



Hay Shire
COUNCIL

Asset Management Strategy 2018-2028



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EXECUTIVE SUMMARY

Section 403 of the Local Government Act 1993 requires Councils to have a long-term resourcing strategy to achieve the objectives established by the Community Strategic Plan, for which the council is responsible. The strategy must include provision for long-term financial planning, workforce management planning and asset management planning.

The Asset Management Strategy and Policy elements of the Council's Resourcing Strategy ensure that its assets are planned, delivered and maintained to deliver Council's commitments to achieving the community's priorities in the Community Strategic Plan 2017 – 2027.

Hay Shire Council reported an infrastructure asset portfolio (including buildings) valued **\$80,446,000** at the end of June 2018. These assets provide services to the community and do not include the capital work still in progress. Hay Shire Council through its commitment to strategic asset management aims:

“To develop and implement practices that will ensure that community and operational assets are provided at a sustainable level both now and into the future that contributes to achievement of the vision of the Hay Shire Community”

The vision of the Hay Shire Community is articulated through consultation with the community and is expressed in the Community Strategic Plan. In this way the priorities of the community inform the delivery of services through the most suitable assets that meet their needs.

This strategy considers the following groups of infrastructure assets that are managed on behalf of the Hay Shire community including:

- **Roads and Transport:** Roads, Aerodrome, Car Parks, Footpaths/Cycleways, Kerb & Gutter, Bridges, Roadside Furniture, Signage, Traffic Management Facilities
- **Water and Sewerage infrastructure:** Filtered and raw water supply mains, pump stations, intakes, reservoirs, water treatment plant, sewer treatment plant
- **Parks and Recreation:** Play equipment, outdoor fitness equipment, tennis courts, sports fields, irrigation systems, floodlighting, seating, BBQ's, swimming pools
- **Stormwater Drainage:** Pipes, Culverts, Pits, Gross Pollutant Traps and litter traps, Vegetated swales, table drains, Detention Basins and Flood Levee
- **Buildings:** Civic Centre, Depot, Library, Community Centre's, Tourist Centre, Sporting Amenities, Public Toilets and commercial properties
- **Waste management facilities:** Waste transfer station, landfill site and the resource recovery centre

INTEGRATED PLANNING AND REPORTING

Revisions to the Local Government Act made in 2016 made Integrated Planning and Reporting one of the Guiding Principles of local government. The Integrated Planning and Reporting (IPR) Framework is a legislative requirement for all NSW councils. Councils are required to develop a series of long, medium and short-term plans to ensure councils are more community focused, responsive and sustainable in the long term.

What are the plans in the Framework?

Hay Shire Council's IPR Framework is made up of a number of plans including:

- Community Strategic Plan (10 years)
- Delivery Program (4 years)
- Operational Plan (1 Year)

These plans are informed by a Resourcing Strategy that is made up of:

- Long Term Financial Plan – 10 years
- Asset Management Strategy – 10 years
- Workforce Management Plan – 4 years

The Integrated Planning and Reporting Framework



About the Resourcing Strategy

The resourcing strategy is the point at which Council reviews what money (Long Term Financial Plan), assets (Asset Management Strategy) and people (Workforce Management Plan) are available to ensure that the services, works programs and projects identified in the Delivery Program are delivered to the community. The resourcing strategy determines what Council as a stakeholder is able to deliver of the community's vision, priorities and needs as set out in the 2017-2027 Hay Community Strategic Plan.

About the Asset Management Policy, Strategy and Plans

The Asset Management Policy, Strategy and Plans are one part of the resourcing strategy that enables Council to implement strategic asset management. Together they outline how Council is going to manage its infrastructure in the long term.

- **The Asset Management Policy** sets a broad framework for undertaking essential asset management in a structured and coordinated way.
- **The Asset Management Strategy** ensures that Hay Shire Council has the right assets, service levels, capabilities and strategies in place to meet the community's expectations, as identified in the Community Strategic Plan.
- **Asset Management Plans** capture an inventory of everything that Council owns or controls, setting out maintenance requirements and intervention points where renewal is required. This planning enables efficient and cost-effective service delivery with funding allocated to ensure that Council can sustain its assets into the future (Long Term Financial Plan).

STATUS OF OUR INFRASTRUCTURE ASSETS

To understand the complexity and range of our infrastructure assets we have grouped those into the major asset classes as shown in the table below.

