Gwydir Shire Council

Asset Management Strategy

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1. Introduction

The Gwydir Shire Council (GSC) is the custodian of an extensive portfolio of infrastructure, community and operational assets that assist it in delivering services to the community. These assets include roads, footpaths, drainage, water and sewerage infrastructure, parks, sporting complexes and playgrounds, libraries, amenities and other community buildings as well as GSC's administration facilities, depots and other operational assets.

Managing physical assets and infrastructure in a sustainable way throughout their life cycle is recognised as one of the most significant issues facing all levels of government throughout Australia today. This Asset Management Strategy details how GSC intends to manage Council-owned and managed assets in a service-centric, community focused and sustainable manner both now and into the future.

1.1 Purpose of this Strategy

The purpose of this Asset Management Strategy is to describe how the physical assets and asset management activities are utilised and managed to realise the vision and objectives outlined in the Community Strategic Plan, and thereby deliver the service outcomes sought by GSC's stakeholders. It also provides strategic direction and guidance for GSC's numerous tactical and operational plans, including asset class-specific Asset Management Plans.

The Asset Management Strategy forms part of GSC's Resourcing Strategy, and aligns with the Long-Term Financial Plan and Workforce Management Plan.

The content and structure of the Strategy is designed to meet the requirements of the Integrated Planning and Reporting Guidelines under the Local Government Act 1993 and be consistent with leading practice as set out in the ISO 55000 series of international asset management standards (hereafter referred to as ISO 55000).

The Asset Management Strategy has a 10-year time horizon, and covers the following critical Council-owned or operated infrastructure asset classes:

- Buildings
- Transport and Drainage
- Water supply infrastructure
- Sewerage infrastructure
- Heavy Plant and Vehicles.

These assets are further discussed in Section 4.

Other asset classes that may progressively have asset management plans developed for them and come under the scope of this Strategy include the following:

- Land and open space assets
- ICT assets.

1.2   Definitions and acronyms

As far as practicable, this Strategy has adopted terminologies and definitions consistent with both the NSW Integrated Planning and Reporting (IP&R) Framework, and ISO 55000. In the event of conflicting terminologies, those of the IPR should take precedence.

Table 1 - Definitions and acronyms

AM	Asset management
The Act	The New South Wales Local Government Act 1993
Asset Management (AM)	ISO 55000: "Coordinated activity of an organisation to realise value from assets".
Asset Management Objective (AMO)	A set of asset management-specific objectives through which the asset management system contributes to and achieves the overarching organisational objectives.
Asset Management System (AMS)	Management system to establish, plan and deliver the asset management objectives. A framework for the Asset Management Policy, Strategy and Objectives, Plans, Processes and Procedures.
Asset Management Improvement Plan (AMIP)	A counterpart to this document, which outlines the short- and medium-term initiatives and projects aimed at continually improving Council's asset management capability maturity.
Asset Management Information System (AMIS)	The data, information, computer and communications, hardware and software comprising the information technology system that supports asset management decision making.
Asset Management Plan (AMP)	ISO 55000: "Documented information that specifies the activities, resources and timescales required for an individual asset, or grouping of assets, to achieve the organisation's asset management objectives".
CMMS	Computerised Maintenance Management System
IIMM	International Infrastructure Management Manual
LoS	Levels of Service – Measurable customer service outcomes or technical standards.
IPWEA	Institute of Public Works Engineering, Australasia
ISO 55000/1/2	The Suite of Asset Management standards issued by ISO: ISO 55000:2014 – Asset Management – Overview, Principles & Terminology ISO 55001:2014 – Asset Management – Management System – Requirements ISO 55002:2018 – Asset Management – Management System – Guidelines for application of ISO 55001
SAM	Strategic Asset Management
Asset Management Strategy	This document - also often referred to as a 'Strategic Asset Management Plan' or 'SAMP'. ISO 55000: "Documented information that specifies how organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives".
SLA	Service Level Agreement
Stakeholder	ISO 55000: "Person or organisation than can affect, be affected by, or perceive themselves to be affected by a decision or activity" – (with respect to Asset Management).

2.   Strategic context

2.1   Integrated Planning Framework

The IP&R Framework was introduced by the NSW State Government in 2009 and is used by all councils in NSW to guide their planning and reporting activities. The requirements for IP&R are set out in the Local Government Act 1993 and the Local Government (General) Regulation 2021.

The IP&R framework and the relationship between the various elements is shown in Figure 1 below.
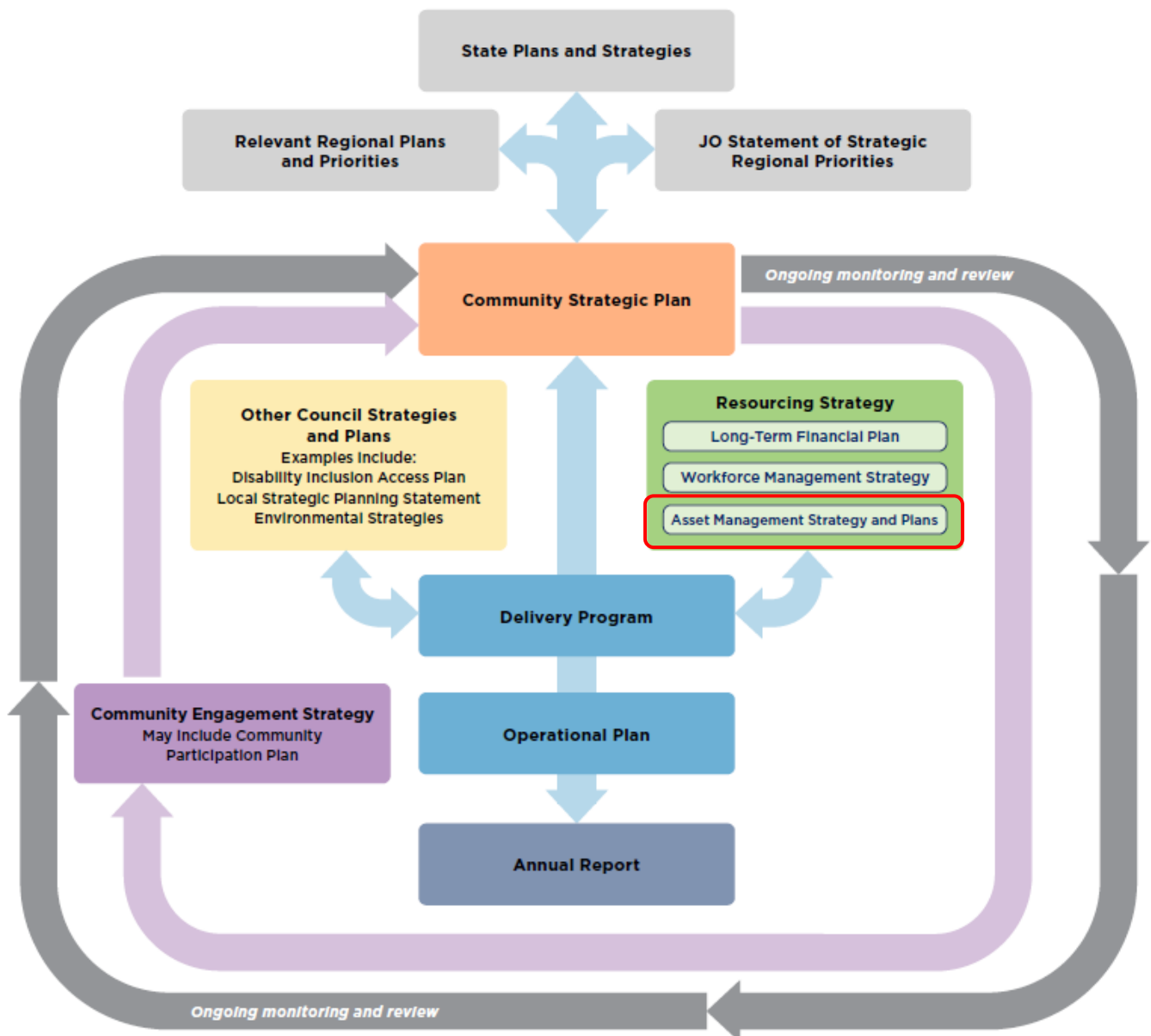
Figure 1 - Integrated Planning and Reporting framework (2009)

GSC has been working within the IP&R framework since June 2012. The essential elements of the framework, and how they fit together in the context of our Council, is further described in Section 3.1.

