, 28 % has an unknown/no data condition rating and 5 % is considered in *fair* condition. There is currently no data for 'capacity/use' and 'function' in all three major asset classes and this is noted for improvement.

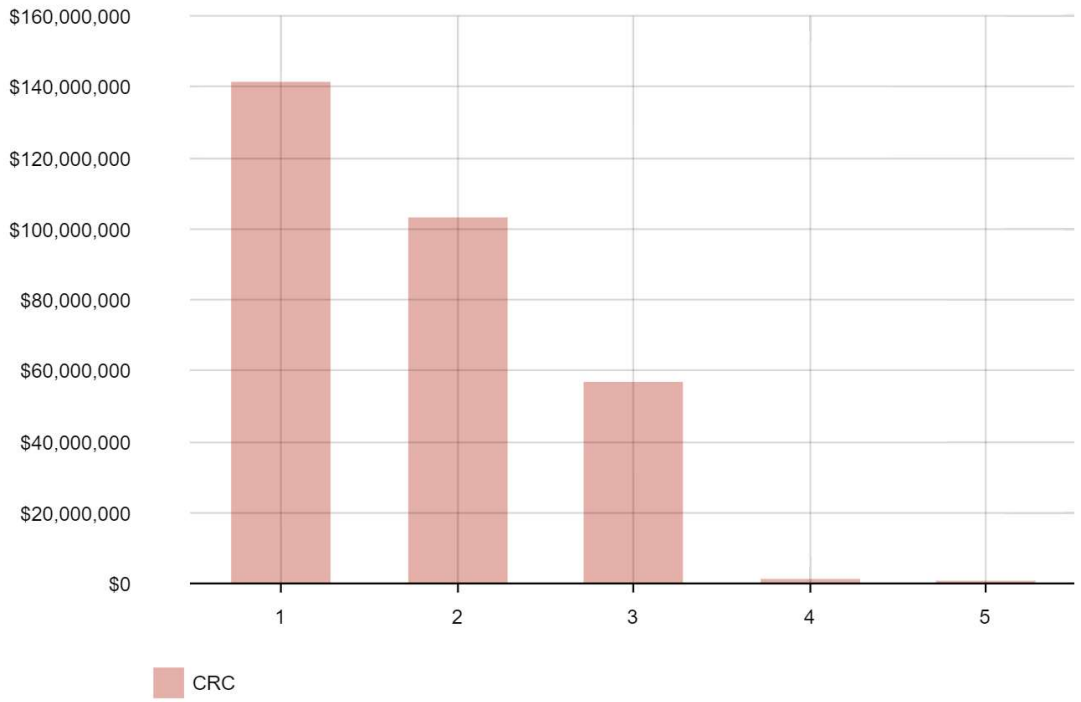
Figure 2.3.2 (a) - State of the Assets (Major Classes)



2.3.3 Condition summary

Figure 2.3.3 shows asset value (vertical axis) against asset condition (horizontal axis, where 0 = no data, 1 = very good and 5 = very poor) for all major asset classes combined.

Figure 2.3.3 – Condition summary of major asset classes combined



As can be seen in Figure 2.3.3 above, there are 59 % ($215M) of the overall asset value in good or very good condition (Condition 1 and 2), 13.6 % ($56M) in fair condition (Condition 3) and 0.3 % ($1.3M) in poor or very poor condition (Condition 4 and 5). 27 % ($112M) of total asset value from the three major asset classes currently have a condition rating of '0' (unknown), noting this includes road formation replacement value, which is not depreciated, hence condition is not required. It also includes several newly acquired assets which have not yet been assigned a condition rating, or older assets that may not have a condition rating assigned – this is noted for improvement in Section 8.0.

Below is an individual condition summary for the three major asset classes, (refer to respective asset management plans for further detail).

2.3.3.1 Transport

The most recent condition assessment of Council roads, footpaths, kerb and channel was undertaken by asset management consultants *Maloney Asset Management Systems* in May 2019. This involved inspecting the transport network, and assigning condition based on visual inspection. This condition assessment was then fed back into Council's Maloney Asset Management system. This type of comprehensive road condition assessment has generally been undertaken every four years, hence the next comprehensive assessment will be due in 2023.

Council's bridge condition inspection program is undertaken annually by *AusSpan*, with all bridges visually inspected, and updates made to the asset register. This is a well-structured inspection program, which has led to the development of a high quality asset register and no *'poor'* or *'very poor'* condition ratings currently present. **67.4 %** of Council's total transport asset value is in ***'very good'*** or ***'good'*** condition, **4.4 %** in **'fair'** condition, and **0.3 %** in a ***'poor'*** or ***'very poor'*** condition. There is approximately **$225,500** of asset value currently in **'very poor'** condition that currently requires renewal. Refer also Figure 2.3.2 (a).

2.3.3.2 Buildings

13.4 % of Council's total building asset value (excluding land) is in ***'very good'*** or ***'good'*** condition, **83.9 %** is in a **'fair'** condition, **0.3 %** in a **'poor'** condition, **0 %** in a **'very poor'** condition, and **2.4 %** with a '0' condition rating (not yet assigned). It is to be noted that the 2017 version of the *Asset Management Plan - Buildings* document Council included a significant value of assets in condition 4 and 5, which has now essentially been eliminated and this is reflective of Council's targeted building infrastructure renewal and maintenance works program over the past 5 years. Continued good asset management by Council is foreseen to keep the building assets predominantly in at least 'fair' condition well into the planning period. Refer also Figure 2.3.2 (a).

2.3.3.3 Stormwater

The condition of stormwater assets (excluding flood levee assets) is not currently monitored in any formal way and hence the actual individual condition of each asset is largely unknown. For accounting purposes, these stormwater drainage assets have currently been depreciated by approximately 25 % of their replacement value (noting a 100 year average design life, meaning their estimated remaining useful life is assumed to be approximately 75 years). Condition inspections and condition rating of individual assets have been noted for improvement in Section 8. Refer also Figure 2.3.2 (a) where condition data is provided, however it is noted that there is a very low degree of confidence in this data, hence the above depreciation approach has currently been utilised.

2.3.4 Forecast lifecycle costs

Forecast 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. Forecast lifecycle costs include operation and maintenance plus asset consumption (depreciation).

Lifecycle planned budget includes operation and maintenance (excluding depreciation) plus forecast renewals and acquisitions where relevant. The renewal component of the planned budget can vary depending on the timing of asset renewals.

The lifecycle forecast and planned budget averaged over the planning period are shown in Table 2.3.4.

Table 2.3.4 - Asset Lifecycle Costs

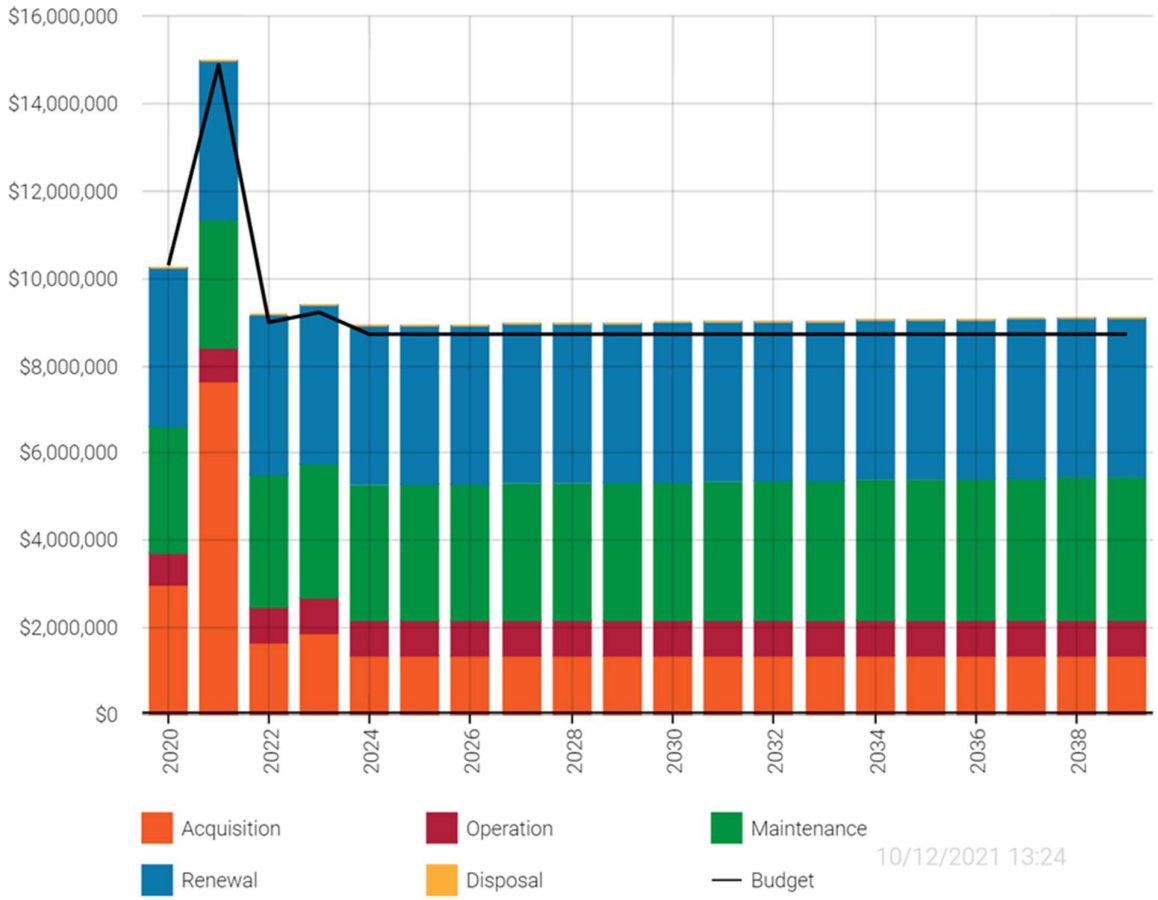
Asset Class/Category	Lifecycle Forecast ($/year)	Lifecycle Planned Budget ($/year)	Lifecycle Indicator
Transport	$6,623,208	$6,395,000	96.6 %
Buildings	$2,726,833	$2,785,034	102.1 %
Stormwater	$394,560	$391,568	99.2 %
TOTAL	**$9,744,601**	**$9,571,602**	**98.2 %**

Note: Total planned budget may reasonably be higher/lower than lifecycle forecasts in periods of above/below average asset renewal activity. Section 5.3 gives a more detailed indication of renewal funding needs over the period of the Strategic Asset Management Plan.

2.3.5 Asset management indicators

An asset management objective is to provide the services that the community needs at the optimum lifecycle cost in a financially sustainable manner. Figure 2.3.5 shows the forecast lifecycle costs for acquisition, operation, maintenance and renewal balanced with the planned budget from the Long Term Financial Plan (10 year). Some minor lifecycle activities (e.g. acquisitions, renewals) have been deferred to subsequent years to allow further consideration of service level needs and financing options.

Figure 2.3.5 – Forecast Lifecycle Costs (major asset classes – Transport, Buildings, Stormwater)



The purpose of this Strategic Asset Management Plan is to develop the strategies to achieve the asset management objectives through balancing of asset service performance, cost and risk.

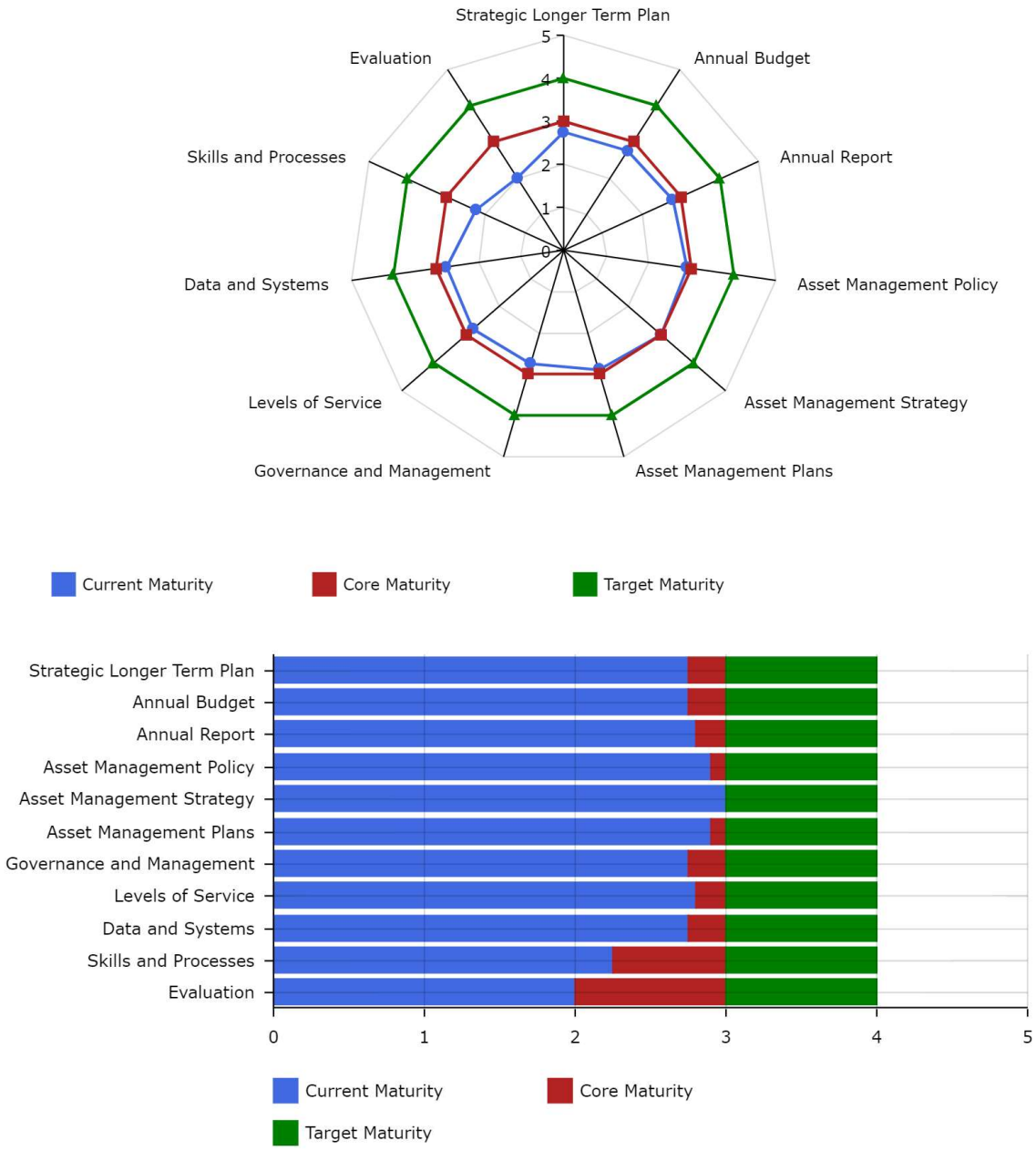
Figure 2.3.5 shows the results of balancing service performance, risk and cost in the asset management plans and Long Term Financial Plan to achieve an agreed and affordable position on service level and costs. This includes deferral of some lower priority lifecycle activities and identification and acceptance of the risks associated with the deferrals.