Financial State of our assets (as of 30 June 2018)

Major Asset Class	Gross Replacement Depreciation	Accumulated Depreciation	Net Carrying Amount	Annual Depreciation
(\$)				
Roads & Transport	\$68,063,000	\$35,576,000	\$32,487,000	\$1,525,000
Water supply network	\$24,542,000	\$13,512,000	\$11,030,000	\$335,000
Sewerage system	\$21,140,000	\$12,364,000	\$8,776,000	\$193,000
Parks & Recreation	\$4,057,00	\$2,215,000	\$1,842,000	\$91,000
Storm water drainage	\$8,242,000	\$3,292,000	\$4,950,000	\$85,000
Buildings	\$28,803,000	\$7,577,000	\$21,226,000	\$353,000
Water waste management facilities	\$211,000	\$76,000	\$135,000	\$6,000
Total	\$155,058,000	\$74,612,000	\$80,446,000	\$2,588,000

Asset Renewal Gap

Major Asset Class	Accumulated Depreciation	Annual Depreciation Expense 2017/18	Annual actual renewal expenditure 2017/18	Annual renewal expenditure
(\$)				
Roads & Transport	\$35,576,000	\$1,525,000	\$1,614,000	\$89,000
Water supply network	\$13,512,000	\$335,000	\$201,000	\$134,000
Sewerage system	\$12,364,000	\$193,000	\$220,000	\$27,000
Parks & Recreation	\$2,215,00	\$91,000	\$179,000	\$88,000
Storm water drainage	\$3,292,000	\$85,000	\$37,000	\$48,000
Buildings	\$7,577,000	\$353,000	\$74,000	\$279,000
Water waste management facilities	\$76,000	\$6,000	\$0	\$6,000
Total	\$74,612,000	\$2,588,000	\$80,446,000	\$263,000

Annual maintenance and operational costs of our assets

Asset Class	F/Y 2017/18	F/Y 2016/17	F/Y 2015/16	Total of 3 years	Annual Average
(\$)					
Roads &Transport	\$1,002,000	\$1,481,000	\$1,182,000	\$3,665,000	\$1,221,667
Water supply network	\$542,000	\$859,000	\$475,000	\$1,876,000	\$625,333
Sewerage system	\$326,000	\$308,000	\$457,000	\$1,091,000	\$363,667
Parks & Recreation	\$759,000	\$788,000	\$855,000	\$2,402,000	\$800,667
Storm water drainage	\$53,000	\$117,000	\$79,000	\$249,000	\$83,000
Buildings	\$303,000	\$248,000	\$262,000	\$813,000	\$271,000
Water waste management facilities	\$355,000	\$317,000	\$327,000	\$999,000	\$333,000
Total	\$3,340,000	\$4,118,000	\$3,637,000	\$11,095,000	\$3,698,333

Critical assets

Critical assets are defined as those for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than non-critical assets.

Although critical assets have a high consequence of failure, they don't necessarily have a high likelihood of failure.

The Hay Shire Council has identified and considered the following assets being critical for the delivery of its essential services through the infrastructure assets:

- **Road Network** – including carriageways (both sealed and unsealed), footpaths, kerb and gutter, cycleways, bridges;
- **Water supply and sewerage infrastructure**- including the filter and raw water supply reticulations, pump stations, intakes, reservoirs, water treatment plant, sewage treatment plant;
- **Stormwater drainage** – including Pipes, Culverts, Pits, Gross Pollutant Traps and litter traps, flood gates and Flood Levee;
- **Buildings** – including Civic Centre, Depot, Library, Community Centres, Tourist Centre, Sporting Amenities, Public Toilets;

- **Parks and Recreation** - Play equipment, sports fields, swimming pools;
- **Waste management facilities** - including the Waste transfer station, landfill site and the resource recovery centre;
- **Aerodrome** – including runway, taxiway, hanger, lighting system, amenity buildings and access road