2.2　Community Strategic Plan

Under the IP&R framework, each local government area is to have a Community Strategic Plan. The Community Strategic Plan is the highest-level plan that a council is required to prepare. The purpose of the Community Strategic Plan is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals. It guides all remaining strategies and plans and must be developed by councils with and on behalf of the community.

Of particular importance to this Asset Management Strategy are the Vision, Mission and Council Core Values set out in the Community Strategic Plan.

2.2.1　Vision

GSC's Vision is:

'To be the recognised leader in Local Government through continuous learning and sustainability'.

2.2.2　Mission

GSC's Mission is:

'To ensure that the Council's long term role is viable and sustainable by meeting the needs of our residents in a responsible, caring way, attract sustainable development while maintaining the traditional rural values, character and culture of our people'.

2.2.3　Goals and Outcomes

GSC's goals, outcomes and associated strategies, set out in the Community Strategic Plan, have strongly guided this Asset Management Strategy. These are shown below, with the strategies of most relevance to asset management highlighted in green.

The Gwydir Shire Council goals and their link with the quadruple bottom line principles and the additional Governance goal are outlined below:

A HEALTHY AND COHESIVE COMMUNITY (SOCIAL)

BUILDING THE BUSINESS BASE (ECONOMIC)

AN ENVIRONMENTALLY RESPONSIBLE SHIRE (ENVIRONMENT)

PROACTIVE REGIONAL AND LOCAL LEADERSHIP (CIVIC LEADERSHIP)

ORGANISATIONAL MANAGEMENT (GOVERNANCE)

GOAL 1. A HEALTHY AND COHESIVE COMMUNITY (SOCIAL)		
Outcome 1.1 We have healthy and inviting spaces and places Outcome 1.2 Our community is an inviting and vibrant place to live		
Outcome no.	Strategies to get there	Relevant Strategy Y/N
1.1	1.1.1. Improve local access to health services	N
	1.1.2. Encourage and enable healthy lifestyle choices	Y
	1.1.3. Provide the right places, spaces and activities	Y
1.2	1.2.1. Enable accessible and afordable lifestyle options	N
	1.2.2. A shared responsibility for community safety	Y
	1.2.3. Celebrate our creativity and cultural expression	N

GOAL 2. BUILDING THE BUSINESS BASE

Outcome 2.1 Our economy is growing and supported
Outcome 2.2 We are skilled and have access to excellent educational opportunities

Outcome no.	Strategies to get there	Relevant Strategy Y/N
2.1	2.1.1. Plan for and develop the right assets and infrastructure	Y
	2.1.2. Support the growth of our business community	N
	2.1.3. Promote our community as the place to visit, live, work and invest	N
2.2	2.2.1. Increase the range of opportunities to work locally	Y
	2.2.2. Build on our quality education and training opportunities	N

GOAL 3. AN ENVIRONMENTALLY RESPONSIBLE SHIRE

Outcome 3.1 Our economy understands and embraces environmental change
Outcome 3.2 We use and manage our natural resources wisely

Outcome no.	Strategies to get there	Relevant Strategy Y/N
3.1	3.1.1. Encourage respectful planning, balanced growth and good design	Y
	3.1.2. Respond to our changing environment	Y
	3.1.3. Value, protect and enhance our natural environment	N
3.2	3.2.1. Develop a clean energy future	Y
	3.2.2. Use our water wisely	Y
	3.2.3. Reduce, reuse and recover waste	Y
	3.2.4. Identify and make best use of our land resource	Y

GOAL 4. PROACTIVE REGIONAL AND LOCAL LEADERSHIP

Outcome 4.1 We are an engaged and connected community
Outcome 4.2 We work together to achieve our goals

Outcome no.	Strategies to get there	Relevant Strategy Y/N
4.1	4.1.1. Encourage an informed community	N
	4.1.2. Enable broad, rich and meaningful engagement to occur	N
	4.1.3. Build on our sense of community	N
4.2	4.2.1. Build strong relationships and shared responsibilities	Y
	4.2.2. Work in partnership to plan for the future	Y

Goal 5. Corporate Management		
Outcome 5.1 Corporate Management		
Outcome no.	**Strategies to get there**	**Relevant Strategy Y/N**
5.1	5.1.1. Financial Management and accountability systems	Y
	5.1.2. Information Management Systems	Y
	5.1.3. Administrative and support functions	Y
	5.1.4. Workforce Planning	Y
	5.1.5. Provision of responsible internal governance	Y

2.3   Challenges and opportunities

GSC is facing a series of asset management challenges and opportunities that are briefly outlined below, and have helped shape this strategy.

2.3.1   Geographic size and population density

GSC's vast geographic area and comparatively small population and rate base pose significant challenges in funding and maintaining assets and services, and maintaining the long-term financial sustainability of the Council.

2.3.2   Climate change and natural disasters

GSC's infrastructure assets are susceptible to damage from floods and fire, which are predicted to increase in frequency and intensity as a result of climate change. Changes to rainfall patterns and temperature also threaten to change water supply and demand patterns, placing further burdens on this infrastructure and associated services. Recent experience has, for example, demonstrated the extensive disruption and costs associated with wide-scale flooding.

2.3.3   Ageing and declining population

Like many rural councils, GSC is experiencing a trend of long-term population decline, and ageing of the population, exacerbated by a net outflow of younger people and families to larger towns and cities. As the average age of the population increases, community services and needs in areas such as health and mobility are increasing, while economic activity and Council revenue earning potential comes under increased pressure. In the face of these challenges, strategies aimed at attracting and retaining businesses and residents with the required skills become increasingly important, and an area where the effective provision of infrastructure and its management can play a key role.

2.3.4   Ageing infrastructure

As with all infrastructure assets, the passage of time gives rise to significant maintenance, renewal and replacement costs which for the most part must be funded by Council. Adequately funding asset maintenance and renewal and reducing unfunded renewals will require GSC to develop efficiencies, rationalise assets, review and balance service levels, source additional grant funds, raise additional revenue or a mixture of some or all these measures.

2.3.5   Legislative landscape

The current legislative environment emphasises a need for local government to recognise the equitable recovery of costs from owning and operating infrastructure over the full lifecycle of assets. This includes capital works as

well as maintenance programs. GSC will continue to monitor the external factors that influence the management of assets, such as potential changes in relevant legislation regarding how development contributions are levied.

2.3.6 Improving our delivery capability

The above challenges create one further, overarching challenge of uplifting our delivery capability and capacity to meet these diverse demands within available funding. Across both our capital project and maintenance service delivery processes we have the opportunity to significantly improve our asset information, tools, business processes and skills, and in doing so increase our productivity, efficiency and the value for money of our services.

GSC delivers maintenance and capital works through a number of methods encompassing both Council employees and industry professionals and contractors. All external contracts are undertaken through appropriate tender processes. GSC recognises that industry procurement practices continue to evolve and improve, which creates an opportunity for Council to improve with these practices in relation to the market forces, delivery models and training of our staff. GSC will continue to align with these practices to enable ongoing benefit to the local economy. GSC will continue to expand its delivery capability through innovation and continuous learning.

3.   Asset management planning framework

3.1   Asset management framework

GSC's asset management policy, plans, strategies, tactics and activities are part of an integrated, overarching *Asset Management Framework*, that is driven and governed by the NSW Office of Local Government's IP&R framework. The GSC Asset Management Framework defines the relationship between key asset management plans and business processes, and how they interact with GSC's broader corporate plans and activities to deliver the Community Strategic Plan and its service outcomes.