Risk assessments and associated management plans for these and other relevant risks are summarised in Appendix F. Refer also Section 6.0.

2.3.7 Asset and financial management maturity

We have taken steps to improve our asset and financial management performance including assessing our asset management maturity against the 3 Frameworks of the Local Government Financial Sustainability Nationally Consistent Frameworks. Our target is to achieve 'core' maturity with the Frameworks. Figure 2.3.7 (a) shows the current, 'core' and 'target' maturity scores for the eleven elements of the National Assessments Frameworks (NAF) for asset and financial management. The assessment result is shown in two forms (spider and bar chart) for ease of interpretation by various readers.

Figure 2.3.7 (a) - Maturity assessment spider and bar chart



- Improvement in 'core' maturity is indicated by movement of the blue ◆ (current maturity) line to the red ■ ('core' maturity) and green line ▲ (desired or aspirational target maturity).

As can be seen in Figures 2.3.7 (a), most elements are either at or slightly below core maturity, the Asset Management Strategy (incorporated into the SAMP, this document) is at core maturity, and elements with the lowest maturity scores are:

- Skills and Processes
- Evaluation

The risk to Council from the current maturity is shown in Figure 2.3.7 (b).

Figure 2.3.7 (b) - Maturity risk assessment

Reduction in risk from current National Assessment Framework maturity is indicated by movement of the blue line ■ (current risk) to the red line ■ (desired/target risk) in Figure 2.3.7 (b) above. The highest maturity risk to Council has currently been deemed to be:

- Evaluation

Tasks to improve asset and financial management maturity are prioritised and included within the Improvement Plan shown in Section 8.2.

2.3.8 Strategic outlook

- Council will have the ability to maintain current service levels (for all high important assets) over the next 10 years, with planned budget matching lifecycle forecasts.
- Council's current asset management maturity is slightly below 'core' level, and investment is needed to continue to improve the above noted areas.

2.4 Where do we want to be?

2.4.1 Vision, Mission, Goals and Objectives

This Strategic Asset Management Plan is prepared under the direction of Council's vision, mission, goals and objectives.

Our asset management vision is:

To provide the highest level of service for current and future generations which is a balance between responsible management of assets, meeting the community's expectations and affordability. To achieve this, assets must be planned, delivered, maintained, and refurbished so that they continue to meet this vision.

Our mission is:

Leadership – *Serve with honesty, integrity, innovation and pride*

Progression – *Nurture and support economic health and wealth*

People – *Build a vibrant society that respects the past*

Place – *Nurture our heritage environment*

Council's strategic goals and objectives, and how these are addressed in this Strategic Asset Management Plan, are summarised in Table 2.4.1 and 2.4.2. These goals and objectives are reflective of those included in the Asset Management Plan for each individual asset class.

Table 2.4.1: Goals and how these are addressed in this Plan

Goal	Objective	How Goals and Objectives are addressed in the Strategic Asset Management Plan
To provide safe and reliable assets for the benefit of the community.	Maintain and develop assets to appropriate standards.	Continue to develop and maintain regular inspection of asset condition, defects and develop maintenance and capital works programs for inclusion in this document or the relevant Asset Management Plan.
Good governance	Provide asset management services in a sustainable manner. Deliver services effectively and efficiently.	Completion, adoption, review and USE of asset management and Strategic Asset Management Plan (this plan)
Appropriate service levels	Identify current service levels and target sustainable levels	An ongoing task that will be monitored and improved.
Improved risk management	Identify and address all known high level risks to Council assets	Implement a structured approach to identify and manage high and very high risks. Refer Section 6.
Financial sustainability	Identify financial inefficiencies	Implement a structured approach to identifying financial inefficiencies.

2.4.2 Strategic Plan

Council's strategic objectives are detailed in the below *Northern Midlands Council Strategic Plan 2021-2027.*

Northern Midlands Council Strategic Plan 2021–2027

NORTHERN MIDLANDS COUNCIL

The Strategic Plan updates the Northern Midlands Strategic Plan 2017-2027 following a review by Councillors and staff.

The plan focusses on the unique elements of the Northern Midlands, an enviable place to live, work and play.

The Plan is based upon four key priorities:

1. **Lead**: **Serve with honesty, integrity, innovation and pride**
2. **Progress**: **Economic health and wealth – grow and prosper**
3. **People**: **Cultural and society – a vibrant future that respects the past**
4. **Place**: **Nurture our heritage environment**

Each priority is supported by four strategic outcomes that describe what Council aims to achieve, and that are consistent with its vision.

Actions and projects to achieve these outcomes will be included in Council's Annual Plan. Performance measures will be included in the Annual Plan to enable Council to track its progress against each of the strategic outcomes.

The Annual Report, which is presented at the Council's Annual General Meeting, will provide the update as to how the strategic outcomes have been achieved throughout the year.

Values

HONESTY
Treat all with honesty, respect and trust.

INTEGRITY
Listen, learn and proactively deliver Council's vision.

INNOVATION
Explore, expand and adapt to achieve a shared vision.

PRIDE
Serve community with pride and energy.

Vision

Northern Midlands is an enviable place to live, work and play. Connected communities enjoy safe, secure lives in beautiful historical towns and villages. Our clean, green agricultural products are globally valued. Local business and industry is strongly innovative and sustainable.

Mission

LEAD AND PROGRESS

Leadership
Serve with honesty, integrity, innovation and pride.
Council is committed to strong advocacy and community collaboration. Living responsibly within our means, through transparent financial planning and governance. Staff culture espouses integrity, honesty and pride.

Progression
Nurture and support economic health and wealth. Economic health and wealth — grow and prosper.
Our infrastructure growth builds capacity and economic sustainability. We support diverse, innovative, independent business and industry. We thrive with strong collaborative regional partnerships.

PEOPLE AND PLACE

People
Build a vibrant society that respects the past. Culture and society – a vibrant future that respects the past.
Diverse towns and villages service a rural-based industry. Connectivity challenges are innovatively managed to unite disparate communities. Equitable delivery of quality assets, programs and services supports sustainability.

Place
Nurture our heritage environment.
We cherish the historical heritage of our culture and all its people. It is firmly embedded in planning for the future — an enviable place to live, work and play. We protect our environment and work with business and industry to protect inherent values.

Lead

Serve with honesty, integrity, innovation and pride

LEADERS WITH IMPACT

Strategic outcomes:

1.1 Council is connected to the community

1.2 Councillors serve with integrity and honesty

1.3 Management is efficient, proactive and responsible

1.4 Improve community assets responsibly and sustainably

People

Culture and society – a vibrant future that respects the past

SENSE OF PLACE – SUSTAIN, PROTECT, PROGRESS

Strategic outcomes:

3.1 Sympathetic design respects historical architecture

3.2 Developments enhance existing cultural amenity

3.3 Public assets meet future lifestyle challenges

3.4 Towns are enviable places to visit, live and work

Progress

Economic health and wealth – grow and prosper

STRATEGIC PROJECT DELIVERY – BUILD CAPACITY FOR A HEALTHY WEALTHY FUTURE

Strategic outcomes:

2.1 Strategic, sustainable, infrastructure is progressive

2.2 Proactive engagement drives new enterprise

2.3 Collaborative partnerships attract key industries

2.4 Support and attract wealth-producing business and industry

Place

Nurture our heritage environment

ENVIRONMENT – CHERISH, SUSTAIN OUR LANDSCAPES AND PRESERVE, PROTECT OUR BUILT HERITAGE FOR TOMORROW

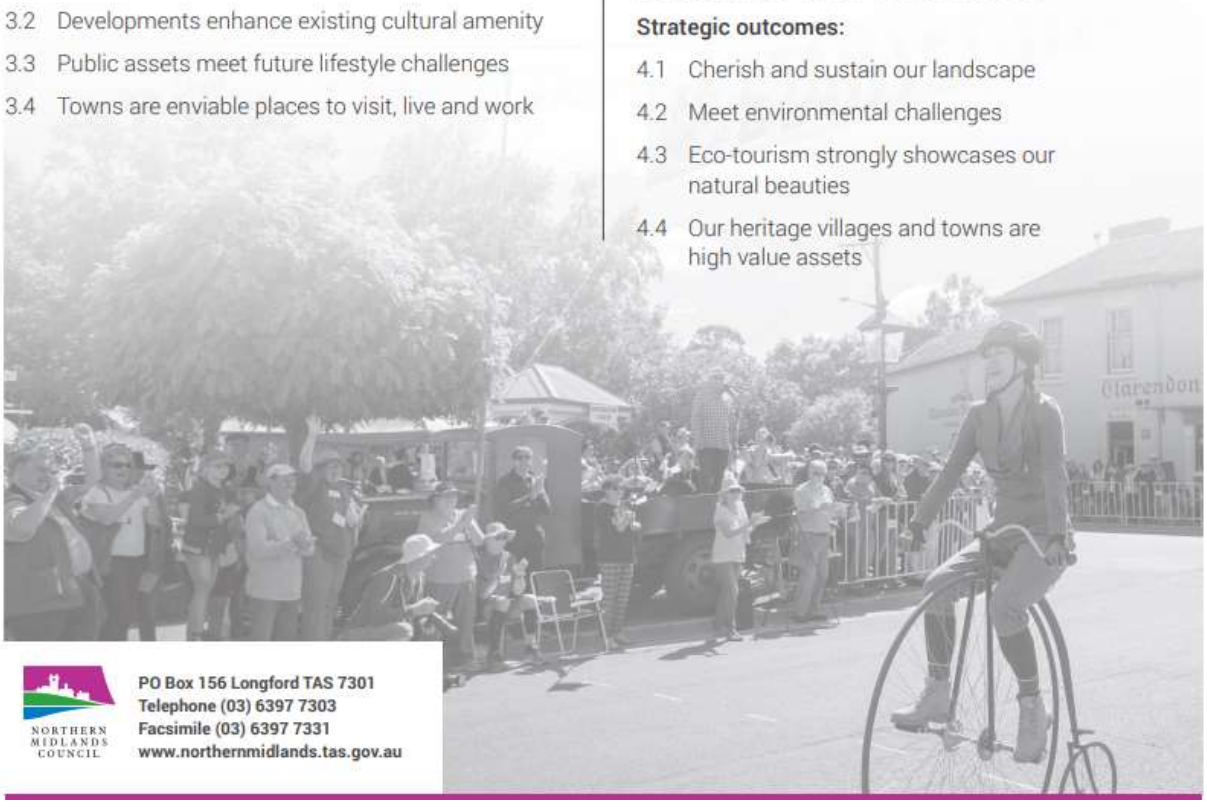
Strategic outcomes:

4.1 Cherish and sustain our landscape

4.2 Meet environmental challenges

4.3 Eco-tourism strongly showcases our natural beauties

4.4 Our heritage villages and towns are high value assets



NORTHERN MIDLANDS COUNCIL

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Northern Midlands Council Strategic Plan 2021–2027

Schedule of Strategic Projects

Lead

Serve with honesty, integrity, innovation and pride

- Annual Budget and Quarterly Reviews
- Asset Management Plan – Annual Review
- Best Business Practice, Governance & Compliance
- Customer Service Standards/Charter
- Elected Members Development & Annual Plans
- Emergency Management Plan (includes Social Recovery Plan)
- Information Technology Upgrade Program
- *Integrated Priority Projects Plan*
- Local Government Reform
- Media & Marketing
- People & Culture Plan
- Workplace Health & Safety Action Plan – Annual Review

People

Culture and society – a vibrant future that respects the past

- Cohesive Communities & Communities at Risk Plan
- Disability Action Plan
- Discrimination Strategy
- Family Violence Strategy
- Longford Road Safety Park
- *Municipal Shared Pathways Program (including pathways within & between towns)*
- Northern Midlands Community House
- Positive Ageing Strategy
- Ross Recreation Ground Master Plan
- Supporting Employment Programs
- Supporting Health & Education Programs
- Supporting Sport & Recreation Programs
- *Swimming Pool Strategy – Covering of Campbell Town & Cressy Swimming Pools*
- Youth Strategy
- *Implementation of Final Stages*
    - *Campbell Town War Memorial Oval Precinct Development Plan*
    - *Cressy Recreation Ground Master Plan*
    - *Cressy Swimming Pool Master Plan*
    - *Evandale Morven Park Master Plan*
    - *Longford Recreation Ground Master Plan*

