



DRAFT

Strategy:

Asset Management

2022-2032

INFORMATION ABOUT THIS DOCUMENT

Date Adopted by Council		Resolution No.	
Document Owner	Director Infrastructure & Development		
Document Development Officer	Asset Manager		
Review Timeframe	4 years		
Last Review Date:	2022	Next Scheduled Review Date	2025

Document History

Doc No.	Date Amended	Details/Comments eg Resolution No.
1	February 2022	Document prepared
2	22 March 2022	Amended by Council resolution 16.03/22 and placed on public exhibition

Further Document Information and Relationships

Related Legislation*	Local Government Act 1993 (NSW) Local Government (General) Regulation 2021 (NSW)
Related Policies	Uralla Shire Council Community Strategic Plan Uralla Shire Council Resourcing Strategy <ul style="list-style-type: none"> - Long Term Financial Plan - Workforce Management Plan Uralla Shire Council Asset Management Policy
Related Procedures/ Protocols, Statements, documents	NSW Office of Local Government - Integrated Planning & Reporting Handbook for Local Councils in NSW. International Infrastructure Management Manual (2011), IPWEA Australian Accounting Standards

**Note: Any reference to Legislation will be updated in the Strategy as required. See website <http://www.legislation.nsw.gov.au/> for current Acts, Regulations and Environmental Planning Instruments.*

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	2
CONTEXT.....	2
VISION.....	3
PART 1 - WHAT ASSETS DO WE HAVE	5
1. CURRENT SITUATION.....	5
1.1 COUNCIL’S CURRENT ASSET STOCK.....	5
1.2 CRITICAL ASSETS	7
1.3 ASSET CONDITION	7
1.4 VALUE OF ASSETS AND ONGOING COSTS	8
1.5 LONG TERM ASSET EXPENDITURE AND FUNDING	10
1.6 CURRENT ASSET MANAGEMENT PRACTICES.....	10
1.6.1 Asset Management Team.....	10
1.6.2 Asset Management Plans	10
1.6.3 Asset Management Systems.....	10
PART 2 - WHERE DO WE WANT TO BE	11
2. ASSET SUMMARY.....	11
2.1 ASSET DOCUMENTATION	11
2.1.1 Asset Management Plan Development.....	11
2.1.2 Legislative Requirements.....	11
2.1.3 ‘Living’ Asset Management Plans	11
2.2 ASSET DATA	12
2.2.1 Data Capture.....	12
2.2.2 Condition Assessment	12
2.2.3 Risk Assessment Framework	12
2.2.4 Asset Management System	13
2.3 ASSET PROGRAMMING & PLANNING.....	13
2.3.4 Renewal Planning	14
2.3.5 Maintenance Planning.....	14
2.3.6 Acquisition/Disposal Planning	14
2.3.7 Measuring Asset Expenditure and Lifecycle Costing.....	14
2.3.8 Service Level Reviews	15
2.4 GAP ANALYSIS.....	15
PART 3 - HOW WILL WE GET THERE	17
3. HOW WILL WE GET THERE?.....	17
3.1 KEY ASSET MANAGEMENT STRATEGIES	17
3.2 ASSET MANAGEMENT IMPROVEMENT PLAN.....	18
4. MANAGING PROGRESS.....	19
4.1 PERFORMANCE MEASUREMENT	19
4.2 AMS REVIEW	19
5. GLOSSARY	20

EXECUTIVE SUMMARY

This Asset Management Strategy (AMS) sets out an assessment of the asset management processes within Uralla Shire Council and provides guidance to Council on improving its asset management systems and practices in accordance with International Infrastructure Management Manual (IIMM) and the ISO 55000 Asset Management Standards.

This strategy forms a part of Council’s Resourcing Strategy as required by the Local Government Integrated Planning and Reporting framework in accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*. This AMS supplements Council’s Asset Management Policy and outlines the approach to achieving improved governance and accountability, effective risk management, financial efficiency, greater sustainability and customer satisfaction as guided by the principles set out in the policy.

Uralla Shire Council, throughout its local government area, maintains a vast variety of assets with a current replacement value of **\$343,991,000 as at 30 June 2021**. The core asset groups to which this AMS applies are set out in Table 1 below.

Table 1: Uralla Shire Council core asset groups

Asset Group	
1	Plant and equipment
2	Buildings
3	Roads and bridges
4	Stormwater drainage
5	Water supply network
6	Sewerage network
7	Open spaces and recreational assets

This AMS is divided into three key sections:

- **Part 1 - What assets do we have?**
 - *An analysis of Council’s current asset portfolio, asset management practices, and a summary of assets that have been identified as critical to Council’s operations.*
- **Part 2 - Where do we want to be?**
 - *This section includes specific goals from the Asset Management Policy framework that Council wishes to reach over the life of this iteration of the AMS.*
- **Part 3 - How will we get there?**
 - *The final section of this strategy identifies how Council intends to meet its asset management goals, and how Council will manage progress and measure its performance.*

CONTEXT

Council must have a long-term Resourcing Strategy for the provision of the resources required to perform Council’s functions, including implementing the strategies set out in the Community Strategic Plan.