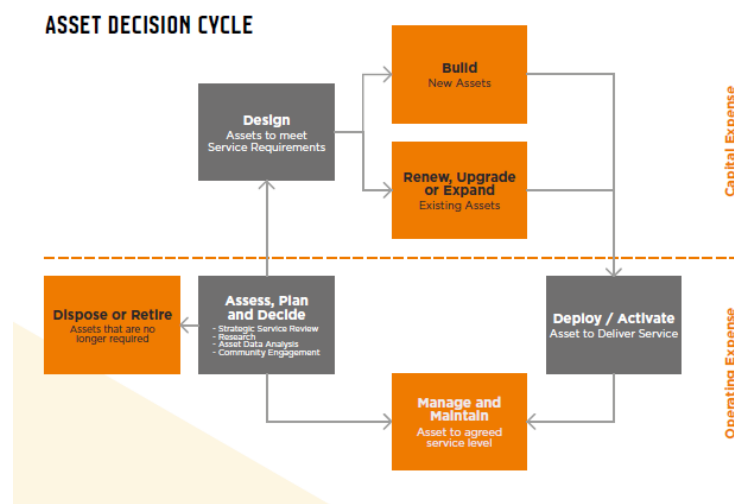
The critical asset categories identified account for more than 95% of all asset value (excluding land). The detailed asset management plans incorporating the risk management plans for all critical asset classes will be developed and implemented progressively.

Works Program

Hay Shire Council has established its 10 year rolling capital works program and reviews the program every year before adopting the annual budget. As part of its works program, Council prepares and delivers annual maintenance works program for all categories of infrastructure assets. On-going assessment of its assets and analysis of data to identify the intervention point to maintain infrastructure assets in a good or satisfactory condition, informs the works program.

The works program is exhibited and remain available to the community for feedback. This gives a level of confidence that assets are being maintained to this agreed service level.

For new assets, Council calculates the upfront capital cost associated with creating the asset and the ongoing cost to maintain and operate the new asset through its entire useful life. This decision process is summarised in the flowchart below:



DEVELOPING ASSET MANAGEMENT FOR HAY SHIRE

Hay Shire Council last reviewed and updated its Asset Management Policy in 2014. The policy has now been revised as part of this document and attached as an appendix. The asset management policy sets guidelines for implementing consistent asset management process throughout the Hay Shire Council.

Apart from the 30-year asset renewal program for the Water and Sewerage Systems (as part of the Integrated Water Cycle Management Strategy), Council currently does not have formal asset management plans for various categories of Assets. Asset Registers for land, buildings, roads, drainage and parks infrastructure are maintained in separate spreadsheets. Hay Shire Council undertakes revaluation of assets based on the data captured and maintained in the asset registers for its financial reporting purpose.

Council's infrastructure assets generally are in good/satisfactory conditions with a small backlog. There is a strong community support for the infrastructure service provision.

Hay Shire Council informed its condition rating applied to its assets as shown in the table below as of 30th June 2018.

Level	Condition	Description	Residual or Remaining Life Estimate
1	Excellent	No work required (normal maintenance)	90-100%
2	Good	Only minor work required	60-90%
3	Satisfactory	Some work required	30-60%
4	Poor	Some renovation required within 1 year	10-30%
5	Very Poor	Urgent renovation/upgrading required	0-10%

STRATEGIC ASSET MANAGEMENT






The Asset Management Policy, Strategy and Plans enable Council to implement strategic asset management as an integral part of its Resourcing Strategy. Together they outline how Council is going to manage its infrastructure in the long term.

This Asset Management Strategy has been developed to ensure that Hay Shire Council has the right assets, sustainable service levels, capabilities and strategies in place to meet the community's expectations, as identified in the Community Strategic Plan 2017-2027.






Council's service level is to make sure that all of Council's assets are in or above "satisfactory" or good condition. The asset condition criteria applied for the major types of infrastructure assets is shown in the images below:

Condition Criteria for Infrastructure Assets






Asset Type – Buildings

Condition 1 - Excellent	Condition 2 - Good	Condition 3 - Satisfactory	Condition 4 - Poor	Condition 5 - Very Poor
No work required (normal maintenance)	Only minor work required	Some work required	Some renovation needed within 1 year.	Urgent renovation/upgrading required
				






Asset Type – Sealed Roads

Condition 1 - Excellent	Condition 2 - Good	Condition 3 - Satisfactory	Condition 4 - Poor	Condition 5 - Very Poor
No work required (normal maintenance)	Only minor work required	Some work required	Some renovation needed within 1 year.	Urgent renovation/upgrading required
				





Asset Type – Kerb and Gutter

Condition 1 - Excellent	Condition 2 - Good	Condition 3 - Satisfactory	Condition 4 - Poor	Condition 5 -Very Poor
No work required (normal maintenance)	Only minor work required	Some work required	Some renovation needed within 1 year.	Urgent renovation/ upgrading required
				