The key elements of GSC's Asset Management Framework, and their inter-relationships, are shown in Figure 2 - GSC's asset management framework.
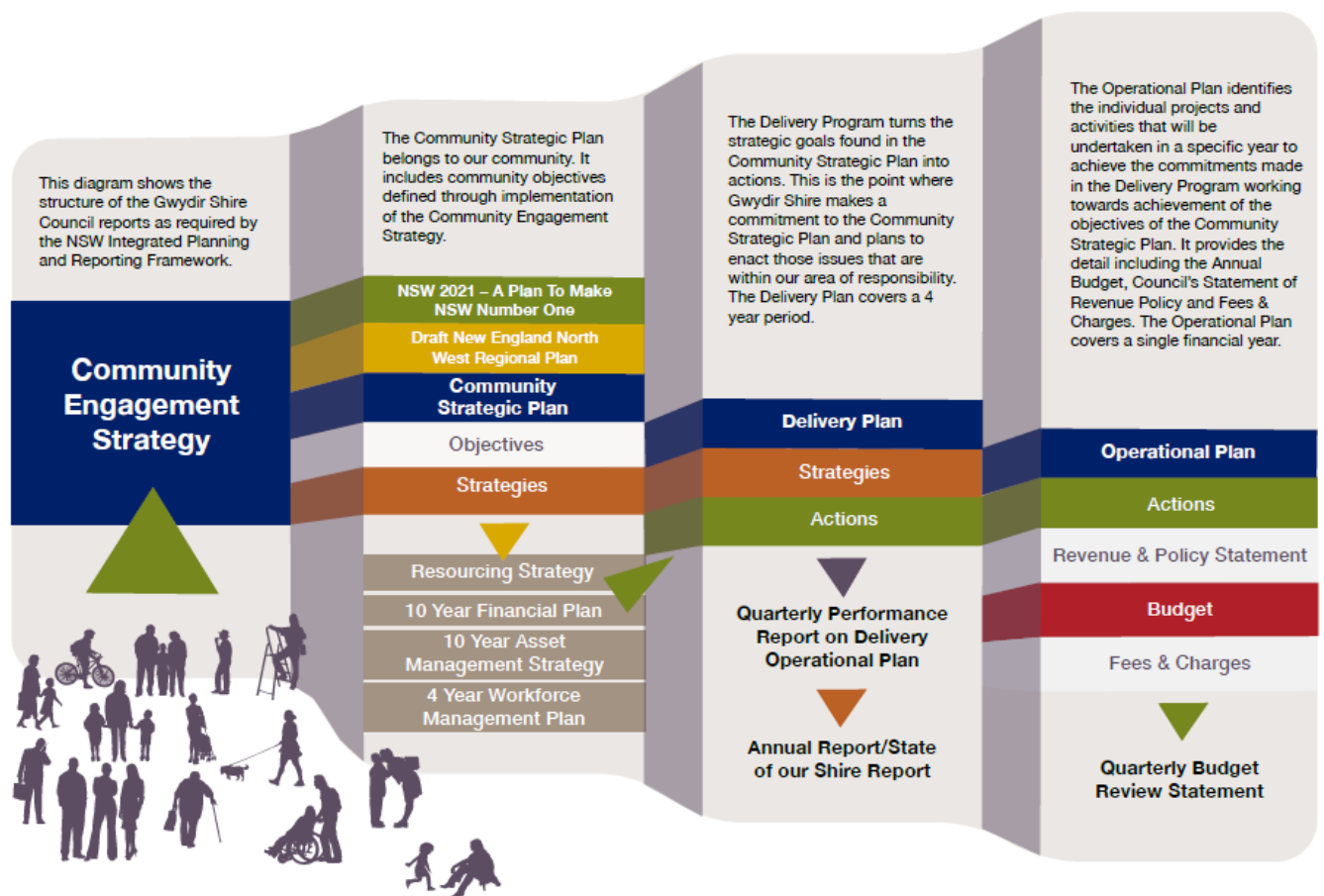

Figure 2 - GSC's asset management framework

The key asset management components of GSC's framework are the following:

- Asset Management Strategy (this document)
- Asset Management Policy
- Asset Management Objectives
- Asset Management Plans (one for each critical asset class).

The relationship between these documents is shown in Figure 3 below.

Figure 3 - Asset management planning components

3.2 Asset Management Policy

GSC has a formalised Asset Management Policy which affirms GSC's recognition of the critical role of Asset Management in the sustainable provision of services for Gwydir Shire and delivery of the Community Strategic Plan. It also sets out the key principles that underpin how GSC executes the performance of its asset management functions, integrates asset management with other GSC policies, and provides direction and guidance for this Asset Management Strategy. GSC's Asset Management Policy is reproduced in full in Appendix A to this document, with the fifteen key policy principles summarised below:

1. A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best practice throughout all departments of Council.

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

3. Asset management principles will be integrated within existing planning and operational processes.

4. Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.

5. Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long term financial plans will form the basis of annual budget estimates, with the service and risk consequences of variations in defined asset renewals and budget resources recorded in budget documentation.

6. Service levels defined in adopted asset management plans will form the basis of annual budget estimates, with the service and risk consequences of variations in defined service levels and budget resources recorded in budget documentation.

7. Asset renewal plans will be prioritised and implemented progressively based upon agreed service levels and the effectiveness of the current assets to provide that level of service.

8. Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.

9. Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.

10. Future service levels will be determined in consultation with the community.

11. Applicable training in asset and financial management will be provided for Councillors and relevant staff.

12. Council adopts a whole-of-organisation approach to asset management, where all departments collaborate to ensure the optimal management of assets. This approach fosters a culture of responsibility and awareness throughout the organisation.

13. Council is committed to a culture of continuous improvement in asset management. This includes regularly reviewing and enhancing asset management practices to adapt to changing circumstances, industry advancements, and community needs.

14. Risk management is a fundamental aspect of our asset management approach. It involves identifying, assessing, and mitigating risks associated with our assets to ensure the safety of the community and the integrity of our services.

15. Innovation and technology adoption are essential components of Councils approach to asset management. We actively seek opportunities to leverage innovative technologies and data-driven insights to enhance the efficiency and sustainability of our assets.

3.3 Asset Management Objectives

Asset Management Objectives (AMOs) are the means by which all asset management strategies, tactics and activities are linked back to GSC's corporate objectives and policy. They describe the key outcomes through which the asset management framework contributes to the overarching organisational objectives set out in the Community Strategic Plan. GSC's AMOs are shown below, and are derived from and aligned to the Corporate Plan. They are the focus of all GSC's asset management activities.

GSC's nine Asset Management Objectives, and their associated themes are summarised below:

AMO 1

Lifestyle: Our built and natural assets support the community's growth and changing demand for safe and sustainable recreational, sporting and community infrastructure and services

AMO 2

Safety & Security: Our assets are planned, designed, operated and maintained to optimise the safety and security of our community and visitors

AMO 3

Planning: Our asset management planning considers all relevant external factors and our community's needs and expectations

AMO 4

Delivery: Our project delivery capability, capacity and practices are effective, efficient, and meet the needs and expectations of our stakeholders

AMO 5

Skills: We develop and attract the skilled staff required to meet our current and future workforce needs

AMO 6

Environmental Sustainability: Our responsible planning and business practices facilitate the sustainable use of resources, the management of waste, and resilience to adverse weather events and climate change

AMO 7

Collaboration: Our strong partnerships with government, industry and business enhance our infrastructure funding and service delivery

AMO 8

Continual Improvement: The capabilities of our asset management systems, processes, people and governance are continually being improved

AMO 9

Information Systems: GIS is used to its full potential for asset management and data collection and provides efficiencies across the whole organization

The AMO's closely align with, and are linked to, the five Strategic Goals of GSC's Corporate Strategic Plan, as shown in Table 2.