The AMS is a key component of the Resourcing Strategy, together with Council’s Workforce Planning Strategy and Long Term Financial Plan. The goals and strategies of Council’s adopted Community Strategic Plan guide

the direction of these documents by setting the overarching vision of the community and Council. The Integrated Planning & Reporting Framework (Figure 1) establishes how community consultation is the basis which informs the Community Strategic Plan, and in turn how the documents comprising the Resourcing Strategy support the Community Strategic Plan and Council’s Delivery Program.

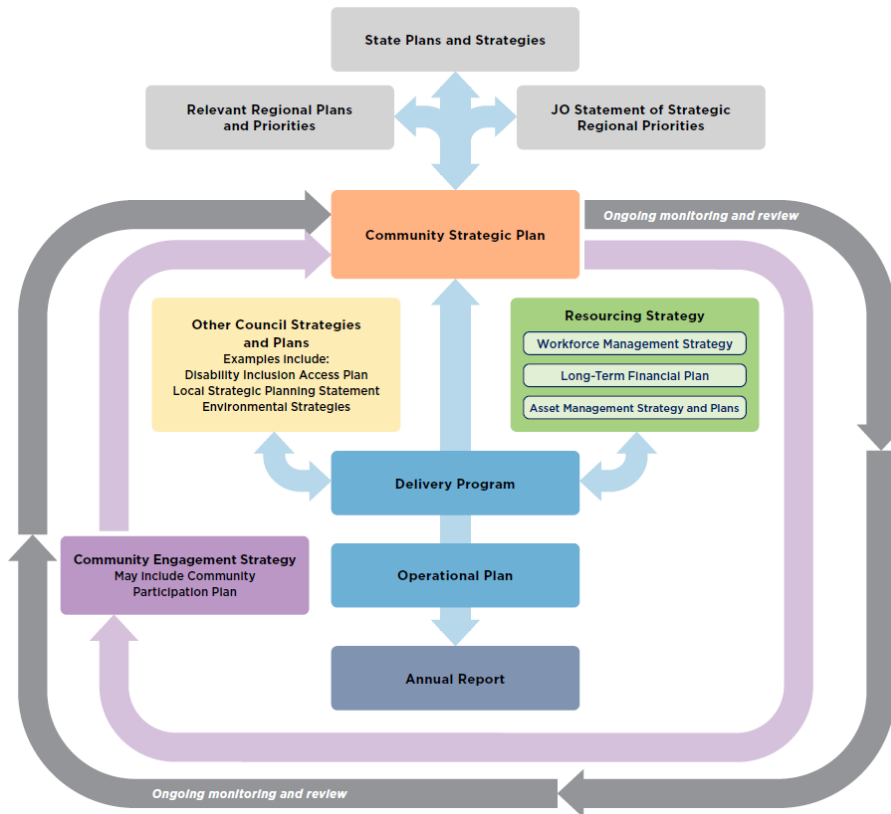


Figure 1: The Integrated Planning & Reporting Framework. (Graphic credit: Office of Local Government NSW)

VISION

To maintain 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.

Effective and sustainable asset management at Uralla Shire Council is based on optimising the whole of life costs of infrastructure assets, while meeting the present and future service delivery needs of the community and minimising exposure to risk.

Council’s objectives in this strategy as defined by its adopted Asset Management Policy are:

- To safeguard Council’s assets through the implementation of a comprehensive asset management strategy and development of appropriate financial resourcing strategies;
- That Council services and infrastructure are fit for purpose with the appropriate level of service provided to residents, businesses, and visitors in a financially and environmentally sustainable manner;
- To take an integrated approach across the organisation to asset management planning;

- To identify resource and operational capabilities and assign responsibility for asset management;
- To provide high level oversight of financial and asset management responsibilities through reporting to Council on the development and implementation of the Asset Management Strategy, Asset Management Plans, and Long Term Financial Plan; and
- To meet Council's legislative requirements in all operations.

