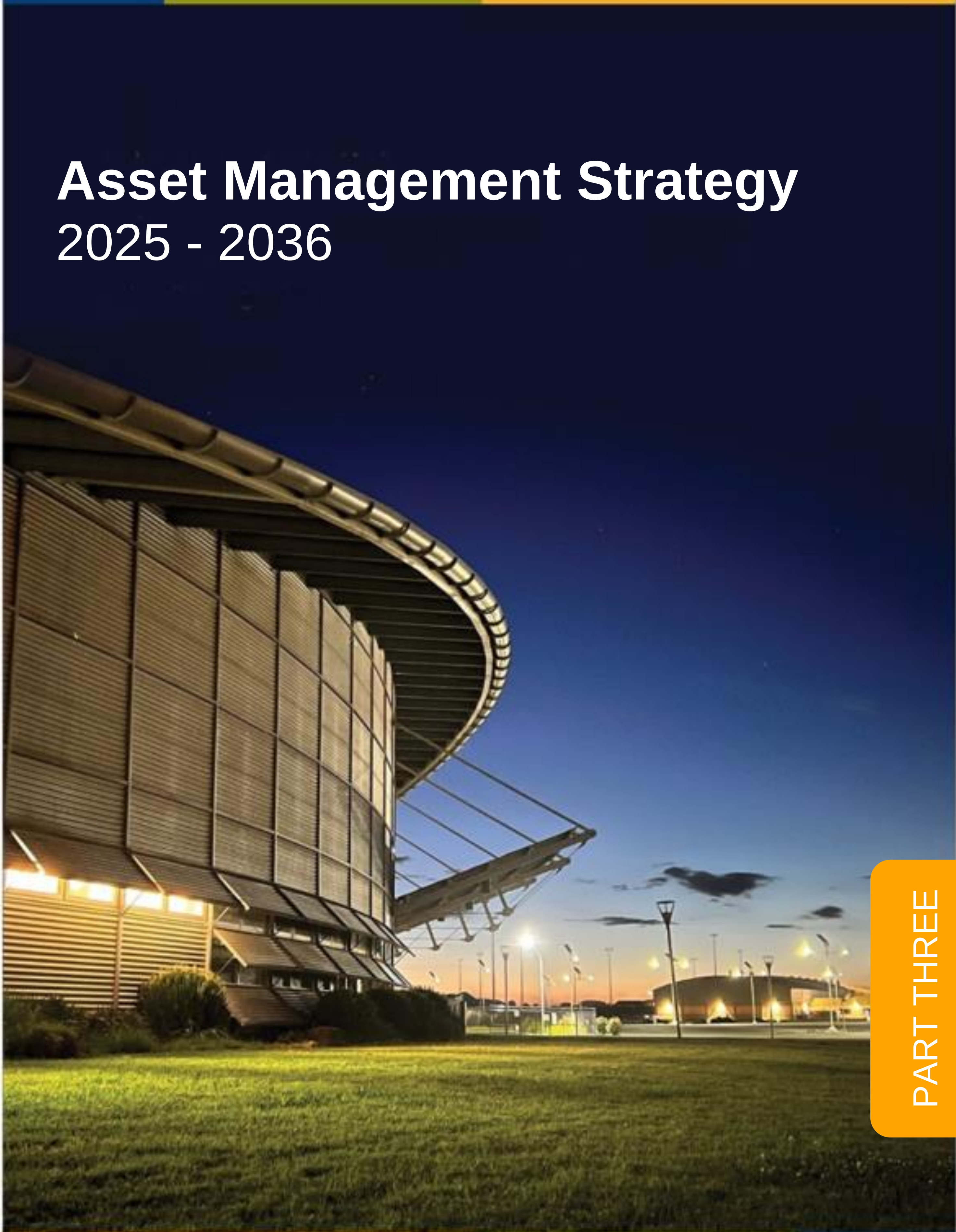
Asset Management Strategy
2025 - 2036



PART THREE

Tamworth REGIONAL COUNCIL

Introduction

Asset Management refers to:

"the combination of financial, engineering, economic and other practices applied to physical assets in order to provide a service to an acceptable level in a cost-effective manner."

- International Infrastructure Management Manual version 5.0 © Institute of Public Works Engineering Australasia 2015

This asset management strategy is prepared to document how Council plans to deliver services via AELEC, airport, building, bridge, cultural, entertainment venue, flood mitigation, footpath, park, recreational, road, sporting, stormwater drainage, technology, waste, wastewater, and water assets.

These assets have a replacement cost of $3.5 billion.

The asset management strategy is to enable Council to:

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

Adopting this asset management strategy will assist council in meeting Integrated Planning & Reporting requirements[1] by demonstrating what level of service can be delivered in a financially sustainable manner.

The asset management strategy is prepared following a review of the Council's service delivery practices, financial sustainability indicators, asset management maturity and fit with council's vision for the future outlined in the Community Strategic Plan. The strategy outlines an asset management improvement plan detailing a program of tasks to be completed and resources required to enable council to achieve target levels of asset maturity and competence.

Legislative Requirements

Asset Management for all assets managed by Council is conducted in adherence to the legislative Acts and Regulations set out in the table below, along with legislation specific to individual asset classes.