Table 2 - Mapping of AMOs to strategic goals

GSC Goal	AMO 1	AMO 2	AMO 3	AMO 4	AMO 5	AMO 6	AMO 7	AMO 8	AMO 9
	✓	✓							
			✓	✓	✓				
						✓			
							✓		
								✓	✓

3.4 Asset Management Improvement Plan

The Asset Management Improvement Plan (AMIP) is a demonstration of GSC's commitment to the continual improvement of its asset management capabilities, as is required under both the IP&R and ISO 55000. It contains a list of specific actions or initiatives aimed at progressively improving key aspects of capability in areas including process, systems and data, and people. The AMIP is reviewed periodically as part of the review cycle for the Asset Management Strategy and Asset Management Plans, and is included as Appendix B to this document.

3.5 Asset Management Plans

The translation of Asset Management Strategies and Objectives into actions, outcomes and programs of work is achieved through the development and implementation of a suite of Asset Management Plans (AMPs). Individual AMPs have been developed for each critical asset class (as described in section 4) including the following:

- Buildings
- Transport and Drainage
- Water
- Sewerage
- Heavy Plant and Vehicles.

AMPs will be updated regularly in line with the requirements of the IP&R framework.

3.6　Governance, roles and responsibilities

Effective asset management within an organisation requires consistent direction, focus and attention over time, and clarity over 'who is responsible for what'. It requires strong coordination vertically through the organisation, from the strategic to the operational level.

Roles and responsibilities for the management of GSC's asset portfolio are allocated to appropriate groups and positions within its organisational structure, which is shown in Figure 4.
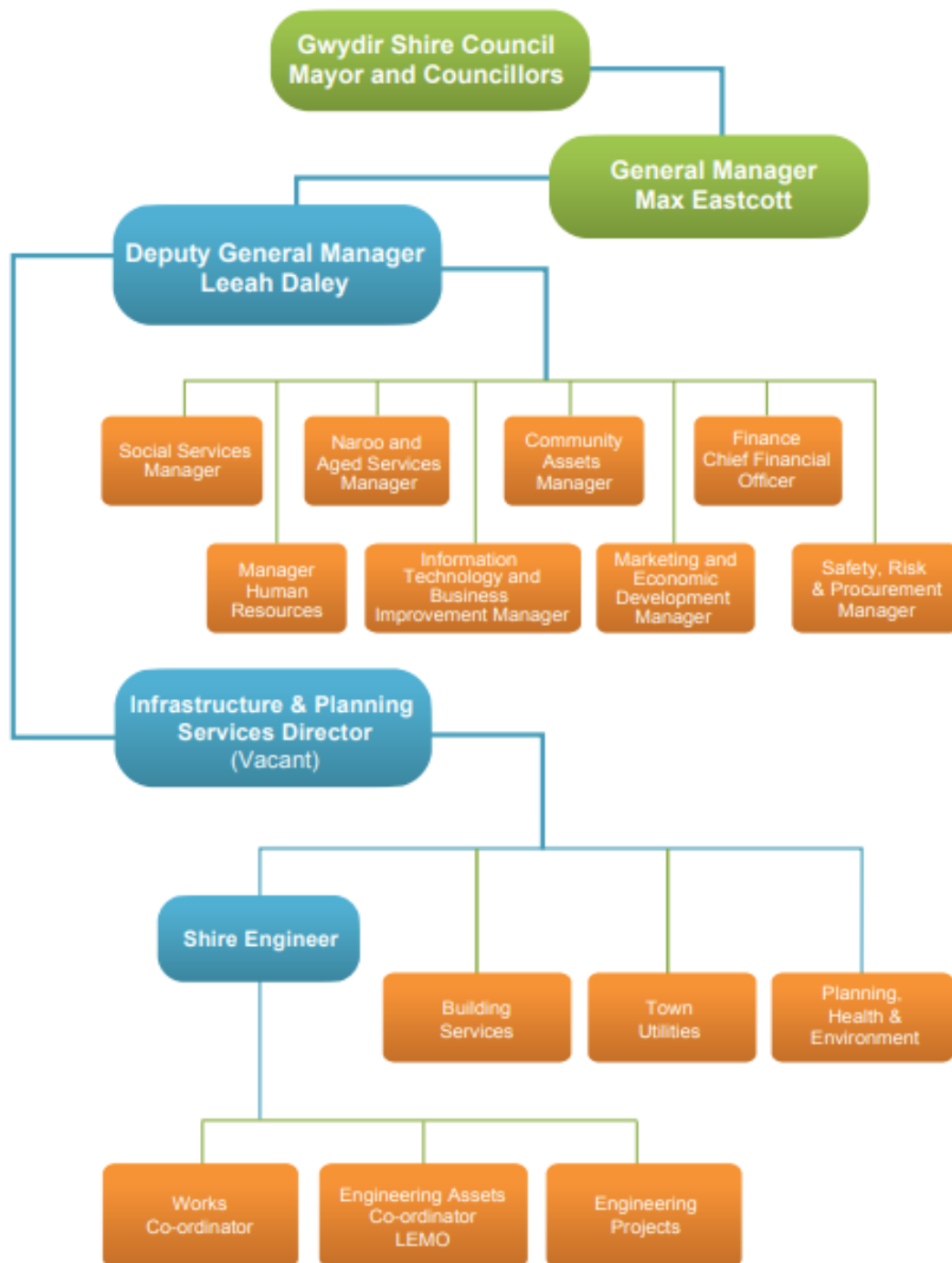

Figure 4 - Gwydir Shire Council organisation structure

A common way of classifying the various broad asset management roles is with the 'asset owner/manager/maintainer' model. These roles are outlined in Table 3 below.

Table 3 - Key asset management roles and responsibilities

AM Role	Key Responsibilities
Asset 'Owner'	The functional team or position holder that 'owns', provides custodianship of, or operates the asset. They are responsible for the operation and maintenance of the assets throughout the lifecycle and for endorsing funding applications to Council for capital investment or replacement.
Asset 'Manager'	The functional team or position responsible for the strategic planning of assets, management of investment plans, maintenance plans and management plans. This may include day to day management of the asset base, developing and implementing lifecycle asset strategies, preparing funding applications, capital and operational works plans, maintaining asset data and asset management reporting.
Asset 'Maintainer'	The functional team or position that is responsible for matters related to the maintenance of assets, from maintenance planning and scheduling, maintaining assets to the desired levels of service, through to identifying and reporting risks and maintaining a record of asset condition and performance. This may include: Overseeing asset maintenance delivery Monitoring assets to ensure levels of service are delivered including condition Managing maintenance budgets Working with maintenance staff to ensure asset maintenance data reflects actual works.

In GSC's case it is not uncommon for some of these roles to be combined, and in particular for the owner and manager roles to be performed by the business unit or functional team that owns or operates each class of asset.

The specific roles and responsibilities for asset classes such as Buildings, Roads and Drainage, Water and Sewerage Infrastructure and Heavy Plant and Vehicles are described in the respective AMPs.

A governance structure should also be in place to provide strategic direction and assurance of performance of asset management activities. Internal and external stakeholder groups play an important role in this governance. GSC's key stakeholders and the roles they play are summarised in **Error! Reference source not found.**.

Table 4 - Stakeholder responsibilities

Stakeholder	Role and Responsibilities
Internal Stakeholders	
The Mayor	Along with the General Manager, ensure adequate opportunities and mechanisms for engagement between the council and the local community. Promote partnerships between the council and key stakeholders. To act as the spokesperson for the council to promote engagement on council priorities and key strategic plans such as the Community Strategic Plan.
The Mayor and Councillors	Promote engagement on key strategic plans and priorities through communication, support, and participation in community engagement for the development of the integrated planning and reporting framework. Participate in the development of the integrated planning and reporting framework including the Community Strategic Plan. Participate in community engagement activities alongside council staff. Endorse the Community Strategic Plan on behalf of the community and approve the remaining Integrated Planning and Reporting documents like the Delivery Program and Operational Plan.
General Manager	Oversee preparation and delivery of the integrated planning and reporting framework and endorsement of these documents by the elected council. Ensure that the community is given sufficient information that allows them to participate in the integrated planning and reporting process in a meaningful way. Advise on the appropriate form of community consultation on the strategic plans, programs, strategies and policies of the council and other matters related to council.
Council Staff	Work with and support the General Manager in the development of key strategies and plans and engage the community. Implement the Community Engagement Strategy and provide timely information to the General Manager in relation to community views obtained during the engagement process.
External Stakeholders	
Residents	Utilise the assets and services provided by GSC. Engage with GSC, provide feedback on assets and services. Pay rates.
Visitors and service users	Utilise the assets and services provided by GSC. Engage with GSC, provide feedback on assets and services.

