

# STRATEGIC ASSET MANAGEMENT PLAN

PART OF COUNCIL'S RESOURCING STRATEGY



## INFRASTRUCTURE ASSETS OF MUSWELLBROOK SHIRE

- ROADS
- BRIDGES & CULVERTS
- FOOTPATHS
- PUBLIC SHELTERS
- KERB AND GUTTER
- STORMWATER
- WATER AND SEWERAGE
- RECREATIONAL
- OPEN SPACES
- LANDFILLS
- COUNCIL BUSINESSES
- COMMUNITY BUILDINGS



These assets underpin service delivery and provide economic, public health, recreational and social benefits



Council must account and plan for all the life-cycle costs of the assets under its ownership, and ensure that any new assets proposed can be afforded over the long term.

Councils must report on the condition of their assets in their annual financial statements in line with the Local Government Code of Accounting Practice and Financial Reporting.

The majority of Council's infrastructure assets are well maintained within budgetary constraints.





## Document Control

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# Table of Contents

- 1. **Executive Summary** ..... 6
- 2. **How Council Provides the Best Possible Value**..... 7
- 3. **Technical Analysis, Planning and Management of Infrastructure** ..... 8  
 Categories of Technical Analysis, Planning and Management Documentation..... 8
- 4. **Aligning Infrastructure and Financial Planning** ..... 9  
 Asset Valuation and Consumption (Depreciation) ..... 9  
 10 Year Expenditure Projections ..... 10  
 Asset Maintenance Shortfall and Renewal Backlog ..... 10
- 5. **Risk Management**..... 11  
 Relationship between Risk and Asset Management Systems ..... 11  
 Managing Critical Assets..... 12
- 6. **The Asset Management System**..... 14  
 Asset Management Steering Committee ..... 14  
 Roles, Responsibilities and Resourcing..... 14  
 Information and Documentation Requirements ..... 14  
 AM System Operation, Control, Monitoring and Audit..... 15  
 Review and Improvement ..... 15
- Appendix 1 – Asset Management Policy** ..... 16
- Appendix 2 – Service Dashboards and Dashboard Summary** ..... 17
- Appendix 3 – Service Objectives** ..... 32
- Appendix 4 – Asset Management Information Register** ..... 33
- Appendix 5 – 10 Year Expenditure Projections To be revised on adoption of Budget 2017/18**..... 34
- Appendix 6 – Terms of Reference for the AM Steering Committee** ..... 35

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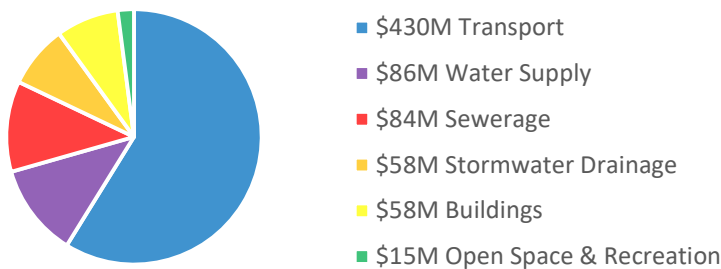
# 1. Executive Summary

This Strategic Asset Management Plan (SAMP) is one of three plans covering each major resource type (money, people and assets) considered under Council’s Resourcing Strategy.

This Plan establishes a framework for Council to achieve the objectives of its Asset Management Policy (Appendix 1): to provide the best possible value from activities related to infrastructure assets and to continually improve its asset management practices.