DRAFT

PART 1 - WHAT ASSETS DO WE HAVE

1. CURRENT SITUATION

1.1 COUNCIL'S CURRENT ASSET STOCK

1.1.1 Uralla Shire Council is responsible for a large and diverse asset base across the Uralla Shire Local Government Area. Council's assets are summarised below and are categorised by the Community Strategic Plan themes, illustrating how these assets help meet the goals set out in the Community Strategic Plan:

1.1.1.1 *Our Society*

- Community buildings
- Library assets
- Cemetery assets
- Parks & recreational spaces
- Swimming pool
- Heritage assets
- McMaugh Gardens Aged Care Facility
- Community transport fleet

1.1.1.2 *Our Economy*

- Visitor Information Centre and visitor amenities
- Council roads & bridges
- Footpaths & cycleways
- Car parking facilities
- Kerb and guttering
- Public amenities
- Street lighting & street signage
- Street furniture
- Streetscaping
- Community buildings for lease and hire

1.1.1.3 *Our Environment*

- Water supply infrastructure
- Sewerage infrastructure
- Waste management and recycling infrastructure
- Stormwater management infrastructure
- Sustainable energy assets
- Reserves & open spaces
- Street trees

1.1.1.4 *Our Leadership*

- Corporate buildings
- Plant and machinery

1.1.2 Table 1.1.2 details the core asset groups to which this AMS applies. Council’s acquisition of new assets and ongoing data capture programs are undertaken across all asset groups, therefore the current asset stock may be subject to change over the life of this AMS.

Table 1.1.2: Current Asset Stock

Asset Group	Description of Asset Stock
1 Plant and equipment	light plant light trucks heavy plant heavy trucks passenger vehicles small plant transport vehicles
2 Buildings	major buildings minor buildings other structures
3 Roads and bridges	sealed regional roads sealed local roads unsealed regional roads unsealed local roads concrete bridges (regional roads) concrete bridges (local roads)
4 Stormwater drainage	storm water pipes concrete culverts box culverts
5 Water supply network	reticulation dam storage weirs reservoirs treatment plants pumping stations gauging station bores
6 Sewerage network	reticulation pump stations treatment plant transfer/trunk mains rising main telemetry systems
7 Open spaces and recreational assets	parks and open spaces caravan parks

1.2 CRITICAL ASSETS

1.2.1 The following infrastructure assets are critical to Council's operations and will include a risk management strategy within their respective core asset group asset management plans in line with ISO 550000 standards:

- Uralla and Bundarra water treatment plants
- Uralla sewer treatment plant
- Bundarra sewer treatment plan (*when operational - commencing 2022*)
- Kentucky Creek Dam and Taylor's Pond water storage supplies
- Council Depot
- Council Administration Offices and Chambers (including main server room)
- McMaugh Gardens Aged Care Facility
- Community Centre
- Waste management facilities
- Roads and bridges
- Plant and equipment

1.2.2 Council's service level business continuity plans are currently under development. Plans will ultimately incorporate the management of business continuity of the above critical assets relevant to each service area.

1.3 ASSET CONDITION

1.3.1 Council's collection of asset condition data is a continuous and ongoing process with revaluations conducted across asset groups on a four-year cycle.

1.3.2 Details pertaining to particular asset groups and their corresponding condition profiles are set out within the respective asset management plan.

1.4 VALUE OF ASSETS AND ONGOING COSTS

1.4.1 Council's total asset holdings as summarised in the annual financial statements and the relevant asset management plans for each asset category are shown in Table 1.4.1 below. The asset management plans for each asset group contain the operational and maintenance costs associated with each category.

Table 1.4.1: Value and Cost of Council's Assets as at 30 June 2021

Asset category per Note C1-7	Current Value as at 30 June 2021	Asset Management Plan (AMP)	Replacement value as at 30 June 2021
Plant & Equipment	4,486,000	Plant & Equipment AMP	8,755,000
Buildings	12,779,000	Buildings AMP	26,275,000
non-specialised		<i>[New draft to be developed to supersede previous version]</i>	
Other structures	737,000		1,754,000
Swimming pools	214,000		822,000
Sealed Roads	83,595,000	Transport AMP	116,633,000
<i>includes kerb and gutter</i>	<i>1,913,000</i>		<i>3,759,000</i>
Unsealed roads	4,999,000		17,207,000
Bridges	26,567,000		40,964,000
Bulk earthworks (non-depreciable)	62,549,000		62,549,000
Footpaths	1,512,000		1,972,000
Stormwater drainage	3,128,000	Stormwater AMP [Draft]	4,253,000
Water supply network	13,120,000	Water AMP [Draft]	29,304,000
Sewerage network	7,866,000	Sewerage AMP [Draft]	14,184,000
Other open space/ recreational assets	2,025,000	Parks & Recreation AMP [Under development]	2,462,000
Land	5,600,000	[No current AMP]	5,600,000
Furniture and fittings	288,000		1,118,000
Office equipment	78,000		770,000
Other	60,000		83,000
Heritage collections	90,000		90,000
Capital work in progress	6,670,000	[Not applicable]	6,670,000
Tip assets	1,954,000		2,526,000
Total	238,317,000	-	343,991,000

1.4.2 As at 30 June 2021, Council's reported replacement value and written down value of Council assets were over 343 million and 238 million respectively.