Items included in Integrated Priority Projects Plan

Progress

Economic health and wealth – grow and prosper

- *Ben Lomond – Ski Field Redevelopment & 12-month Tourism Development*
- *Campbell Town CBD Urban Design & Traffic Management Strategy*
- Campbell Town (King Street) Short Term Accommodation Master Plan & Business Case
- *Campbell Town – Town Hall Sale/Lease*
- Economic Development Framework/Master Plan (including Tourism)
- Lake Leake Amenities Upgrade Project
- *Longford Motor Sport Museum*
- Longford Racecourse Master Plan & Area Review
- *Longford Urban Design Strategy*
- Municipal Stormwater Management Plans
- *Municipal Subdivisions Infrastructure Upgrade Program (including Ridgeside Lane)*
- Nile Road Upgrade
- Northern Midlands Rural Processing Centre
- Perth Community & Recreation Centre and Primary School Integrated Master Plan
- Perth Early Learning/Child Care Centre Redevelopment
- *Perth Main Street Upgrade*
- *Perth Sports Precinct & Community Centre Concept Master Plan*
- Perth Structure Plan
- Re-Assign Project
- *TRANSLink Precinct*
- *Underground Power – Evandale, Longford & Perth*

Place

Nurture our heritage environment

- Climate Change Emergency Strategy & Action Plan
- *Conara Park Upgrade*
- *Cressy Park Redevelopment*
- Honeysuckle Banks, Evandale, Master Plan
- Land Use & Development Strategy
- Longford Expansion Strategy
- Longford Levee Walkway & Viewing Platform
- *Municipal Tree Planting Program*
- Natural Resource Management Program Collaboration
- North Perth Low Density Land Strategy
- Sense of Place Planning – All Villages & Towns
- *Sheepwash Creek WSUD Open Space Corridor & Associated Open Space Plan*
- *South Esk River Parklands Master Plan*
- Tasmanian Planning Scheme Integration
- Waste Management Plan Review
- Weed Managements Strategy & Action Plan – Council Assets

2.5 Asset management vision

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, we aspire to:

Develop and maintain asset management governance, skills, process, systems and data in order to provide the level of service the community need at present and in the future, in the most cost-effective and fit for purpose manner.

In line with the vision, the objectives of the Strategic Asset Management Plan are to:

- Ensure that our infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment in a financially sustainable fashion.
- Acquire, operate, maintain, renew and dispose of assets in a financially sustainable fashion by implementing appropriate asset management strategies and appropriate financial resources.
- Maintain assets in a suitable condition to deliver an affordable and reliable level of service to the community.
- Adopt the Long Term Financial Plan as the basis for all service and budget funding decisions, taking into account whole of life costs when deciding to acquire new assets.
- Meet legislative requirements for all our operations.
- Develop transparent and responsible asset management processes in accordance with best practice standards.
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated.
- Ensure operational and service delivery risks are adequately managed.
- Continually improve our asset, risk and financial management and service delivery performance.
- Maintain affordable and financially sustainable asset management plans for each major asset group.
- Plan for climate change adaption and mitigation.
- Provide high level oversight of financial and asset management responsibilities through Audit Committee and General Manager reporting to Council on development and implementation of the Strategic Asset Management Plan, Asset Management Plans and Long Term Financial Plan.

Strategies to achieve this position are outlined in Section 2.6.

2.6. How will we get there?

This Strategic Asset Management Plan proposes strategies to enable Council objectives and asset management policies to be achieved.

Table 2.6 - Asset Management Strategies

No	Strategy	Desired Outcome
1	Incorporate Year 1 of Long Term Financial Plan revenue and expenditure projections into annual budgets. Move from Annual Budgeting to Long Term Financial Planning.	Long Term Financial Planning drives budget deliberations and the long term implications of all services are considered in annual budget deliberations.
2	Report our financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against organisational objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
3	Maintain Council's Long Term Financial Plan (covering 10 years) incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide our services.
4	Annually review asset management plans and Strategic Asset Management Plan covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.
5	Review and update individual asset management plans, Strategic Asset Management Plan and Long Term Financial Plan annually after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
6	Develop and maintain a risk register of operational and service delivery risks showing current risk levels, risk management treatments and report regularly to Council on current high level risks.	Risk management of operational and service delivery risks is an integral part of governance.
7	Ensure Council decisions are made from accurate and current information in asset registers, on service level performance and 'whole of life' costs.	Improved decision making and greater value for money.
8	Report on resources and operational capability to deliver the services needed by the community (in the annual report).	Service delivery is matched to available resources and operational capabilities.
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. Establish a high level Asset Management Team that meets monthly and monitors progress on all strategies and plans.	Responsibility for asset management is defined and actively managed throughout Council (via Asset Management Team).
10	Use and progress items noted for improvement in individual asset management plans (improvement plans) and this plan (refer Section 8.0) to realise 'core' maturity for the financial and asset management competencies **by 2025**.	Improved financial and asset management capacity within Council.
11	Twelve monthly report by the General Manager, to Council, on development and implementation of Strategic Asset Management Plan, Asset Management Plans and Long Term Financial Plan.	Oversight of resource allocation and performance.

2.7 Asset management improvement plan

The tasks required for achieving a 'core' financial and asset management maturity are shown in priority order in the asset management improvement plan in Section 8.2

2.8. Consequences if improvement actions are not completed

There are consequences for the Council if the improvement actions are not completed. These include:

- Inability to achieve strategic and organisational objectives
- Inability to achieve financial sustainability for Council's operations
- Current risks to infrastructure service delivery are likely to eventuate and response actions may not be appropriately managed
- We may not be able to provide the appropriate levels of service

3.0 LEVELS OF SERVICE

3.1 Level of service

Council delivers services to the community. Asset's owned by Council enable the provision of these services. The level at which these services are provided to the community is called the 'level of service'. Generally the amount of funds allocated to deliver the service will determine the level of service, i.e. a high level of expenditure on a given service will generally deliver a higher level of service than a lower level of expenditure.

3.2 Community research and expectations

This Strategic Asset Management Plan is prepared to facilitate consultation prior to adoption of formal levels of service by Council. Council has traditionally worked to the provision of a level of service that is assumed to be the community's expectation (refer 3.5). During any future consultation process Council will test this assumption.

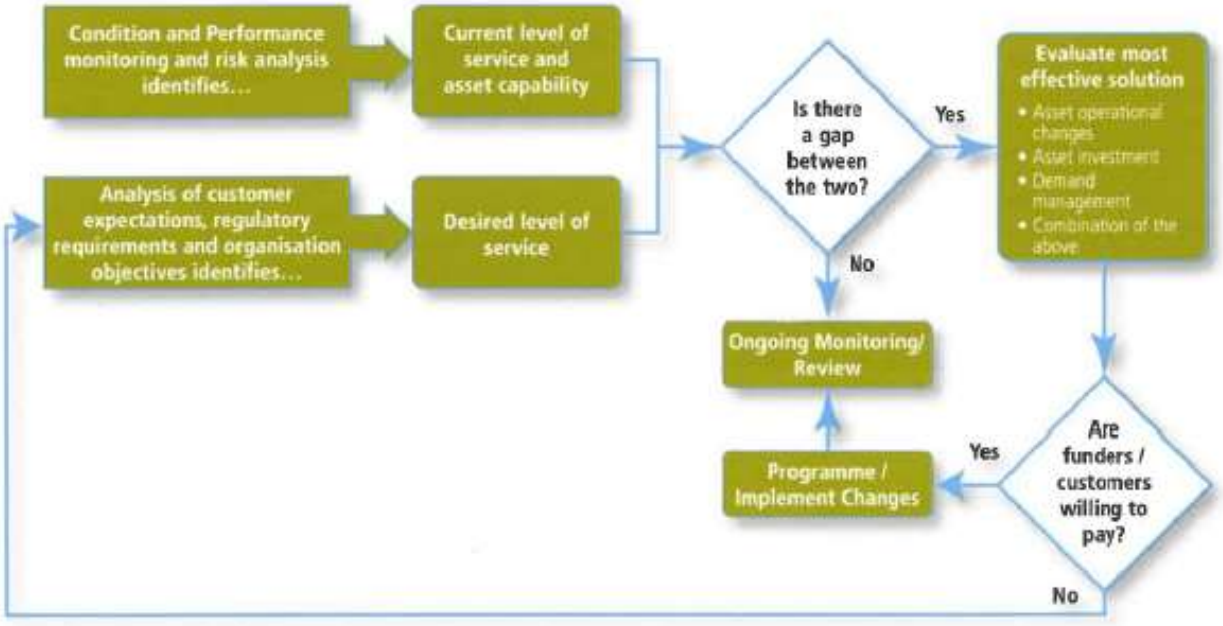
Future revisions of the Strategic Asset Management Plan will incorporate any customer consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the community's ability and willingness to pay for the service.

Council undertakes community consultation for proposed developments and also receives vast community feedback on the services and facilities it currently provides. Council's customer request system is also used to determine trends in community expectations. Budget submissions are invited from local district committees and community groups for Council consideration. Council operates a Local District Committee Structure for the towns and villages of Ross, Campbell Town, Avoca/Rossarden, Perth, Longford, Cressy and Evandale. These forums provide Council advice on a wide range of issues. Information obtained from the above is used in developing key planning documents and in allocation of budget resources.

Figure 3.2 below shows how current level of service and desired level of service are considered as part of Council's asset management process.

Figure 3.2 - Levels of Service in the Asset Management Process

(Sourced from (NAMS & IPWEA, 2011)



3.3 Legislative requirements

We have to meet many legislative requirements including Australian and State legislation and State regulations. These are detailed in Council's three Asset Management Plans (Transport, Buildings, Stormwater) summarised in this Strategic Asset Management Plan.

3.4 Customer values

Levels of service are defined in three ways; customer values, customer levels of service, and technical levels of service.

Customer values indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

Customer values for specific asset classes are detailed in the individual Asset Management Plans summarised in this Strategic Asset Management Plan.

1.5 Customer levels of service

The Customer Levels of Service is a measure as to how the customer receives the service and whether Council is providing value. This is considered in terms of:

Condition How good is the service? What is the condition or quality of the service?

Function Is it suitable for its intended purpose? Is it the right service?

Capacity/Use Is the service over or under used? Do we need more or less of these assets?

Customer levels of service for specific asset classes are detailed in the individual Asset Management Plans summarised in this Strategic Asset Management Plan.

1.6 Technical levels of service

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

Technical service measures are linked to annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).
- **Operation** – the regular activities to provide services such as availability, cleansing, mowing, etc.
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g. road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset similar to that which it had originally (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement) or to a lower service level,

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[8]

Together the customer and technical levels of service provide detail on service performance, cost and whether service levels are likely to stay the same, get better or worse.

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.

Current technical levels of service for specific asset classes are detailed in the individual Asset Management Plans, they are also summarised in Appendix A of this document.

[8] IPWEA, 2015, IIMM, p 2|28.

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 forecast

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 4.3.

Population of the Northern Midlands Local Government Area was last estimated in 2020 to be 13,598 (*Australian Bureau of Statistics*). Figure 4.2 below shows the 2019 projected population over the planning period. Analysis of this figure shows a gradual projected rise in population of approximately 200 people from 2021 to around 2032, and then a gradual decline of approximately 100 people by the end of the planning period (2040). The discrepancy between the 2020 estimate and the 2019 projection line can be put down to greater than expected population growth over the last two years. Saying this, the magnitude of the projected rise is the best current source of information for population growth in the region, hence it is considered that a population of around 13,800 can be projected for 2032. Given current projections, it is anticipated that there will be little need for change to the adopted 'Levels of Service' relating to population growth. However, saying this, the rate of population increase is to be monitored regularly by Council to ensure the above projections remain valid.