Asset Type – Footpath/cycle path

Condition 1 - Excellent	Condition 2 - Good	Condition 3 - Satisfactory	Condition 4 - Poor	Condition 5 – Very Poor
No work required (normal maintenance)	Only minor work required	Some work required	Some renovation needed within 1 year.	Urgent renovation/ upgrading required
				






Asset Type – Play Equipment

Condition 1 - Excellent	Condition 2 - Good	Condition 3 - Satisfactory	Condition 4 - Poor	Condition 5 - Very Poor
No work required (normal maintenance)	Only minor work required	Some work required	Some renovation needed within 1 year.	Urgent renovation/upgrading required
				


Asset Type – Unsealed roads

Condition 1 - Excellent	Condition 2 - Good	Condition 3 - Satisfactory	Condition 4 - Poor	Condition 5 - Very Poor
No work required (normal maintenance)	Only minor work required	Some work required	Some renovation needed within 1 year.	Urgent renovation/upgrading required
				






Asset Type – Pavers

Condition 1 - Excellent	Condition 2 - Good	Condition 3 - Satisfactory	Condition 4 - Poor	Condition 5 - Very Poor
No work required (normal maintenance)	Only minor work required	Some work required	Some renovation needed within 1 year.	Urgent renovation/ upgrading required
				

Asset Type – Bridge – Timber

Condition 1 - Excellent	Condition 2 - Good	Condition 3 - Satisfactory	Condition 4 - Poor	Condition 5 - Very Poor
No work required (normal maintenance)	Only minor work required	Some work required	Some renovation needed within 1 year.	Urgent renovation/ upgrading required
				

Asset Type - Stormwater pits

Condition 1 - Excellent	Condition 2 - Good	Condition 3 - Satisfactory	Condition 4 - Poor	Condition 5 – Very Poor
No work required (normal maintenance)	Only minor work required	Some work required	Some renovation needed within 1 year.	Urgent renovation/upgrading required
				

Asset Management Plans

The Asset Management Plans (AMPs) capture an inventory of everything that Council owns, or controls grouped into families or asset types. The Asset Management Plans set out the maintenance requirements and the intervention points where renewal is required. This is the planning that enables efficient and cost-effective service delivery with funding allocated to ensure that Council can sustain its assets into the future (Long Term Financial Plan).

FIT FOR THE FUTURE

In 2016 Council applied for reassessment as to being fit for the future and was pleased to receive confirmation later from the Minister for Local Government that it is now fit for the future.

The proposal involved a large amount of work from both Council and staff but also involved consultation with the community in areas such as service levels and rate increase. The proposal included a number of improvement strategies aimed to improve sustainability, including improving efficiency and asset management.

Local Government Reform has resulted in 3 performance measures specific to infrastructure (asset management) that Council must meet to demonstrate that it is sustainable or “Fit for the Future”.

- i. **Asset Renewal Ratio greater than 100% average over 3 years**
(Asset renewal expenditure divided by depreciation, amortisation and impairment).

Hay Shire Council's asset renewal ratio was 90% in the financial year 2017/2018. Council is planning to apply for a special rate variation commencing from 2019/2020 in order to achieve this ratio greater than 100% as mentioned in the council's Fit for the Future submission to the IPART.

- ii. **Infrastructure Backlog Ratio less than 2%**
(Back log is calculated by assets not at satisfactory or good condition).

This means that Council needs to ensure that they have no assets in poor (Condition 4) or very poor condition (Condition 5).

As of the 30th June 2018, Hay Shire Council infrastructure assets across the portfolio were in average condition of good to satisfactory (Condition 2.5). Council has only 3 assets in condition 4 or 5, being the aerodrome fence (condition 5), 50m swimming pool (condition 4) and Maude bridge (condition 5). NSW Fixing Country Road program has committed \$4 million to replace the bridge subject to the remaining cost (of \$4 million) to be provided from an external source. Council has been actively seeking grant for this shortfall amount from various funding agencies.

- iii. **Asset Maintenance Ratio greater than 100% average over 3 years**
(Maintenance/renewal expenditure must be greater than that required to meet the service levels)

Hay Shire Council's average asset maintenance ratio of the last 3 years' is 79%. After the completion of the new sewage treatment plant, the large amount of maintenance cost will not be necessary. In addition, Council has started to rationalise its assets and increase the efficiency, which means that the Council is progressing towards achieving the asset maintenance ratio greater than 100%.