1.4.3 Figures 1.4.4.1 and 1.4.4.2 over the page illustrate the asset values comparison of Council's asset groups.

1.4.4 Council's Transport assets form the majority of Council's assets, followed by buildings, water, sewer, and plant & equipment. These assets comprise Council's core asset groups which is reflected in the development of asset management plans as listed in Table 1.4.1 above.

Gross Replacement Value

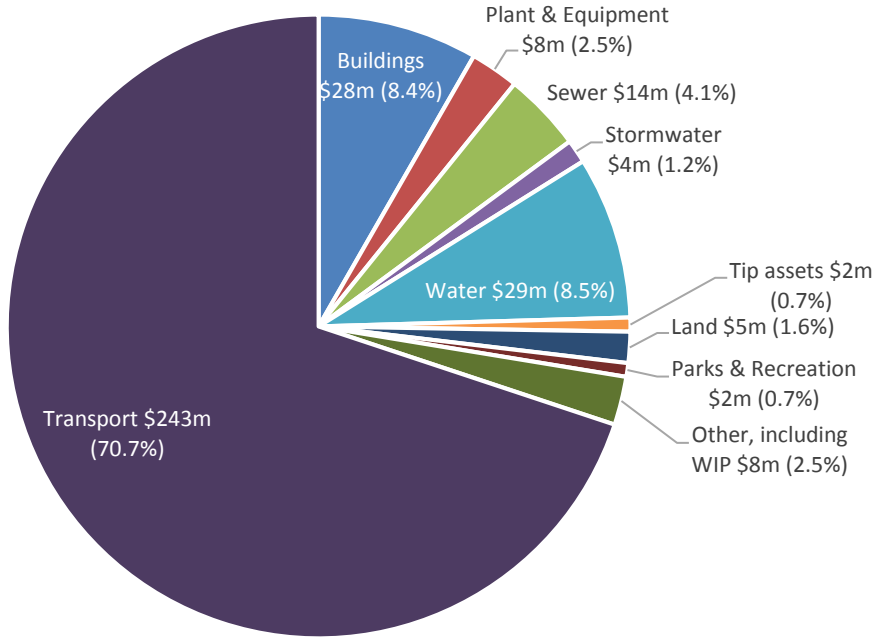


Figure 1.4.4.1: Asset Value Comparison (Gross Replacement Value)

Written Down Value

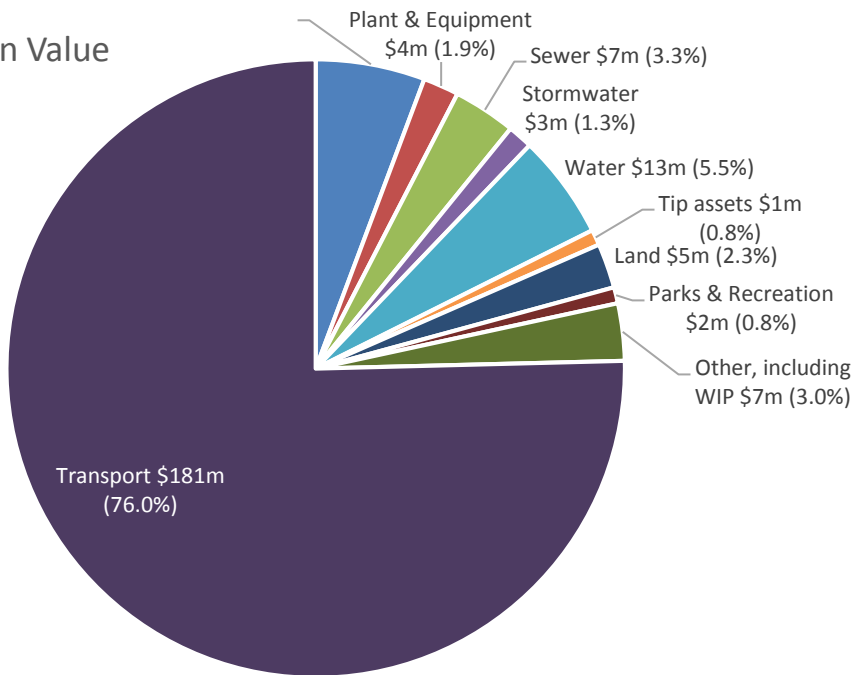


Figure 1.4.4.2: Asset value comparison (Written Down Value)

1.5 LONG TERM ASSET EXPENDITURE AND FUNDING

10 year projections to be reflected in Long term financial plan with further modelling to be developed for longer term horizons to ensure adequate funding of depreciation to develop the necessary reserves for renewals in the longer term.

