



Our Place Our Future

Strategic Asset
Management Plan
2019-2029



Lithgow
CITY COUNCIL

Our Vision

The Lithgow Local Government Area will be a centre of Regional excellence that:

- Encourages community growth and development
- Contributes to the efficient and effective management of the environment, community and economy for present and future generations.

This Strategic Asset Management Plan has been prepared Lithgow City Council to support the delivery of its long-term strategic direction. It forms part of the Resourcing Strategy for the Community Strategic Plan and Delivery Program and should be read in conjunction with these documents. For more information on this document contact:

Lithgow City Council
180 Mort Street, Lithgow NSW 2790
PO Box 19, Lithgow NSW 2790

Ph. (02) 6354 9999
F (02) 6351 4259
council@lithgow.nsw.gov.au



Contents

Our Vision	1
Summary	5
Introduction	6
Asset Management Planning Process	9
Asset Management Policy and Objectives	10
Purpose of the Asset Management Policy	10
Objectives of the Strategic Asset Management Plan	12
Where are we now?	13
Current Situation	13
Asset Cost, Condition and Value	14
Infrastructure Backlog	15
Asset Renewal Expenditure	16
Asset Maintenance Expenditure	16
New / Upgrade Expenditure	17
Risk Management	18
Integration into Strategic and Business Planning	19
Critical Assets	20
Community Levels of Service	21
Council's Vision, Goals and Objectives – Our Future	23
Life Cycle Management	24
Buildings	24
Community Objective	24
Available data and funding	25
Service Level Expectations	25

Future Directions	26
Other Structures	27
Community Objective	27
Available data and funding	27
Service Level Expectations	28
Future Directions	28
Roads	29
Community Objective	29
Available data and funding	30
Service Level Expectations	30
Future Directions	30
Footpaths	31
Available data and funding	32
Service Level Expectations	32
Future Directions	32
Kerb and Gutter	33
Available data and funding	33
Service Level Expectations	34
Future Directions	34
Bridges	35
Available data and funding	35
Service Level Expectation	36
Future Directions	36
Water Supply	38
Community Objective	38

Available data and funding	39
Service Level Expectations	39
Future Directions	39
Sewerage Network.....	41
Community Objective.....	41
Available data and funding	42
Service Level Expectations	42
Future Directions	42
Stormwater Drainage	44
Community Objective.....	44
Available data and funding	45
Service Level Expectations	45
Future Directions	45
Recreational Facilities.....	46
Community Objective.....	47
Available data and funding	48
Service Level Expectations	48
Future Directions	49
How will we get there?	50
Asset Management Improvement Plan.....	51
Reporting and Assessment - Measuring Our Performance	68
Conclusion.....	68
Appendix A: Asset Management Policy	69

Summary

The Strategic Asset Management Plan has been prepared following engagement with the community on Council's service delivery practices, financial sustainability indicators, asset management maturity and the objectives identified in the Community Strategic Plan. The Strategic Asset Management Plan also includes an Asset Management Improvement Plan, which details a program of tasks and nominated resources required as part of Council's commitment to the continuous improvement of the organisation, and the endeavour to provide services needed by the community in a financially sustainable manner.

This Strategic Asset Management Plan for Lithgow City Council has been developed in accordance with the Integrated Planning and Reporting Framework Guidelines.

This Strategic Asset Management Plan will assist Council in improving the way it delivers services from infrastructure including buildings, other structures, roads, bridges, footpaths, water, sewerage, stormwater drainage, and recreational facilities.

The Strategic Asset Management Plan enables Council to:

- Show how its asset portfolio will meet the service delivery needs of its community into the future;
- enable Council's Asset Management Policy to be achieved; and
- ensure the integration of Council's asset management with its long-term financial plan.

Introduction

Council delivers a variety of valuable services to the community and in doing so, must ensure that the assets supporting these services are managed with a whole of life asset management approach. A key issue facing Local Governments throughout Australia is the management of ageing assets in need of renewal and replacement. The life cycle management approach optimises asset acquisition, maximises use of assets and manages service and operational costs.

The Integrated Planning and Reporting Framework recognises that communities do not exist in isolation – they are part of a larger natural, social, economic and political environment that influences, and to a large extent shapes, their future direction. The Framework acknowledges that Council and the community work hand in hand to shape the direction of the Local Government Area through the development of plans and strategies based on visions and ideals for a sustainable future.

Lithgow City Council's infrastructure assets represent a vast investment over many generations that support modern living in the community. Millions of dollars are spent annually managing Council's infrastructure and it is imperative that Council employs the best asset management skills and practices to ensure that related services are delivered economically and sustainably.

Community and organisational goals and objectives have guided the development of this Strategic Asset Management Plan to ensure the management of Council's assets reflect the broader community long-term objectives contained in the Community Strategic Plan 'Our Place: Our Future' 2030.

The Community Strategic Plan 'Our Place: Our Future' 2030, provides strategic direction, addressing the community's issues to achieve the long-term objectives under the following themes;

- Caring for Our Community
- Strengthening Our Economy
- Developing Our Built Environment
- Enhancing Our Natural Environment
- Responsible Governance and Civic Leadership

Council demonstrates its commitment to asset management through the Asset Management Policy, Strategic Asset Management Plan and a suite of Asset Management Plans, which apply to all infrastructure assets owned by Council. The Strategic Asset Management Plan can be viewed as a first tier plan being supported by more detailed Asset Management Plans. It provides direction to guide asset management actions into the future and ensures Council continually improves the management of its infrastructure.

It is vital that Council develops and maintains rigorous asset management processes, as asset management is a key driver of the ten-year (10) Year Long-Term Financial Plan through its renewal and capital works program.

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require Councils to adopt a longer-term approach to service delivery and funding comprising:

- A strategic longer-term plan covering, as a minimum, the term of office of the Councillors and:
 - bringing together asset management and long-term financial plans;
 - demonstrating how Council intends to resource the plan; and
 - consultation with communities on the plan.
- Annual budget showing the connection to the strategic objectives, and
- Annual report with:
 - explanation to the community on variations between the budget and actual results;
 - any impact of such variances on the strategic longer-term plan; and
 - report of operations with review on the performance of the Council against strategic objectives.¹

¹ LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 4-5.

Framework 2 Asset Planning and Management has seven (7) elements to assist in highlighting key management issues , promote prudent, transparent and accountable management of Local Government assets and introduce a strategic approach to meet current and emerging challenges. These elements include:

1. Asset Management Policy
2. Strategy and planning, comprising of
 - a. Strategic Asset Management Plan and
 - b. Individual Asset Management Plans
3. Governance and management arrangements
4. Defining levels of service
5. Data and systems
6. Skills and processes and
7. Evaluation²

The Strategic Asset Management Plan enables Council to show:

- how Council's asset portfolio will meet the service delivery needs of the community into the future;
- how Council's asset management policies are achieved, and
- the integration of Council's asset management with its long-term strategic plan.³

The goal of asset management is to ensure that services are provided:

- in the most cost effective manner;
- through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets; and
- for present and future consumers.

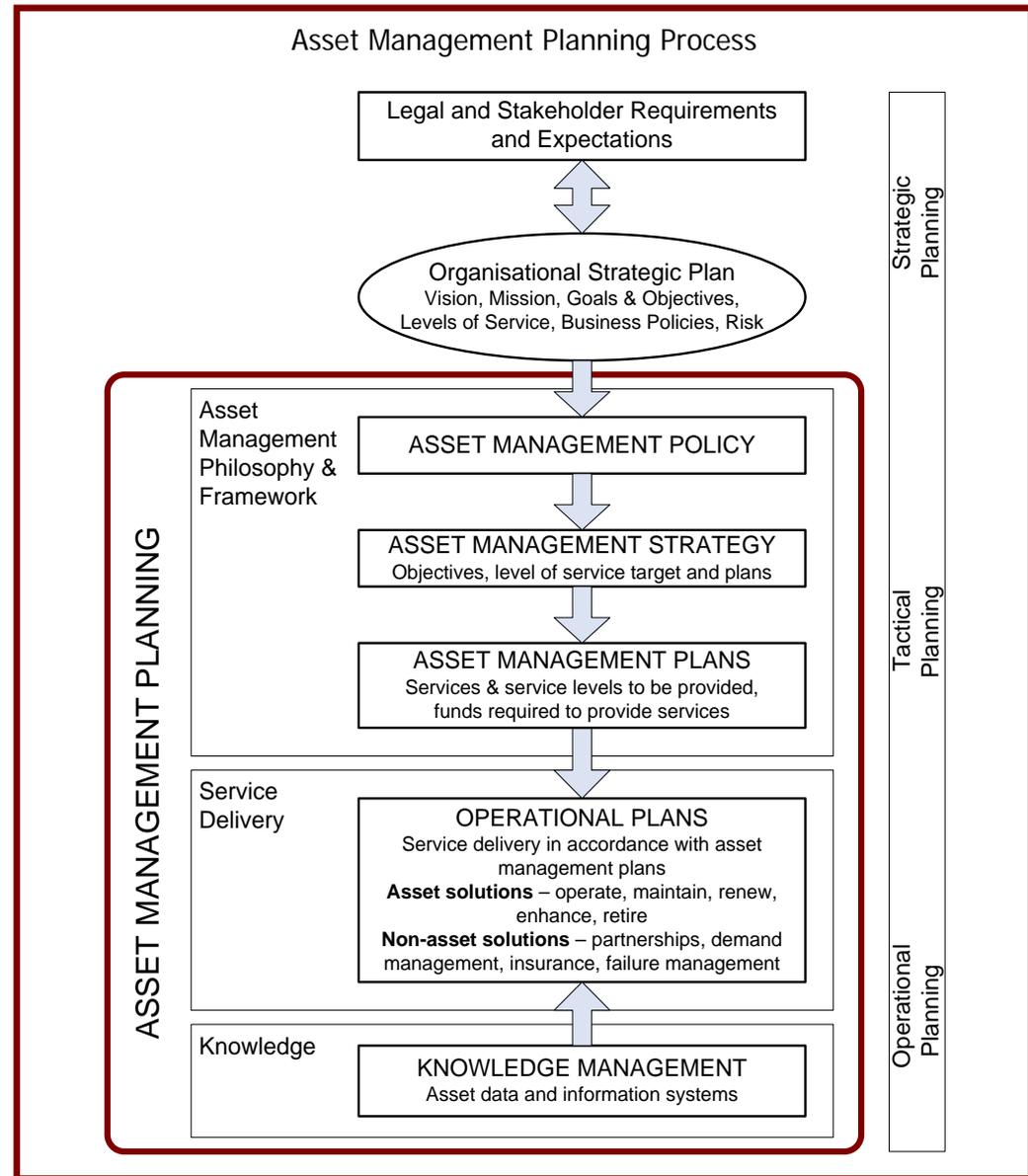
² LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

³ LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

Asset Management Planning Process

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with different proposed service levels.

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation's strategic plan, developing an asset management policy, Strategic Asset Management Plan, asset management plans and operational plans, linked to a long-term financial plan with a funding plan.⁴



⁴ IPWEA, 2009, AIFMG, Quick Guide, Sec 4, p 5.

Asset Management Policy and Objectives

Purpose of the Asset Management Policy

Council's Asset Management Policy (Policy 1.5) sets guidelines for implementing consistent asset management processes across all activities undertaken by Lithgow City Council.

This Policy relates to Council's infrastructure assets, and excludes management of Council's land assets.

The purpose of the Policy is to guide the strategic management of Council's assets. The Asset Management Policy defines the Council's vision and service delivery objectives for asset management in accordance with legislative requirements, community needs and affordability. The Strategic Asset Management Plan has been developed to support the Asset Management Policy.

The original Policy was adopted by Council on the 23 April 2012, and the revision of this Policy was adopted by Council on 8 May 2017. A copy of the current Policy is attached at Appendix A. The Policy outlines how and why asset management will be undertaken across Council as a whole, and is designed to set the broad framework for undertaking asset management in a structured way.