The table below shows the average condition of each asset type reported by the Council as of 30th June 2018:

Asset Type	Category	Average Condition
Buildings	Civic Centre, Library, Community Centre's, Tourist Centre, Sports fields, Amenity Buildings, Public Toilets	3.0
Roads and Transport	Road Pavements, Car Parks, Traffic Facilities, Street Furniture, signage	2.0
	Kerbs and Gutters	2.0
	Footpath and Cycle-ways	2.0
	Bridges- Maude bridge is in very poor condition (condition 5) and others are in satisfactory to good condition	4.0
	Aerodrome – Runway, taxiway, hanger, lighting, access road, fence (fence is in condition 5)	3.0
Storm water Drainage	Drainage assets (visible)	2.5
	Flood levee	3.0
Parks and Recreation	Park assets	2.5
	Swimming pool	4.0
Water supply and Sewerage	Water mains	3.0
	Pumps, valves	2.8
	Water treatment plant	2.5
	Sewer mains	2.5
	Sewer manholes	3.0
	Sewer Treatment Plant- under construction, to be completed by the end of the f/y 2018/2019	1.0
	Sewer pump stations	2.5
	Reservoirs	2.0
	Miscellaneous water and sewer assets	2.5
Waste management facilities	Waste transfer station, resource recovery centre, landfill site, fences, gates	2.5
AVERAGE CONDITION – ACROSS ALL ASSET TYPES - 2.5 (Good to Satisfactory)		

Hay Shire Council commits to identifying and renewing all assets considered to be in condition 4 (poor) or condition 5 (very poor). As of 30 June 2018, the following assets have been identified and considered being in conditions 4 or 5.

- **Swimming pool (condition 4):**

The Hay outdoor pool facility was constructed in 1965 and at that time comprised a 50-metre x 50 feet main pool together with a learn to swim pool and a wading pool. These facilities are beyond their design lives. The main pool has several issues including the continuous leakage over a number of years. As the pool is cited on the reactive soil, the individual parts of the pool have settled in different amount of depths (David Powick & Associates report, 2011). This has been a major concern in terms of the structural integrity of the pool.

The fibreglass interior lining was repaired in 2011 to extend its life by another 5 or 6 years. The purpose of that extension was to allow Council the opportunity to gather funds to cover the cost of more substantial refurbishment.

As there is no another aquatic facility accessible to the Hay community, it is critical for the Council to undertake a thorough investigation of the current condition of the 50m pool and carry out either a significant refurbishment works or replacement of the pool subject to the investigation report. It is estimated that it may cost around \$1 million to undertake the significant refurbishment and about \$3 million for the replacement. Council will need to seek funding assistance from external sources.

- **Maude bridge (condition 5):**

The very poor condition and proposed replacement of the Matthews Bridge at Maude has been a long running issue. The bridge is on a Regional Road and is controlled and managed by Hay Shire Council. A condition report of Matthews Bridge identified that the bridge in its current state requires significant maintenance to continue its previous reduced load rating (10 tonne). Should no maintenance work be completed, it was recommended the load rating be dropped to 2.5 tonne with a speed limit of 10km/hr. This has been done until such time as the recommended maintenance is undertaken. Currently the bridge is being repaired to bring it back to the load limit of 10 tonne.

Council submitted an application to the NSW Fixing Country Roads, Restart NSW Program and was successful in achieving a grant of \$4 million for 50% of the proposed cost of replacing the bridge. The Restart NSW funding is contingent on the remaining \$4 million being approved from another funding source. Therefore, Council has been applying for the grant to cover the remaining cost. Council is not in the position to cover the shortfall amount from its own source but will replace the bridge as soon as the full funding is obtained. As the \$8 million replacement cost will all come from external funding, it is not included in Council's infrastructure backlog.

- **Aerodrome Fence (condition 5):**

The aerodrome is one of the Council's critical assets. Significant renewal work, particularly to the runway, lighting and fencing is required within the next 3 years to meet the Civil Aviation Safety Authority (CASA) compliance requirements and safety standards. Council has recently prepared a master plan for upgrading the aerodrome facility, which will cost in order of \$1 million.

The current aerodrome fence has fallen down and does not comply with the CASA safety requirements. It needs to be replaced immediately. The estimated cost for this will be near \$70,000.