1.6 CURRENT ASSET MANAGEMENT PRACTICES

1.6.1 Asset Management Team

1.6.1.1 Council's Executive Team oversees the development of all asset management related matters within Council. Council's Asset Manager collects data from relevant business units and works closely with Council's Finance Team, led by the Chief Financial Officer, which in turn provides financial asset reporting based on technical data.

1.6.1.2 Managers also have a critical role in providing data on capital works, maintenance, and operational costs.

1.6.2 Asset Management Plans

1.6.2.1 Asset management plans (AMPs) are long-term plans which outline actions and resources necessary to provide a defined service level in a cost-effective way. AMPs identify asset service standards identified by the community and provide long-term projections of asset maintenance, rehabilitation, renewal and replacement, including lifecycle costs for reflection in Council's LTFP.

1.6.2.2 Council has developed an AMP for each core asset group. Asset management plans currently in place or under development are:

- Transport Asset Management Plan
- Buildings Asset Management Plan
- Plant & Equipment Asset Management Plan
- Stormwater Drainage Asset Management Plan
- Water Asset Management Plan
- Sewage Asset Management Plan
- Parks & Recreational Asset Management Plan

1.6.3 Asset Management Systems

1.6.3.1 In order to develop accurate and meaningful asset management plans, Council collects and records up-to-date asset management information, including:

- Asset registers;
- Asset condition assessments;
- Asset attributes (physical and lifecycle);
- Asset valuations and frequency; and
- Asset depreciation rate and method.

1.6.3.2 This information is primarily maintained through Council's electronic records management system, Geographic Information System (GIS), and financial accounting and reporting software.

PART 2 - WHERE DO WE WANT TO BE

2. ASSET SUMMARY

2.1 ASSET DOCUMENTATION

2.1.1 Asset Management Plan Development

2.1.1.1 Council is currently developing type-specific asset management plans (AMPs) for its core asset groups:

- Plant and equipment
- Buildings
- Roads and bridges
- Stormwater drainage
- Water supply network
- Sewerage network
- Open spaces and recreational assets

2.1.1.2 As at the date of the development of this strategy, Council has adopted the Transport AMP (draft update currently underway) and its Building AMP (requires review and update.)

2.1.1.3 Council's Plant & Equipment AMP, Stormwater AMP, Water AMP, Parks and Recreation AMP, are currently in draft or under development for endorsement by the Council Executive and future presentation to Council.

2.1.1.4 Finalisation and implementation of these AMPs is a key strategy adopted by Council in its Community Strategic Plan.

2.1.1.5 Development of an asset management plan review schedule has been identified as a key action in Council's 2021-22 Operational Plan.

2.1.2 Legislative Requirements

2.1.2.1 The asset management plans listed above will facilitate Council's maintenance of registers and relevant legislative requirements as applicable to specific asset types.

2.1.2.2 These asset management registers will enable decisions and actions regarding the planning, purchase, installation, operation, maintenance and renewal of Council's assets to be undertaken in a manner that is compliant with legislative requirements, codes and standards.

2.1.3 'Living' Asset Management Plans

2.1.3.1 Council's asset management plans will be updated upon the receipt of any significant new data or adoption of new asset management techniques.

2.1.3.2 At a minimum, review will occur every 4 years per the asset management plan review schedule.

- 2.1.3.3 With the implementation of process efficiencies, Council will review and update the AMP review schedule to meet best practice of undertaking annual review of its core asset management plans. This will keep asset management plans current in relation to identifying services needed by the community and the funding required to optimise asset lifecycle costs.

2.2 ASSET DATA

2.2.1 Data Capture

2.2.1.1 Complete and accurate data capture of Council's assets is fundamental to the implementation of core asset management processes:

- To meet the level of financial reporting standards required by the NSW Office of Local Government; and
- For effective planning of future infrastructure renewal requirements.

2.2.1.2 Comprehensive and reliable data is critical for Council's decision making capability to provide informed knowledge on the impact and consequences of Council's actions.

2.2.2 Condition Assessment

2.2.2.1 Condition assessment is undertaken on a 4-year cycle concurrent to Council's ongoing asset revaluation programs. Condition assessments are included in the relevant asset management plan as these documents are reviewed to assist in meeting legislative reporting requirements.

2.2.2.2 Condition assessment methods vary across asset types. Visual inspection by staff suffices for some assets whereas Council relies on independent specialists to undertake assessments of more complex structures. The NSW Office of Local Government (OLG) requires councils to undertake revaluations of their assets to ensure the financial value of the assets reflect current valuation rate.