For comparison, the Strategic Asset Management Plan is a working document that determines benchmarks and milestones that are aimed at improving Council's asset management processes and procedures, and is continually reviewed in conjunction with other Council plans, including the Community Strategic Plan, Delivery Program, Operational Plan, Long-Term Financial Plan and Workforce Plan.

The Asset Management Policy also details the role and responsibilities of Council's Asset Management Working Group (AMWG), which has been created to enable cross functional representation of Council's departments. This enables a stream lined approach ensuring that successful asset management is achieved. The Asset Management Working Group has been formed to address asset management requirements for Council to comply with the requirements of Integrated Planning and Reporting Framework, and to undertake the actions detailed in Council's Asset Management Improvement Plan.

Council's Asset Management Policy ensures adequate provision is made for the long-term replacement of major infrastructure assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with 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 allocating appropriate financial resources to those assets;
- Creating an environment where all Council employees are an integral part and play a proactive role in overall management of Council assets by creating and sustaining an asset management awareness throughout the organisation by training and development;
- Meet all legislative requirements of asset management;
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated;
- Demonstrate transparent and responsible asset management processes that align with appropriate best practice; and
- Implementing procedures that will ensure that:
 - The right assets are built, rebuilt or disposed of;
 - The assets are managed well; and
 - There is a balance between Council operations, new assets and existing assets.

Objectives of the Strategic Asset Management Plan

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, Council develops and maintains asset management governance, skills, processes, data and systems in order to provide services to our present and future community in the most cost-effective and sustainable manner.

The objectives of the Strategic Asset Management Plan are to:

- Ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability;
- Improve the condition of our assets over a ten-year (10) period by implementing optimised maintenance and renewal programs based on the remaining useful life, condition and allocated funding;
- Manage assets in a worn and poor condition with appropriate risk management strategies;
- Improve our existing data by ensuring that all assets are assessed (or reassessed) and appropriate useful lives and conditions assigned to each component;
- Plan any future projects that aim to create or upgrade assets with a full understanding of the whole of life costing for the asset;
- Develop Asset Management Plans into advanced plans that provide detailed service levels, funding and future maintenance and capital works for each asset group;
- Review the Strategic Asset Management Plan and Asset Management Plans to ensure alignment with Council's Integrated Planning & Reporting documents;
- Safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets;
- Adopt the long-term financial plan as the basis for all service and budget funding decisions;
- Meet legislative requirements for all Council's operations;
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated; and
- Provide high-level oversight of financial and asset management responsibilities through the Asset Management Working Group, reporting to Council's Executive Management Team (EMT) on the development, revision and implementation of the Strategic Asset Management Plan and Asset Management Plans.

Where are we now?

Current Situation

In developing the Strategic Asset Management Plan, Council needed to understand the current situation of Council's assets and their management. This included consideration of the following:

- What assets do we have and where are they?
- What is the current condition of assets?
- Do they meet Council's and the community's current and forecast needs?
- Is the funding base for operation, maintenance and renewal appropriate and affordable?
- What is the state of Council's asset management practices, procedures and training?

In 2013 the NSW Government released the Local Government Infrastructure Audit Report which reviewed all NSW Council's infrastructure management and infrastructure financial planning. The independent report determined Lithgow City Council's infrastructure management as **Moderate**.

In 2017, Council engaged the services of a Consultant to undertake a review of Council's asset maturity, with this review highlighting Council's current strengths and opportunities for improvement in relation to asset management. This assessment indicated that overall, Council is at a basic level of competence in asset management (across a range of areas including Asset Knowledge / Data, Asset Knowledge Processes, Strategic Asset Planning Processes, Operations and Maintenance Work Practices, Information Systems and Organisational Context).

Council has been working in the areas of Information Systems and Strategic Asset Planning processes as recommended by the Asset Maturity Report, and identifying actions and suitable timeframes for completion of the recommendations resulting from the report. Council will be undertaking continuous monitoring, review and improvement in asset management to improve Council's competence.

Asset Cost, Condition and Value

The cost, condition and value of assets are reported each year in financial statements within the Annual Report. Special Schedule 7 and Note 9a provide the appropriate information relating to infrastructure assets.

The table below is an extract of information included in Council's 2017 / 2018 Annual Report:

\$'000 as at 30 June 2018			
	At Fair Value	Accum Dep'n	Carrying Value
Buildings	66,038	18,554	47,484
Other Structures	25,064	11,872	13,192
Roads	287,431	73,205	214,226
Bridges	21,492	2,543	18,949
Footpaths	17,092	3,526	13,566
Bulk earthworks	25,639	0	25,639
Stormwater	42,039	17,936	24,103
Water supply	90,858	57,701	33,157
Sewerage	117,889	41,011	76,878
Recreational Facilities (Swimming Pools)	2,767	168	2,599
Total	696,309	226,516	469,793

Until recently Council's financial and technical asset registers were operated in separate maintenance management systems. The information in both systems was updated individually on an as needs basis (as projects are completed), and often integration between the two (2) registers was a tedious process to ensure accurate reconciliation.

Council is in the process of migrating its technical Asset Registers for all infrastructure assets into the current financial operating system, which is expected to be operational by the end of 2019. This process will ensure that the technical and financial data for each Asset Register remains current.

Infrastructure Backlog

Council's infrastructure backlog represents the cost to bring assets in a worn and poor condition up to an acceptable standard.

Council has recently reviewed the asset registers and the backlog figures, which was previously reported in Special Schedule 7, 2017 / 2018 as \$28Million. Council's asset data such as unit rates, condition ratings and useful lives were revised and a new methodology for determining the infrastructure backlog has been applied.

The infrastructure backlog ratio compares the backlog figure to the written down value of our assets (WDV). Figure 1 shows how the ratio decreases from 2019 / 2020, moving towards meeting the 2% OLG target by the later years of the plan. The ratio determines if the asset backlog is manageable.

Figure 1 shows the Infrastructure backlog over a ten-year (10) period (Long Term Financial Plan Scenario 3 – Sustainable Assets). The projections each year are based on the previous year's backlog, adding depreciation and deducting renewal expenditure. The renewal expenditure is adopted in the Long Term Financial Plan (LTFP) and will be revised each year to ensure that Council reallocates renewal to asset groups with a higher backlog figure.

Infrastructure Backlog Ratio (%)	Projected 18/19	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Budget 27/28	Budget 28/29
Buildings and Infrastructure	6.3%	5.3%	4.2%	3.8%	3.2%	2.9%	2.4%	1.9%	1.6%	1.3%	0.8%

Figure 1 Infrastructure Backlog Ratios (identified in the LTFP Scenario 3 – Sustainable Assets)

Asset Renewal Expenditure

Renewal is the activities undertaken to refurbish or replace assets with assets of equivalent capacity or performance capacity. Renewal works are included in Council's Capital Works Program.

Figure 2 displays the asset renewal ratio forecasts identified in Council's ten (10) year Long Term Financial Plan (Scenario 3 – Sustainable Assets). The asset renewal ratio compares renewal expenditure to the depreciation of assets. The ratio indicates if the asset renewal expenditure is sufficient to maintain the assets in the long-term. The 2017 / 2018 actual ratio was 87%, below the sustainable target of 100%. The 2018 LTFP (Scenario 3 – Sustainable Assets) demonstrates that Council plans to exceed the OLG benchmark of 100% by 2018 / 2019, and continue to maintain this level for future years.

Asset Renewal Ratio (%)	Projected 18/19	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Budget 27/28	Budget 28/29
Buildings and Infrastructure	133.0%	145.2%	141.0%	109.7%	116.2%	108.2%	112.8%	116.3%	107.0%	106.7%	159.2%

Figure 2 Asset Renewal Ratio (identified in the Long-Term Financial Plan Scenario 3 – Sustainable Assets)

Asset Maintenance Expenditure

Asset maintenance is the activities required or undertaken by Council to preserve the original condition of the assets. The required maintenance, which is reported in Special Schedule 7, is the amount that Council should be spending on its assets and is based on the percentage of the replacement cost. Actual maintenance includes the budgeted amount that Council will spend on preventative, corrective and reactive maintenance annually.

Figure 3 displays the asset maintenance ratio forecasts identified in Council's ten (10) year Long-Term Financial Plan (Scenario 3 – Sustainable Assets). The asset maintenance ratio compares the figures and demonstrates how Council meets the OLG benchmark of 100% in the final years of the Long-Term Financial Plan. Maintenance expenditure will have to be revised each year to ensure that Council remains on track to meet the 100% benchmark within the term of the LTFP.

Asset Maintenance Ratio (%)	Projected 18/19	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Budget 27/28	Budget 28/29
Buildings and Infrastructure	77%	80%	82%	85%	87%	90%	93%	96%	99%	103%	106%

Figure 3 Asset Maintenance Ratio (identified in the Long-Term Financial Plan Scenario 3 – Sustainable Assets)

New / Upgrade Expenditure

Capital new works expenditure creates assets which will deliver a service to community that didn't exist beforehand, whilst capital upgrade enhances an existing asset to provide a higher level of service to the community. New and upgrade works are included in Council's Capital Works Program and are funded through a combination of rate funding, Section 94a contributions, successful grant applications and loan funding. Figure 4 shows the ten-year (10) capital new and upgrade expenditure forecasts identified in Council's Long-Term Financial Plan (Scenario 3 – Sustainable Assets).

New & Upgrade Asset Expenditure (\$)	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Projected 27/28	Projected 28/29
Building and Infrastructure										
– Asset Renewals	11,816	12,102	10,844	12,102	11,121	11,632	12,226	11,467	11,653	12,782
- New Assets	1,241	209	214	219	223	228	233	239	244	249
Water Fund										
– Asset Renewals	4,632	1,550	1,901	1,573	1,595	1,687	1,710	1,733	1,757	7,781
- New Assets	184	285	136	136	4457	1988	139	140	141	142
Sewer Fund										
– Asset Renewals	310	2,910	1,040	1,843	1,967	1,992	2,117	2,043	2,069	2,196
- New Assets	2,534	6,435	1,436	36	37	38	39	40	41	42

Figure 4 – Asset Renewals and New Assets

Risk Management

Council has developed and implemented a Risk Management Framework meeting the requirements of the International Risk Management Standard ISO31000. This framework establishes how Council views its exposure to risk as well as the administrative, human and financial resources necessary to enable those exposures to be managed effectively whilst meeting Council objectives.

Key to this process was the identification of significant risks, which required action to reduce the level of risk presented to Council and the Community. Asset Management was one area that was identified as presenting a significant risk to Council – in particular the risk presented by the age of assets, condition and available resources for asset maintenance and renewal.

The Risk Management Procedure sets out the principles and processes the organisation uses to identify assess and manage risks in a broad context. Essentially, Council's asset management practices integrate risk management principles throughout both strategic and operational processes. However, it is important that the risk management practices are consistent and documented across all of these processes. To ensure this consistency with minimal duplication, the Asset Management Risk Guide (shown in flow chart on page 21) defines how the risk management processes are integrated both strategically and operationally.

Each group of asset custodians are responsible for maintaining a risk register to assist in the identification of significant risks for their asset class. These detailed Risk Registers feed relevant risk information and risk treatment actions into both the Strategic Asset Management Plan and individual Asset Management Plans.

This Strategic Asset Management Plan defines high level significant risks, which impact across asset management in general. Each asset overview has a summary of the key significant risks and risk controls for the asset class / group / type.

The Strategic Asset Management Plan for each asset class have a detailed evaluation of the significant risks, risk treatments and risk monitoring activities that are carried out by asset custodians. Council's WHS & Risk Coordinator provides ongoing assistance to the asset custodians, including training and technical assistance throughout the risk management process.

The demonstration of senior management support for Council Risk Management Framework can be summarised in four words: vision, direction, leadership and communication.