WHERE DO WE WANT TO BE?

Hay Shire Council's Asset Management Strategy 2018-2028 builds upon asset management achievements to identify the improvement priorities and actions for the Council to improve its asset management.

This continuous improvement is targeted to enable the Council to identify opportunities to get the best value from its assets whilst testing that they continue to be fit for the purpose that the community informs as important.

The priority themes and the objectives that they encompass are:

Identify the critical assets and manage associated risks:

- Identifying and protecting the critical assets for continuous service delivery
- Having risk management plans in place to continue services in case of the critical asset failure

Asset Lifecycle Management:

- Capturing performance data to enable analysis and improve decision making
- Comparative information developed and implemented to drive efficiencies
- Future needs analysis
- Continue to build the detail of 10 year forward program for operations, maintenance and renewal to agreed asset standards

Asset Information Management:

- Progressively completing asset management plans for all classes of assets and integrating into the Long Term Financial Plan (LTFP)
- Development and maintenance of comprehensive asset registers for all categories of assets with better asset information

Service Management:

- Service needs analysis
- Setting level of services in consultation with the community

Risk Management:

- Risk Management consideration
- Developing and implementing infrastructure inspection and maintenance regime

Innovation:

- Using technology to collect and interpret asset data effectively and efficiently
- Using new technologies, methods and effective products to build and maintain assets
- Developing and sustaining an innovative culture across the organisation
- Continuous improvement
- Exploring for non-asset solutions, where possible

Governance and Management:

- Having an active Asset Management Steering Committee in place
- Reporting to Council on development, review and implementation of Asset Management Policy, Strategy and Plans
- Assigning key staff members with their roles in effective asset management

HOW WILL WE GET THERE?

Council has convened an Asset Management Steering Committee which oversees the continued development of Strategic Asset Management at Hay Shire Council.

The following objectives and actions are identified for improving Council's Asset Management Planning:

Identify the critical assets and manage associated risks

Objective 1	Identifying and protecting the critical assets for continuous service delivery	Delivery Timeframe
Actions	Develop and implement the flood levee inspection and maintenance manual	2018/2019
	Explore funding sources to upgrade and strengthen the flood levee	2018/19
	Regularly inspect and maintain flood gates	On going
	Develop and implement the aerodrome inspection and maintenance manual	2018/19
	Undertake regular inspection and maintenance of electricals, pumps and structural integrity of the water treatment plant and sewer treatment plant	On going
	Continue to inspect and maintain road networks, storm water drainage infrastructure, parks infrastructure (including ovals and playground), swimming pool, water and sewerage networks, buildings, aerodrome, waste management facilities	On going

Objective 2	Having contingency plans in place to continue services in case of the critical asset failure	Delivery Timeframe
Actions	Have a bypass system for redirecting the sewerage into alternative ponds in case of the sewer plant failure	On going
	Have an arrangement in place to pump sewage via vacuum trucks in case of the sewage pump stations failure	On going
	Put some physical restrictions in supplying the amount of water to minimum in case of Water Treatment Plant failure	As required (proactively)
	Deploy the parks and garden team to turn off all irrigation systems if the water supply becomes critical	As required (proactively)
	Install some power sockets to enable a 3-phase generator operation during the emergency power outage at the water treatment plant, sewer treatment plant and pump stations	2019/2020
	Have a few generators in place in case of power outage at the civic centre building and depot	2019/2020
	Build good working relationships with local contractors for their assistance/cooperation during the emergency events	On going
	Proactively collaborate and work with emergency agencies for continuing the operation of essential services	On going

Asset Lifecycle Management

Objective 1	Capturing performance data to enable analysis and improve decision making	Delivery Timeframe
Actions	Update and maintain asset register for all critical asset classes	2020/2021
	Undertake a periodic asset conditions assessment and develop the renewal program based on asset conditions, uses and performance	Every three years
	Review and update the technical specifications for various works	2019/2020
	Be able to provide reliable budgetary cost projections for programmed maintenance	On going
	Breakdown the operations and maintenance costs associated with different class of assets	On going
	Revalue the road assets based on conditions	On going

Objective 2	Comparative information developed to drive efficiencies.	Delivery Timeframe
Actions	Identify and agree the operational costs against the service level for all asset categories	Ongoing
	Review the useful lives of all critical assets	2019/2020
	Review and update unit costs of various group of assets	2019/2020
	Coordinate and collaborate with Riverina and Murray Joint Organisation (RAMJO) and neighboring councils to enable the comparison of asset useful life	Ongoing