Legislation	Requirement
Local Government (General) Regulation 2005	Sets out standards, requirements and conditions relating to approvals for water supply, sewerage and stormwater drainage work, management of waste, activities on community land, public roads and other public spaces
Local Government Act - Annual Reporting Section 428(2)(d)	A report of the condition of the public works (including public buildings, public road and water sewerage and drainage works) under the control of council as at the end of that year; together with - An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and - An estimate (at current values) of the annual expense of maintain the works at that standard; and - The Council's programme for maintenance for that year in respect of the works

[1] Integrated Planning & Reporting Guidelines for Local Councils in NSW and Integrated Planning & Reporting Handbook for Local Councils in NSW

Legislation	Requirement
Local Government Act 1993	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Local Government Amendment (Planning and Reporting) Act 2009	Local Government Amendment (Planning and Reporting) Act 2009 includes the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Public Health Act 2010 and Public Health Regulation 2012	The purpose of the Act is to promote, protect and improve public health, control risks to public health, promote control of infectious diseases, prevent the spread of infectious diseases, recognise the role of local government in protecting public health, and monitor diseases and conditions affecting public health. Under the Act a local government authority has, in relation to its area, the responsibility to take appropriate measures to ensure compliance with the requirements of this Act in relation to private water suppliers, water carters, public swimming pools and spa pools, regulated systems and premises on which skin penetration procedures are carried out. In particular, a local government authority has the responsibility of appointing authorised officers to enable it to exercise its functions under this Act and ensuring that its authorised officers duly exercise their functions under this Act. The Regulation makes provision for: installation, operating and maintenance requirements for air-conditioning systems and other regulated systems; operating requirements for public swimming pools and spa pools.
Public Records Act 2002	This act sets out requirements with respect to maintaining Public Records
Work Health & Safety Act 2012, Work Health & Safety Regulation 2011, Workplace Injury Management and Workers Compensation Act 1998 and Workers Compensation Act 1987	Sets out roles and responsibilities to secure the health, safety and welfare of persons at work and covering injury management, emphasising rehabilitation of workers particularly for return to work. Council is to provide a safe working environment and supply equipment to ensure safety.
Work Health and Safety Act 2011	Sets out the roles and responsibilities to secure the health, safety and welfare of persons at work
Disability Discrimination Act 1992, Disability Discrimination and Other Human Rights Legislation Amendment Act 2009	An act relating to discrimination on the ground of disability. The Federal Disability Discrimination Act 1992 (D.D.A.) provides protection for everyone in Australia against discrimination based on disability. It encourages everyone to be involved in implementing the Act and to share in the overall benefits to the community and the economy that flow from participation by the widest range of people.
Government Information (Public Access) Act 2009	The purpose of the Act is to open government information to the public by (a) authorising and encouraging the proactive public release of government information by agencies, (b) giving members of the public an enforceable right to access government information, and (c) providing that access to government information is restricted only when there is an overriding public interest against disclosure.

Organisational Asset Management

Asset Management Policy

Tamworth Regional Council's Asset Management Policy sets out the adopted approach to asset management to ensure that Council has information, knowledge and understanding about the long term and cumulative consequences of being the custodian of public infrastructure. This is achieved by ensuring systems, processes and people are able to inform decisions on the most effective and efficient options for delivering infrastructure related services whilst controlling exposure to risk and loss.

The full Asset Management Policy is contained in the General Policy Register | Tamworth Regional Council (nsw.gov.au)

Asset Management Governance and Planning Structure

The governance structure for Asset Management within Tamworth Regional Council is shown in Figure 1 below.

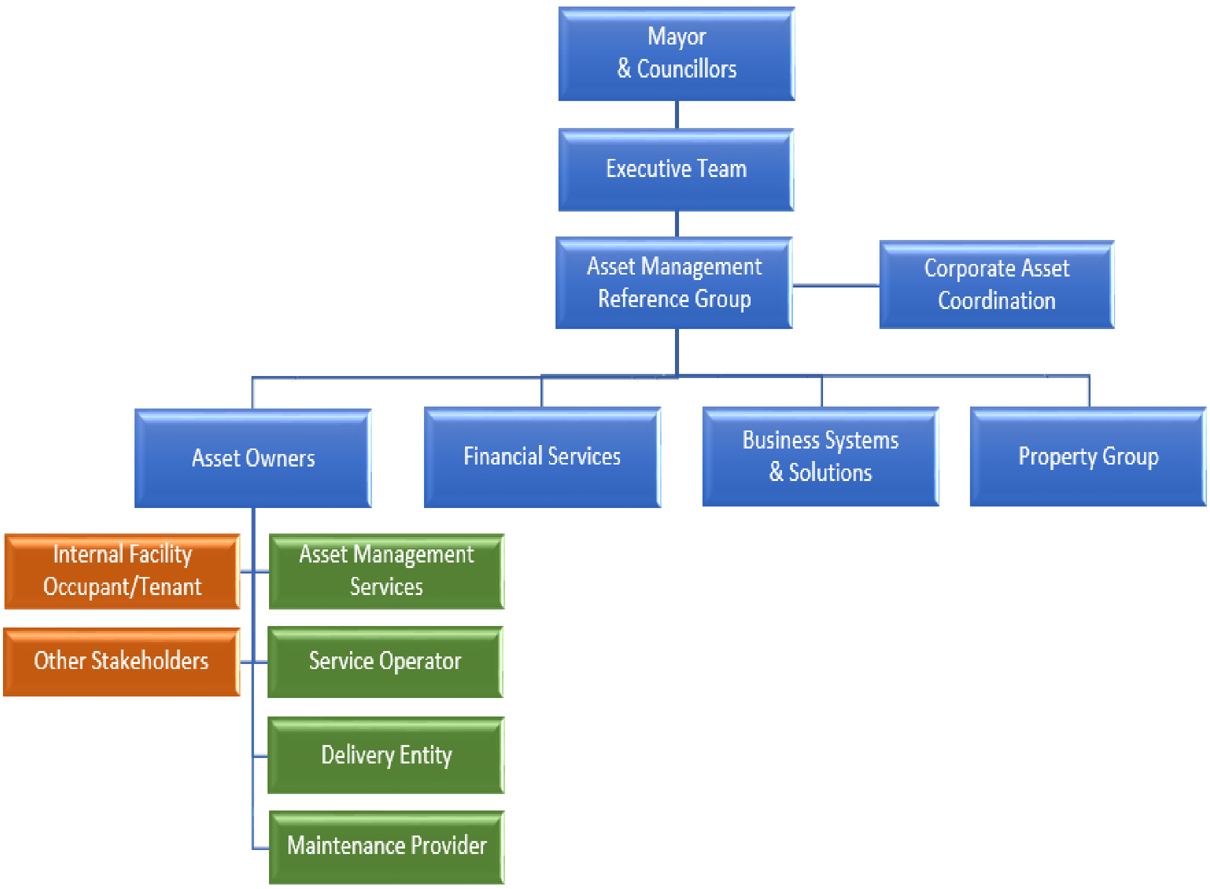


Figure 1 - Asset Management Governance

Responsibilities

The responsibilities for each role relating to Asset Management within Tamworth Regional Council are as follows:

Elected Council adopts the asset management policy objectives and ensure sufficient resources are applied to manage the assets.