By being more involved in the review of risks, senior managers can be assured that the outputs of the Council Risk Management Framework will have the desired result of reducing uncertainty and increasing the probability that outcomes at all levels will be achieved.

Integration into Strategic and Business Planning

A key requirement in all strategic and business planning is the integration of the risk management discipline with the planning process. When conducting strategic planning, the organisations attuned to their environment will ensure that once strategies are developed the risks of achieving those strategies will be identified, reviewed and where possible, appropriate measures will be adopted to minimise the likelihood of the events occurring and/or severity of consequences if these events were to occur.

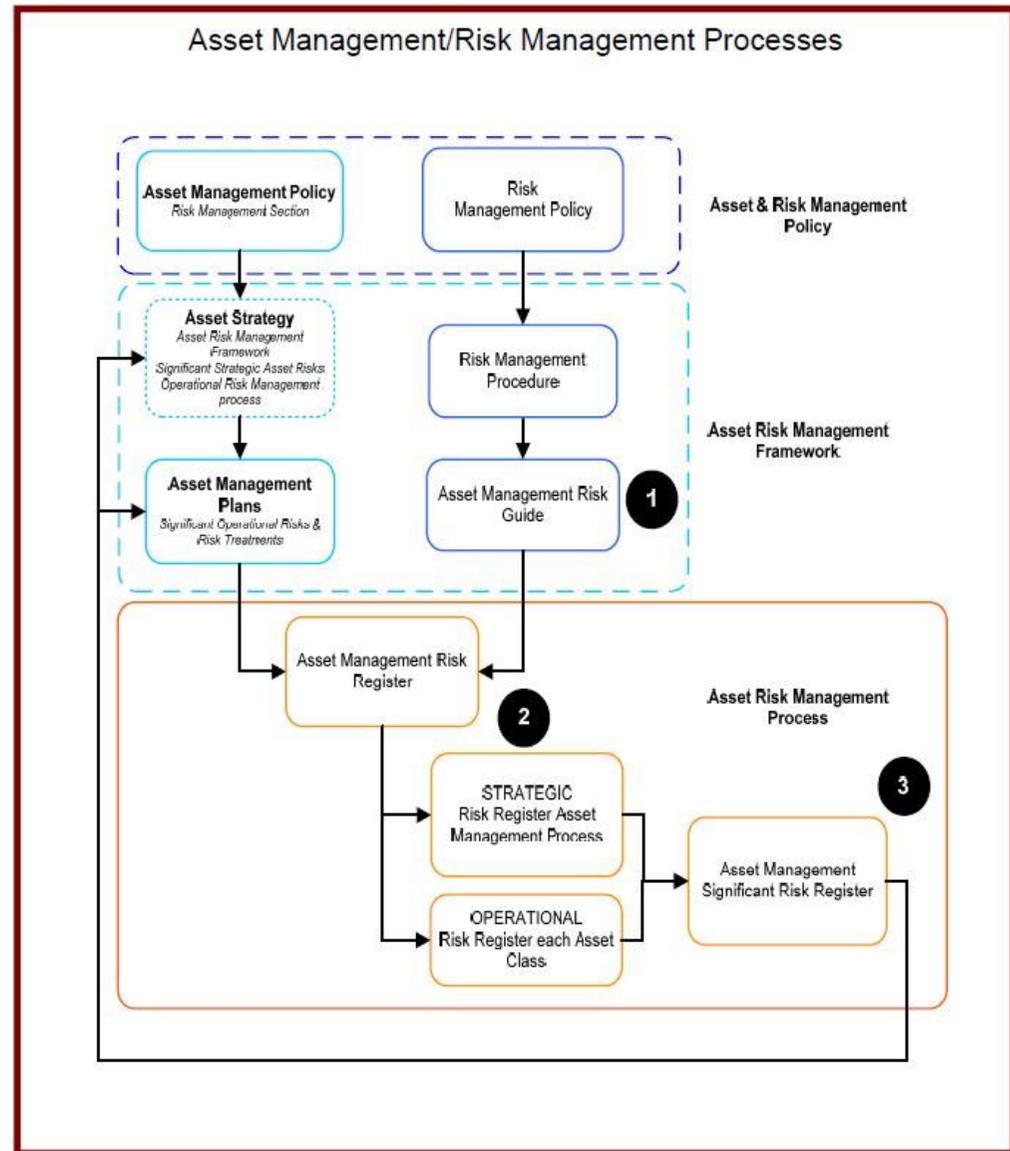
Critical Assets

Critical assets are those assets where the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation.

Based on Council Officers comprehensive understanding of the function and operation of Council's assets, combined with the knowledge of the ability of these assets to provide essential services to the community, the following facilities have been determined as essential for Council's operations and are considered critical assets;

- Council's Administration Building;
- Council works depots located at Lithgow and Wallerawang;
- Oakey Park Water Treatment Plant;
- Sewerage Treatment Plants located Lithgow, Wallerawang and Portland;
- Civic Ballroom;
- Lithgow Library;
- Farmers Creek Number 1 and Number 2 Dams;
- Water Reservoirs and Pumping Stations located at Lithgow, Marrangaroo, Wallerawang, Lidsdale, Tarana and Portland;
- Sewerage Pumping Stations located at Lithgow, Marrangaroo, Wallerawang, Lidsdale and Portland.

The risks associated with these assets include public health and safety, business continuity and emergencies. With the revision of the current suite of Asset Management Plans further investigation of critical assets and the required maintenance strategies will be developed.



Community Levels of Service

Council regularly conducts customer satisfaction surveys to determine community attitudes towards the services and facilities provided, and the quality and appropriateness of each of its services.

Throughout 2016, Council consulted with the community to examine community attitudes and perceptions towards current and future services and facilities provided by Council. Key objectives of this research included:

- Current community priority issues
- Satisfaction with Council's performance overall
- Drivers of community satisfaction
- Importance and satisfaction with Council provided services and facilities
- Relative importance of Council provided services and facilities
- Satisfaction with customer service levels from Council staff

The survey asked the community to respond on the importance and satisfaction over a range of facilities and services Council provides. The main concerns centred on renewing and maintaining the local infrastructure, the management and process of development, as well as the provision of community facilities for residents.

Overall, 83% of residents were at least 'somewhat satisfied' with Council's performance. This is in line with the NSW category benchmark.

The community were asked to rate the importance and level of satisfaction of the facilities and services Council provides, with the following results specifically relating to infrastructure:

INFRASTRUCTURE	IMPORTANCE	SATISFACTION	PRIORITY
Buildings	High	Moderate	Priority 2
Other Structures	Moderate	Moderate	Priority 2
Roads	Very High	Moderately Low	Priority 1
Bridges	High	Moderate	Priority 2
Footpath	High	Moderately Low	Priority 1
Kerb & Gutter	Moderate	Moderate	Priority 2
Water Supply	Extremely High	Moderate	Priority 1
Sewerage Network	High	Very High	Priority 2
Stormwater Drainage	Moderate	Moderate	Priority 2
Recreational Facilities	High	Very High	Priority 3

COMMUNITY LEVELS OF SERVICE PRIORITY MATRIX						
		Satisfaction				
		Extremely High	Very High	High	Moderate	Moderately Low
Importance	Extremely High	Priority 2	Priority 2	Priority 1	Priority 1	Priority 1
	Very High	Priority 3	Priority 2	Priority 2	Priority 1	Priority 1
	High	Priority 4	Priority 3	Priority 2	Priority 2	Priority 1
	Moderate	Priority 4	Priority 4	Priority 3	Priority 2	Priority 1
	Moderately Low	Priority 5	Priority 4	Priority 3	Priority 2	Priority 2

The community consultation assisted with determining priorities and understanding the community's desired service levels. This information has been incorporated into the Strategic Asset Management Plan and assists with funding decisions identified in the Long-Term Financial Plan to deliver the community's outcomes. Council also needs to measure its performance to know whether it is achieving or making progress towards achieving these outcomes, and to make choices about the services it delivers and what service level is required. There may even be new services required and Council needs to look at the full program of services to ensure they are affordable and sustainable.

Until recently the 'Level of Service' provided by Council's assets was primarily governed by the condition of these assets. Council is in the process of reviewing the levels of services provided to the community, and will be working on adopting standard service levels to be used in asset management. Council will be continuing to further develop and revise service levels with the revision and advancement of its Asset Management Plans for each asset group, and will be linking these service levels with community priorities. To do this, Council plans to continue to undertake regular surveys with the community to ensure the services provided are important to them, and that they are satisfied with the performance, availability and affordability of those services.

Council's Vision, Goals and Objectives – Our Future

This Strategic Asset Management Plan is prepared to achieve the vision, aspiration and long-term objectives of the community and identified in the Community Strategic Plan. The table below shows the link between the Community Strategic Plan and this Strategic Asset Management Plan, with all asset classes having integration with one or more theme;

Theme	Community Aspiration	Long Term Objective
Caring for Our Community	Planning and providing quality community and recreational facilities and services for a healthy, vibrant and harmonious community	Working together to support, celebrate and expand the social and cultural diversity of our community whilst promoting healthy, active lifestyles in a safe environment
Strengthening Our Community	Providing for sustainable and planned growth that supports a range of lifestyle choices and employment opportunities	Exploring and discovering the richness in our society through the pursuit of educational, creative and cultural opportunities to diversify our economy, skills base and employment opportunities
Developing Our Built Environment	Planning for suitable infrastructure development to promote sustainable and planned growth, while enhancing the existing identity of the towns villages and rural areas of the local government area	Ensuring sustainable and planned growth through the provision of effective public and private transport options and suitable entertainment and recreational facilities to enhance the lifestyle choices of the community
Enhancing Our Natural Environment	Planning to conserve and preserve the natural environment whilst balancing the impact of development to ensure a sustainable and healthy community	Working together to enhance, manage and maintain the Lithgow region's distinct and exception natural environment for the enjoyment of current and future generations
Responsible Governance and Civic Leadership	Ensuring integrated corporate plans that set the long term direction for the local government area and Council	A Council that focuses on strong civic leadership, organisational development and effective governance with an engaged community actively participating in decision making processes affecting their future

Life Cycle Management

Buildings

Council's Building asset class is separated into operational, community and commercial asset groups. Operational buildings include Council offices, bush fire sheds, storage sheds, workshops, and depots while commercial assets consist of Council owned and leased residential properties and retail services. Community buildings comprise of public toilet amenities, libraries, halls, clubhouses and shelters. These assets are maintained by the Building Program within Council's Environment and Development Department. All asset information pertaining to Building assets is contained within Council's asset registers and further detailed information on Council's Buildings is held within Council's Asset Management System.

Current Information - Buildings and Other Structures		
Assets	Two hundred and thirty five (235) buildings and other structures are owned / controlled by Council, including community halls, Council offices, Council depots, commercial premises, residential properties, public amenities, pavilions, bus shelters, barbeque structures, sporting clubhouses, machinery sheds, picnic shelters, sporting centres, boat ramps etc.	
General Assessment of Condition	Condition Rating	% of Asset Value
	1 – Excellent	8
	2 – Good	34
	3 – Satisfactory	21
	4 – Worn	26
	5 - Poor	11

Community Objective

The Buildings asset class supports the long-term objectives of Council's Community Strategic Plan through the following themes;

- *Caring for Our Community* - An equitable and inclusive community that cares and provides for its members
- *Strengthening Our Community* – Our city, towns and villages have adequate community buildings to contain lively urban and rural village spaces including places where people can learn, live, work, shop, meet and spend leisure time
- *Developing Our Built Environment* – Multipurpose community buildings and facilities are available to meet the community's diverse and changing needs
- *Enhancing Our Natural Environment* – Buildings that are constructed sustainably, whilst protecting and enhancing the environment in our city, towns and villages

- *Responsible Governance and Civic Leadership* – Council rigorously manages its financial resources and assets to maximise delivery of services
- *Fit For the Future* – Adoption of satisfactory service levels that reflect an acceptable balance between Council’s financial resources and the communities desires

Available data and funding

Council’s Building asset data, reported in Note 9a of Council’s Financial Statements 2019 / 2020, is based on the previous revaluation completed by a registered valuer in 2013. Buildings have been valued at a component level, including structural elements, internal fittings, electrical elements, mechanical elements, fire / safety elements, transport elements and roof elements.