Objective 3	Future Needs Analysis	Delivery Timeframe
Actions	Inform asset requirements based on demographic change and required community services	Ongoing
	Engage with the community to inform the amount and standard of assets required in the future.	Ongoing

Objective 4	Continue to build the detail of 10 year forward programs for operations, maintenance and renewal to agreed asset standards	Delivery Timeframe
Actions	Continue to engage with the community to determine the sustainable level of services to inform a 10 year forward programs	Ongoing
	Collaborate across the organisation to develop capital and maintenance programs that meet business needs and can be delivered within available resources.	Ongoing
	Actively seek for external funding assistance to deliver the projects identified in the Open Space Strategy and Waste Management Strategy and deliver those as the funding is available.	Ongoing

Asset Information Management

Objective 1	Progressively completing asset management plans for all classes of assets and integrating into the Long Term Financial Management Plan (LTFP)	Delivery Timeframe
Actions	Progressively complete the development and implementation of the asset management plans for all classes of infrastructure assets.	2020/2021
	Link the LTFP with the 10-year projected costs for asset operations, maintenance and renewal in the asset management plans.	Ongoing

Service Management

Objective	Service needs analysis undertaken	Delivery Timeframe
Actions	Continue to develop service levels and survey the community expectations	Ongoing

Risk Management

Objective	Risk Management consideration	Delivery Timeframe
Actions	Develop, review and monitor the risk management plans within each asset class as part of respective asset management plans	2020/2021
	Develop and implement infrastructure inspection and maintenance regime for roads, drainage, footpath, bridges, park assets, aerodrome, buildings and waste management facilities	2019/2020
	Continue implementing the Drinking Water Management System manual to manage risks associated with the water supply and sewerage systems.	Ongoing

Innovation

Objective	Innovation opportunities.	Delivery Timeframe
Actions	Explore opportunities for using innovative methods to monitor the performance of all assets.	Ongoing
	Use technologies to collect and interpret asset data effectively and efficiently.	Ongoing
	Use new technologies, methods and effective products to build and maintain assets.	Ongoing
	Develop and sustain an innovative culture across the organisation	Ongoing
	Explore for non-asset solutions, where possible	Ongoing

Governance and Management

Objective 1	Having an active Asset Management Steering Committee in place.	Delivery Timeframe
Actions	Continue the functions of the Asset Management Steering Committee	Ongoing
	Report to Council on development, review and implementation of Asset Management Policy, Strategy and Plans	Ongoing
	Train and assign key staff members with their roles in effective asset management	Ongoing

TERMS/DEFINITIONS

Asset

An asset is defined as “a resource controlled by a Council as a result of past events and from which future economic benefits are expected to flow to the Council”.

Asset Management

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

Asset Management Plan (AMP)

A plan developed for the management of one or more assets that combines multi-disciplinary management techniques (including financial and technical) over the life cycle of the asset in the most cost-effective manner to provide an appropriate level of service

Asset Management Policy(AMP)

The overall intentions and direction of the Council relating to its assets and the framework for the control of asset related processes and activities that are driven by and consistent with the organisational strategic plan.

Asset Management Strategy (AMS)

The Asset Management Strategy identifies assets that are critical to the Council's operations and includes specific actions required to improve Council's asset management capability, projected resource requirements and delivery timeframes. The Asset Management Strategy covers a minimum of 10 years and is reviewed and updated regularly as it is a live document.

Strategic Asset Management Plan

Sets out Hay Shire Council's long-term management for all existing assets under its control and any new asset solutions proposed in the Community Strategic Plan and Delivery Program. The Strategic Asset Management Framework consists of three components consisting of:

- An Asset Management Policy
- An Asset Management Strategy
- Asset Management Plans

Asset Register

A record of asset information considered worthy of separate identification including inventory, historical, financial, condition and construction, technical and financial information about each.

Lifecycle Cost

The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

Service Level

Defining and meeting community expectation; about the quality and quantity of a service delivered by a Council.

Long Term Financial Plan (LTFP)

The Long Term Financial Plan informs decision making in the Community Strategic Plan and the Delivery Program. The Long Term Financial Plan covers a minimum of 10 years and is updated annually as part of the development of the Operational Plan.