General Manager has overall responsibility for developing infrastructure asset management systems, policies and procedures and financial models and reporting on the status and effectiveness of asset management.

Directors (Executive Team) and Managers are responsible for implementing infrastructure asset management plans, systems, policies and procedures.

Asset Management Reference Group is responsible for ensuring that all asset management activities are consistent with asset management objectives. They will oversee the development and implementation of asset management plans and systems.

Corporate Asset Coordinator is responsible for coordinating the activities of the Asset Management Reference Group.

Asset Owner(s) are identified for all Council assets. This information is stored in the Asset Register. The Asset Owner ensures the following:

- The asset/s are in the organisation's asset register and the information is kept accurate;
- Fund and arrange planned inspections to ensure register currency and risk mitigation is achieved;
- The assets are included in an Asset Management Plan, in accordance with various requirements and the Asset Management Plan is kept accurate;
- Undertake statutory reporting functions as required;
- Identify, report, and, where necessary, mitigate unacceptable risks to TRC associated with ownership of the asset/s;
- Ensure the necessary level of funding is available to adequately maintain assets or if not bring the lack of funds to the attention of EMT and/or Council and provide options for addressing any shortfall;
- Manage budgets associated with the asset/s including income and expenditure, both capital and recurrent, either by the owner or by a third party and administer arrangements accordingly;
- Ensure the 4-year delivery plan and annual operations plan include provision for maintenance and renewal of assets under their ownership;
- Arrange for maintenance and renewal identified to be undertaken in accordance with the AMP and as funding allows;
- If the asset is to be leased decide how the lease will be undertaken, either by the owner or by a third party and administer arrangements accordingly; and
- Regularly review the use and/or ownership of the asset to ensure the use and ownership of the asset is appropriate/in Council's best interest.

Corporate Asset Management Team

Council has developed a 'whole of organisation' approach to asset management through the establishment of a cross directorate Asset Management Working Group. The benefits of a corporate wide approach include:

- demonstration of corporate support for sustainable asset management
- encourages corporate buy-in and responsibility

- coordination of strategic planning, information technology and asset management activities
- promotes uniform asset management practices across the organisation,
- information sharing across IT hardware and software
- pooling of corporate expertise
- championing of asset management process
- wider accountability for achieving and reviewing sustainable asset management practices.

Council's Asset Management Reference Group is chaired by one of Council's directors and membership includes Asset Owners and staff from Asset Management, Finance, Risk & Safety, IT, and Economic Development & Investment.

The reference group meets monthly and additional attendees are included as required when discussing specific topics such as Fire Safety.

Asset Management Planning Process

Asset values, condition, lifecycle budgets and costs are reviewed and reported on annually, along with any significant factors or changes that need to be considered in the coming 12 months.

Review of all asset management plans is carried out annually and reported to the Executive Leadership Team.

Updates of individual asset management plans for each asset class are carried out at maximum intervals of 4 years, with more frequent updates made in the event of a significant change to an asset class, election of a new Council, or Integrated Planning & Reporting cycles.

Our Assets

Council has an asset portfolio that includes equestrian, aviation, building, bridge, cultural, entertainment venue, flood mitigation, footpath, park, recreational, road, sporting, stormwater drainage, technology, waste, wastewater, and water assets.

These assets have a total replacement cost of $3.5B.

Figure 2 shows the value and percentage breakdown of assets in Council's portfolio.