3.7 Supporting information systems

Information systems underpin GSC's asset management planning, decision making and service delivery. The key information systems utilised by GSC to manage its assets are listed below:

- Corporate financial management system
- Asset register system
- Project management system
- Capital planning and project management system
- Electronic document management system
- GIS
- CMMS
- Risk management tools.

4. Overview of the Asset Portfolio

4.1 Critical Assets

Council owns and manages an asset portfolio with a value exceeding $564 million as of July 2023. As shown in Table 5, this includes a wide variety of asset types, such as roads, bridges, footpaths, water and wastewater systems, drainage, buildings of various types, plant and equipment, vehicles, sports fields and open spaces.

Table 5 - Asset value by class

Asset Category	Total of At Cost ($)
Roads Structure	141,513,585.44
Roads Surface	40,762,857.93
Unsealed Roads	44,307,033.28
Non-depreciable bulk earthworks	95,041,804.08
Bridges	49,334,437.46
Footpaths	3,118,258.62
Kerb and Gutter	1,829,841.37
Buildings	85,563,138.44
Land	9,530,908.12
Furniture and Fittings	1,311,375.65
Office Equipment	1,270,924.43
Other Assets	232,913.72
Other Structures	9,655,352.19
Plant and Equipment	28,178,278.00
Swimming Pools	3,694,312.31
Water Infrastructure	25,635,555.28
Sewerage Infrastructure	14,556,790.26
Stormwater Drainage	4,538,368.00
Landfills	4,361,781.60
Quarries	372,292.42
Total	**564,809,808.60**

While all these assets contribute in some way to the provision of important services, some are more critical than others in delivering essential services and meeting the critical objectives of Council and the community.

Under the IP&R framework, it is a requirement for councils to develop an Asset Management Strategy and AMPs for all critical assets. ISO 55000 defines a critical asset as "*an asset that has potential to significantly impact on the achievement of the organisation's objectives*". Assets can be safety-critical, environment-critical or performance-critical and can relate to legal, regulatory or statutory requirements.

Council does not currently have a formal asset criticality framework, and recognises that this would improve upon its current, less formal process, help it to conform with leading practice, and fully meet the requirements of the IP&R. Accordingly, it is proposed that this be pursued as a priority item in the Asset Management Improvement Plan, a summary of which is included in Appendix B to this Strategy.

In the interim and until such a framework is in place, Council has determined that the following five asset classes should be considered critical assets:

- Water supply
- Sewerage
- Transport (roads, bridges)
- Buildings, and
- Major Plant (by virtue of its role in supporting construction and maintenance of the other four asset classes).

4.2   Buildings

GSC has a total of 119 buildings recorded in the asset register. We have a wide variety of facilities under our management including:

- 16 public halls and community centres
- 19 aged care/low income units
- 10 residential houses
- 2 health centres
- Naroo – a 36 bed aged care facility
- 3 learning region complexes – hospitality, automotive, and primary industry trade training centres
- 6 sporting facilities/indoor stadiums/ showgrounds
- 2 caravan parks with 22 cabins for hire
- 23 public amenities.

4.3   Roads and drainage

The Gwydir Shire area is 9,122 square kilometres, with a comprehensive road network totalling 7,676 kilometres (not including state owned highways). Our road and drainage infrastructure is comprised of:

- 3,057 km of unsealed roads
- 4,619 km of sealed roads
- 298 bridges (including culverts that are defined as bridges)
- 114 km of footpaths
- 225 km of kerb and guttering.

4.4   Water supply and sewerage infrastructure

Gwydir Shire Council has an extensive network of water and wastewater network infrastructure and facilities across the Shire. This portfolio includes:

- 4 water treatment plants
- 3 sewage treatment plants
- 10 water pump stations
- 14 sewage pump stations
- 76+ km of water reticulation mains
- 40+ km of sewage reticulation mains.

4.5   Heavy plant and vehicles

Council has a large fleet of heavy plant, equipment and vehicles which are integral to works in other classes, and represent a valuable asset class in their own right:

- 33 trucks, prime movers, tippers, trailers
- 37 Loaders, excavators, tractors, rollers, graders
- 9 other specialised heavy plant units.

5. Asset performance and risk

5.1 Levels of service

A cornerstone of sound asset management is to provide the Level of Service (LoS) that current and future communities want and are prepared to pay for. To achieve this, GSC is planning for a desired (or target) service level across all asset classes. LoS guide community engagement discussions on which assets are most important to the community as well as being a key input into ongoing maintenance and capital decision making and expenditure. Over time, GSC will track asset performance against its LoS targets, utilising technical engineering data as well as direct feedback from the community and from targeted community engagement surveys.

5.2 Asset condition

Together with LoS, asset condition guides asset management decision making. Understanding an acceptable level of asset condition helps define maintenance interventions and activities based on the expected level of service (or importance) of each asset.

Typical asset condition ratings applied across the portfolio[1] during condition inspections, are shown below:

Table 6 - Condition ratings and descriptions

Rating	Condition	Description
1	Excellent / Very Good	New or as new condition. Only planned cyclic inspection and routine maintenance required.
2	Good	Good condition with minor defects. Minor routine maintenance along with planned cyclic inspection and maintenance.
3	Satisfactory / Average	Average/fair condition with some significant defects requiring regular maintenance on top of planned cyclic inspections and maintenance.
4	Poor	Poor condition with asset requiring significant renewal/ rehabilitation, or higher levels of inspection and substantial maintenance to keep the asset serviceable.
5	Very Poor	Very poor condition. Asset physically unsound and/or beyond rehabilitation. Renewal required.

Regular condition assessments of assets are undertaken with the frequency dependent on the asset type. For example, a rolling annual inspection program may be followed (e.g. for the sewerage assets) or during regular maintenance inspections based on mileage/timeframe (e.g. for vehicles) and are performed by either GSC staff or external contractors. The targeted condition levels for each major asset class will vary and are defined in the individual asset class AMPs.

Current asset condition profiles, using the above rating scale, are shown in each of the individual AMPs. A summary of the consolidated condition profile of the four critical asset classes (excluding Heavy Plant) is shown in Figure 5, below. This indicates that GSC's assets are generally well-maintained, with 86% being in Good, Very Good or Excellent condition, and a further 9% being Satisfactory or Average.

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[1] Due to the shorter lifespan of Plant and Equipment assets, condition is based primarily on age, rather than according to this rating framework.