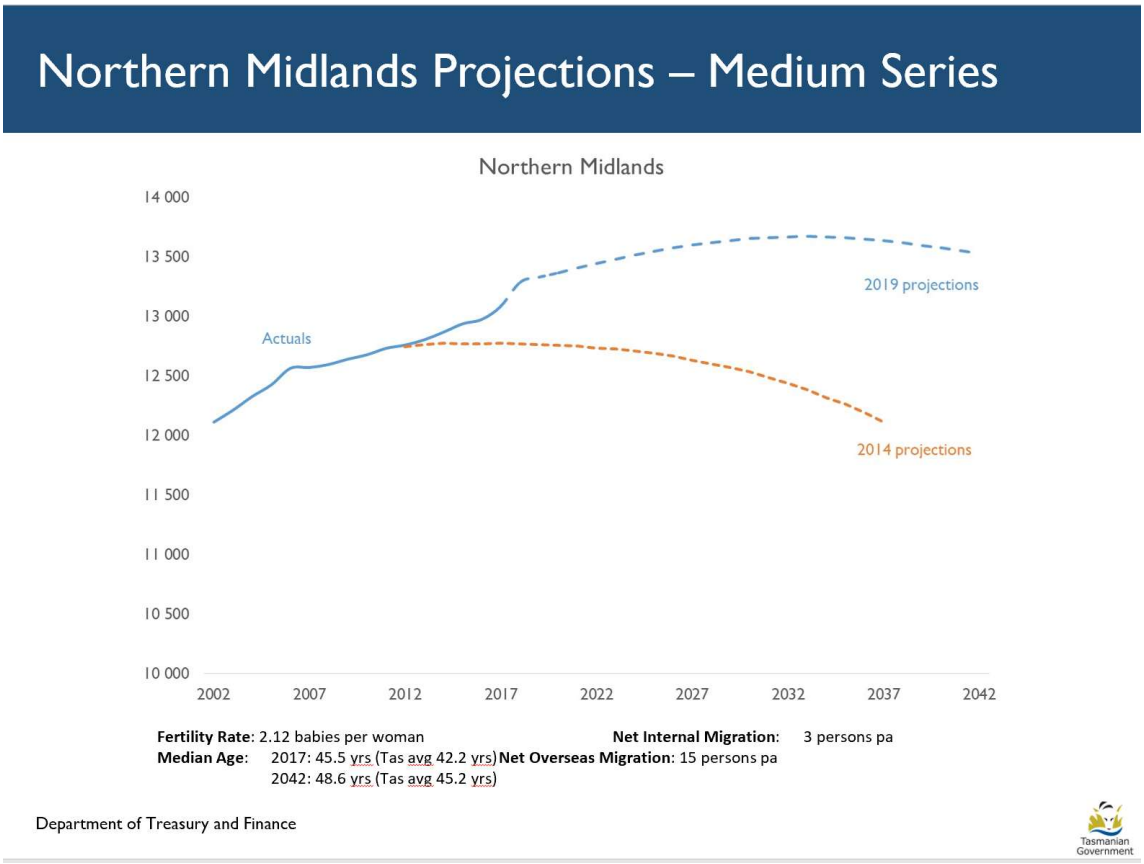


Figure 4.2 – Department of Treasury and Finance – Northern Midlands population projections (medium series).

4.3 Demand impact on assets 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 Asset Management Plan.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	13,598 people (2020 estimate).	Refer Figure 4.2	Increase in population is not foreseen to require any significant increase in transport infrastructure services	No significant impact to services, hence management plan is not currently required.
Demographic	Median age of 45.5 years (2017)	Increase in median age to approx. 49 years by 2040	The change is not foreseen to impact services.	No impact to services, hence management plan is not required.
Climate change	Experiencing more extreme weather patterns and events - Very susceptible to flood damage (significant damage during 2011 flood event)	Continue to experience increased frequency and intensity of extreme weather events	Increased maintenance and renewal costs due to flood damage.	Identify list of strategic improvements to reduce the risk of ongoing damage.
Tourism	Tourist region	Tourist visitation expected to increase over planning period	Increased safety, signage and overall standard of road infrastructure.	To be monitored over next five years.
Heavy vehicles	Significant agriculture and timber industry traffic throughout region, in conjunction with other heavy vehicle use of road network.	Considered to remain relatively constant over the planning period.	Continued heavy vehicle use will require increased maintenance and renewal frequencies in some instances.	Identify list of strategic improvements to reduce the risk of ongoing damage.

Upgrade in standards	Varies between asset classes, refer asset management plans	Some upgrades required over planning period	Increased renewal costs to meet with current standards	Identify upgrades required to meet with modern standards, prioritise these accordingly and include in the planned budget
Trends & Community expectation	Traditional recreational services provided (e.g. recreation grounds for football and cricket)	Possible increase in demand for other types of recreational activities and facilities (e.g. basketball and other indoor sports)	May increase costs of existing facilities, or endorsing of multi-use facilities or other assets.	Demand to be monitored over coming years. Hence management plan is not currently required. Identify practicable improvements to meet with community expectations and include in planned budget as and when required.
Future development	Development of previously vacant land gradually occurring and density increasing	Forecast to continue	Additional demand on local stormwater networks	Refer *NMC Draft Urban Stormwater System Management Plan 2020*

4.4 Asset programs to meet demand

Any new assets required to meet demand may be acquired, donated or constructed. Acquisition is further discussed in Section 5.4.

Acquiring these new assets will commit Council to fund ongoing operation, 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 operation, maintenance and renewal costs in Section 5.

4.5 Climate change adaptation

The impacts of climate change will have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change will impact on assets varies significantly depending on the location and the type of services provided, as does the way in which we respond and manage those impacts.[9]

As a minimum we consider how to manage our existing assets given climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

[9] IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Table 4.5.1 Managing the Impact of Climate Change on Assets and Services

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Increased frequency and intensity of extreme rainfall events	Increased frequency of extreme storm events	Increased asset maintenance, renewal and acquisition costs	Prioritise susceptible sites for improvement works to reduce vulnerability and ongoing costs
Flooding	Increase in flood heights and peak flows	Serviceability of some transport assets threatened by projected increases	Develop a register of assets likely to be affected by flooding and plan for resilience building when due for renewal. Refer also *Draft Urban Stormwater System Management Plan*
Hotter summers	Increase in bushfire risk	Loss of assets	Refer *Northern Midlands Council Strategic Risk Register*

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change;
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

Table 4.5.2 Building Asset Resilience to Climate Change

New Asset Description	Climate Change impact on these assets?	Build Resilience in New Works
Roads	Increased flood damage	Flood resilient road renewals where practicable
Bridges	Greater flood risk to bridges	Ensure bridges are renewed allowing for climate change forecasts (increased design flows due to increased intensity and frequency of rainfall events)
Council buildings	Flooding and increased frequency and intensity of storm events	Floor levels to satisfy flood modelling.
Stormwater drainage infrastructure	Greater capacity required	Only renew with, or acquire, assets that have been designed to allow for climate change flows in accordance with the *Draft Urban Stormwater System Management Plan*

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this Strategic Asset Management Plan.

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising lifecycle costs and managing risks.

5.1 Background data

5.1.1 Physical parameters

The assets covered by this Strategic Asset Management Plan are shown in Tables 2.2 and 2.3.1.

5.1.2 Asset capacity and performance

Council's assets and services are generally provided to meet design standards where these are available.

Asset capacity and performance is monitored for three community service measures at the end of the reporting period for condition (quality), function and capacity/utilisation in a *State of the Assets* report. The state of the assets is discussed in Section 2.3.2.

5.2 Routine operation and maintenance plan

Operation includes regular activities to provide services such as public health, safety and amenity, e.g. cleansing, utility services, street sweeping, grass mowing and street lighting.

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

5.2.1 Operation and maintenance plan

Operation activities affect service levels including quality and function, such as cleanliness, appearance, etc., through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

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, e.g. road patching but excluding rehabilitation or renewal.

Where maintenance expenditure is not considered adequate to meet with all current levels of service, a reduction in level of service for some asset classes may result until equilibrium of planned budget and maintenance forecasts is met. Where maintenance expenditure levels result in a lesser level of service, the service consequences and risks have been identified in the respective Asset Management Plan, refer also Section 6.0 and Appendix F.

5.2.2 Operation and maintenance strategies

We will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

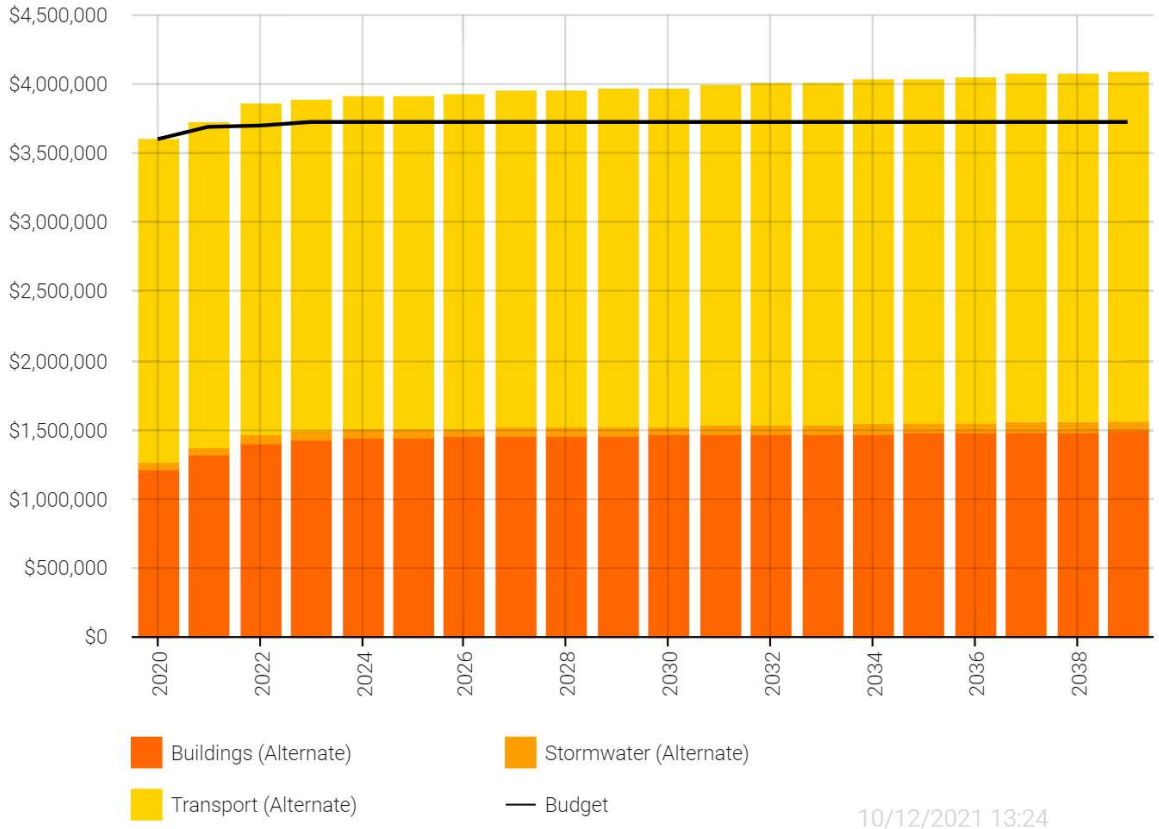
- Scheduling operations activities to deliver the defined level of service in the most efficient manner
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost)
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council

- Review current and required skills base and implement workforce training and development to meet required operation and maintenance needs
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options
- Maintain a current hierarchy of critical assets and required operation and maintenance activities
- Develop and regularly review appropriate emergency response capability
- Review management of operation and maintenance activities to ensure we are obtaining best value for resources used

5.2.3 Forecast operation and maintenance summary

Operation and maintenance costs (for the three major asset classes) are forecast to trend in line with slight increases in total asset value over the planning period (due to acquisitions), this is shown in Figure 5.2.3. The majority of forecast costs (shown in Appendix B) have been accommodated in Council's Long Term Financial Plan, however Figure 5.2.3 highlights that Council does not currently have sufficient planned budget to undertake all of the forecast operation and maintenance throughout the planning period.

Figure 5.2.3: Forecast Operation and Maintenance Summary (major asset classes – Transport, Buildings, Stormwater)



Note that all costs are shown in current dollar values (i.e. real values).

The consequences of deferred maintenance, i.e. works that are identified for maintenance and unable to be funded, are to be included in the risk assessment and analysis section of the appropriate asset management plan, refer also Appendix F.

5.3 Renewal plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is considered as asset acquisition.

5.3.1 Renewal strategies

We will plan capital renewal projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner
- Undertaking project scoping for all capital renewal projects to identify
    - the service delivery 'deficiency', present risk and optimum time for renewal
    - the project objectives to rectify the deficiency
    - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency
    - and evaluate the options against evaluation criteria adopted by Council, and
    - select the best option to be included in capital renewal programs,
- Using *optimal* renewal methods (cost of renewal is less than replacement) wherever possible
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and report Very High and High risks and Residual risks after treatment to management, Audit Committee and Council
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required
- Review management of capital renewal activities to ensure we are obtaining best value for resources used.

5.3.2 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. replace 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. roughness of a road).