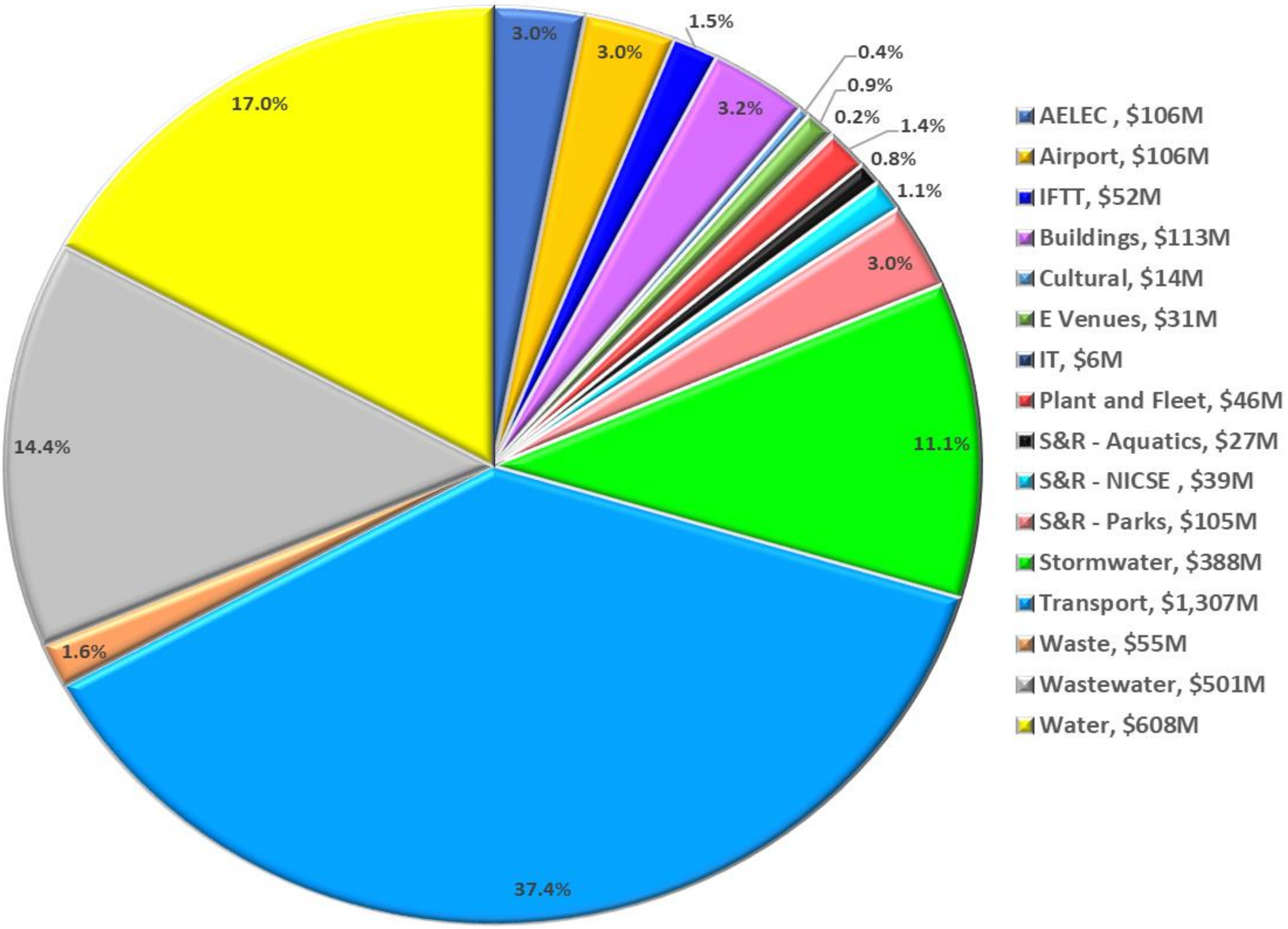


Figure 2 – Asset Values

Asset Value and Service

Council assets are tabled below along with their service description, current replacement value and percentage of total portfolio value.

Table 1 - Asset Value and Description

Asset Management Plan	Service Description	Value ($)	Value (%)
AELEC	Provide equine and livestock events in a state-of-the-art facility.	$105,912,672	3.0%
Airport	Provide a critical transport network for air travel that provides the region with the opportunity to experience growth and prosperity through enhanced connectivity.	$105,704,792	3.0%
Buildings	Provide and operate buildings and facilities for specialised or general purposes for the benefit of Council functions, economic purposes and/or community needs. Provide a fleet depot network to enable Council to function in an efficient and effective manner. Provide public toilets, showers, change rooms and clubhouses to the community and tourists/visitors.	$112,988,440	3.2%
Cultural Collections	Provide access to a visual arts and cultural resource that inspires, enriches and informs the community; enhances experiences through the visual arts; and is a model in the delivery of cultural services to the community.	$13,774,935	0.4%
Entertainment Venues	Provide spaces for performing arts, conferences and community needs.	$31,297,033	0.9%
IFTT (Flight College)	Provide a flight training facility.	$53,200,582	1.5%
Information Technology	Provide computers, storage, network and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data to support Council needs.	$5,647,832	0.2%
Plant & Fleet	Purchase and maintain vehicles, plant and equipment to meet Council business needs and enable work capacity.	$48,358,391	1.4%

Asset Management Plan	Service Description	Value ($)	Value (%)
Sports & Recreation – Aquatics	Provide a safe and healthy environment to swim in.	$26,955,945	0.8%
Sports & Recreation – NICSE	Provide the community with a modern well-equipped sports facility suitable for a wide range of different sports and activities.	$39,466,181	1.1%
Sports & Recreation – Parks	Maintain and develop appealing and safe spaces for public use and recreation.	$105,390,171	3.0%
Stormwater Drainage & Flood Mitigation	Collect and discharge urban surface and building water drainage from road and residential areas. Provide protection from localised flooding.	$387,536,152	11.1%
Transport Infrastructure	Enable movement of people, freight and equipment throughout and beyond the Council area in a safe and efficient manner, supporting industry, commerce and tourism.	$1,306,672,222	37.4%
Waste Facilities	Collect, process and dispose of municipal domestic and commercial waste in accordance with environmental and legislative requirements.	$54,872,361	1.6%
Wastewater	Provide essential public sanitation services of collecting and treating effluent so it is suitable for discharge.	$501,551,193	14.4%
Water	Obtain, treat and distribute safe, potable drinking water for human use and consumption. Provide raw water for identified industrial or community purposes.	$595,055,282	17.0%

Note: Asset values are as at March 2025

Asset Condition

Asset condition ratings are applied according to internationally recognised standards as follows:

Condition Grading Descriptions

Very Good	1	Only planned maintenance required
Good	2	Minor maintenance in addition to planned maintenance required
Fair	3	Significant maintenance required
Poor	4	Significant renewal/rehabilitation required
Very Poor	5	Physically unsound and/or beyond rehabilitation

Current Condition States

The majority of Council assets (74%) are in a condition state of Very Good or Good, with a small representation of condition states Fair (13%), Poor (3%) or Very Poor (1%).

Only 9% of Council's assets are Unrated. This grading is applied for instances where condition data is either not yet collected or has been collected but not yet documented for reporting purposes. Data improvement strategies have been identified to reduce this percentage.

The condition state of Council's assets is shown in the figures below.

Figure 3 shows the overall condition of the asset portfolio.