Condition Profile by Asset Value
Building, Transport, Water and Sewer Assets

51%
35%
9%
4% 1%

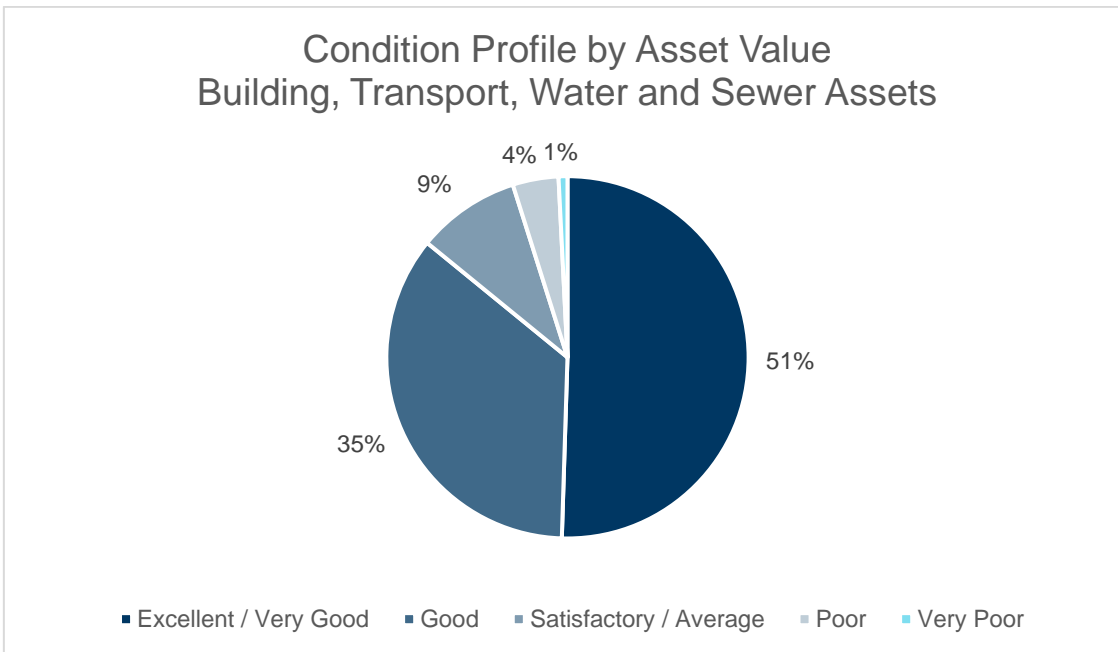■ Excellent / Very Good ■ Good ■ Satisfactory / Average ■ Poor ■ Very Poor

Figure 5 - Combined condition profile of critical assets (excluding heavy plant)

5.3   Management of risk

Not all assets represent the same level of risk to GSC and the community should they fail or under-perform, and hence a key means of tailoring maintenance strategies and prioritising effort and expenditure is through the classification of assets by their 'criticality'. As discussed in Section 4.1, Council intends to develop and implement a more systematic asset criticality framework as part of its Asset Management Improvement Plan.

Council's current approach is to utilises its corporate risk framework to assess of risks associated with service delivery and to identify the critical risks that will result in a loss or reduction in service from the infrastructure assets or other significant impact to the organisation, environment or community.

The risk assessment process followed by GSC identifies the credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. A risk rating is then determined, the risk evaluated, and a risk treatment plan for non-acceptable risks developed.

The resulting Risk Management Plans identify the critical risks that have been assessed as 'Very High" (requiring immediate corrective action) and 'High' (requiring prioritised corrective action), along with the estimated residual risk after the selected treatment is undertaken. These risks are reported to management and Council.

While the above process and steps are generally applied, they are currently not fully documented and often undertaken in an informal way. Formalisation of asset criticality processes and documentation has been identified as an improvement opportunity in the AMIP.

6. Asset management strategies and actions

6.1 Strategy overview

GSC has a 'cascading' strategic asset management framework whereby there is a clear line-of-sight between the Asset Management Objectives (AMOs) discussed in Section 3.3 and supporting asset management strategies and actions. A suite of 17 asset management strategies has been developed that is aimed at addressing identified challenges and issues and achieving the AMOs. These strategies are summarised in Table 7 below.

Table 7 - Asset management strategies

Identifier	Description
Strategy 1	Engage with the community to assess needs, demand, and satisfaction via community meetings, social media engagement and printed media
Strategy 2	Maximise utilisation of available grant funding to improve and refurbish sporting, recreation, community and social infrastructure
Strategy 3	Proactively engage with community groups to ensure delivery of improved infrastructure and maintenance of existing infrastructure is consistent with community needs and expectations
Strategy 4	Provide improved access and freight efficiencies to support existing local industry and encourage future development
Strategy 5	Improve in-house contract and project management capabilities through training and development and engage suitable contractors in line with legislative requirements
Strategy 6	Implement initiatives such as the Gwydir Career Start Program to address future workforce needs and provide a skill development pathway for local residents
Strategy 7	Promote lifestyle benefits, and utilise innovative ways to attract and retain skilled staff
Strategy 8	Respond to climate change through adaptation planning including the efficient use of natural resources, engaging in regular planning and analysis of landfill utilization, and recycling of suitable materials
Strategy 9	Engage and collaborate with industry stakeholders and other tiers of government to add value and gain grant funding for improved infrastructure and services
Strategy 10	Actively develop, implement and report on an Asset Management Improvement Plan as part of the Asset Management Strategy document
Strategy 11	Continually review organisational structure aligned with objectives from the Workforce Plan, addressing future workforce requirements
Strategy 12	Implement and observe best practices in governance, risk and WHS, including implementation of an asset criticality framework
Strategy 13	Implement tailored leadership and professional development planning
Strategy 14	Work closely with Council's insurer and other members of the mutual to monitor existing programs and address emerging issues
Strategy 15	Follow legislative requirements and Council's procurement policies, including responsible engagement of contractors
Strategy 16	Integrate GIS information with other Council databases to ensure consistency of data across the organisation
Strategy 17	Stay abreast of industry developments in GIS and asset management technologies though participation in user groups and conferences

6.2 Alignment of AM Strategies with AM Objectives

The contribution that our strategies play in achieving our AMOs is illustrated in Table 8, overpage.

Table 8 - Mapping of AM strategies to AM objectives

Strategy	AMO 1	AMO 2	AMO 3	AMO 4	AMO 5	AMO 6	AMO 7	AMO 8	AMO 9
S1	✓		✓						
S2	✓								
S3		✓							
S4			✓						
S5				✓					
S6					✓				
S7					✓				
S8						✓			
S9							✓		
S10								✓	
S11								✓	
S12								✓	
S13								✓	
S14								✓	
S15								✓	
S16									✓
S17									✓

6.3   Asset management actions

Each asset management strategy should be underpinned by a set of actions or initiatives that enable delivery of the strategy and, thereby, the AMOs. Some of these actions can be considered 'business as usual' (BAU) or routine, whereas others represent specific improvement initiatives and form part of GSC's AMIP. The development of actions aligned to the respective strategies is something that GSC has identified as an improvement initiative in its AMIP. Over time, as part of its regular business planning processes, GSC will ensure that each strategy is supported by appropriate actions, and that these are documented in the relevant AMPs and Operational Plans.

6.4   Financial requirements

Each individual AMP sets out the forecast maintenance, operating expenditures, and growth and renewal/replacement capital requirements, for the respective asset class over a 10-year time horizon. The consolidated expenditure forecasts across all critical asset classes are discussed in this section.