Asset renewal priorities are indicated by identifying assets or asset groups that:

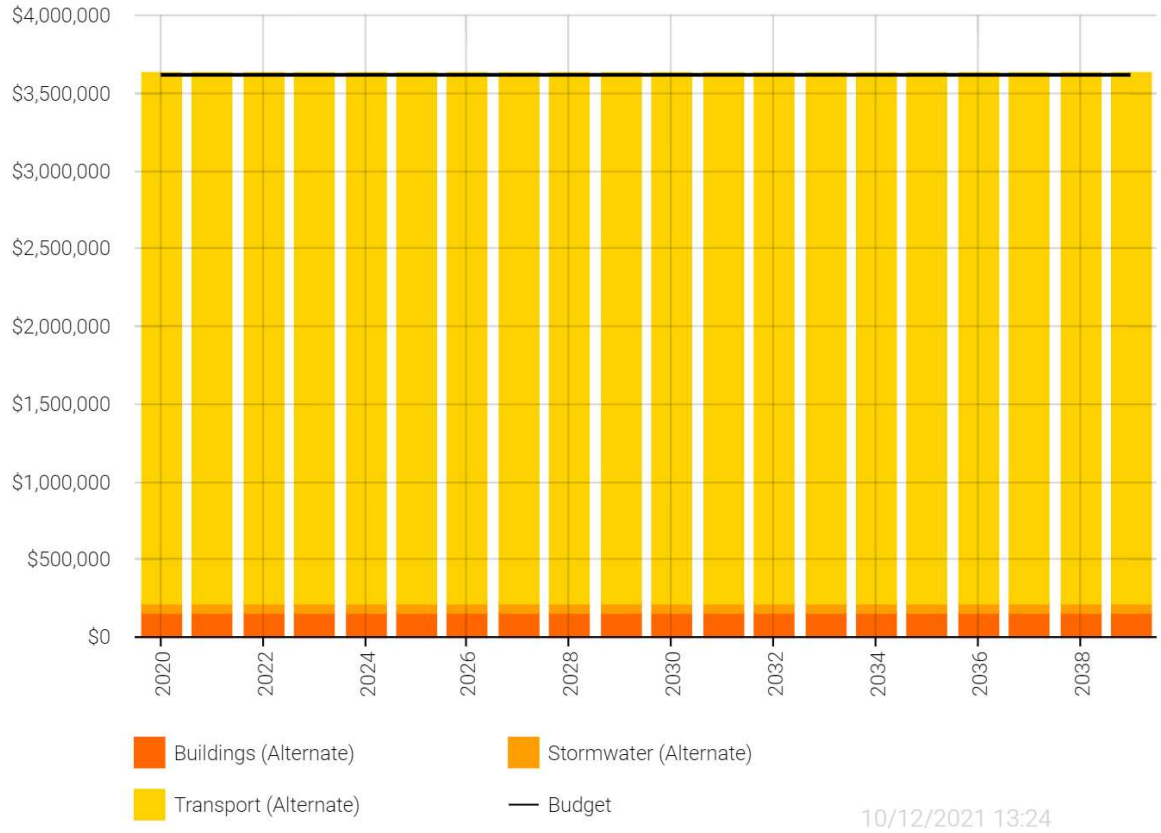
- Have a high consequence of failure
- Have a high utilisation and loss of service would have a significant impact on users
- Have the highest average age relative to their expected lives
- Are identified in the Asset Management Plan as key cost factors
- Have high operational or maintenance costs, and
- Where replacement with modern equivalent assets would yield material savings.

The ranking criteria used to determine priority of identified renewal proposals is detailed in the respective asset management plans.

5.3.3 Forecast renewal summary

Renewal costs (for the three major asset classes) are forecast to remain constant over the planning period, this is shown in Figure 5.3.3. As can be seen in Figure 5.3.3 the planned budget from the Long Term Financial Plan accommodates all forecast renewal costs over the planning period.

Figure 5.3.3: Forecast Renewal Summary (major asset classes – Transport, Buildings, Stormwater)



Note that all amounts are shown in current day dollars.

Where renewal forecasts are based on estimates of asset useful lives, the useful lives are documented in the relevant asset management plan. Forecast renewal programs are shown in Appendix C for each of the major asset classes.

Deferred renewals will generally lead to a reduction in the level of service provided. This and other consequences of deferred renewals, i.e. assets that are identified for renewal and unable to be funded, are to be included in the risk assessment and analysis section of the appropriate asset management plan, refer also Appendix F.

5.4 Acquisition plan

Acquisitions are works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to Council from land development. These assets from growth are discussed in Section 4.5.

5.4.1 Selection criteria

Asset acquisitions are identified from various sources such as Councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and then scheduled in future works programmes. The priority ranking criteria is detailed in the respective Asset Management Plans.

5.4.2 Capital investment strategies

We will plan capital upgrade and new projects to meet level of service objectives by:

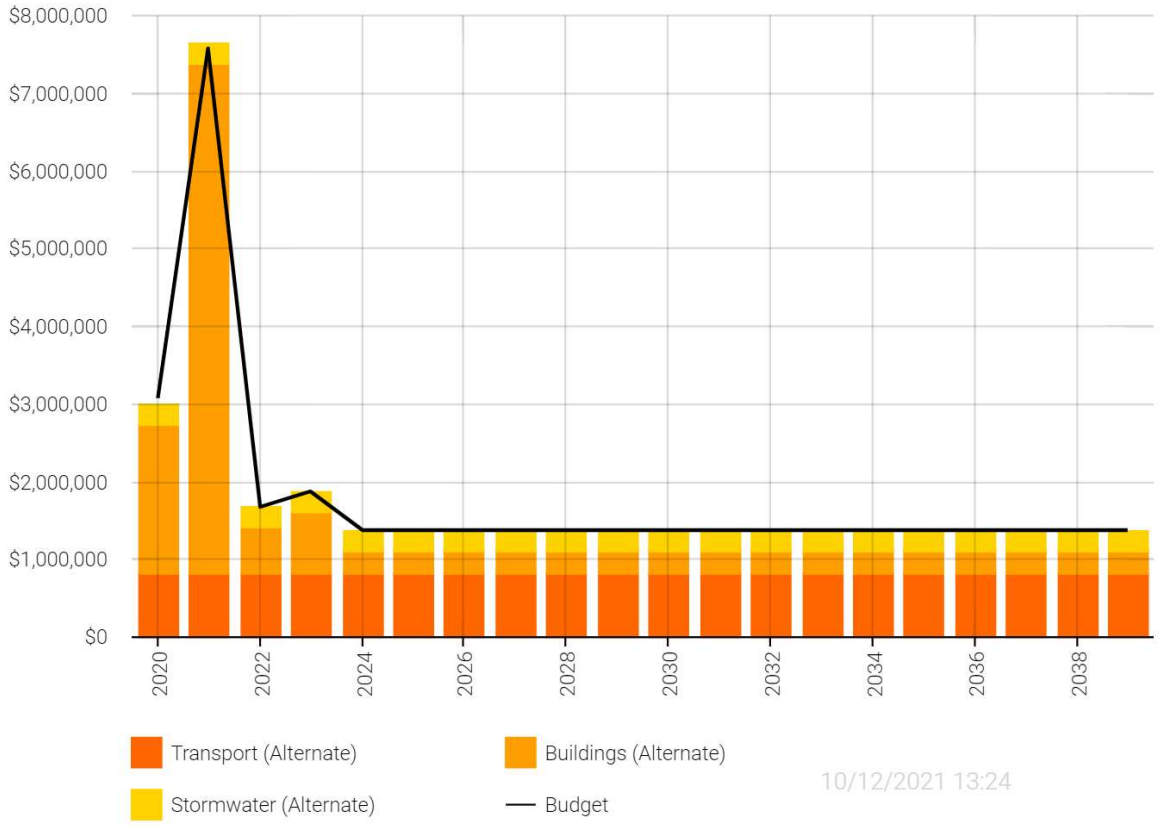
- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
- Undertake project scoping for all Renewal projects to identify
    - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset
    - the project objectives to rectify the deficiency including value management for major projects
    - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
    - management of risks associated with alternative options
    - and evaluate the options against evaluation criteria adopted by Council, and
    - select the best option to be included in renewal programs
- Review current and required skills base and implement training and development to meet required construction and project management needs
- Review administration of capital project management activities to ensure we are obtaining best value for resources used.

Standards and specifications for maintenance of existing assets and asset acquisitions are detailed in relevant individual asset management plans.

5.4.3 Forecast acquisition summary

Forecast acquisition and planned budget over the planning period (for the three major asset classes) are detailed in Figure 5.4.3. As can be seen, forecast acquisitions and planned budget are in balance, which is good. The forecast acquisitions have been accommodated in Council's Long Term Financial Plan. The projected acquisition program is shown in Appendix C. All amounts are shown in current day dollars.

Figure 5.4.3: Forecast Acquisition Summary (major asset classes – Transport, Buildings, Stormwater)



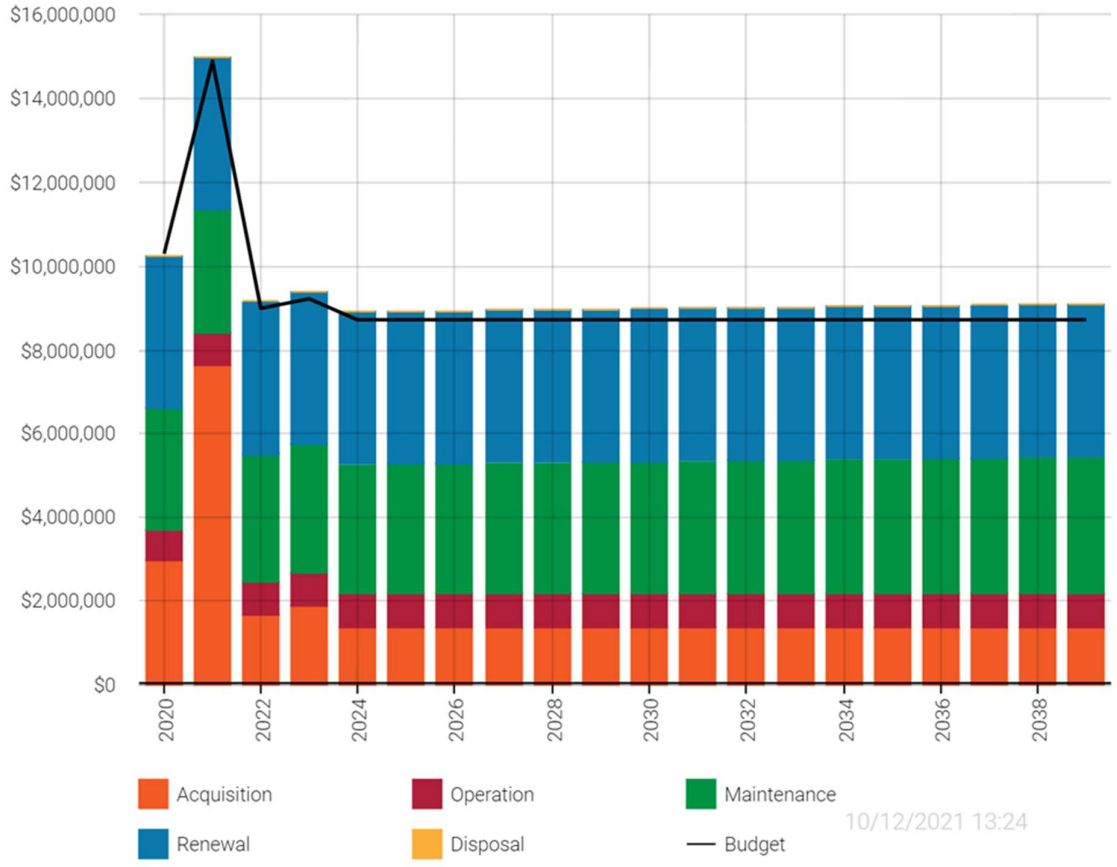
The spike in acquisitions in 2021 (Figure 5.4.3) is representative of over $6 M in new building assets budgeted to be acquired by Council. As can be seen in, following the spike in 2021 Council are planning for a much lower rate of asset acquisition for the remainder of the planning period.

When Council 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 Council and this is detailed for each of the major asset classes in their respective asset management plans.

5.4.4 Lifecycle summary

The financial projections from this strategic asset management plan (for the three major asset classes) are shown in Figure 5.4.4. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget (black line). 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 5.4.4: Lifecycle Summary (major asset classes – Transport, Buildings, Stormwater)



All figure values are shown in current day dollars.

As can be seen in Figure 5.4.4, the forecasted lifecycle costs are initially well matched to the planned budget (black line), however there is a slight deviation as we move through the planning period. Gradual increases in the operations and maintenance lifecycle costs lead to an increasing shortfall over the planning period, which is due to increased costs associated with acquired assets.

There are currently no high importance acquisition, operation, maintenance or renewal works that have been deferred.

5.5 Disposal Plan

Disposal includes any activity associated with disposal of an asset including sale, decommissioning, demolition or relocation. Assets identified for possible disposal are shown in the respective asset management plans (refer to these for further detail), however are summarised below:

- Campbell Town Hall
- 32 Norfolk Street, Perth
- Stormwater drainage assets that are under capacity (or renewed for any other reason) and will be replaced prior to the end of their useful life (e.g. as part of any works recommended from the *NMC Draft Urban Stormwater System Management Plan 2020*).

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 31000:2009 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2009 as: 'coordinated activities to direct and control with regard to risk'[10].

An assessment of risks[11] associated with service delivery will identify critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock'. 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, evaluate the risks and develop 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. Similarly, critical failure modes are those which have the highest consequences.

Examples of failure mode could include:

- Physical failure, collapse
- Essential service interruption

Critical assets have been identified and their typical failure mode and the impact on service delivery are summarized in Table 6.1:

Table 6.1: Critical Assets

Critical Asset(s)	Failure Mode	Impact
Link and industrial roads and collector roads	Flooding, defects etc.	Essential transport services disrupted
Bridges	Flooding, overloading etc.	Essential transport services disrupted
<u>Emergency evacuation centers:</u> - Town Hall Longford - Campbell Town Recreation complex	Any failure mode (fire, dilapidation, flooding etc.)	Loss of emergency evacuation centre
Emergency Services Buildings	Any failure mode (fire, dilapidation, flooding etc.)	Loss of critical service
Council Offices and Depots	Any failure mode (fire, dilapidation, flooding etc.)	Loss of critical service

[10] ISO 31000:2009, p 2

[11] Refer *Northern Midlands Council Strategic Risk Register*

Critical Asset(s)	Failure Mode	Impact
All stormwater drainage assets (notably flood levees, stormwater detention basins, culverts, pipelines, open drains, overland flow paths, drainage pits etc.)	Flooding/blockage.	Damage to buildings, roads and other infrastructure.