A review of the data, as part of the Fit For the Future review, has recommended that a re-assessment of the useful lives, conditions and unit rates of the Building components be undertaken.

This assessment has recently been completed by a registered valuer, resulting in a significant improvement of building asset condition and an increase in useful lives that has decreased Council’s depreciation.

The review further identified a need for Council to implement and maintain a formal regular inspection program, as at present Council inspects building conditions on a reactive basis or through customer requests. This will be completed as part of Council’s Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Projected 27/28	Projected 28/29
Buildings Capital Program	3,074	2,086	1,914	2,103	1,969	2,051	2,145	2,046	2,082	2,251

Service Level Expectations

Community consultation confirmed that Council’s Building assets are a medium priority, based on the community’s importance rating of High and satisfaction level of Moderate.

The community’s expectation of Council’s Building assets influences the investment in renewal and capital funding.

Future Directions

Council will be improving processes to formally implement an asset inspection and condition assessment program, and documenting of costings and risk procedures to more accurately determine any required future funding. Council will develop data collection procedures and programs for all assets.

Council will review the asset register and update details including useful lives, conditions and unit rates, and determine if any assets from the Other Structures category can be incorporated into the Building category.

Council will develop advanced Asset Management Plans based on the data review undertaken as part of the Fair Valuation revaluations scheduled for 2020 / 2021.

The corporate asset management system will be updated to reflect the revised Buildings data, and will be updated on a regular basis, including mapping of assets in Council's GIS system.

Council's staff will be provided with training to ensure understanding of current adopted asset management processes, and be able to confidently undertake a review of the performance of Building assets.

Council will continue to review operational and capital expenditure and where necessary reallocate funding to ensure these assets are maintained to community expectations and the infrastructure backlog is reduced.

Council will be continuing to engage with the community to develop levels of service that are acceptable to the community and achievable within Council's resources.

Maintenance and renewal methodologies will be documented, and used to review the operational and capital expenditure against community expectations.

Other Structures

Council's Other Structures class includes assets such as fencing, carparks, security lighting, close circuit television equipment, park benches, flag poles, cemetery columbarium's, paths, park equipment, barbeque equipment and boardwalks. These assets are maintained by various Departments within Council. All asset information pertaining to each group is contained within Council's asset registers and further detailed information on Council's Other Structures is held within Council's Asset Management System.

Community Objective

The Other Structures class supports the long-term objectives of our Community Strategic Plan through the following themes;

- *Caring for Our Community* - An equitable and inclusive community that cares and provides for its members
- *Strengthening Our Community* – Our city, towns and villages have adequate structures to contain lively urban and rural village spaces including places where people can learn, live, work, shop, meet and spend leisure time
- *Developing Our Built Environment* – Community structures are available to meet the community's diverse and changing needs
- *Enhancing Our Natural Environment* – Community structures that are constructed sustainably, whilst protecting and enhancing the environment in our city, towns and villages
- *Responsible Governance and Civic Leadership* – Council rigorously manages its financial resources and assets to maximise delivery of services
- *Fit For the Future* – Adoption of satisfactory service levels that reflect an acceptable balance between Council's financial resources and the communities desires

Available data and funding

Council's Other Structures data, reported in Note 9a of Council's Financial Statements 2019 / 2020, is based on the previous revaluation completed by a registered Valuer in 2013. A recent reassessment has been undertaken by an independent Consultant, resulting in the review of the useful lives, condition and valuation of the assets.

A review of the data by Council (as part of the Fit For the Future review) has identified that Council needs to complete a revision of the categories of these components for inclusion in separate Asset Management Plans.

This assessment has recently been conducted by a registered valuer, in line with the required Fair Valuation review, and the revised asset data has been included in the 2019 Long-Term Financial Plan.

The review further identified a need for Council to implement and maintain a formal regular inspection program, as at present Council inspects Other Structure conditions on a reactive basis or through customer requests. This will be completed as part of Council's Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Projected 27/28	Projected 28/29
Other Structures Capital Program	940	961	900	974	928	963	1,002	969	987	1,056

Service Level Expectations

Community consultation confirmed that Council's Other Structure assets are a medium priority, based on the community's importance rating of Moderate and satisfaction level of Moderate.

The community's expectation of Council's Other Structures influences the ongoing investment in renewal and capital funding.

Future Directions

Council will review the categories included in the Other Asset registers, to determine the value of incorporating these categories into other existing Asset Management Plans for streamlining of monitoring and reporting.

Roads

Council's road network comprises of roads (bulk earthworks, pavements, and surfaces), footpaths, and kerb and gutter. These assets are maintained by the Works Program within Council's Infrastructure Services Department. All asset information pertaining to each group is contained within Council's asset registers and further detailed information on Council's Roads assets is held within Council's corporate asset management system.

Current Information - Roads			
Assets	A total of 1,101 kilometres of roads		
	Length (km)	Classification	
	208	Urban	
	873	Rural	
	20	Regional	
General Assessment of Condition	Condition Rating	% of Asset Value	
		Sealed	Unsealed
	1 – Excellent	14	6
	2 – Good	41	13
	3 – Satisfactory	32	68
	4 – Worn	13	13
5 - Poor	0	0	

Community Objective

The Roads asset class supports the long-term objectives of our Community Strategic Plan through the following themes;

- *Caring for Our Community* - An improved standard of infrastructure that meets the community's service level standards and Council's obligations as the custodian of our community assets
- *Strengthening Our Community* – Our city, towns and villages have adequate road services to contain lively urban and rural village spaces including places where people can learn, live, work, shop, meet and spend leisure time
- *Developing Our Built Environment* – An accessible public transport and regional road network that meets the diverse and changing needs of the community and the road network is efficiently managed to achieve a safe and effective network
- *Enhancing Our Natural Environment* – infrastructure that is built sustainably, whilst protecting and enhancing the environment in our city, towns and villages
- *Responsible Governance and Civic Leadership* – Council rigorously manages its financial resources and assets to maximise delivery of services

- *Fit For the Future* – Adoption of satisfactory service levels that reflect an acceptable balance between Council’s financial resources and the communities desires

Available data and funding

The Roads data reported in Note 9a of Council’s Financial Statements 2019 / 2020 is based on the previous revaluation completed in 2015. A review of the data by Council and Consultants (as part of the Fit For the Future review) identified that Council needed to complete a revision of the useful lives, conditions and unit rates of the road components.

This assessment has recently been conducted by a registered Valuer, and the revised asset data has been included in the 2019 Long-Term Financial Plan.

The review further identified a need for Council to implement and maintain a formal regular inspection program, as at present Council inspects road conditions on a reactive basis or through customer requests. This will be completed as part of Council’s Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Projected 27/28	Projected 28/29
Roads, Bridges & Footpaths Capital Program	8,035	8,231	7,336	8,217	7,518	7,872	8,284	7,741	7,863	8,652

Service Level Expectations

Community consultation confirmed that Council’s roads are a high priority (notably improving the condition of both rural and urban roads), based on the community’s importance rating of Very High and satisfaction level of Moderately Low.

The community’s high expectation of Council’s roads influences the substantial investment in renewal and capital funding.

Future Directions

Council will be improving processes to formally implement an asset inspection and condition assessment program, and documenting of costings and risk procedures to more accurately determine any required future funding. Council will develop data collection procedures and programs for all assets.

Council will review the asset register and update details including useful lives, conditions and unit rates, and determine if any assets from the Other Structures category can be incorporated into the Road category.

Council will develop and adopt Asset Management Plans based on the revised data as part of the Fit For the Future review.

The corporate asset management systems will be updated to reflect the revised Roads data, and will be updated on a regular basis, including mapping of assets in Council's GIS system.

Council's staff will be provided with training to ensure understanding of current adopted asset management processes, and be able to confidently undertake a review of the performance of Road assets.

Council will be continuing to engage with the community to develop levels of service that are acceptable to the community and achievable within Council's resources.

Maintenance and renewal methodologies will be documented, and used to review the operational and capital expenditure against community expectations.

Footpaths

Current Information - Footpaths		
Assets	* A total of 121 kilometres of footpath in the LGA, including	
	* 76 kilometres of concrete path / cycleways	
	* 21 kilometres of grass footpaths	
	* 24 kilometres of gravel / unformed paths	
General Assessment of Condition	Condition Rating	% of Asset Value
	1 – Excellent	5
	2 – Good	93
	3 – Satisfactory	2
	4 – Worn	0
	5 - Poor	0

Available data and funding

The Footpath data reported in Note 9a of Council's Financial Statements 2019 / 2020, is based on the previous revaluation completed in 2015. A review of the data by Council and Consultants (as part of the Fit For the Future review) identified that Council's asset register was well established and recommended that condition assessments continue on an ongoing basis. The review also suggested a need to complete a revision of the useful lives, conditions and unit rates of the footpath assets.

This assessment has recently been conducted by a registered valuer, and the revised asset data has been included in the 2019 Long-Term Financial Plan.

The review further identified a need for Council to formally document its current formal regular inspection program. This will be completed as part of Council's Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

Service Level Expectations

Community consultation confirmed that Council's footpaths are a high priority, based on the community's importance rating of High and satisfaction level of Moderately Low.

The community's high expectation of Council's footpath assets influences the investment level in renewal and capital funding.

Future Directions

Council will be improving processes to formally document the existing asset inspection and condition assessment program, and documenting of costings and risk procedures to more accurately determine any required future funding.

Council will review the asset register and update details including useful lives, conditions and unit rates, and determine if any assets from the Other Structures category can be incorporated into the Footpath category (revaluation planned for 2019 /2020).

Council will develop and adopt Asset Management Plans based on the revised data as part of the Fit For the Future review.

The corporate asset management systems will be updated to reflect the revised Footpath data, and will be updated on a regular basis, including mapping of assets in Council's GIS system.

Council's staff will be provided with training to ensure understanding of current adopted asset management processes, and be able to confidently undertake a review of the performance of Footpath assets.

Council will be continuing to engage with the community to develop levels of service that are acceptable to the community and achievable within Council's resources.

Maintenance and renewal methodologies will be documented, and used to review the operational and capital expenditure against community expectations.

Kerb and Gutter

Current Information - Kerb and Gutter				
Assets	Total of 261,653m of kerb and gutter, classified as Regional, Rural and Urban			
	Category		Total Length (m)	
	Regional		11,418	
	Rural		1,764	
	Urban		248,471	
General Assessment of Condition	Condition Rating	% of Asset Value		
		Regional	Rural	Urban
	1 – Excellent	0.6	0.5	34
	2 – Good	3.5	0.2	26
	3 – Satisfactory	0.3	0	34
	4 – Worn	0	0	1
5 - Poor	0	0	0	

Available data and funding

The Kerb and Gutter data reported in Note 9a of Council's Financial Statements 2019 / 2020, is based on the previous revaluation completed in 2015. A review of the data by Council and Consultants (as part of the Fit For the Future review) identified that Council needs to complete a comprehensive condition reassessment of the kerb and gutter assets, and there was no regular inspection program in place. In addition to this reassessment, Council needs to complete a revision of the useful lives, conditions and unit rates of the kerb and gutter components.

The major issue with the kerb and gutter data is that all assets were listed as standard kerb and gutter, and this attribute needs to be more specifically identified to enable a consistent and appropriate valuation based on type to be applied.

This assessment has recently been conducted by a registered valuer, and the revised asset data has been included in the 2019 Long-Term Financial Plan.

The review further identified a need for Council to implement and maintain a formal regular inspection program, as at present Council inspects kerb and gutter conditions on a reactive basis or through customer requests. This will be completed as part of Council's Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

Service Level Expectations

Community consultation confirmed that Council's Kerb and Gutter assets are a medium priority, based on the community's importance and satisfaction level ratings of Moderate.