2.2.3 Risk Assessment Framework

2.2.3.1 Management of risk and liability through a risk assessment process is fundamental in assisting Council to allocate resources and meet community expectations. The following systematic process guides the council in addressing and controlling risks:

- Establishing the context of risks
- Identifying risks
- Analysing risks
- Addressing risks
- Monitoring and reviewing risks
- Communication and consultation

2.2.3.2 Council's AMPs have risk management frameworks in place for each core asset category. The risk management framework within each AMP will be refined with each annual review of the asset management plan.

2.2.4 Asset Management System

2.2.4.1 Opportunities for continuous improvement of Council’s asset management system (e.g. integrated asset management systems software) are regularly investigated so that Council’s processes are optimised and efficient.

2.3 ASSET PROGRAMMING & PLANNING

2.3.1 There are a number of key decisions made throughout the life of an asset. These decisions are often triggered and supported by information sources such as service level reviews, opportunity assessments, research, asset performance data, and customer or community feedback.

2.3.2 Four key decisions underpin the asset lifecycle with each having significant and interdependent financial implications (both capital and operating expenditure) now and ongoing into the future:

2.3.2.1 **Acquisition planning** – the decision to procure or build a new asset;

2.3.2.2 **Renewal planning** – the decision to renew or upgrade an existing asset;

2.3.2.3 **Maintenance planning** – the decision to continue to maintain the asset; and

2.3.2.4 **Disposal planning** – the decision to retire or dispose of an asset.

2.3.3 Council’s asset decision cycle is illustrated in Figure 2.3.3 below.

2.3.4 The NSW Office of Local Government (OLG) requires councils to undertake revaluations of their assets to ensure the financial value of the assets reflect current valuation rate.

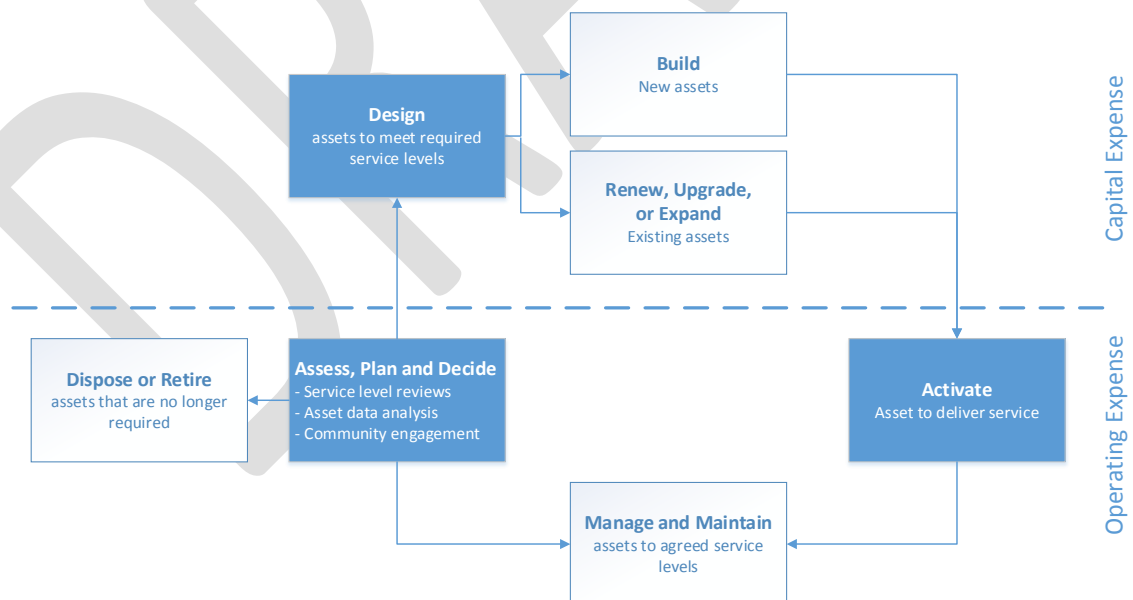


Figure 2.3.3: The Asset Decision Cycle

2.3.4 Renewal Planning

2.3.4.1 Council's renewal planning and programming is based on asset condition assessments, useful life periods, asset component costs, and risk management assessments.

2.3.4.2 Detailed renewal planning and programming is set out in the specific asset management plans.

2.3.5 Maintenance Planning

2.3.5.1 Annual operating costs include the cost to activate the asset by operating the service for which the asset was intended, as well as the scheduled and unscheduled maintenance regimes that will be required throughout its entire useful life.

2.3.5.2 Maintenance programming utilises maintenance costs, intervention levels, and agreed service levels as criteria to prioritise maintenance activities.

2.3.5.3 Detailed maintenance planning and programming is set out in each specific asset management plan.

2.3.6 Acquisition/Disposal Planning

2.3.6.1 The decision to commit capital funding to procure or build a new asset is always made with an understanding of the future consequence. It commits Council to ongoing operating costs and future capital costs.