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

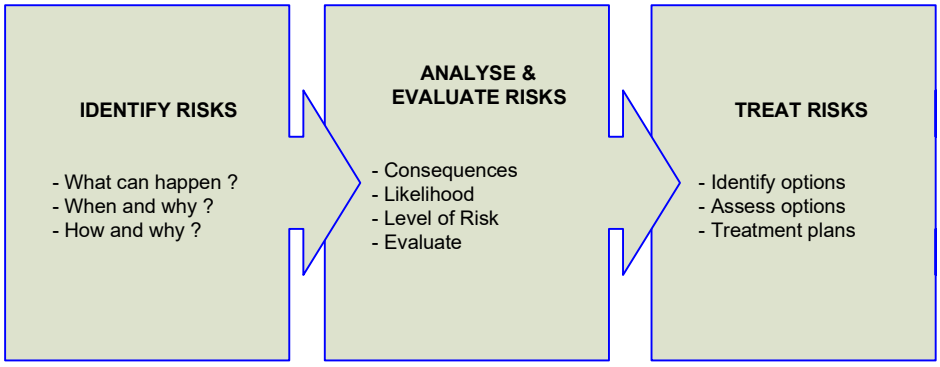
6.2 Risk assessment

The risk management process used in this project 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 the ISO risk assessment standard ISO 31000:2009.

Figure 6.2: Risk Management Process – Abridged



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

An assessment of risks[12] associated with service delivery from infrastructure assets will identify the critical risks that will result in significant loss, 'financial shock' or a reduction in service.

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 for all major asset classes in Appendix F. It is essential that these critical risks and costs are reported to management and Council.

[12] Refer *Northern Midlands Council Strategic Risk Register*

[i] IPWEA, 20015, IIMM, Sec 3, p9.

6.4 Service and risk trade-offs

Council has prioritised decisions made in adopting the asset management plans summarised in this Strategic Asset Management Plan to obtain the optimum benefits from its available resources.

The asset management plans are based on balancing service performance, cost and risk to provide an agreed level of service from available resources as detailed in our Long Term Financial Plan.

6.4.1 What we cannot do

We currently do **not** allocate enough budget to sustain all services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Upgrade of unsealed pavements to sealed pavements.
- Provision of footpaths on both sides of streets.
- Upgrade of single lane bridges to dual lane.
- Upgrade all Council buildings to the standard of new buildings (e.g. provision of double glazing, insulation, and heating to all buildings)
- Fund any major acquisitions from internal funding (reliant on external funding)
- Operation (to the existing level of service) of any new assets acquired over the planning period.
- Delivery of all proposed capital works, relating to stormwater assets, within the next five years - refer Appendix A.
- Major upgrades of stormwater systems at Translink Industrial Precinct and West Perth may need to be staged over several years, unless external funding sources are identified.
- Extension of the Longford Flood levee systems.
- Fund all community/management committee requests without external funding and long term planning.
- A small amount of operation, maintenance and renewal activities to some lower priority assets.

Council cannot acquire assets where there is no planned budget assigned to service the full lifecycle costs (acquisition, operation, maintenance, renewal and disposal) over the planning period. This includes externally funded capital works.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. The service consequences will generally be a reduction in level of service provided.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- A reduction to the level of service provided
- Reputational consequences

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

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

7.1 Financial indicators and projections

Funding ratios

The Asset Renewal Funding Ratio is a key indicator which shows whether forecast renewal costs are able to be financed in the Long Term Financial Plan. It is calculated by dividing the forecast renewal costs (refer Asset Management Plans) by the estimated planned renewal budget (refer Long Term Financial Plan). Over the planning period, we are forecasting that we will have approximately **99 %** (asset renewal funding ratio) of the funds required for the optimal renewal of assets.

The total Lifecycle funding ratio (Acquisition, Operation, Maintenance, Renewal, Disposal) is **98.2 %.**

7.2 Funding strategy

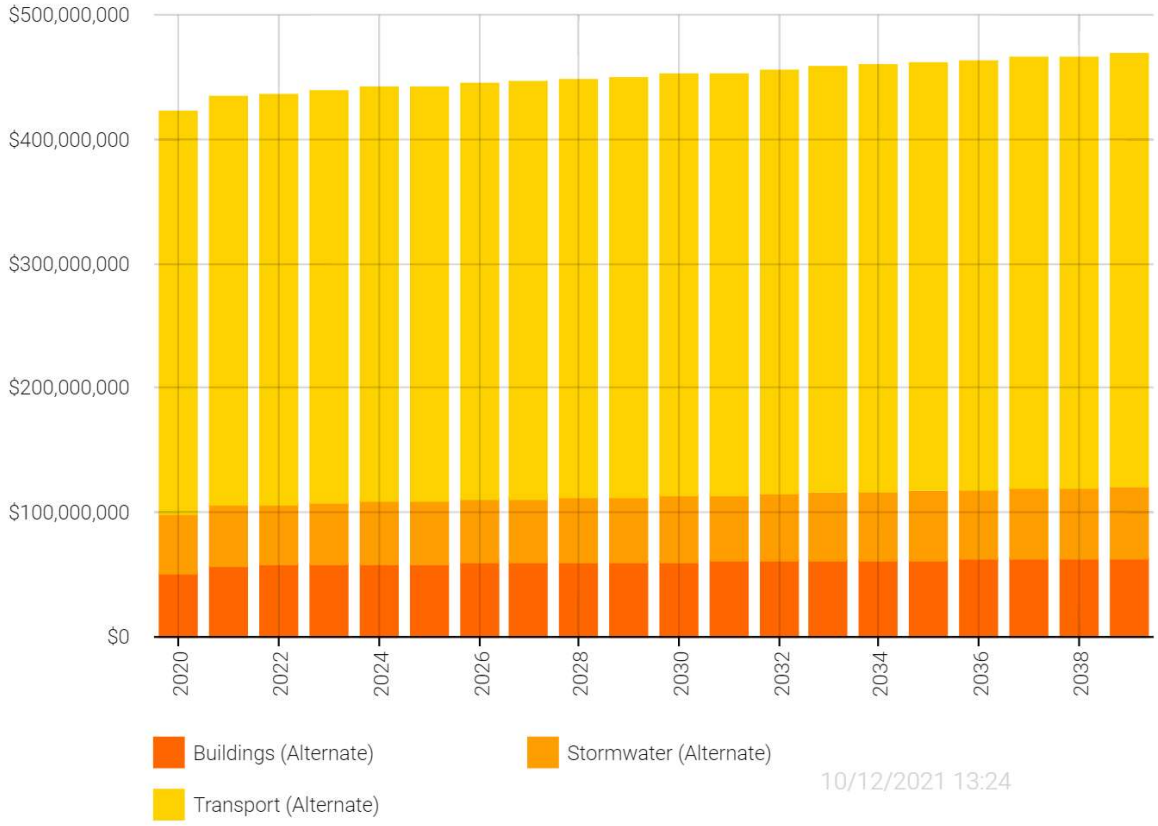
The funding strategy to provide the services covered by this Strategic Asset Management Plan and supporting asset management plans is contained within Council's Long Term Financial Plan (10 year).

The funding strategy was developed in conjunction with the individual Asset Management Plans and Long Term Financial Plan. We recognise that we are unable to currently meet all service demand and have agreed on a compromise of lifecycle activities in order to balance level of service, risk and cost. The funding strategy does not currently require additional borrowings to finance any critical or high priority renewals or acquisitions.

7.3 Valuation forecasts

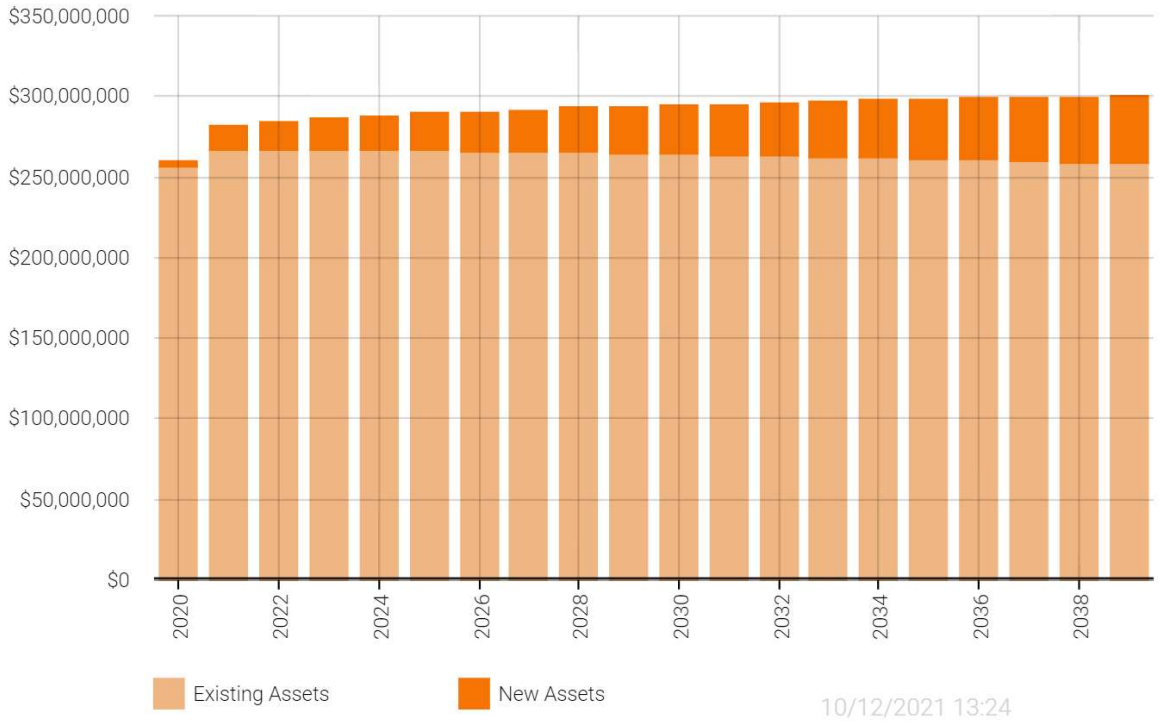
Asset values are forecast to increase as additional assets are acquired (purchased, constructed or donated) by Council. Figure 7.3(a) shows the projected asset replacement values over the planning period (shown in current day dollars).

Figure 7.3 (a) - Forecast Asset Values (major asset classes – Transport, Buildings, Stormwater)



The depreciated replacement cost will vary over the forecast period depending on the rate of asset acquisition, disposal, depreciation and renewal. Forecast depreciated replacement cost is shown in Figure 7.3(b). The depreciated replacement cost of new (acquired) assets is shown in the darker colour and in the lighter colour for existing assets.

Figure 7.3 (b) – Forecast Depreciated Replacement Cost (major asset classes – Transport, Buildings, Stormwater)



An increase in the projected depreciated replacement cost (carrying value) of infrastructure assets indicates that Council is increasing its infrastructure capital in aggregate (and a reduction signals a decrease).

Figure 7.3(b) indicates that we are slightly increasing our infrastructure capital over the planning period.

7.4 Key forecast assumptions

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

Key assumptions made in this asset management plan are shown below:

- External funding (e.g. *Roads to Recovery* and *Auslink* funding) will continue to be a major source of funding for renewals, noting a known gradual reduction in some of these grants over the planning period.
- Future demand assumptions as mentioned in Section 4.0.
- Asset construction costs to remain stable in real (current dollar) terms - If asset construction costs rise faster than the general rate of inflation, then Council's projected future asset renewal costs will be higher than indicated by this plan.
- Financial data used in the development of this plan was from the end of the 2020-21 financial year.

- Bridge data used has assumed the existing *Maloney Asset Management System* register is current, though reference is made to the improvement plan in Section 8.0 regarding recommended future use of the *AusSpan* bridge asset register.
- No additional unplanned major assets will be acquired by Council in the next 10 year period. If this changes the Asset Management Plan is to be updated to reflect this, and allocation in planned budget to meet full lifecycle costs.
- Several assumptions were required in the derivation of planned budget and lifecycle forecast figures. This is due to the nature of long term forecasting.
- Professional judgement has been applied in the absence of good quality data, however where applied, it has been noted for improvement in Section 8.0.
- All figures are presented in current day dollars.
- Some success in grant funding application processes is achieved.
- The age of many stormwater assets.

7.5 Forecast reliability and confidence

The expenditure and valuation projections in this Strategic Asset Management Plan are based on best available data and professional judgement. Currency and accuracy of data is critical to effective asset and financial management. The data confidence grading system is shown in Table 7.5.1 below and the individual data confidence assessment summaries for the three major asset classes is shown in Table 7.5.2.

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 Strategic Asset Management Plan is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment summary of individual Asset Management Plans

Asset Management Plan	Confidence Assessment	Comment
Transport	Medium	Some estimates and assumptions made. Minor improvements required.
Buildings	Medium	Some estimates and assumptions made. Minor improvements required. Estimated acquisition cost used over planning period after 2023/24.
Stormwater (including Longford Flood Levees)	Low	Some gross estimates made based on professional judgement of staff. Asset values last reviewed in 2015, requires review. Missing assets to be added to asset register (and GIS) which will increase total replacement value.

Considering all data sources, the estimated confidence level for and reliability of data used in developing this Strategic Asset Management Plan is considered to be **Medium**.

An improvement plan is included in Section 8.0 below.

8.0 IMPROVEMENT PLAN

8.1 Status of asset management practices

Major changes required to asset management practices identified in this plan are:

- An asset management team is formed – meeting monthly, and undertaking and promoting good asset management practices throughout Council – seen to improve any disconnect between various Council departments involved and encourage a 'whole of organisation' approach to achieving best asset management practice.
- Improve asset registers and knowledge, notably for the three major asset classes, but also for the smaller asset classes following.
- Separate 'operations and maintenance' costs in budgets and accounting software so trackable 'operations' and 'maintenance' categories can be analyzed and optimized.
- Update and improve accuracy of financial records in relation to fixed assets (update in accordance with current asset registers). Ensure duplicated asset registers are merged etc.
- Formal renewal plans (and acquisition plans, where relevant) be developed annually and used to better inform budgets.
- Develop a solid link between the individual asset management plans, this strategic asset management plan and the long term financial plan.
- Assess need for 'strategic' level asset management resources to aid strategic direction and optimize costs.
- Improve data confidence and asset management maturity (to achieve 'core' maturity).