The community's average expectation of Council's Kerb and Gutter assets influences the level of investment in renewal and capital funding.

Future Directions

Council will be improving processes to formally implement an asset inspection and condition assessment program, and documenting of costings and risk procedures to more accurately determine any required future funding.

Council will review the asset register and update details including useful lives, conditions and unit rates, and determine if any assets from the Other Structures category can be incorporated into the Kerb and Gutter category (revaluation planned for 2019 /2020).

Council will develop and adopt Asset Management Plans based on the revised data as part of the Fit For the Future review.

The corporate asset management systems will be updated to reflect the revised Kerb and Gutter data, and will be updated on a regular basis, including mapping of assets in Council's GIS system.

Council's staff will be provided with training to ensure understanding of current adopted asset management processes, and be able to confidently undertake a review of the performance of Kerb and Gutter assets.

Council will be continuing to engage with the community to develop levels of service that are acceptable to the community and achievable within Council's resources.

Maintenance and renewal methodologies will be documented, and used to review the operational and capital expenditure against community expectations.

Bridges

Council's Bridge asset comprises of bridges (timber and concrete) and culverts, and include both Rural and Urban classes, as well as categories of vehicle and pedestrian. These assets are maintained by the Works Program within Council's Infrastructure Services Department. All asset information pertaining to each group is contained within Council's asset registers and further detailed information on Council's Bridge assets is held within Council's corporate asset management system.

Current Information - Bridges					
Assets:	Forty (40) bridges (concrete and timber structures catering for vehicle and pedestrian traffic) totaling 5,80.17 square metres				
	Number	Category	Class	Type	Total Area (m ²)
	3	Road	Regional	Concrete Beam	547.85
	1	Road	Regional	Concrete Culvert	126.8
	19	Road	Rural	Concrete Beam	3069.65
	4	Road	Rural	Timber Beam	319.17
	1	Pedestrian	Rural	Concrete Beam	11.07
	1	Road	Urban	Timber Beam	17.5
	8	Road	Urban	Concrete Beam	1610.38
	2	Pedestrian	Urban	Concrete Beam	50.94
1	Pedestrian	Urban	Timber Beam	49.81	
General Assessment of Condition	Condition Rating			% of Asset Value	
	1 – Excellent			26	
	2 – Good			54	
	3 – Satisfactory			20	
	4 – Worn			0	
	5 - Poor			0	

Available data and funding

The Bridge data reported in Note 9a of Council's Financial Statements 2019 / 2020, is based on the previous revaluation completed in 2015. A review of the data by Council and Consultants (as part of the Fit For the Future review) determined that the asset register was well established and recommended that inspections and valuations by a suitably qualified and experienced Bridge Contractor continue on an ongoing basis.

The review further identified the need for a reassessment of the condition, useful lives and unit rates of the Bridge components. This review has revealed a number of minor discrepancies in data have occurred over time, and it is recommended that a full audit of rural culverts be undertaken, and the information added to Council's asset register.

This assessment has recently been conducted by a registered valuer, and the revised asset data has been included in the 2019 Long-Term Financial Plan.

The review also highlighted that Council needs to implement and maintain a formal regular inspection program, as at present Council inspects Bridge and Culvert conditions on a reactive basis or through customer requests. This will be completed as part of Council's Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

Service Level Expectation

Community consultation confirmed that Council's Bridges are a medium priority, based on the community's importance rating of High and satisfaction level of Moderate.

The community's high expectation of Council's Bridges influences the level of investment in renewal and capital funding.

Future Directions

Council will be improving processes to formally implement an asset inspection and condition assessment program, and documenting of costings and risk procedures to more accurately determine any required future funding.

Council will review the asset register and update details including useful lives, conditions and unit rates, and determine if any assets from the Other Structures category can be incorporated into the Bridge category (revaluation planned for 2019 /2020). A full audit of rural culverts will be undertaken by Council.

Council will develop and adopt Asset Management Plans based on the revised data as part of the Fit For the Future review.

The corporate asset management systems will be updated to reflect the revised Bridge and Culvert data, and will be updated on a regular basis, including mapping of assets in Council's GIS system.

Council's staff will be provided with training to ensure understanding of current adopted asset management processes, and be able to confidently undertake a review of the performance of Bridge assets.

Council will be continuing to engage with the community to develop levels of service that are acceptable to the community and achievable within Council's resources.

Maintenance and renewal methodologies will be documented, and used to review the operational and capital expenditure against community expectations.

Water Supply

The Water Supply asset class comprises of all assets including dams, water treatment plant, reservoirs, water chlorination equipment, pumping stations, reticulated mains, trunk mains, property services and ancillary services. These assets are maintained by the Water and Wastewater Program within Council's Infrastructure Services Department. All asset information pertaining to each group is contained within Council's asset registers and further detailed information on Council's Water Supply assets is held within Council's Asset Management System.

Current Information - Water Supply		
Assets	* Oakey Park Water Treatment Plant	
	* 1 kilometre of trunk reticulation main	
	* 459 kilometres of rising main and gravity reticulation mains	
	* 12 potable water reservoirs and 1 non-potable reservoir	
	* Clarence Transfer system	
	* 2 water supply dams at Clarence (Farmers Creek Dams), with one dam permanently empty to cater for emergency storage	
General Assessment of Condition	Condition Rating	% of Asset value
	1 – Excellent	14
	2 – Good	11
	3 – Satisfactory	47
	4 – Worn	25
	5 - Poor	3

Community Objective

The Water Supply asset class supports the long-term objectives of our Community Strategic Plan through the following themes;

- *Caring for Our Community* – An improved standard of infrastructure that meets the community's service level standards and Council's obligations as the custodian of our community assets
- *Strengthening Our Community* - Our city, towns and villages have adequate water supplies to contain lively urban and rural village spaces including places where people can learn, live, work, shop, meet and spend leisure time
- *Developing Our Built Environment* – Sustainable and beneficial water supplies are available to meet the community's diverse and changing needs and the water supply assets are efficiently managed to achieve a safe and effective network
- *Enhancing Our Natural Environment* - infrastructure that is built sustainably, whilst protecting and enhancing the environment in our city, towns and villages

- *Responsible Governance and Civic Leadership* - Council rigorously manages its financial resources and assets to maximise delivery of services
- *Fit For the Future* – Adoption of satisfactory service levels that reflect an acceptable balance between Council’s financial resources and the communities desires

Available data and funding

The Water Supply data reported in Note 9a of Council's Financial Statements 2019 / 2020, is based on the previous revaluation completed in 2017. This revaluation was in conjunction with a review of Council's assets (as part of the Fit For the Future review), and identified that Council's needs to complete a revision of the useful lives and unit rates of the water supply components.

The review further identified a need for Council to implement and maintain a formal regular inspection program, as at present Council inspects Water asset conditions on a reactive basis or through customer requests.

This will be completed as part of Council's Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Projected 27/28	Projected 28/29
Water Fund Capital Program	4,816	1,835	2,037	1,709	6,052	3,675	1,849	1,873	1,898	7,923

Service Level Expectations

Community consultation confirmed that Council’s Water Supply assets are a high priority, based on the community’s importance rating of Extremely High and satisfaction level of Moderate.

The community's expectation of Council’s Water Supply assets influences the investment in renewal and capital funding.

Future Directions

Council will be improving processes to formally implement an asset inspection and condition assessment program, and documenting of costings and risk procedures to more accurately determine any required future funding.

Council will review the asset register and update details including useful lives, conditions and unit rates, and determine if any assets from the Other Structures category can be incorporated into the Water Supply category.

Council will develop and adopt Asset Management Plans based on the revised data as part of the Fit For the Future review.

The corporate asset management systems will be updated to reflect the revised Water Supply data, and will be updated on a regular basis, including mapping of assets in Council's GIS system.

Council's staff will be provided with training to ensure understanding of current adopted asset management processes, and be able to confidently undertake a review of the performance of Water Supply assets.

Council will be continuing to engage with the community to develop levels of service that are acceptable to the community and achievable within Council's resources.

Maintenance and renewal methodologies will be documented, and used to review the operational and capital expenditure against community expectations.

Sewerage Network

The Sewerage Network asset class comprises of all assets including and ancillary services. These assets are maintained by the Water and Wastewater Program within Council's Infrastructure Services Department. All asset information pertaining to each group is contained within Council's asset registers and further detailed information on Council's Sewerage Network assets is held within Council's Asset Management System.

Current Information - Sewerage Network		
Assets	* 3 x Sewerage treatment Plants (Lithgow, Wallerawang and Portland)	
	* 11 kilometres of rising main	
	* 353 kilometres of gravity reticulation mains	
	* 29 sewerage pumping stations	
General Assessment of Condition	Condition Rating	% of Asset value
	1 – Excellent	32
	2 – Good	8
	3 – Satisfactory	48
	4 – Worn	2
	5 - Poor	10

Community Objective

The Sewerage Network asset class supports the long-term objectives of our Community Strategic Plan through the following themes;

- *Caring for Our Community* – An improved standard of infrastructure that meets the community's service level standards and Council's obligations as the custodian of our community assets
- *Strengthening Our Community* - Our city, towns and villages have adequate sewerage networks to contain lively urban and rural village spaces including places where people can learn, live, work, shop, meet and spend leisure time
- *Developing Our Built Environment* – Neutral or beneficial effects on the environment are achieved while meeting the community's diverse and changing needs and the sewerage network assets are efficiently and safely managed
- *Enhancing Our Natural Environment* - infrastructure that is built sustainably, whilst protecting and enhancing the environment in our city, towns and villages
- *Responsible Governance and Civic Leadership* - Council rigorously manages its financial resources and assets to maximise delivery of services

- *Fit For the Future* – Adoption of satisfactory service levels that reflect an acceptable balance between Council’s financial resources and the communities desires

Available data and funding

The Sewerage Network data reported in Note 9a of Council’s Financial Statements 2019 / 2020, is based on the previous revaluation completed in 2017. This revaluation was in conjunction with a review of Council’s assets (as part of the Fit For the Future review), and identified that Council’s needs to complete a revision of the useful lives and unit rates of the sewerage network components.

The review further identified a need for Council to implement and maintain a formal regular inspection program, as at present Council inspects sewerage network asset conditions on a reactive basis or through customer requests.

This will be completed as part of Council’s Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

	Projected 18/19	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Projected 27/28
Sewer Fund Capital Program	2,844	9,345	2,476	1,879	2,004	2,030	2,156	2,083	2,110	2,238

Service Level Expectations

Community consultation confirmed that Council’s Sewerage Network are a medium priority, based on the community’s importance rating of High and satisfaction level of Very High.

Whilst the community’s importance and satisfaction ratings resulted in a low rating, Council’s legislative requirements (particularly licencing issued under the NSW EPA), have raised the importance to Priority 2.

Both the community’s expectation and Council’s legislative requirements of Council’s Sewerage Network influences the investment in renewal and capital funding.

Future Directions

Council will be improving processes to formally implement an asset inspection and condition assessment program, and documenting of costings and risk procedures to more accurately determine any required future funding.

Council will review the asset register and update details including useful lives, conditions and unit rates, and determine if any assets from the Other Structures category can be incorporated into the Sewerage Network category.

Council will develop and adopt Asset Management Plans based on the revised data as part of the Fit For the Future review.

The corporate asset management systems will be updated to reflect the revised Sewerage Network data, and will be updated on a regular basis, including mapping of assets in Council's GIS system.

Council's staff will be provided with training to ensure understanding of current adopted asset management processes, and be able to confidently undertake a review of the performance of Sewerage Network assets.

Council will be continuing to engage with the community to develop levels of service that are acceptable to the community and achievable within Council's resources.

Maintenance and renewal methodologies will be documented, and used to review the operational and capital expenditure against community expectations.