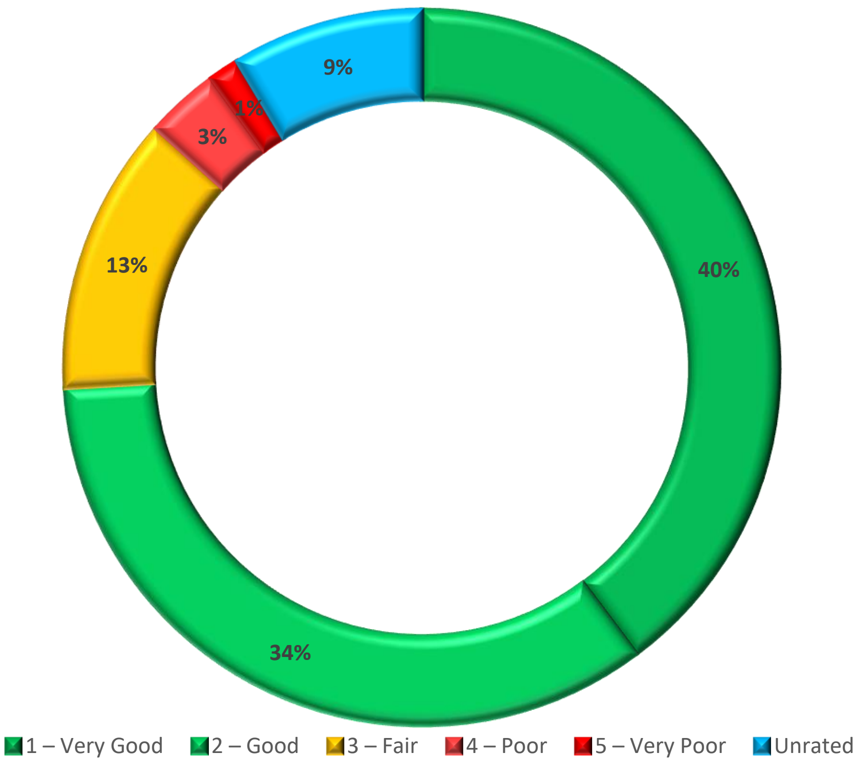


Figure 3 – Asset Condition – All Asset Classes

Figure 4 shows a breakdown of the condition state of assets in each class

Figure 4 – Asset Condition – Breakdown by Asset Class

It should be noted that the majority of IT assets are unrated because their condition is based on a binary functional vs non-functional, fit-for-purpose criteria.

Future Assets

Planned future assets are documented in **Major Projects Scheduled and Major Projects Unscheduled in the Long Term Financial Plan (LTFP)** on pages 23 and 24 in Part One of this document.

In addition to the future assets listed in the LTFP, various asset classes have identified future assets that will enable respective strategic plans and objectives to be achieved. These assets will be included in this strategy when they have received commitment to proceed from Council.

Lifecycle Costs and Budget

Lifecycle Costs

Lifecycle costs (or whole of life costs) are the average annual costs required to sustain service levels over the longest asset life. Lifecycle costs include operations, maintenance, renewal, and acquisition costs.

The lifecycle cost for the services covered in the asset management plan(s) is shown in Table 2.

Table 2: Lifecycle Costs for Council Services

Asset Class	Average annual forecast lifecycle costs				Lifecycle Cost ($/yr)
	Operations	Maintenance	Renewal	Acquisition	
AELEC	$904,133	$1,801,384	$337,330	$0	$3,042,847
Airport	$618,334	$535,472	$1,507,513	$29,820	$2,691,139
Buildings	$2,368,089	$1,226,064	$2,517,579	$315,541	$6,427,273
Cultural Collections	$145,898	$9,474	$5,000	$28,500	$188,873
Entertainment Venues	$776,580	$221,245	$626,775	$8,748	$1,633,348
IFTT (Flight College)	$1,727,209	$295,222	$1,194,444	$12,000	$3,228,875
Information Technology	$2,410,334	$1,580,726	$365,598	$0	$4,356,657
Plant & Fleet	$4,413,742	$3,022,839	$5,434,481	$281,131	$13,152,193
Aquatics	$4,003,778	$501,931	$170,071	$4,804,679	$9,480,459
NICSE	$380,873	$241,362	$393,546	$15,516	$1,031,297
Parks	$1,946,592	$3,901,347	$284,896	$2,769,141	$8,901,976
Stormwater Drainage & Flood Mitigation	$509,346	$998,272	$0	$721,894	$2,229,512
Transport Infrastructure	$3,631,387	$16,388,503	$20,401,314	$2,858,043	$43,279,247
Waste Facilities	$5,503,354	$5,089,824	$601,186	$4,589,042	$15,783,407
Wastewater	$8,563,699	$997,490	$5,364,743	$3,404,800	$18,330,731
Water	$14,455,259	$1,998,169	$3,436,200	$2,626,179	$22,515,807
TOTAL	**$52,358,606**	**$38,809,324**	**$42,640,675**	**$22,465,035**	**$156,273,640**

Lifecycle costs can be compared to the lifecycle funding allocated in the financial plan to give an indicator of sustainability in service provision.

Lifecycle Budget

The lifecycle planned budget includes operations, maintenance, capital renewal and acquisition expenditure annualised over the planning period. The lifecycle planned budget can vary depending on the timing of asset renewals.

The annualised life cycle planned budget at the start of the plan is shown in Table 3.

Table 3: Lifecycle planned budget for Council Services

Asset Class	Average annual forecast lifecycle budget				Lifecycle Budget ($/yr)
	Operations	Maintenance	Renewal	Acquisition	
AELEC	$904,133	$1,801,384	$688,119	$0	$3,393,636
Airport	$616,896	$534,208	$1,507,513	$29,820	$2,688,437
Buildings	$2,314,601	$1,198,407	$1,975,073	$315,541	$5,803,622
Cultural Collections	$144,201	$6,400	$5,000	$28,500	$184,101
Entertainment Venues	$774,627	$220,686	$177,594	$8,748	$1,181,655
IFTT (Flight College)	$1,723,710	$294,628	$88,120	$12,000	$2,118,458
Information Technology	$2,410,334	$1,580,726	$466,610	$0	$4,457,670
Plant & Fleet	$4,413,742	$3,022,839	$5,434,481	$281,131	$13,152,193
Aquatics	$3,997,264	$495,417	$157,307	$4,804,679	$9,454,668
NICSE	$379,532	$240,510	$156,465	$15,516	$792,023
Parks	$1,823,920	$3,778,675	$284,896	$2,769,141	$8,656,632
Stormwater Drainage & Flood Mitigation	$471,239	$922,057	$0	$721,894	$2,115,190
Transport Infrastructure	$3,561,152	$16,318,268	$20,401,314	$2,858,043	$43,138,777
Waste Facilities	$5,442,716	$5,029,186	$601,186	$4,589,042	$15,662,130
Wastewater	$8,563,699	$997,490	$5,364,743	$3,404,800	$18,330,731
Water	$14,455,259	$1,998,169	$3,436,200	$2,626,179	$22,515,807
TOTAL	**$51,997,024**	**$38,439,050**	**$40,744,620**	**$22,465,035**	**$153,645,730**

Lifecycle Indicators

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

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

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

The lifecycle gap and lifecycle indicator for services covered by the asset management plan(s) is summarised in Table 4.