8.2 Improvement plan

It is important that Council recognise areas of their Strategic Asset Management Plan that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this Strategic Asset Management Plan is shown in Table 8.2. The improvement tasks noted are tasks considered important at the strategic asset management plan level, it does not include all identified improvements and as such reference is made to the individual asset management plans for further detail on specific asset class improvements.

Table 8.2: Improvement Plan

Number	Task	Responsibility	Resources Required
1	Asset management team, as per *Asset Management Policy*, to be formalised and meet monthly.	General Manager, Corporate Services Manager	Asset Management Team
2	Develop detailed acquisition, maintenance and renewal programs for the three major asset classes (refer individual Asset Management Plans). Use to inform Long Term Financial Plan updates.	Works Manager	Asset Management Team
3	Increase accuracy of budget breakdown to include independent sections for acquisitions,	Corporate Services	Asset Management Team

	maintenance, operations, renewals and disposals.	Manager, Accountant	
4	Separate 'operation and maintenance' lifecycle activity into 'operation' and 'maintenance' in finance system to allow improved tracking and budgeting.	Corporate Service Manager	Internal
5	Customer service requests tracked by asset category so numbers can be tracked and included in Asset Management Plans.	Corporate Services Manager	Internal
6	Improve confidence in financial data used in Long Term Financial Plan and Strategic Asset Management Plan	Accountant	Asset Management Team
7	Assess yearly performance (budgeted vs. actual costs) and update Asset Management Plan and Long Term Financial Plan accordingly.	General Manager, Corporate Services Manager	Asset Management Team
8	Completion and adoption (as required) of the *Northern Midlands Council Draft Urban Stormwater System Management Plan 2020*, including all associated recommendations.	Works Manager	Hydraulic Engineer
9	Improve and update asset register data for major asset classes (e.g. condition ratings, review of useful lives, construction dates, replacement value, function and capacity ratings etc.). Following completion, focus on smaller asset classes.	General Manager	Asset Management Team
10	Community/Council consultation required to ensure appropriate levels of service are being provided (reduce/improve level of service accordingly)	General Manager	Asset Management Team
11	Improve confidence and maturity of all asset management plans, aiming to achieve 'core maturity' and high confidence.	General Manager	Asset Management Team
12	Continually improve correlation between Long Term Financial Plan and Asset Management Plan.	General Manager	Asset Management Team

13	Update Geographical Information System (GIS) to include all previously missing assets (prioritised by asset value – refer asset registers).	Works Manager	Surveyor/Geographical Information System officer
14	Ensure replacement values and dimensions of assets correlate between all asset registers (accounting and engineering – ideally one register). Strive for better connection between Corporate Services Department and Infrastructure Department.	General Manager, Works Manager, Corporate Services Manager	Asset Management Team
15	Develop appropriate Risk management plans	General Manager	Internal
16	Develop Plant & Equipment & Fleet Asset Management/renewal Plan	Engineering	
17	Consider future development of a basic Parks & Reserves asset management plan (when existing plans are being reviewed), collating things like boat ramps, car parks, reserves, parks, play equipment, park benches, seats, BBQ facilities etc.	Corporate Services Manager	Internal

8.3 Monitoring and review procedures

This Strategic Asset Management Plan is to 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 plan has a maximum life of 4 years and is due for complete revision and updating within 6 months of each Council election.

8.4 Performance measures

The effectiveness of the Strategic Asset Management Plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this Strategic Asset Management Plan are incorporated into Council's Long Term Financial Plan
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the summarised asset management plans
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into Council's 10-Year Strategic Plan and associated plans
- The Asset Renewal Funding Ratio achieving the target of 90 – 100 % (currently 86 %)

9.0 REFERENCES

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- *Northern Midlands Strategic Plan 2021-2027*
- *Asset Management Policy*
- *Northern Midlands Council Strategic Risk Register*
- *Long Term Financial Plan 2020-2030*
- *Financial Management Strategy*
- *Annual Plan*
- *Annual Report*
- Asset Management - *Maturity Assessment Plan 2022*
- Asset Management Plans
    - *Transport* (2021)
    - *Buildings* (2021)
    - *Stormwater* (2021)

10.0 APPENDICES

Appendix A **Summary Technical Levels of Service**

Appendix B **Operation and Maintenance Forecast Summary**

Appendix C **Renewal Forecast Summary**

Appendix D **Acquisition Forecast Summary**

Appendix E **Deferred Works Summary**

Appendix F **Risk and Treatment Plans**

Appendix A Summary Technical Levels of Service

Table A1: Summary Technical Levels of Service – Transport

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Acquire assets that align with Council's strategic objectives	Number (or value) of acquisitions	Council acquires assets generally via external funding (state/federal), self funded construction or via developer contribution (e.g. new subdivision road, footpath etc.) Council currently allocates $812,000 a year for constructing new transport infrastructure assets.	Only acquire assets that align with Council's strategic objectives and that Council can afford to acquire, maintain, operate, renew and/or dispose of (must consider full asset lifecycle costs)
		Budget	***$812,000 (5-year average)***	***$812,000 per year (on average)***
Operation	Keep roads and footpaths clear of debris – e.g. street sweeping and keeping drains clear.	Number of customer service requests	Varying frequency based on a number of factors, but primarily weather/season.	Current performance is considered adequate based on user feedback
	Provide timely emergency response to assist public and minimise disruption caused by temporary loss of use of asset	Community feedback	User feedback suggests current performance is adequate	Current performance is considered adequate based on user feedback
		Budget	***(Included in 'maintenance' below)***	***(Included in 'maintenance' below)***
Maintenance	Keep transport assets serviceable	Frequency and type of maintenance undertaken	Combination of preventative (planned) and reactive (unplanned) maintenance. Varies based on weather/season and number of customer service requests.	An improved preventative (planned) maintenance program be developed based on condition and road hierarchy. Optimise maintenance costs.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	Keep transport assets safe.	Frequency of maintenance	Reactive minor repairs and minor upgrades are undertaken	An improved preventative (planned) maintenance program be developed based on condition and road hierarchy. Optimise maintenance costs.
		Operation & Maintenance Budget	***$2,333,000 per year (on average)***	***$2,393,919 per year (on average)***
Renewal	Ensure transport assets remain in a serviceable condition	Frequency of renewal	Assets are renewed on a priority basis depending on asset condition, hierarchy and customer service requests.	An improved strategic renewal program is developed for the planning period (using renewal priority ranking criteria – refer Table 5.3.1), updated yearly.
	Ensure transport assets remain in accordance with current standards	Frequency of renewal (including component renewal – e.g. bridge guardrail)	Assets are renewed on a priority basis depending on asset condition, hierarchy and customer service requests.	An improved strategic renewal program is developed for the planning period (using renewal priority ranking criteria – refer Table 5.3.1), updated yearly.
		Budget	***$3,250,000 per year (on average)***	***$3,417,289 per year (on average)***
Disposal	Identify assets and activities that do not align with Council's core purpose	Number of assets and activities identified for disposal	No disposals are currently planned	Continue to monitor assets for potential disposals that do not align with Council's core purpose.
	Dispose of assets and activities that do not align with Council's core purpose	Number of identified asset and activity disposals undertaken	No disposals are currently planned	Continue to monitor assets for potential disposals that do not align with Council's core purpose.
		Budget	***$0 per year***	***$0 per year***

Note: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

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.

Table A2: Summary Technical Levels of Service – Buildings

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Acquire assets that align with Council's strategic objectives	Value of acquisitions	Council has historically acquired assets on availability of external funding. Refer acquisition plan in Appendix A.	Only acquire assets that align with Council's strategic objectives and that Council can afford to maintain, operate, renew and/or dispose of (must consider full asset lifecycle costs)
		Budget	***$1,170,000 per year***	***$1,168,100 per year***
Operation	Keep buildings and facilities clean (e.g. public toilets and BBQ's)	Frequency of cleaning	Frequency of cleaning based on individual facility usage	Current performance is considered adequate based on user feedback
	Keep buildings and facilities operational and accessible	User feedback	User feedback suggests current performance is adequate	Current performance is considered adequate based on user feedback
		Budget	***$779,202 per year***	***$779,202 per year***
Maintenance	Keep buildings and facilities safe.	Frequency of maintenance	Improvement being made to inspection regime and ongoing maintenance. Refer also Appendix F.	Continued development of a preventative maintenance programme. Refer also Appendix F.
	Keep buildings and facilities serviceable	Frequency of maintenance	Improvement being made to inspection regime and ongoing maintenance. Refer also Appendix F.	Continued development of a preventative maintenance programme. Refer also Appendix F.
		Budget	***$535,832 per year***	***$627,427 per year***
Renewal	Ensure buildings are in good condition for use	Frequency of renewal, condition inspections and routine maintenance	Buildings are renewed on a priority basis, depending on building type, condition, hierarchy etc. Refer Table 5.3.1.	Current performance is considered adequate based on condition of Council buildings and forecasted renewals.
	Ensure buildings remain modern and compliant	Frequency of renewal (including component renewal),	Buildings are renewed on a priority basis, depending on building type, condition,	Current performance is considered adequate based on condition of Council

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	with current standards	compliance inspections and routine maintenance	hierarchy etc. Refer Table 5.3.1.	buildings and forecasted renewals.
		Budget	***$300,000 on average per year***	***$152,104 on average per year***
Disposal	Identify assets and activities that do not align with Council's strategic goals	Number of assets and activities identified for disposal	Some potential disposals have been identified.	Council to decide on whether to proceed with strategic asset disposal.
	Dispose of assets and activities that do not align with Council's strategic goals	Number of identified asset and activity disposals undertaken	Two asset disposals are currently forecast over the planning period. Refer Table 5.7.	Develop a plan for, and dispose of, identified assets following Council approval.
		Budget	***$0 per year***	***$0 per year***

Note: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

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.

Table A3: Summary Technical Levels of Service – Stormwater

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Acquire assets that align with Council's strategic objectives	Number of and funds spent on acquisitions	Council acquires stormwater assets generally via developer donation (new subdivision) or through construction of new assets (pipes, drains etc.)	Only acquire assets that align with Council's strategic objectives and that Council can afford to maintain, operate, renew and/or dispose of (must consider full asset lifecycle costs). Prioritise and budget for completion of any proposed works – refer Appendix A and *NMC Draft Urban Stormwater System Management Plan 2020.*
		Budget	***$264,866 per year*** *(10 year average)*	***$264,866 per year*** *(10 year average)*
Operation	Keep stormwater assets serviceable and safe	Number of customer service requests	User feedback suggests several minor issues with stormwater drainage network.	Make improvements, where required, to minimise number of customer service requests.
	Regular condition inspections	Percentage of assets inspected, number of customer service requests relating to blocked culverts, pipes, pits etc.	No formal inspection program is in place however prior to forecasted significant rain events known problematic areas are inspected to ensure stormwater assets are operational (free of debris).	Adopt a formal condition inspection and cleaning program.
		Budget	***$20,000 per year***	***$21,068 per year***
Maintenance	Keep stormwater assets safe.	Frequency of maintenance	Reactive minor repairs and minor upgrades are undertaken	Reactive minor repairs, minor upgrades, and a planned preventative maintenance programme
	Keep stormwater assets serviceable	Frequency of maintenance	Reactive minor repairs and minor upgrades are undertaken	Reactive minor repairs, minor upgrades, and a planned preventative maintenance programme
		Budget	***$40,000 per year***	***$41,923 per year***

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
Renewal	Ensure stormwater assets are in a good serviceable condition	Frequency of renewal	Renewals have not been regularly undertaken in recent times, but if so they have been completed on a priority basis.	Renewal programme to be developed based on condition assessment data and professional judgement by staff, in conjunction with recommendations from the *NMC Draft Urban Stormwater System Management Plan 2020*.
	Ensure stormwater assets remain fit for purpose and in-line with current standards	Frequency of renewal (including component renewal)	Not currently monitored in any formal way. Pipe network currently judged to have approximately 1 in 5-10 year event capacity. Overland flow currently judged to be approximately 1 in 20 year event capacity.	Renewal programme to be developed based on condition assessment data and professional judgement by staff. Pipe network capacity to have a 1 in 10-20 year event capacity and overland flow path to have 1 in 100 year equivalent flow capacity.
		Budget	***$66,702 per year*** *(10 year average)*	***$66,702 per year*** *(10 year average)*
Disposal	Identify assets and activities that do not align with Council's strategic objectives	Number of assets and activities identified for disposal	No specific assets have been identified to date	Develop a list of potential asset and activity disposals for Council assessment (as required)
	Dispose of assets and activities that do not align with Council's strategic objectives	Number of identified asset and activity disposals undertaken	No disposals are currently planned	Develop a plan for, and dispose of, any future identified assets following Council approval
		Budget	***$0***	***$0***

Note: * Current activities related to Planned Budget.

** Expected performance related to forecast lifecycle costs.

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.

Appendix B Operation and Maintenance Forecast Summary

Projected operation and maintenance expenditure (for the three major asset classes) included in the Long Term Financial Plan are shown below.