2.3.6.2 The decision to retire or dispose of an asset will be made with consideration when an asset has reached the end of its useful life or when renewal costs exceed that of acquisition of a new replacement asset.

2.3.6.3 An acquisition and disposal program identifies assets that are required by Council as well as assets that are to be demolished or sold.

2.3.6.4 Council's asset acquisition and disposal program is captured within each specific asset management plan.

2.3.6.5 Council's Disposal of Assets Policy provides the manner in which Council assets (excluding real property) can be disposed of.

2.3.7 Measuring Asset Expenditure and Lifecycle Costing

2.3.7.1 An understanding of expenditure trends is fundamental to managing assets. Assets that are allowed to deteriorate beyond their optimum renewal period will start requiring high levels of reactive maintenance in order to control risk.

2.3.7.2 The decision not to fund an asset or to defer operating costs, or to defer funding for maintaining or renewing an asset can lead to future financial consequences that may include committing Council to greater future costs to upgrade or replace the asset.

2.3.7.3 To support better decision making, Council will establish an evidence-based decision framework for asset management that considers service level reviews, asset data analysis, and customer and community feedback. These lifecycle costing plans are used to develop useful life periods for different asset groups and categories.

2.3.7.4 Council's asset management plans contain lifecycle costing procedures for each core asset group.

2.3.8 Service Level Reviews

2.3.8.1 Ultimately the setting of the level of service will be undertaken in conjunction with the community following community consultation and engagement. This enables Council to make informed decisions on the allocation of community resources in accordance with community priorities and willingness to pay.

2.3.8.2 Linking of levels of service and the cost of service delivery is an essential component of Council's strategic asset management. Undertaking service level reviews and the development of business unit plans across the organisation is an ongoing process. Service reviews document the true costs of the delivery of Council services, the service levels desired by the community, and what level the community is willing to pay for.

2.3.8.3 These regular service level reviews further inform Council's intervention levels, risk management, and overall planning framework. Regular service level reviews enable Council to undertake community consultation more effectively and enable Council to make decisions on levels of service and costs in setting budgets.

2.3.8.4 Service level reviews will also inform reviews of each asset management plan.

2.4 GAP ANALYSIS

2.4.1 Council seeks to continuously improve its asset management planning to provide better infrastructure and services to the community in line with the community's desired level of service. To establish the current level of asset management performance and identify the key areas for future improvements, an assessment and gap analysis should be undertaken.

2.4.2 The gap analysis considers three core themes covering Stewardship, Asset Management Planning and Financial Planning. The key practice areas considered for continuous improvement in asset management are presented in Table 2.4.3 below.

2.4.3 Table 2.4.3 summarises the importance of each practice area that should be undertaken well and periodically improved to enhance asset management capability and performance at Council.

Table 2.4.3: Asset Management Practice Area Importance

Theme	Practice Area	Importance
Stewardship	Asset Management Policy	High
Asset Management Planning	Asset Management Strategy	High
Asset Management Planning	Asset Management Plans	High
Asset Management Planning	Asset identification and recording	High
Asset Management Planning	Asset condition data	High
Asset Management Planning	Asset data maintenance	High
Financial Planning	Asset accounting	High
Stewardship	Asset management accountability and responsibility	High
Asset Management Planning	Linking service levels and delivery costs	Medium
Asset Management Planning	Risk management consideration in plans	Medium
Asset Management Planning	Technology systems integration	Medium
Financial Planning	Lifecycle costs in investment decisions	Medium
Financial Planning	Future demand impacts	Low
Stewardship	Sustainability reporting	Low

DRAFT

PART 3 - HOW WILL WE GET THERE

3. HOW WILL WE GET THERE?

3.0.1 Council is committed to delivering the best from its current and future asset base and therefore endeavours to continually improve its asset management processes. This Asset Management Strategy proposes the following strategies to achieve the objectives of the Community Strategic Plan and Asset Management Policy.