Table 4: Lifecycle Indicators

Asset Class	Lifecycle Cost ($/y)	Lifecycle Budget ($/y)	Lifecycle Gap ($/y)
AELEC	$3,042,847	$3,393,636	$350,790
Airport	$2,691,139	$2,688,437	-$2,702
Buildings	$6,427,273	$5,803,622	-$623,651
Cultural Collections	$188,873	$184,101	-$4,772
Entertainment Venues	$1,633,348	$1,181,655	-$451,693
IFTT (Flight College)	$3,228,875	$2,118,458	-$1,110,417
Information Technology	$4,356,657	$4,457,670	$101,012
Plant & Fleet	$13,152,193	$13,152,193	$0
Aquatics	$9,480,459	$9,454,668	-$25,791
NICSE	$1,031,297	$792,023	-$239,274
Parks	$8,901,976	$8,656,632	-$245,344
Stormwater Drainage & Flood Mitigation	$2,229,512	$2,115,190	-$114,322
Transport Infrastructure	$43,279,247	$43,138,777	-$140,470
Waste Facilities	$15,783,407	$15,662,130	-$121,277
Wastewater	$18,330,731	$18,330,731	$0
Water	$22,515,807	$22,515,807	$0
TOTAL	**$156,273,640**	**$153,645,730**	**-$2,627,911**

Note: * The lifecycle gap calculated is the LCC less the LCB reported as a negative value.

Figure 5 shows the planned budget line against the total forecast lifecycle costs for the next 10 years.

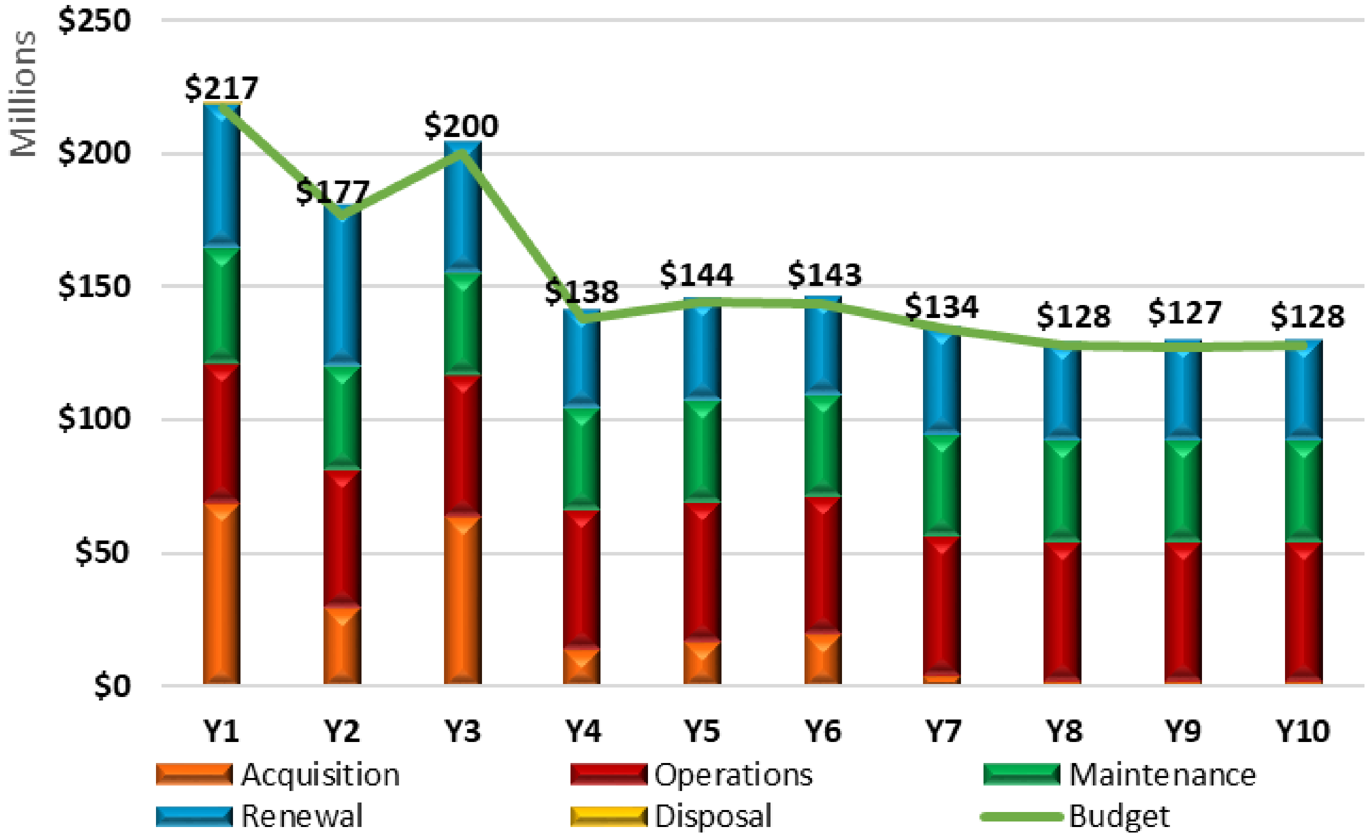


Figure 5 – Lifecycle Costs and Budget

Funding Gaps

As shown in Table 4, funding gaps exist for 11 of the 16 asset classes, with a total annual gap of $2,627,911.

Over 10 years, this represents a gap of $26M, or 1.68% of the total forecast costs for Council's asset portfolio.

Of this annual gap, the respective lifecycle cost breakdown is as follows:

Lifecycle Cost Type	Lifecycle Gap	% of Total Gap
Operations	**$361,582**	**13.76%**
Maintenance	**$370,274**	**14.09%**
Renewal	**$1,896,055**	**72.15%**
TOTAL GAP	**-$2,627,911**	**100%**

Note: There is no identified gap in the areas of acquisition or disposal.