Year	Transport	Buildings	Stormwater
2021/22	$2,341,062	$1,209,177	$60,664
2022/23	$2,379,924	$1,319,822	$61,330
2023/24	$2,387,986	$1,401,385	$61,994
2024/25	$2,396,048	$1,433,372	$62,660
2025/26	$2,404,110	$1,442,172	$63,324
2026/27	$2,412,172	$1,445,472	$63,989
2027/28	$2,420,233	$1,448,772	$64,654
2028/29	$2,428,295	$1,452,072	$65,318
2029/30	$2,436,357	$1,455,372	$65,983
2030/31	$2,444,419	$1,458,672	$66,648

Appendix C Renewal Forecast Summary

C.1 Transport

The transport renewal forecast of $3,417,289 per year is based on the total sum of the forecasted renewal costs over the planning period, averaged over 20 years (the planning period). The renewal budget is $3,250,000 per year. Hence, the renewal forecast is $167,289 (per year) higher than the forecast renewal budget.

The following summary is an extract from the *Asset Management Plan - Transport* and shows assets forecast for renewal over the next year. Further 10 year renewal forecasting is provided in the *Asset Management Plan – Transport.*

2021/22 Planned Budget Works

Roads ($8.275 M)

Reconstruction of Barton Road, Campbell Town and Glen Eks Road, Nile ($900,000);

Kerb and reconstruction of Queen Street, Campbell Town ($244,0000), Hobhouse Street, Hay Street, Park Street and the Sports Centre carpark at Longford ($236,000); sections of George Street, Drummond Street, Youl Road, and Recreation Ground carpark at Perth ($592,000), urban street design at Campbell Town ($900,000), at Longford ($1,400,000), at Perth including roundabouts ($1,200,000), and annual reseal, resheeting and footpath programs.

Bridges ($751,000)

Replacement of three bridges with concrete structures on Bryants Lane, Gulf Road, and Lake River Road; replacement of guard rail on bridges at Saundridge Road and Delmont Road, and new footbridge at William Street Reserve, Perth ($270,000).

C.2 Buildings

The renewal forecast of $152,104 per year is based on the total sum of the forecast renewal costs (asset register generated) over the planning period, averaged over 20 years (the planning period). The renewal costs are estimates based on the *LG Valuation Services* 2019 report.

The below Table C2 is an extract from the *Asset Management Plan - Buildings* asset register and shows assets forecast for renewal within the planning period (up to 2040). It is to be noted that the 'estimated renewal year' is calculated as the year acquired/last major renewal, plus the 'updated useful life' of the asset. Further professional judgement will be required in prioritising the below renewals, with the 'estimated renewal year' being a guide only.

Table C2 – Asset Register Forecast Renewals

Asset ID	Asset Name	Location	Town	Estimated Renewal Cost	Estimated Renewal Year
3110.9	Cricket Nets	Barclay Street	Evandale	10,000	2022
9302	BBQ Shelter	Train Park	Perth	14,000	2022
3176.3	Rotunda	Main Street	Cressy	10,800	2022
3033.2	Ticket Box	Church Street	Ross	10,000	2030
9166.0	Waste Transfer Station	Marlborough Street	Longford	9,000	2024
9121.0	Retaining Wall	Waste Transfer Station	Avoca	50,000	2024
3156.3	Stockyards for Rodeo	Park Street	Ross	30,000	2025
3130.0	Public Toilets	Russell Street	Evandale	168,000	2026
8734.0	Toilet Block	Waste Transfer Station	Avoca	30,000	2027
3008.0	Mens Shed	Old Works Depot	Ross	208,000	2027
3110.2	Skate Park	Barclay Street	Evandale	45,000	2028
3094.61	Interchange Box	Smith Street	Longford	28,000	2028
3094.6	Scoreboard	Smith Street	Longford	30,000	2029
7730.0	Shack	Public Housing	Lake Leake	198000	2030
3070.9	Shed	Fairtlough Street	Perth	32,400	2023
8005.0	Stables	Bridge Street	Ross	60,000	2031
3110.8	Interchange Boxes	Barclay Street	Evandale	6,000	2033
3046.2	Waste Oil Recovery Site	Marlborough Street	Longford	15,000	2035
8395.1	Toilet Block	Lee Street	Rossarden	72,000	2036
3048.3	Retaining Wall	Logan Road	Evandale	90,000	2036
3046.5	Shower/Lunch Room Amenities	Marlborough Street	Longford	66,000	2036
3046.0	Tip Buildings	Marlborough Street	Longford	135,000	2036
3033.1	Library	Church Street	Ross	728,000	2036
3156.7	Covered Areas	Park Street	Ross	21,600	2038
3078.2	Shed	Macquaire Street	Cressy	80,000	2038
3033.7	Covered Areas	Church Street	Ross	66,000	2038
3192.0	Old Police Garage	Falmouth Street	Avoca	44,000	2040
3146.7	Toilets	High Street	Campbell Tov	56,000	2040
3110.6	Railway Shed	Barclay Street	Evandale	75,600	2040
3110.4	Railway Station	Barclay Street	Evandale	42,000	2040
3078.0	Pavillion	Macquaire Street	Cressy	494,000	2040
3018.6	Ticket Box	Archer Street	Longford	7,200	2040

All figures shown are in current day dollars.

C.3 Stormwater

Reference is made to the acquisition forecast summary in Appendix D (D.3). It is to be noted that generally stormwater assets are upgraded rather than renewed, given their generally long useful service lives and an increase in modern design flows.

C.6 Plant & Vehicles

A 10 year renewal plan for plant and vehicles is currently in development and is to be added here on completion.

Appendix D Acquisition Forecast Summary

A key assumption in the writing of this Strategic Asset Management Plan is that no major unplanned acquisitions are to be undertaken during the planning period (e.g. acquisitions where full lifecycle costs have not been allocated in the Long Term Financial Plan).

Several estimates and assumptions were required to be made in the acquisition forecast figures due to the extent of information currently available. This has been noted for improvement in Section 8.0.

D.1 Transport

The Transport acquisitions included in this plan and accommodated in the Long Term Financial Plan are detailed in Table D1 below. The spike in donated assets ($4M greater than average) in 2021/22 relates to approximately 10 km of road, plus two roundabouts that will be transferred to Council ownership (from the Department of State Growth) following the completion of the Perth Bypass. The 'constructed' forecasts are assumed at $812,000 per year over the planning period based on financial assumptions, and the other 'donated' forecasts are estimated at $235,000 per year (for general subdivision assets donated to Council by developers).

Table D1 - Acquisition Forecast Summary

Financial Year	Constructed	Donated
2020/21	$812,000	$235,000
2021/22	$812,000	$4,235,000
2022/23	$812,000	$235,000
2023/24	$812,000	$235,000
2024/25	$812,000	$235,000
2025/26	$812,000	$235,000
2026/27	$812,000	$235,000
2027/28	$812,000	$235,000
2028/29	$812,000	$235,000
2029/30	$812,000	$235,000
2030/31	$812,000	$235,000
2031/32	$812,000	$235,000
2032/33	$812,000	$235,000
2033/34	$812,000	$235,000
2034/35	$812,000	$235,000
2035/36	$812,000	$235,000
2036/37	$812,000	$235,000
2037/38	$812,000	$235,000
2038/39	$812,000	$235,000
2039/40	$812,000	$235,000

D.2 Buildings

The building acquisitions included in this plan and accommodated in the Long Term Financial Plan are detailed in Table D2 below. There is a spike in 'constructed' assets in 2020/2021 and 2021/22 which relates to the significant acquisitions shown in Table A2 for those years. For the remainder of the planning period the 'constructed' forecasts are assumed at $300,000 per year (based on financial assumptions), with the exclusion of the 2022/23 and 2023/24 years where $600,000 and $800,000 has been assigned respectively.

Table D2 – Buildings Acquisition Forecast Summary

Year	Project	$ Estimate
2020/21	Longford Sports Centre	$700,000
2020/21	Morven Park Changerooms	$1,000,000
2020/21	Ross Accommodation Units	$220,000
2021/22	Seccombe Street Toilets	$60,000
2021/22	Perth Childcare Centre	$2,600,000
2021/22	Evandale Medical Centre Extension	$300,000
2021/22	Lfd Memorial Hall extension	$1,501,000
2021/22	Cressy Rec Changerooms	$900,000
2021/22	Cressy Pool Kiosk & Entrance	$800,000
2021/22	Perth Talisker St Toilets	$100,000
2021/22	Various	$300,000
2022/23	Various	$300,000
2022/23	Longford Depot	$300,000
2023/24	Longford Police Station Offices	$500,000
2023/24	Various	$300,000
2024/25	Various	$300,000
2025/26	Various	$300,000
2026/27	Various	$300,000
2027/28	Various	$300,000
2028/29	Various	$300,000
2029/30	Various	$300,000
2030/31	Various	$300,000
2031/32	Various	$300,000
2032/33	Various	$300,000
2033/34	Various	$300,000
2034/35	Various	$300,000
2035/36	Various	$300,000
2036/37	Various	$300,000
2037/38	Various	$300,000
2038/39	Various	$300,000
2039/40	Various	$300,000

D.3 Stormwater

The stormwater acquisition forecast and planned budget are based off the average acquisition for stormwater assets over the last 10 years. Major forecast acquisitions (currently additional to the included forecasts and planned budget) stemming from the recommendations in the *NMC Draft Urban Stormwater System Management Plan 2020* will be reliant on the provision of external funding, these projects include, but are not limited to;

- Sheepwash Creek flood study *Hydrodynamica 2016* recommended works – upgrade Drummond Street culvert = $400,000 (2022/23). Upstream rail culvert = $250,000 (2024), Youl Road Culvert = $200,000 (2025), Edward Street culvert $250,000 (2028/29), Phillip Street Culvert upgrade $250,000 (2029/30)
- Hudson Fysh Drive Detention Basin upgrade - $410,000 (2024/25)
- Boral Road Detention Basin and diversion - $500,000 (2022-2024)
- Barclay Street Stormwater – TBC

Appendix E Deferred Works Summary

E.1 Transport

Works and services that cannot be provided under present funding levels are:

- Upgrade unsealed pavements to sealed pavements.
- Provide footpaths on both sides of streets.
- Upgrade single lane bridges to dual lane.
- Although we can undertake the majority of the forecast lifecycle costs, we cannot undertake operation, maintenance and renewal activities at the rate required to maintain the current level of service for all assets, over the planning period. Council will endeavour to complete renewals on a priority basis. Refer also to *Asset Management Plan – Transport.*

E.2 Buildings

Works and services that cannot be provided under present funding levels are:

- Upgrade all Council buildings to the standard of new buildings (e.g. provision of double glazing, insulation, and heating to all buildings)
- Fund any major acquisitions from internal funding (reliant on external funding)
- Fund all community/management committee requests without external funding and long term planning.

E.3 Stormwater

Works and services that cannot be provided under present funding levels are:

- Operation (to the existing level of service) of any new assets acquired over the planning period.
- Delivery of all proposed capital works, relating to stormwater assets, within the next five years.
- Major upgrades of stormwater systems at Translink Industrial Precinct and West Perth may need to be staged over several years, unless external funding sources are identified.
- Extension of the Longford Flood levee systems.
- Fund any major acquisitions from internal funding (reliant on external funding).
- Fund all community/management committee requests without external funding and long term planning.

Appendix F Risk and Treatment Plans

Table F1: Risks and Treatment Plans (from individual Asset Management Plans)

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Transport Infrastructure	Loss of key staff/knowledge	H	Develop a succession plan, document knowledge and improve record keeping	L	TBC
Transport Infrastructure	Underfunding (deterioration of asset condition) and lack of resources to undertake best practice asset management.	H	Ensure prioritised renewal/acquisition works are planned, budgeted and strategic level asset management is resourced.	L	TBC
Transport Infrastructure	Increased frequency of flood damage to assets.	H	Improve vulnerable assets	L	TBC
Transport Infrastructure	Council are gifted assets with life cycle costs not accounted for in long term financial plan	H	Ensure lifecycle costs are considered (and detailed independent engineering report sought) prior to accepting and seek contribution from previous owner where appropriate	L	Project specific

Service or Asset at Risk	What can Happen	Risk Rating (Very High, High)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Council Buildings	Loss of knowledge/key staff	High	Develop a succession plan and improve record keeping	Low	TBC
Council Buildings	Asbestos exposure	High	Asbestos register has been developed and ongoing program to remove high risk asbestos from Council buildings	Low	$20,000 per year (included in planned budget)
Council Buildings	Financial constraints on infrastructure asset management.	High	Continued use and updating of Asset Management Plan and Long Term Financial Plan	Low	TBC

Service or Asset at Risk	What can Happen	Risk Rating	Risk Treatment Plan	Residual Risk *	Treatment Costs
Stormwater assets	Loss of knowledge/key staff	High	Develop a succession plan and improve record keeping	Low	TBC
Stormwater assets	Underfunding	High	Ensure prioritised renewal and acquisition works are budgeted	Low	TBC
Stormwater assets	Flooding to dwellings and transport networks.	High	Upgrade stormwater assets in strategic locations. Assessment of all new developments to ensure that the capacity of the network is sufficient, or sufficient alternatives are provided.	Low	TBC
Stormwater assets	Financial constraints on infrastructure asset management.	High	Continued use and updating of Asset Management Plan and Long Term Financial Plan	Low	TBC
Discharge of pollutants into waterways	Environmental damage	High	Installation of gross pollutant traps if required. Encourage implementation of water sensitive urban design principles. Impose planning conditions on potential polluters to control pollutants at source with interceptor traps or other methods.	Low	TBC