Resourcing Strategy

The long-term resources required to achieve the objectives established by the Community Strategic Plan and the Delivery Program. The strategy includes provision for long-term financial planning, workforce management planning and asset management planning.

Risk Management – AS/NZS ISO 31000:2009

Risk Management Standard ISO 31000:2009 was released by the International Organisation for Standardisation (ISO) on 15 November 2009 and supersedes AS/NZS 4360:2004.


IPART

Independent Pricing and Regulatory Tribunal

APPENDIX – ASSET MANAGEMENT POLICY

Hay Shire Council Policy



Title of Policy	Asset Management Policy		
This applies to	Councillors & Staff		
Author	Jeetendra Dahal	Date Approved:	November 2018
Position of Author	Director of Technical Services	Authorised by:	Council
Legislation, Australian Standards, Code of Practice.	Local Government Act 1993		
Related Policies/Procedures	Asset Management Strategy, Asset Management Plans, Long-term Financial Planning and Workforce Management Plan		
Attachments			
Aim	To set guidelines for implementing consistent asset management processes throughout Hay Shire Council		
Version	Details	Date	
Version 1	Initial Issue	May 2012	
Version 2	Revised	April 2014	
Version 3	Reviewed and revised	November 2018	
Superseded Policies			
The Policy			

OBJECTIVE

To ensure that the Council has information knowledge and understanding about the long-term and the cumulative consequences of being custodian of public infrastructure.

This will be done by ensuring the systems and processes are in place to enable Council to determine the most effective and efficient options for delivering infrastructure related services while controlling exposure to risk and loss.

The asset management policy is an integral part of Asset Management Framework including the asset management strategy and plans.

SCOPE

This policy applies to all Council assets, including but not limited to,

- **Roads and Transport:** Roads, Aerodrome, Car Parks, Footpaths/Cycleways, Kerb & Gutter, Bridges, Roadside Furniture, Signage, Traffic Management Facilities
- **Water and Sewerage infrastructure:** Filter and Raw water supply mains, pump stations, intakes, reservoirs, water treatment plant, sewage treatment plant
- **Parks and Recreation:** Play equipment, Outdoor fitness equipment, tennis courts, sports fields, irrigation, floodlighting, seating, BBQ's, swimming pools and pool plant
- **Stormwater Drainage:** Pipes, Culverts, Pits, Gross Pollutant Traps and litter traps, Vegetated swales, table drains, Detention Basins and Flood Levee
- **Buildings:** Civic Centre, Depot, Library, Community Centres, Tourist Centre, Sporting Facilities Amenities, Public Toilets and commercial properties
- **Waste management facilities:** Waste transfer station, landfill site and the resource recovery centre

LEGISLATIVE REQUIREMENTS

- NSW Local Government Act 1993
- NSW Local Government (General) Regulations 2005

PRINCIPLES

The asset management policy is based on the following principles:

- Take a lifecycle approach - apply a whole of lifecycle methodology for managing infrastructure assets including planning, acquisition, operation, maintenance and disposal;
- Best value – balance financial, environmental and social aspects to achieve best value;
- Decision support systems and knowledge – core system will include up to date infrastructure asset information to inform decisions;
- Service levels – infrastructure asset service levels will be clearly defined;
- Long-term financial planning – asset practices, plans, systems will enable the development of long term financial plans for asset classes;
- Manage risks associated with infrastructure assets; and
- Continuous improvement of asset management practices.

Related Documents

Asset Management Strategy and associated Asset Management Plans.

Responsibility

The **Council** adopts the policy and ensures sufficient resources are applied to manage the assets.

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 **Asset Management Steering Committee** is responsible for ensuring that all asset management activities are consistent with the objectives of the Community Strategic Plan, Integrated Planning and Reporting Framework and the Long-term Financial Plan.

Directors are responsible for implementing infrastructure asset management plans, systems, policies, procedures.

Managers and supervisors are responsible for the management of assets within the area of responsibility.

Employees will be tasked under implementation plans and will be responsible for timely completion of those activities contained within those plans.

REFERENCES

- NSW Local Government Act 1993
- NSW Local Government (General) Regulations 2005
- National Asset Management Framework
- International Infrastructure Management Manual

REVIEW PERIOD

This policy will be reviewed and updated after the 2020 local government election.

NEXT REVIEW DATE

2020