6.5   Maintenance expenditure

Forecast maintenance expenditures (for planned, preventative and corrective maintenance) have been projected based on the assumed continuation of the past five-year average level of annual expenditure. The resultant forecast, and contribution by asset class, is shown in Figure 6.
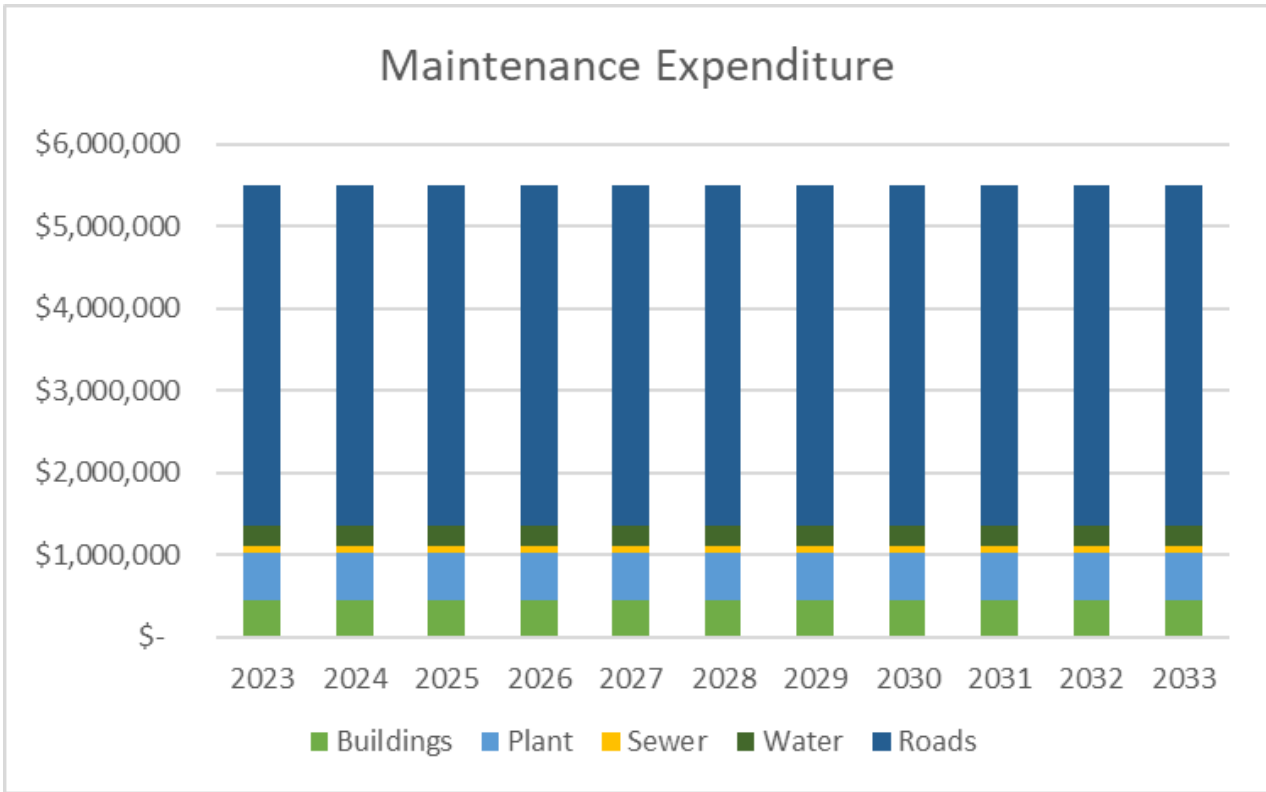
Figure 6 - Maintenance expenditure forecast

6.6   Capital renewal and replacement

Projected flat or declining population levels means that there is no significant capital expenditure foreseeable for growth-related assets in the coming years. As a result, the predominant requirement for capital expenditure that requires Council funding is for the renewal and/or replacement of life-expired assets such as roads, buildings and heavy plant.

The significant capital investment requirements in recent years for flood and other disaster recovery works have largely been, and are likely to continue to be, covered by State and Federal grant funding, and are difficult to forecast in future. Consequently these have been excluded from the capital projections in this Strategy. Projected renewal and replacement capital is shown in Figure 7 overpage.
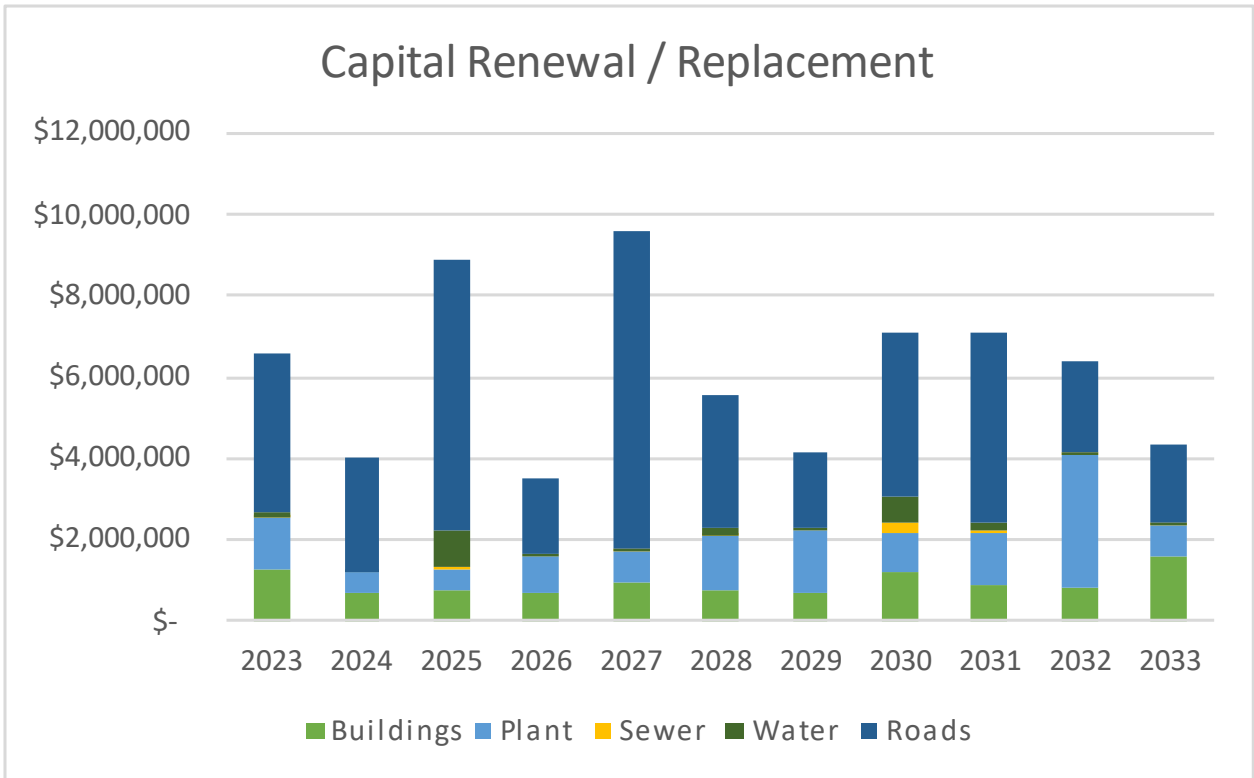
Figure 7 - Capital renewal and replacement forecast

6.7   Total Expenditure

The combined maintenance, operations and capital expenditure for the five critical asset classes is shown in Figure 8.
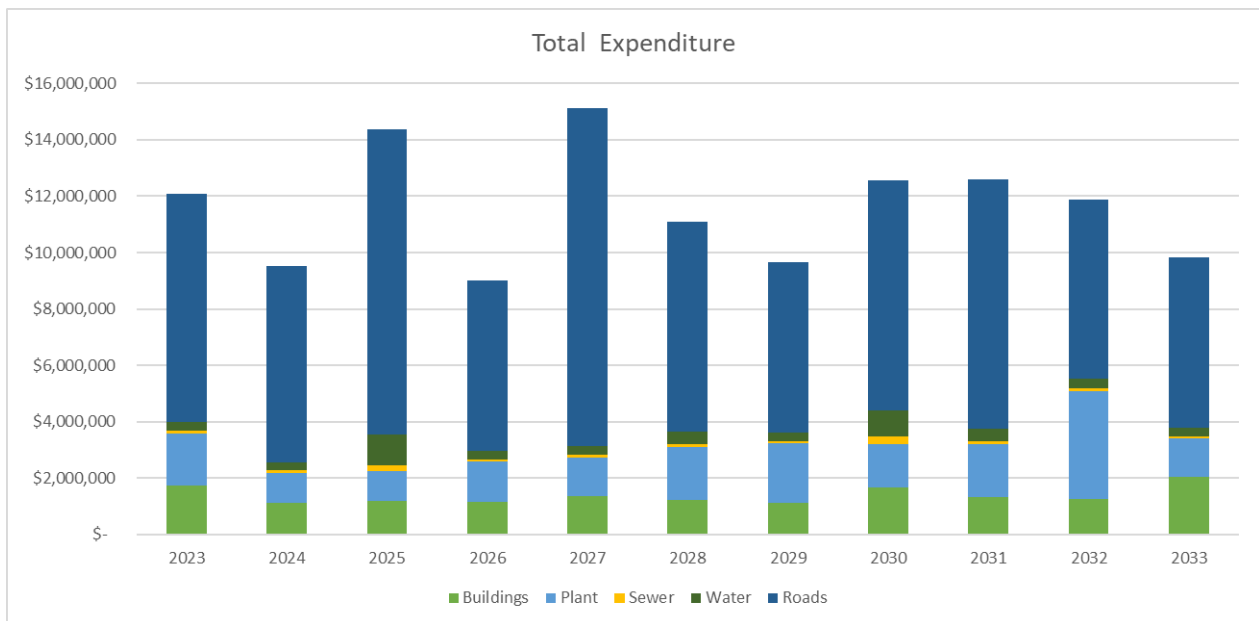

Figure 8 - Combined maintenance, operations and capital expenditure forecast

6.8 Funding

Due to the challenges facing GSC (refer to Section 2.3 of this Strategy) including limited population growth and an aging asset base, future operating and capital expenditures are forecast to match or exceed current and historic expenditure levels, and severely test available funding.