3.1 KEY ASSET MANAGEMENT STRATEGIES

Table 3.1: Key Asset Management Strategies

No	Asset Management Strategies	Desired Outcome
1	Develop and maintain asset management plans (AMPs) for major infrastructure asset groups according to AMP review schedule.	That AMPs remain relevant and current in relation to identifying services needed by the community and funding required to optimise whole of life costs.
2	Long term financial planning incorporates asset management plan expenditure projections with sustainable funding position outcomes.	A sustainable funding model for provision of Council services.
3	Council's decisions are made from accurate and current information in asset registers, on service level performance, costs and whole of life costs.	Improved decision making and greater value for money.
4	Responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.
5	Establishment of quarterly Asset Management Team meetings.	Council's asset management development is monitored and reported to the Exec.
6	Implement Improvement Plan to realise 'core' maturity for asset management competencies.	Improved asset management capacity within Council.
7	Incorporate LTFP expenditure projections into annual budgets across all asset categories.	Ongoing ownership costs of new capital works and long term implications of services are considered in annual budget deliberations.
8	Report annually to Council on development and implementation of Asset Management Strategy and asset management plans.	Oversight of resource allocation and performance.
9	Report on Council's 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.
10	Review and update asset management plans after the 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.
11	Monitor opportunities for enhancing data collection methods by embracing advancement in new technologies and systems.	Improved data collection methods that reduces the human error factor and saves time and effort.
12	Develop/link core corporate asset management system to Council's financial systems (Authority)	Operations and maintenance expenses are linked to individual assets.

3.2 ASSET MANAGEMENT IMPROVEMENT PLAN

3.2.1 The tasks required to achieve a core asset management maturity are set out in Table 3.2.1.

Table 3.2.1: Asset Management Improvement Plan

No	Improvement Type	Asset Management Improvement Plan	Responsible business unit	Measure	Timeframe
1	Business Process	Asset management plans will be developed, adopted and maintained for Council's key infrastructure asset groups.	Asset Manager / Asset Management Team	Adopted Maintained	31 March 2022 Ongoing
2	Data Management	Identify critical assets and the potential risks of their failure, incorporating data from condition audit reports, to establish Risk Register.	Asset Management Team / Risk Management & Safety Officer	Risk register established	
3	Plans & Policies	Use predictive modelling to systematically establish and update 10-year asset renewal plan to inform the LTFP, on all asset categories.	Asset Manager / Management Accountant / Asset Management Team	Predictive modelling undertaken LTFP informed	
4	Plans & Policies	Review, update and maintain alignment of Council's Asset Management Policy with the Community Strategic Plan and other Council policies.	Asset Manager / Asset Management Team	Policy adopted	December 2025
5	Professional Development	Identify and develop a training delivery schedule, for asset management skills where needed across the organisation.	Asset Manager / Manager Human Resources	Training schedule developed / implemented	
6	Systems	Investigate the opportunity to implement an integrated asset management and asset maintenance system.	Asset Manager / Asset Management Team	Opportunities identified / investigated	
7	Risk management	Incorporate allowances for impacts of weather events and emergencies on infrastructure assets in long term financial planning.	Asset Manager / Management Accountant	LTFP updated	
8	Risk management	Incorporate risk management planning for Council's critical assets in service level business continuity plans.	Asset Management Team / Risk Management & Safety Officer	Service level business continuity plans updated	

4. MANAGING PROGRESS

4.1 PERFORMANCE MEASUREMENT

- 4.1.1 Performance of this strategy will be measured through delivery of improvement objectives as detailed in the Asset Management Improvement Plan timeframes.
- 4.1.2 Measures used to monitor asset performance relate to reliability, capacity and quality. Performance measures are intended to measure achievement against levels of service and therefore must be clearly and directly linked.
- 4.1.3 Performance measures for the monitoring of assets performance are included in the core asset group asset management plans.

4.2 AMS REVIEW

- 4.2.1 This strategy is a 'living' document with milestones aimed at improving Council's asset management processes and procedures and therefore must be monitored regularly and adjusted or updated to reflect progression in its implementation.
- 4.2.2 As a key component of the Resourcing Strategy, Council's asset management framework including this strategy will be formally reviewed following Council's review of the Community Strategic Plan. This will enable review of the document to incorporate feedback from the Uralla Shire community and maintain alignment with the community's goals and preferences for the future.

5. GLOSSARY

Assets are resources controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of infrastructure, property, plant and equipment which are non-current assets with a life greater than 12 months and enable the provision of services.

Asset categories refers to the grouping of like assets types within an asset group, e.g. all sealed roads.

Asset class see *Asset groups*.

Asset groups are grouping of like asset categories, for example all pavement, seal, kerb & gutter comprise the roads asset group.

Asset depreciation is a measure of the average annual consumption of service potential over the life of the asset. Depreciation is not a measure of required expenditure in any given year.

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

Appropriate best practice refers to the application of best practice processes in asset management, taking into account lifecycle costs and systems to meet the required level of service.

Capital expenditure are the funds used to acquire, maintain and improve assets.

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

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

Lifecycle cost refers to the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal.

Operating expenditure is the ongoing cost of providing a service. Operating expenditure includes staff salaries and wages, plant hire, materials, power, fuel, accommodation and equipment rental, on-costs and overheads. Operating expenditure excludes maintenance and depreciation.

Replacement value (replacement cost) means the cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset.

Useful life is the period from the acquisition of an asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular level of service. The economic life is at the maximum when equal to the physical life, however obsolescence will often mean that the economic life is less than the physical life.