Figure 6 below shows the cost-type gaps as percentages.

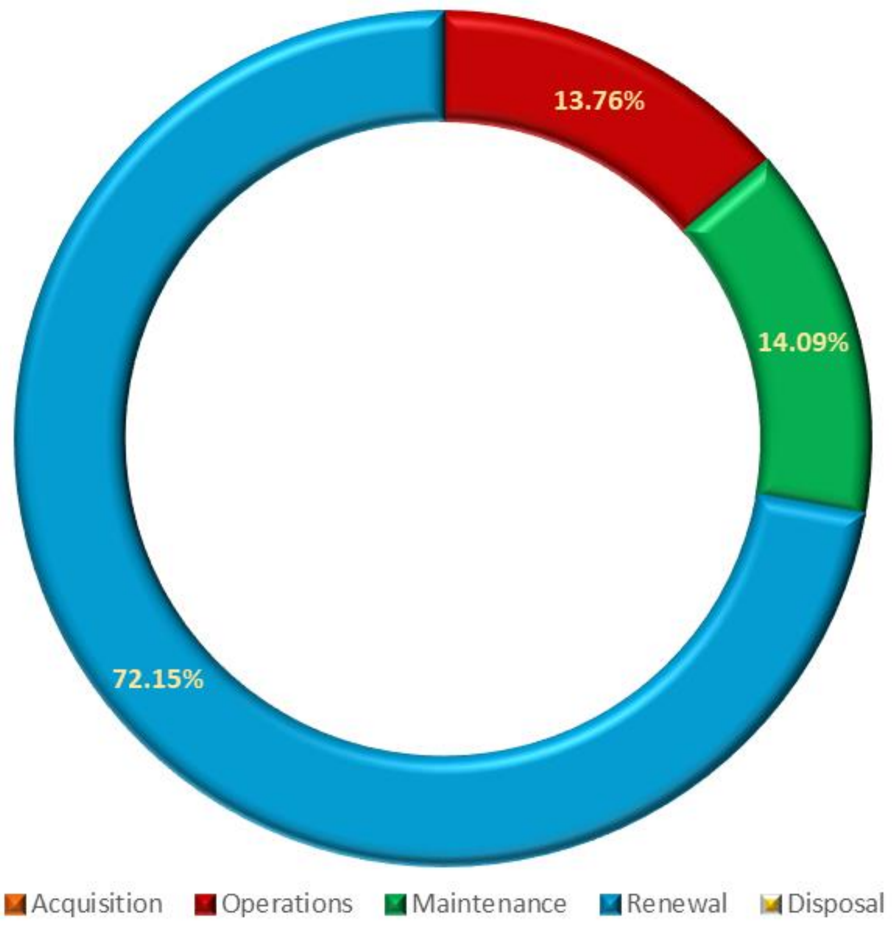


Figure 6 – Budget vs Cost Gaps

Managing Funding Gaps

While the funding gap represents less than 2% of the total forecast costs to manage the assets in Council's portfolio, it is necessary to be proactive to reduce this gap and mitigate its potential impacts wherever possible.

Operations & Maintenance

Funding gaps in the areas of operations and maintenance are evenly distributed and represent 28% of the total gap. Managing this area of the gap will include:

- Continued implementation and expansion of electronic work orders to manage inspection and maintenance activities for assets, helping to optimise these activities and reduce the likelihood of more costly repair and downtime, so available funding realises maximum benefit.
- Identifying opportunities for centralising activities to produce economies of scale where possible and appropriate.
- Reassessing the respective level/s of service that can be delivered from the assets.

Renewal

As the majority (72%) of the gap exists in the area of renewal costs, management of this gap will involve a number of strategies for affected assets, including:

- Optimising their useful life (i.e., how long they can continue to be used to adequately fulfil their service description);
- Reassessing the respective level/s of service that can be delivered from the assets;
- Rationalising renewal to determine whether the asset continues to benefit the community or if it no longer fulfils its service target;
- Continually improving the data held for the asset to ensure renewal needs are accurately represented;
- Seeking opportunities for grant funding to assist funding of asset renewals.

A number of the activities in the Asset Management Improvement Plan (refer page 99 of this document) directly support the actions outlined above to reduce the funding gap and mitigate its potential impacts wherever possible

Strategic Alignment

The Asset Management Strategy and Plans have been prepared in line with the focus areas and priorities outlined in the Community Strategic Plan. Council assets will play both a direct and an indirect role in achieving the strategic objectives. The following table indicates where Council's assets play a role in delivering or influencing the objectives of the Community Strategic Plan.

Focus Area	Priority	AELEC	Airport	Buildings	Cultural Collections	Entertainment Venues	IFTT	Information Technology	Plant & Fleet	Aquatics	NICSE	Parks	Stormwater	Transport	Waste	Wastewater	Water
FOCUS AREA 1 Our Water Security	**W.01** A region with a safe and secure water supply																✓
	W.02 A region that prioritises water conservation and water sustainability	✓	✓	✓		✓				✓	✓	✓		✓		✓	✓
	W.03 Efficient and fit for purpose waste water management															✓	
	W.04 Our urban planning, design and operations use sustainable water and waste water approaches	✓	✓	✓		✓				✓	✓	✓		✓		✓	✓
FOCUS AREA 2 A Liveable Built Environment	**L.01** The right growth in the right locations																
	L.02 Vibrant city and town centres	✓			✓	✓						✓					
	L.03 More diverse and affordable housing																
	L.04 High quality lifestyle, recreational and community facilities	✓				✓				✓	✓	✓					
FOCUS AREA 3 Prosperity and Innovation	**P.01** Be an attractive region for new and existing businesses to invest	✓	✓		✓	✓				✓	✓	✓		✓			
	P.02 Our community has access to vocational education and skills development	✓															
	P.03 Our industries are successful and create opportunities for other initiatives/business in the downstream economy	✓	✓		✓	✓					✓	✓		✓			
	P.04 The Tamworth Region is Country Australia's leading and most vibrant destination with a sustainable and dynamic visitor economy	✓	✓		✓	✓					✓	✓					