GSC is committed to exploring all avenues to reduce or eliminate any funding gap, including continuation of its successful pursuit of grant funding (e.g. Fixing Local Roads, Fixing Country Roads, Heavy Vehicle Safety Program), and – in close consultation with stakeholders – optimisation of the balance between rates, charges, and Levels of Service.

7.   Performance measurement and reporting

GSC will continue the ongoing refinement of its monitoring, measurement and reporting of asset management performance. We aspire to being able to measure our performance in a variety of ways as the quality and availability of our data improves.

Appendices

Appendix A

Asset Management Policy

GWYDIR SHIRE COUNCIL

ASSET MANAGEMENT POLICY

1.   Purpose

To set guidelines for implementing consistent asset management processes throughout Gwydir Shire Council.

2.   Objective

To ensure adequate provision is made for the long-term replacement of Council's major assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Safeguarding Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in the overall management of Council assets by creating and sustaining asset management awareness throughout the organisation. This can be achieved by provision of training and development.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

3.   Scope

This Policy applies to all Council activities. This policy applies to all physical assets owned or controlled by Council which are critical to Council's service delivery, and assets incorporated in the Community Strategic Plan, and Delivery Program

4.   Policy

4.1   Background

4.1.1   Council is committed to implementing a systematic asset management methodology to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

4.1.2   Council owns and uses approximately $565M of non-current assets to support its core business of delivery of service to the community.

4.1.3   Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve our strategic service delivery objectives.

4.1.4   Adopting asset management principles will assist Council in achieving its Strategic Long-Term Plan and Long-Term Financial objectives.

4.1.5   A strategic approach to asset management will ensure that Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:

- Members of the public and staff
- Council's financial position
- The ability of Council to deliver the expected level of service and infrastructure
- The political environment in which Council operates and
- The legal liabilities of Council

4.2   Principles

4.2.1   A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best practice throughout all Departments of Council.

4.2.2   All relevant legislative requirements together with political, social and economic environments are to be considered in asset management.

4.2.3   Asset management principles will be integrated within existing planning and operational processes.

4.2.4   Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.

4.2.5   Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long-term financial plans will form the basis of annual budget estimates, with the service and risk consequences of variations in defined asset renewals and budget resources recorded in budget documentation.

4.2.6   Service levels defined in adopted asset management plans will form the basis of annual budget estimates, with the service and risk consequences of variations in defined service levels and budget resources recorded in budget documentation.

4.2.7   Asset renewal plans will be prioritised and implemented progressively based upon agreed service levels and the effectiveness of the current assets to provide that level of service.

4.2.8   Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.

4.2.9   Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.

4.2.10   Future service levels will be determined in consultation with the community.

4.2.11   Applicable training in asset and financial management will be provided for Councillors and relevant staff.

4.2.12   Council will adopt a whole-of-organisation approach to asset management, where all departments collaborate to ensure the optimal management of assets.

4.2.13   Council is committed to a culture of continuous improvement in asset management. This includes regularly reviewing and enhancing asset management practices to adapt to changing circumstances, industry advancements, and community needs.

4.2.14   Risk management practices will be actively applied for identifying, assessing, and mitigating risks associated with our assets to ensure the safety of the community and the integrity of our services.

4.2.15   Council will actively seek opportunities to leverage innovative technologies and data-driven insights to enhance the efficiency and sustainability of our assets.

5.   Legislation

Legislation Regulations and Guidelines appropriate to this Policy are:

- Local Government Amendment (Planning and Reporting) Act 2009
- Local Government (General) Regulation 2021 (the Regulation).
- Local Government Act 1993
- Civil Liabilities Act 2002
- Australian Infrastructure Financial Management Guidelines
- International Infrastructure Management Manual

6.   Related Documents

Asset Management Strategy and associated Asset Management Plans.

Responsibility:

Councillors are responsible for adopting the policy, allocation of resources and providing high level oversight of the delivery of the organisation's Asset Management Strategy and Plan. Councillors are also responsible for maintaining accountability mechanisms to ensure that organisational resources are appropriately utilised to address the organisations' strategic plans and priorities.

The General Manager has overall responsibility for developing an Asset Management Strategy, Plans and Procedures and reporting on the status and effectiveness of asset management within Council.

Review Date:

This Policy has a life of four (4) years. It will be reviewed in 2028.

Council Meeting:

Dd/mm/yyyy

Appendix B

Asset Management Improvement Plan

Asset Management Improvement Plan

The purpose of Council's Asset Management Improvement Plan (AMIP) is to document both approved (funded), and aspirational (yet to be funded) improvement actions or initiatives which, when implemented, will progressively raise Council's asset management maturity, improve the quality of its asset management decisions, and enhance stakeholder outcomes. It is also an important way of demonstrating continuous improvement, as required by the IP&R and ISO 55000.

The AMIP current at the time of issue of this Asset Management Strategy, is shown in Table 9, below. The AMIP is, however, intended to be a live and actively updated register of improvement initiatives. To enable this, the first action below is to produce a stand-alone document that can be maintained and updated between the planned updates of this Strategy document. The AMIP should be updated at least annually, of more frequently if relevant circumstances change, and be approved by Council's General Manager.

Table 9 - Asset management improvement plan

Item	Driver / Source	Improvement Initiative or Action	Priority	Responsibility	Due Date
1	AM Strategy	Create a formal, controlled stand-alone AMIP document that is updated on an annual basis as a minimum.	High	Engineering Services Director	31/12/24
2	AM Strategy S6.1, 6.3	For each of Council's agreed asset management strategies, develop a list of tactical actions that can be implemented to give effect to the strategy. Incorporate these in the next update of the AM Strategy document.	High	Engineering Services Director	30/06/25
3	Asset Management Plans (AMPs)	Formulate and implement an asset criticality framework and apply to all assets, as the basis for development and prioritisation strategies for risk mitigation.	High	Engineering Services Director	31/03/25
4	AMPs	Update future versions of the AMP to include details of condition assessment frequencies, methodologies, and reporting.	Medium	Asset Custodian	30/06/25
5	AMPs	Undertake a climate change impact review and risk assess outcomes to determine what mitigation measures or other management strategies are appropriate for the asset class. Further guidance on risk management due to climate change can be found in the Climate Risk Ready NSW Guide.	Medium	Asset Custodian	31/12/24
6	AMPs	Review potential performance measures and Level of Service metrics with stakeholders to identify measures of customer and technical objectives. A process should be initiated to develop measures that are SMART (Specific, Measurable, Attainable, Relevant and Time-based) for each Level of Service.	Medium	TBA	30/06/25

Item	Driver / Source	Improvement Initiative or Action	Priority	Responsibility	Due Date
7	Transport AMP	Revise classification and treatment of transport operations costs to provide a more accurate basis for forecasting future expenditure and include in future financial projections.	Medium	Assets and Data Finance Officer, CFO, Engineering Services Director	31/12/24
8	Buildings AMP	Review, document and communicate roles and responsibilities in relation to the management and maintenance of the various types of Council's building assets.	Medium	Engineering Services Director	30/09/24
9	Buildings AMP	Using the results of the asset criticality assessment to determine priorities, undertake a building condition assessment and update the Buildings AMP, and expenditure projections, accordingly.	Medium	Building Services Manager	30/06/25
10	AMPs	Progressively improve financial processes to allow budgeting at the level of operations, maintenance, renewal capital, and new capital, for each AMP asset class.	High	Assets and Data Finance Officer, CFO	30/06/25