Stormwater Drainage

Council's Stormwater Drainage network includes underground assets such as pits and pipes and surface drainage assets including detention basins and open channels. These assets are maintained by the Works Program within Council's Infrastructure Services Department. All asset information pertaining to each group is contained within Council's asset registers and further detailed information on Council's Stormwater Drainage assets is held within Council's Asset Management System.

Council imposes a stormwater levy on rateable properties, and this funding source is used to undertake maintenance and improvements of Council's stormwater drainage systems.

Current Information - Stormwater Drainage		
Assets	* 56.5 km of pipe of varying material (concrete, clay, PVC, brick channel, and concrete channel)	
	* 1,650 junction pits,	
General Assessment of Condition	Condition Rating	% of Asset value
	1 – Excellent	0
	2 – Good	0
	3 – Satisfactory	100
	4 – Worn	0
	5 - Poor	0

Community Objective

The Stormwater Drainage asset class supports the long-term objectives of our Community Strategic Plan through the following themes;

- *Developing Our Built Environment* – An improved standard of infrastructure that meets the community's service level standards and Council's obligations as the custodian of our community assets
- *Enhancing Our Natural Environment* – Our natural waterways and riparian areas are enhanced and protected
- *Responsible Governance and Civic Leadership* – Council rigorously manages its financial resources and assets to maximise delivery of services
- *Fit For the Future* – Adoption of satisfactory service levels that reflect an acceptable balance between Council's financial resources and the communities desires

Available data and funding

Council's Stormwater Drainage data reported in Note 9a of Council's Financial Statements 2019 /2020, is based on the previous revaluation completed in 2015. A review of the data by Council and Consultants (as part of the Fit For the Future review) identified that Council needs to complete a comprehensive revision of the current condition ratings, the useful lives and unit rates of the stormwater drainage components.

The major issue with the stormwater drainage data is that all components were previously given the same condition rating of 3. This assessment has recently been conducted by a registered valuer, and the revised asset data has been included in the 2019 Long-Term Financial Plan.

The review further identified a need for Council to implement and maintain a formal regular inspection program, as at present Council inspects stormwater drainage assets on a reactive basis or through customer requests. This will be completed as part of Council's Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

	Projected 19/20	Projected 20/21	Projected 21/22	Projected 22/23	Projected 23/24	Projected 24/25	Projected 25/26	Projected 26/27	Projected 27/28	Projected 28/29
Stormwater Capital Program	955	980	862	974	882	925	976	904	918	1,017

Service Level Expectations

Community consultation confirmed that Council's Stormwater Drainage assets are a medium priority, based on the community's importance rating and satisfaction level of Moderate.

The community's expectation of Council's Stormwater Drainage influences the investment in renewal and capital funding.

Future Directions

Council will be improving processes to formally implement an asset inspection and condition assessment program, and documenting of costings and risk procedures to more accurately determine any required future funding.

Council will review the asset register and update details including useful lives, conditions and unit rates, and determine if any assets from the Other Structures category can be incorporated into the Stormwater Drainage category (revaluation planned for 2019 /2020).

Council will develop and adopt Asset Management Plans based on the revised data as part of the Fit For the Future review.

The corporate asset management systems will be updated to reflect the revised Stormwater Drainage data, and will be updated on a regular basis, including mapping of assets in Council's GIS system.

Council's staff will be provided with training to ensure understanding of current adopted asset management processes, and be able to confidently undertake a review of the performance of Stormwater Drainage assets.

Council will be continuing to engage with the community to develop levels of service that are acceptable to the community and achievable within Council's resources.

Maintenance and renewal methodologies will be documented, and used to review the operational and capital expenditure against community expectations.

Recreational Facilities

The Recreational Facilities asset class comprises of all assets within our sports fields, parks and recreation locations, as well as cemetery operations. Asset groups within these areas include ovals, golf courses, playgrounds, playing courts, walking tracks, passive parks and cemeteries. The JM Robson Aquatic Centre is also an asset within the Recreation Facilities category, and with staged completion between 2012 and 2015, the asset condition is in excellent condition. These assets are maintained by the Recreation Program within Council's Infrastructure Services Department.

All asset information pertaining to each group is contained within Council's asset registers (Other Structures and Land Assets) and further detailed information on Council's Recreation Facilities is held within Council's Asset Management System.

Current Information - Cemeteries		
Assets	Fourteen cemeteries including Capertee, Cullen Bullen, Dark Corner, Glen Alice, Hartley, Lithgow (three (3) cemeteries), Lowther, Meadow Flat, Palmers Oakey, Portland, Rydal, and Wallerawang	
General Assessment of Condition	Condition Rating	% of Asset Value
	1 – Excellent	0
	2 – Good	57
	3 – Satisfactory	22
	4 – Worn	21
	5 - Poor	0

Current Information - Recreation		
Assets	* Ten (10) playing fields including Conran Oval, Glanmire Oval, Kremer Park, Marjorie Jackson Oval, Saville Park, Tony Luchetti Sportsground, Wallerawang Oval, Watsford Oval, Zig Zag Oval, Jim Monaghan Athletics Oval and Lake Wallace.	
	* Lithgow War Memorial Olympic Swimming Centre, including an 8 lane 50 metre outdoor heated pool, 25 metre learners pool and 15 metre round wading pool, kiosk, plant room, male and female amenities and change rooms, manager office, and first aid room.	
	* Lithgow Golf Club, including 18 holes, practice putting green, and Clubhouse / Professional Golf Shop	
	* Lake Lyell foreshore facilities	
	* a Total of 73 Open space recreational areas	
	* Formal gardens (including amenities, paths and plants)	
General Assessment of Condition	Condition Rating	% of Asset Value
	1 – Excellent	10
	2 – Good	40
	3 – Satisfactory	40
	4 – Worn	10
	5 - Poor	0

Community Objective

The Recreational Facilities asset class supports the long-term objectives of our Community Strategic Plan through the following themes;

- *Caring for Our Community* – A community that embraces healthier lifestyle choices and practices
- *Strengthening Our Community* - Our city, towns and villages have adequate recreational facilities to contain lively urban and rural village spaces including places where people can learn, live, work, shop, meet and spend leisure time
- *Developing Our Built Environment* - Recreation, sporting and leisure facilities are available to meet the community's diverse and changing needs
- *Enhancing Our Natural Environment* - A community addressing and responding to the impacts of climate change and extreme weather events
- *Responsible Governance and Civic Leadership* - Council rigorously manages its financial resources and assets to maximise delivery of services
- *Fit For the Future* – Adoption of satisfactory service levels that reflect an acceptable balance between Council's financial resources and the communities desires

Available data and funding

The Recreational Facilities data reported in Note 9a of Council's Financial Statements 2019 / 2020, is based on the previous revaluation completed in 2016, and is for Swimming Pools only.

Recreational Facilities assets are reported under the Other Structures and Land Asset Registers. A review of the data by Council (as part of the Fit For the Future review) identified that Council's asset inspection program was well established and recommended that condition assessments continue on an ongoing basis.

A review of the data by Council (as part of the Fit For the Future review) has identified that Council needs to complete a revision of the Other Structures asset, and to determine the possibility of these components being included in separate Asset Management Plans (including Recreational Facilities), and a review of the condition and valuation of the assets need to be completed.

This assessment of the condition and valuation of the Other Structures and Land assets has recently been conducted by a registered valuer, and the revised asset data has been included in the 2019 Long-Term Financial Plan.

The review further identified a need for Council to implement and maintain a formal regular inspection program, as at present Council inspects Recreational Facilities asset conditions on a reactive basis or through customer requests. This will be completed as part of Council's Asset Management Improvement Plan, and the data will be imported into the corporate asset management systems by 30 June 2019.

The review further identified a need for Council to formally document its current formal regular inspection program.

Council will be undertaking a comprehensive review of the asset register during 2019 / 2020, including a revision of the useful lives, conditions, and unit rates of the Recreational Facilities assets.

Capital spend for recreational facilities assets currently sits under other structures, as per current asset categories and classes (see page 28 for Other Structures capital program).

Service Level Expectations

Community consultation confirmed that Council's Recreational Facilities are a low priority, based on the community's importance rating of High and satisfaction level of Very High.

The community's expectation of Council's Recreational Facilities influences the investment in renewal and capital funding.

Future Directions

Council will be improving processes to formally implement an asset inspection and condition assessment program, and documenting of costings and risk procedures to more accurately determine any required future funding.

Council will review the asset register and update details including useful lives, conditions and unit rates, and determine if any assets from the Other Structures category can be incorporated into the Recreational Facilities category.

Council will develop and adopt Asset Management Plans based on the revised data as part of the Fit For the Future review.

The corporate asset management systems will be updated to reflect the revised Recreation Facilities data, and will be updated on a regular basis, including mapping of assets in Council's GIS system.

Council's staff will be provided with training to ensure understanding of current adopted asset management processes, and be able to confidently undertake a review of the performance of Recreational Facilities assets.

Council will be continuing to engage with the community to develop levels of service that are acceptable to the community and achievable within Council's resources.

Maintenance and renewal methodologies will be documented, and used to review the operational and capital expenditure against community expectations.

How will we get there?

The Strategic Asset Management Plan proposes the following strategies to enable the objectives of the Community Strategic Plan to be achieved.

No.	Strategy	Desired Outcome
1	Continue with 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	Identification of services needed by the community and required funding to optimise 'whole of life' costs
3	Update Long-Term Financial Plan to incorporate Strategic 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 projection into Delivery Plan and Operation Plan	Long-Term Financial Planning drives budget deliberations (weighed up with community service levels)
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 service 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	Services delivery is matched to available resources and operational capabilities
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility and accountability for asset management is clearly defined
10	Implement an Asset Management Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years.	Improved financial and asset management capacity within Council
11	Report to Council on development and implementation of Strategic Asset Management Plan, Asset Management Plans and Long-Term Financial Plans	Oversight of resource allocation and performance

Asset Management Improvement Plan

To ensure the Strategic Asset Management Plan is implemented effectively and efficiently, an Asset Management Improvement Plan has been prepared.

The actions required to undertake improvement of Council's asset management capabilities are impacted by both internal and external influences and require resources or enablers. These enablers can be in the areas of people, processes, technology and information and data.

The Asset Management Improvement Plan, which will be reviewed annually, prioritises specific capability areas which were identified through a gap analysis process, and where action is required to raise Council's asset management capacity to the desired level of maturity.

Implementation of these improvements requires resourcing and monitoring. The actions have been integrated into Council's Delivery Program to ensure ongoing resourcing, implementation and performance monitoring.