Focus Area	Priority	AELEC	Airport	Buildings	Cultural Collections	Entertainment Venues	IFTT	Information Technology	Plant & Fleet	Aquatics	NICSE	Parks	Stormwater	Transport	Waste	Wastewater	Water
FOCUS AREA 4 Resilient and Diverse Communities	**R.01** Our towns, villages and communities grow and prosper			✓				✓									
	R.02 Our community has improved inclusive outcomes and access to community and social services			✓													
	R.03 Meet the 17 targets of the "Closing the Gap" national agreement for our community			✓	✓					✓	✓	✓					
	R.04 Improve the physical and mental health outcomes for all residents									✓	✓	✓		✓			
	R.05 Be a safer and more resilient community							✓									
FOCUS AREA 5 Connect Our Region and Its Citizens	**C.01** A thriving aviation hub supporting travel and investment in our region		✓														
	C.02 A safe and efficient transport network													✓			
	C.03 Expanded public transport options													✓			
	C.04 Improved access to active transport options for movement between places													✓			
	C.05 Our community is enabled by technology							✓									
FOCUS AREA 6 Working with and Protecting Our Environment	**E.01** Increase the take up and use of affordable and clean energy across the region	✓		✓						✓	✓						
	E.02 A region where sustainable design of facilities, infrastructure and development are the rule not the exception			✓						✓	✓						
	E.03 Reduce our waste and manage it responsibly	✓	✓	✓						✓	✓	✓			✓		
	E.04 We care for our natural environment			✓								✓					

Focus Area	Priority	AELEC	Airport	Buildings	Cultural Collections	Entertainment Venues	IFTT	Information Technology	Plant & Fleet	Aquatics	NICSE	Parks	Stormwater	Transport	Waste	Wastewater	Water
FOCUS AREA 7 Celebrate Our Cultures and Heritage	**H.01** Enhance our lives through the lived experience of arts and culture				✓	✓											
	H.02 Our Aboriginal community's history and culture is protected and celebrated				✓	✓											
	H.03 Our region's heritage assets are protected			✓	✓												
FOCUS AREA 8 A Strong and Vibrant Identity	**S.01** Be known for country music and so much more	✓			✓	✓				✓	✓	✓					
	S.02 Tell the world who we are and what we have	✓			✓	✓				✓	✓	✓					
	S.03 Show who we are when people arrive by land or air to our towns and region		✓											✓			
FOCUS AREA 9 Open and Collaborative Leadership	**T.01** Conduct the business of Council with transparency and accountability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	T.02 Our financial position is strong and able to meet our current and future obligations to our community	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	T.03 Everyone in our community feels informed, heard and understood																
	T.04 Our workforce is agile and future ready																
	T.05 Build strategic partnerships and advocate to other levels of government to ensure our community needs are met and concerns heard																

Asset Management Targets

Financial and Asset Management Maturity

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. Eleven practice areas have been developed from these elements[2] to assess maturity under the National Frameworks. The core competencies are:

Financial Planning and Reporting
- Strategic Longer-Term Plan
- Annual Budget
- Annual report

Asset Planning and Management
- Asset Management Policy
- Asset Management Strategy
- Asset Management Plan
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

Council's asset maturity was externally assessed by GHD in August 2018.

At that time, the overall score was assessed as competent.

Figure 7 – Asset Management Maturity Assessment 2018

This equates to a **CORE** level of asset management maturity.

Since this external assessment, Council has achieved a number of improvements. Table 5 on the following page details the key Asset Management Strategies identified as targets and shows the status of progress against each.

An internal assessment against the indicators set out in the International Infrastructure Management Manual (IIMM) will be conducted during the next 12 months, and an external assessment will be scheduled thereafter.

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

Improvement Strategies

A number of strategies are proposed or underway to enable the strategic asset management objectives to be achieved. These strategies and their current status are documented in Table 5 below.

Table 5: Asset Management Strategies

<u>Status Key</u>

Achieved | Nearing Completion | In Progress | Planned | Not Yet Started

#	Strategy	Desired Outcome	Status
1	Move from Annual Budgeting to Long Term Financial Planning	The long-term implications of Council services are considered in annual budget deliberations.	
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (ideally for more than 80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.	
3	Adopt a Long-Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.	
4	Incorporate Year 1 of Long-Term Financial Plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations.	
5	Review and update asset management plans and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.	
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability, and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.	
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.	
8	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.	
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.	
10	Implement an Improvement Plan to improve maturity for the financial and asset management competencies within 2 years.	Improved financial and asset management capacity within Council.	
11	Report annually to Council by Audit Committee/CEO on development and implementation of Asset Management Strategy, AM Plans and Long-Term Financial Plans.	Oversight of resource allocation and performance.	

Asset Management Improvement Plan

Tasks required to achieve financial and asset management maturity targets and their current status are shown in Table 6.

Table 6: Asset Management Improvement Tasks

Status Key

Achieved Nearing Completion In Progress Planned Not Yet Started

Ref	Task	Status
1	Develop and Implement plans for improved confidence in data held for assets across all asset classes.	
2	Increase integration of community consultation outcomes with service level outcomes and targets.	
3	Continue implementation of an electronic Work Order System across the organisation to optimise assignment of and reporting on asset inspection and maintenance activities.	
4	Continue implementation of scheduled asset inspections to increase accuracy of data held for assets across all asset classes.	
5	Coordinate asset management activities (e.g., condition assessments, asbestos inspections, fire safety actions) across asset classes where appropriate to optimise consistency and realise economies of scale.	
6	Apply the newly developed Risk Management Framework when preparing asset management plans to optimise mitigation of risks relating to assets.	
7	Review internal responsibility ('asset ownership') for assets (individually or grouped) as required to ensure best asset management outcomes.	
8	Conduct an internal Maturity Assessment based on asset management criteria as set out in the International Infrastructure Management Manual (IIMM).	

REGIONAL COUNCIL
Tamworth

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