Buildings					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Processes and Practices	<ol style="list-style-type: none"> Formally implement an asset inspection program Formally implement regular condition assessment program Costing and Risk procedures documented Continue to develop data collection procedure and program for all assets 	Review of processes and practices	2019 / 2020	Building and Recreation Manager	Director Infrastructure Services Development Manager Assets & Project Engineer Financial Services Manager WHS & Risk Co-Ordinator
Data and Knowledge	<ol style="list-style-type: none"> Complete database of assets (from Other Structures) Review asset register for useful lives, conditions and unit rates 	Produce an asset register that captures all building components	2019 / 2020	Building and Recreation Manager	Director Infrastructure Services Development Manager Assets & Project Engineer Financial Services Manager

Asset Management Plans	1. Develop advanced Asset Management Plan	Updated Asset Management Plan	2019 / 2020	Building and Recreation Manager	Director Infrastructure Services Development Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer
Asset Information Systems	1. Update asset register in corporate Asset Management Systems (Confirm and Technology 1) 2. Update Mapping of Council assets	Confidence and streamlined Annual Reporting	2019 / 2020	Building and Recreation Manager	Director Infrastructure Services Development Manager Assets & Project Engineer Financial Services Manager
People and Organisational Issues	1. Provide staff training for all facets of Building asset management 2. Review asset performance	Understanding of Building Asset Management	2019 / 2020	Building and Recreation Manager	Director Infrastructure Services Development Manager Assets & Project Engineer Financial Services Manager
Implementation Tactics	1. Conduct comprehensive review of Levels of Service 2. Outline of required Building asset management activities	Review of core and non-core activities	2019 / 2020	Building and Recreation Manager	Development Manager
Strategy and planning	1. Formally document maintenance and renewal methodology 2. Undertake lifecycle cost analysis 3. Review operational and capital expenditure against community expectations (reduce infrastructure backlog)	Improve data knowledge and develop advanced asset plans for better decision making	2019 / 2020	Building and Recreation Manager	Building and Recreation Manager Development Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer

Other Structures					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Data and Knowledge	1. Complete database of assets (distribute to other AMP categories)	Produce asset registers and Asset Management Plans that captures all components	2020 / 2021	Assets & Project Engineer	Development Manager Works Manager Building and Recreation Manager Financial Services Manager Director Water and Wastewater Director Infrastructure Services

Roads					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Processes and Practices	1. Formally implement an asset inspection program 2. Formally implement regular condition assessment program 3. Costing and Risk procedures documented 4. Continue to develop data collection procedure and program for all assets	Review of processes and practices	2019 / 2020	Director Infrastructure Services	Works Manager Works Co-Ordinator Urban Works Co-Ordinator Rural Assets & Project Engineer Financial Services Manager WHS & Risk Coordinator
Data and Knowledge	1. Complete database of assets (from Other Structures) 2. Review asset register for useful lives, conditions and unit rates	Improve data knowledge	2019 / 2020	Director Infrastructure Services	Works Manager Works Co-Ordinator Urban Works Co-Ordinator Rural Assets & Project Engineer Financial Services Manager
Asset Management Plans	1. Develop and adopt Asset Management Plan	Updated Asset Management Plan	2019 / 2020	Director Infrastructure Services	Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning &

					Communications Officer
Asset Information Systems	<ol style="list-style-type: none"> 1. Update asset register in corporate Asset Management Systems (Confirm and Technology 1) 2. Update Mapping of Council assets 	Confidence and streamlined Annual Reporting	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager</p>
People and Organisational Issues	<ol style="list-style-type: none"> 1. Provide staff training for all facets of Roads asset management 2. Review asset performance 	Understanding of Roads Asset Management	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager</p>
Implementation Tactics	<ol style="list-style-type: none"> 1. Conduct comprehensive review of Levels of Service 2. Outline of required Roads asset management activities 	Review of core and non-core activities	2019 / 2020	Director Infrastructure Services	Works Manager
Strategy and planning	<ol style="list-style-type: none"> 1. Formally document maintenance and renewal methodology 2. Undertake lifecycle cost analysis 3. Review operational and capital expenditure against community expectations (reduce infrastructure backlog) 	Improve data knowledge and develop advanced asset plans for better decision making	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer</p>

Footpaths					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Processes and Practices	<ol style="list-style-type: none"> Formally document the existing asset inspection and assessment program Costing and Risk procedures documented 	Review of processes and practices	2019 / 2020	Director Infrastructure Services	<p>Works Manager Works Co-Ordinator Urban Assets & Project Engineer Financial Services Manager WHS & Risk Coordinator</p>
Data and Knowledge	<ol style="list-style-type: none"> Complete database of assets (from Other Structures) Review asset register for useful lives, conditions and unit rates 	Improve data knowledge	2019 / 2020	Director Infrastructure Services	<p>Works Manager Works Co-Ordinator Urban Assets & Project Engineer Financial Services Manager</p>
Asset Management Plans	<ol style="list-style-type: none"> Develop and adopt Asset Management Plan 	Updated Asset Management Plan	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer</p>
Asset Information Systems	<ol style="list-style-type: none"> Update asset register in corporate Asset Management Systems (Confirm and Technology 1) Update Mapping of Council assets 	Confidence and streamlined Annual Reporting	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager</p>
People and Organisational Issues	<ol style="list-style-type: none"> Provide staff training for all facets of Footpath asset management Review asset performance 	Understanding of Footpath Asset Management	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager</p>
Implementation Tactics	<ol style="list-style-type: none"> Conduct comprehensive review of Levels of Service 	Review of core and non-core activities	2019 / 2020	Director Infrastructure Services	Works Manager

	2. Outline of required Footpath asset management activities				
Strategy and planning	<ol style="list-style-type: none"> 1. Formally document maintenance, renewal and new assets methodology 2. Undertake lifecycle cost analysis 3. Review operational and capital expenditure against community expectations (reduce infrastructure backlog) 	Improve data knowledge and develop advanced asset plans for better decision making	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer</p>

Kerb and Gutter					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Processes and Practices	<ol style="list-style-type: none"> 1. Formally implement an asset inspection program 2. Formally implement regular condition assessment program 3. Costing and Risk procedures documented 4. Continue to develop data collection procedure and program for all assets 	Review of processes and practices	2019 / 2020	Director Infrastructure Services	<p>Works Manager Works Co-Ordinator Urban Works Co-Ordinator Rural Assets & Project Engineer Financial Services Manager WHS & Risk Coordinator</p>
Data and Knowledge	1. Complete database of assets (from Other Structures)	Improve data knowledge	2019 / 2020	Director Infrastructure Services	<p>Works Manager Works Co-Ordinator Urban Works Co-Ordinator Rural Assets & Project Engineer</p>

	2. Review asset register for useful lives, conditions and unit rates				Financial Services Manager
Asset Management Plans	1. Develop and adopt Asset Management Plan	Updated Asset Management Plan	2019 / 2020	Director Infrastructure Services	Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer
Asset Information Systems	1. Update asset register in corporate Asset Management Systems (Confirm and Technology 1) 2. Update Mapping of Council assets	Confidence and streamlined Annual Reporting	2019 / 2020	Director Infrastructure Services	Works Manager Assets & Project Engineer Financial Services Manager
People and Organisational Issues	1. Provide staff training for all facets of Kerb and Gutter asset management 2. Review asset performance	Understanding of Kerb and Gutter Asset Management	2019 / 2020	Director Infrastructure Services	Works Manager Assets & Project Engineer Financial Services Manager
Implementation Tactics	1. Conduct comprehensive review of Levels of Service 2. Outline of required Kerb and Gutter asset management activities	Review of core and non-core activities	2019 / 2020	Director Infrastructure Services	Works Manager
Strategy and planning	1. Formally document maintenance and renewal methodology 2. Undertake lifecycle cost analysis 3. Review operational and capital expenditure against community expectations	Improve data knowledge and develop advanced asset plans for better decision making	2019 / 2020	Director Infrastructure Services	Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer

	(reduce infrastructure backlog)				
--	---------------------------------	--	--	--	--

Bridges					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Processes and Practices	<ol style="list-style-type: none"> Formally implement an asset inspection program Formally implement regular condition assessment program Costing and Risk procedures documented Continue to develop data collection procedure and program for all assets 	Review of processes and practices	2019 / 2020	Director Infrastructure Services	<p>Works Manager Works Co-Ordinator Urban Works Co-Ordinator Rural Assets & Project Engineer Financial Services Manager WHS & Risk Coordinator</p>
Data and Knowledge	<ol style="list-style-type: none"> Complete database of assets (from Other Structures) Review asset register for useful lives, conditions and unit rates Undertake a full audit of rural culverts 	Improve data knowledge	2019 / 2020	Director Infrastructure Services	<p>Works Manager Works Co-Ordinator Urban Works Co-Ordinator Rural Assets & Project Engineer Financial Services Manager</p>
Asset Management Plans	<ol style="list-style-type: none"> Develop and adopt Asset Management Plan 	Updated Asset Management Plan	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer</p>
Asset Information Systems	<ol style="list-style-type: none"> Update asset register in corporate Asset Management Systems (Confirm and Technology 1) 	Confidence and streamlined Annual Reporting	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager</p>

	2. Update Mapping of Council assets				
People and Organisational Issues	1. Provide staff training for all facets of Bridges asset management 2. Review asset performance	Understanding Bridge Asset Management	2019 / 2020	Director Infrastructure Services	Works Manager Assets & Project Engineer Financial Services Manager
Implementation Tactics	1. Conduct comprehensive review of Levels of Service 2. Outline of required Bridge asset management activities	Review of core and non-core activities	2019 / 2020	Director Infrastructure Services	Works Manager
Strategy and planning	1. Formally document maintenance and renewal methodology 2. Undertake lifecycle cost analysis 3. Review operational and capital expenditure against community expectations (reduce infrastructure backlog)	Improve data knowledge and develop advanced asset plans for better decision making	2019 / 2020	Director Infrastructure Services	Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer

Water Supply					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Processes and Practices	<ol style="list-style-type: none"> 1. Formally implement an asset inspection program 2. Formally implement regular condition assessment program 3. Costing and Risk procedures documented 4. Continue to develop data collection procedure and program for all assets 	Review of processes and practices	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Supervisor Plant and Pumping Stations Reticulation Supervisor Assets & Project Engineer Financial Services Manager WHS & Risk Coordinator
Data and Knowledge	<ol style="list-style-type: none"> 1. Complete database of assets (from Other Structures) 2. Review asset register for useful lives, conditions and unit rates 	Improve data knowledge	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Supervisor Plant and Pumping Stations Reticulation Supervisor Assets & Project Engineer Financial Services Manager
Asset Management Plans	<ol style="list-style-type: none"> 1. Develop and adopt Asset Management Plan 	Updated Asset Management Plan	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer
Asset Information Systems	<ol style="list-style-type: none"> 1. Update asset register in corporate Asset Management Systems (Confirm and Technology 1) 2. Update Mapping of Council assets 	Confidence and streamlined Annual Reporting	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Assets & Project Engineer Financial Services Manager

People and Organisational Issues	<ol style="list-style-type: none"> 1. Provide staff training for all facets of Water Supply asset management 2. Review asset performance 	Understanding Water Asset Management	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Assets & Project Engineer Financial Services Manager
Implementation Tactics	<ol style="list-style-type: none"> 1. Conduct comprehensive review of Levels of Service 2. Outline of required Water Supply asset management activities 	Review of core and non-core activities	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer
Strategy and planning	<ol style="list-style-type: none"> 1. Formally document maintenance and renewal methodology 2. Undertake lifecycle cost analysis 3. Review operational and capital expenditure against community expectations (reduce infrastructure backlog) 	Improve data knowledge and develop advanced asset plans for better decision making	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer

Sewer Network					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Processes and Practices	<ol style="list-style-type: none"> 1. Formally implement an asset inspection program 2. Formally implement regular condition assessment program 3. Costing and Risk procedures documented 4. Continue to develop data collection procedure and program for all assets 	Review of processes and practices	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Supervisor Plant and Pumping Stations Reticulation Supervisor Assets & Project Engineer Financial Services Manager WHS & Risk Coordinator
Data and Knowledge	<ol style="list-style-type: none"> 1. Complete database of assets (from Other Structures) 2. Review asset register for useful lives, conditions and unit rates 	Improve data knowledge	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Supervisor Plant and Pumping Stations Reticulation Supervisor Assets & Project Engineer Financial Services Manager
Asset Management Plans	<ol style="list-style-type: none"> 1. Develop and adopt Asset Management Plan 	Updated Asset Management Plan	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer
Asset Information Systems	<ol style="list-style-type: none"> 1. Update asset register in corporate Asset Management Systems (Confirm and Technology 1) 2. Update Mapping of Council assets 	Confidence and streamlined Annual Reporting	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Assets & Project Engineer Financial Services Manager

People and Organisational Issues	<ol style="list-style-type: none"> 1. Provide staff training for all facets of Sewer Network asset management 2. Review asset performance 	Understanding Sewer Network Asset Management	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Assets & Project Engineer Financial Services Manager
Implementation Tactics	<ol style="list-style-type: none"> 1. Conduct comprehensive review of Levels of Service 2. Outline of required Sewer Network asset management activities 	Review of core and non-core activities	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer
Strategy and planning	<ol style="list-style-type: none"> 1. Formally document maintenance and renewal methodology 2. Undertake lifecycle cost analysis 3. Review operational and capital expenditure against community expectations (reduce infrastructure backlog) 	Improve data knowledge and develop advanced asset plans for better decision making	2019 / 2020	Director Water and Wastewater	Water and Wastewater Officer Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer

Stormwater Drainage					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Processes and Practices	<ol style="list-style-type: none"> 1. Formally implement an asset inspection program 2. Formally implement regular condition assessment program 3. Costing and Risk procedures documented 4. Continue to develop data collection procedure and program for all assets 	Review of processes and practices	2019 / 2020	Director Infrastructure Services	<p>Works Manager Works Co-Ordinator Urban Works Co-Ordinator Rural Assets & Project Engineer Financial Services Manager WHS & Risk Coordinator</p>
Data and Knowledge	<ol style="list-style-type: none"> 1. Complete database of assets (from Other Structures) 2. Review asset register for useful lives, conditions and unit rates 	Improve data knowledge	2019 / 2020	Director Infrastructure Services	<p>Works Manager Works Co-Ordinator Urban Works Co-Ordinator Rural Assets & Project Engineer Financial Services Manager</p>
Asset Management Plans	<ol style="list-style-type: none"> 1. Develop and adopt Asset Management Plan 	Updated Asset Management Plan	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer</p>
Asset Information Systems	<ol style="list-style-type: none"> 1. Update asset register in corporate Asset Management Systems (Confirm and Technology 1) 2. Update Mapping of Council assets 	Confidence and streamlined Annual Reporting	2019 / 2020	Director Infrastructure Services	<p>Works Manager Assets & Project Engineer Financial Services Manager</p>

People and Organisational Issues	<ol style="list-style-type: none"> 1. Provide staff training for all facets of Stormwater Drainage asset management 2. Review asset performance 	Understanding Stormwater Drainage Asset Management	2019 / 2020	Director Infrastructure Services	Works Manager Assets & Project Engineer Financial Services Manager
Implementation Tactics	<ol style="list-style-type: none"> 1. Conduct comprehensive review of Levels of Service 2. Outline of required Stormwater Drainage asset management activities 	Review of core and non-core activities	2019 / 2020	Director Infrastructure Services	Works Manager
Strategy and planning	<ol style="list-style-type: none"> 1. Formally document maintenance and renewal methodology 2. Undertake lifecycle cost analysis 3. Review operational and capital expenditure against community expectations (reduce infrastructure backlog) 	Improve data knowledge and develop advanced asset plans for better decision making	2019 / 2020	Director Infrastructure Services	Works Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer

Recreation Facilities					
Quality Elements	Action Item	Objectives	Timeframe	Responsible Officer	Input Officers
Processes and Practices	<ol style="list-style-type: none"> 1. Formally implement an asset inspection program 2. Formally implement regular condition assessment program 3. Costing and Risk procedures documented 4. Continue to develop data collection procedure and program for all assets 	Review of processes and practices	2019 / 2020	Director Infrastructure Services	Building and Recreation Manager Assets & Project Engineer Financial Services Manager WHS & Risk Coordinator
Data and Knowledge	<ol style="list-style-type: none"> 1. Complete database of assets (from Other Structures) 2. Review asset register for useful lives, conditions and unit rates 3. Undertake a full audit of rural culverts 	Improve data knowledge	2019 / 2020	Director Infrastructure Services	Building and Recreation Manager Assets & Project Engineer Financial Services Manager
Asset Management Plans	<ol style="list-style-type: none"> 1. Develop and adopt Asset Management Plan 	Updated Asset Management Plan	2019 / 2020	Director Infrastructure Services	Building and Recreation Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer
Asset Information Systems	<ol style="list-style-type: none"> 1. Update asset register in corporate Asset Management Systems (Confirm and Technology 1) 	Confidence and streamlined Annual Reporting	2019 / 2020	Director Infrastructure Services	Building and Recreation Manager Assets & Project Engineer Financial Services Manager

	2. Update Mapping of Council assets				
People and Organisational Issues	1. Provide staff training for all facets of Bridges asset management 2. Review asset performance	Understanding Bridge Asset Management	2019 / 2020	Director Infrastructure Services	Building and Recreation Manager Assets & Project Engineer Financial Services Manager
Implementation Tactics	1. Conduct comprehensive review of Levels of Service 2. Outline of required Bridge asset management activities	Review of core and non-core activities	2019 / 2020	Director Infrastructure Services	Building and Recreation Manager
Strategy and planning	1. Formally document maintenance and renewal methodology 2. Undertake lifecycle cost analysis 3. Review operational and capital expenditure against community expectations (reduce infrastructure backlog)	Improve data knowledge and develop advanced asset plans for better decision making	2019 / 2020	Director Infrastructure Services	Building and Recreation Manager Assets & Project Engineer Financial Services Manager Corporate Planning & Communications Officer

Reporting and Assessment - Measuring Our Performance

The approach to assessing performance in relation to asset planning and measurement will be both quantitative and qualitative.

Council's Integrated Planning and Reporting processes form the core of our continuous improvement programs and are embedded within the organisation.

The development of critical actions, tasks and key performance measures relating to the delivery of infrastructure asset programs are contained in the Delivery Program and annual Operational Plan, and subsequent reporting is conducted quarterly, bi-annually and annually to ensure progress and/or achievements are measured and reported.

Reporting on these indicators is the responsibility of all Program Managers who have control of specific asset classes. Regular periodic surveys with the community, gauging perceptions between satisfaction of built asset classes and services being provided is required. The ongoing conduct of community surveys will be tailored to include specific asset management issues to ensure relevance of the programs at the required levels of service continue.

Conclusion

Whilst significant work has been undertaken in providing more consistent asset management planning, continued diligence is required to allow ongoing improvements for all infrastructure assets under the Council's control and management.

This Strategic Asset Management Plan, together with asset managers, custodians, staff and the community will allow a continued progression toward service excellence. Management techniques drawing on the financial, risk, environmental and social drivers will assist in providing an improved asset management performance by enabling Council to work with the community to ensure operations are better understood.

Although adopted as a ten-year (10) Strategic Asset Management Plan, annual revisions of the Strategic Asset Management Plan will be carried out to ensure relevance in responding to government and the community. Specifically, with the review of the Community Strategic Plan, the development of each new Delivery Program and Resourcing Strategy every four (4) years Council need to ensure what they provide aligns with community objectives and priorities, and that the community understands the implications of these directions.

Appendix A: Asset Management Policy

Council's current adopted Asset Management Policy (Policy 1.5)



1. ACQUISITION AND DISPOSAL OF ASSETS

Policy 1.5

ASSET MANAGEMENT

Version 3

1. ACQUISITION AND DISPOSAL OF ASSETS

1.5 ASSET MANAGEMENT

OBJECTIVE:

This Policy has been created to set guidelines for implementing consistent asset management processes across all activities undertaken by Lithgow City Council.

This Policy relates to Council's infrastructure assets, and excludes management of Council's land assets.

This Policy will ensure adequate provision is made for the long-term replacement of major infrastructure assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with 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 allocating appropriate financial resources to those assets;
- Creating an environment where all Council employees are an integral part and play a proactive role in overall management of Council assets by creating and sustaining an asset management awareness throughout the organisation by training and development;
- Meet all legislative requirements of asset management;
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated;
- Demonstrate transparent and responsible asset management processes that align with appropriate best practice; and
- Implementing procedures that will ensure that:
 - The right assets are built, rebuilt or disposed of;
 - The assets are managed well; and
 - There is a balance between Council operations, new assets and existing assets.

INTERACTION WITH OTHER POLICIES

- Asset Acquisition Policy 1.2
- Asset Disposal Policy 1.3

BACKGROUND:

- Council is committed to implementing a systematic asset management methodology in order 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.
- Council owns and maintains a range of non-current assets to support its core business of delivery of service to the community.
- Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve Council's strategic service delivery objectives.
- Adopting asset management principles will assist Council in achieving its Strategic Longer-Term Plan and Long Term Financial objectives.
- A strategic approach to asset management will ensure that the 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.

PRINCIPLES

- A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- This Policy covers all elected members of the Lithgow City Council, all personnel employed by Lithgow City Council, any person or organisation contracted to or acting on behalf of the Lithgow City Council, any person or organisation employed to work on Lithgow City Council premises or facilities and all activities of the Lithgow City Council. This policy does not confer any delegated authority upon any person.
- Council, as custodian of Lithgow City Council assets, will:
 - Ensure the Council's legal obligations are met;
 - Represent the community who pay for and use the assets ; and
 - Ensure the asset / service is maintained for use by present and future generations on a sustainable basis.
- As part of Council's consideration of infrastructure asset management, Lithgow City Council will:
 - Manage its infrastructure and assets in a systematic and sustainable manner;
 - Engage with the community, stakeholders and service providers when determining service standards / level of service every four (4) years (as part of the Community Strategic Plan review), within the first year of each newly elected Council;

- Set levels of service, risk and cost standards after balancing competing demands and considering integrated planning matters;
- Allocate appropriate resources to ensure the timely maintenance and renewal of built and natural assets, so that “life cycle” costs are optimised (existing and new assets);
- Meet legislative requirements for asset management;
- Update asset management plans annually to reflect the position in the Operational Plan for the upcoming financial year;
- Audit progress in Asset Management Plans and strategies on an internal basis every two (2) years;
- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- Asset management principles will be integrated within existing planning and operational processes.
- Asset Management Plans will be developed for major service / asset categories. The Plans will be informed by community consultation and financial planning and reporting.
- An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long term financial plans which align with the priority objectives of the Community Strategic Plan will be given high priority for funding in the annual budget estimates, with the service and risk consequences of variations in defined asset renewals and budget resources documented in budget documentation.
- 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 services levels and budget resources documented in budget documentation.
- Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- Systematic and cyclic reviews will be applied to all asset classes and will ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- Future life cycle costs will be reported and the ability to fund those costs considered in all decisions relating to new services and assets, and upgrading of existing services and assets. Those lifecycle costs will include the eventual disposal / decommissioning costs.
- Future service levels will be determined in consultation with the community.
- Training in asset and financial management will be provided for Councillors and relevant staff.

RESPONSIBILITIES

To achieve this policy, the following key roles and responsibilities and commitments are identified:

- **Council**
Councillors are responsible for adopting the policy, allocation of resources, providing high level oversight of the delivery of the organisation's asset management strategy and plan and maintaining accountability mechanisms to ensure that organisational resources are appropriately utilised to address the organisation's strategic plans and priorities.
- **General Manager**
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.

The General Manager shall also ensure that Lithgow City Council's organisational structure identifies responsibility and accountability for implementation of Council's role for custodian of the community's infrastructure assets and meet the associated stewardship requirements.

- **Executive Management Team (EMT)**
The Executive Management (EMT) has the responsibility of:
 - Ensuring a review of the risks and opportunities involved in the Strategic Asset Management Plan is undertaken;
 - Ensuring resources and funding for Asset Management activities are made available to integrate Asset Management into the corporate governance framework;
 - Reviewing Asset Management Plans annually; and
 - Ensuring that timely, accurate and reliable asset information is presented to Council to allow informed decision-making.
- **Asset Management Working Group (AMWG)**
The Asset Management Working Group (AMWG) has the responsibility of:
 - Assisting EMT to develop and implement the Asset Management Policy and procedures;
 - Maintaining momentum and co-ordination of the implementation of this Policy and Lithgow City Council's Strategic Asset Management Plan; and
 - Encouraging continuous improvement, innovation and cost effective methods to improve asset management practices.

Maintained by Department:	Operations	Approved by:	Council	Exhibition Date:	24 June 2012
Reference:	Policy Register	Council Policy No:	1.5	Effective Date:	4 June 2012
Min No:	V1 - 12-182 V2 - 13-432 V3 - 17-133	Version No:	3	Reviewed Date:	June 2012 July 2013 April 2017
Attachments:					