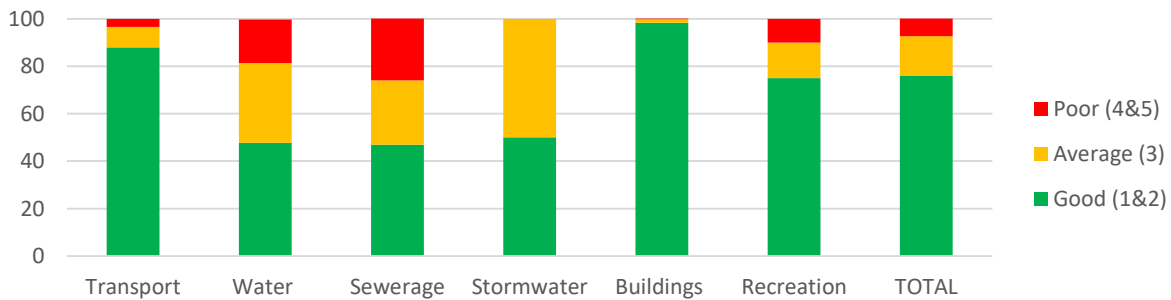
The way these assets are managed is critical to Council’s financial sustainability. Many key inputs to *Fit for the Future* ratios (used to benchmark performance) are defined by the asset condition and the expenditure on asset renewal and maintenance.

Council’s infrastructure assets have a replacement value of just over \$730M (as reported in 2016). The chart below shows the value (\$M) of each of the six major asset classes.



This does not include investment properties, plant and equipment or land.

The chart below shows the condition of assets in each class. Obviously, while transport and building assets are in generally good condition, a significant proportion of water and sewerage assets are near the end of, or have exceeded, their useful life. Confidence level for most of these items is medium to high, however more investigation is necessary to be more confident with stormwater asset condition.



This highlights the need for continued investment in asset renewal. Investment is also required to operate and maintain existing assets, and to build new assets to meet needs and aspirations of the community.

In fact, around 85% of Council’s budgets over the next four years is devoted to operating, maintaining, renewing and building new assets as well as accounting for their depreciation.

The *Service Dashboards* (Appendix 2) for Council’s principal activities in the *Delivery Program* are the centrepiece of this SAMP. A big picture view of everything Council does, they highlight concerns about the value Council can provide from its activities (based on objectives in the *Community Strategic Plan*) both now and in 10 years (based on funds in the *Long Term Financial Plan*).

This SAMP defines a systematic approach to managing assets (based on the principles in ISO 55000) that sharpens this focus on value, the alignment of activities with objectives in the *Community Strategic Plan*, that fosters leadership at all levels of the organisation, that provides

assurance that assets are fit for purpose (and facilitates audits to verify this) and that establishes a framework for continual improvement.

**In 2018, Muswellbrook Shire Council applied for a permanent increase in rates across the Shire to fund a number of projects and programs identified as community priorities. The NSW Independent Pricing and Regulatory Tribunal (IPART) approved Council's application for one year, and IPART has invited Council to apply for the continuation of the Special Rate Variation (SRV) and to include it permanently in the rate base. Muswellbrook Shire Council is progressing with the program of works approved for funding by IPART.**

**This application includes a \$100,000 permanent increase in the roads and parks budgets in order to carry out enhanced maintenance programs that will contribute to the fulfilment of Council's strategic asset management objectives in relation to roads and parks management.**

**The application also includes a \$300,000 permanent increase in stormwater funding that is applied to the annual stormwater budgets in order to deliver enhanced maintenance programs that will contribute to the fulfilment of Council's strategic objectives in relation to stormwater management.**

**In order to see those projects through to completion, Council proposes to apply again to IPART to continue the SRV into the future.**

**Goal Four of Muswellbrook Shire Council's Delivery Program 2017-21 seeks to develop Muswellbrook as a regional centre. The special variation will support an additional permanent allocation of \$100,000 per year for roads and parks asset maintenance programs and \$300,000 per year for stormwater asset maintenance programs.**

## 2. How Council Provides the Best Possible Value

Asset Management (AM) planning documents have traditionally been excessively detailed and complex.

Recognising the problem, Council's AM Policy in Appendix 1 outlines a simpler approach based on ISO 55000:2014 (international standard for AM systems) and the NSW Local Government Act, 1993 that is centred on Council *providing the best possible value from activities related to its infrastructure assets* (the approach could apply to *all* activities with every 'thing' of value seen as an asset as per ISO 55000).

The centrepiece of this new approach is a series of *Service Dashboards* (covering each theme in Council's Delivery Program) and a *Dashboard Summary* (collating this information onto a single page). These are included in Appendix 2 of this SAMP, along with an interpretation guide.

The Service Dashboards inform, and are informed by, the Delivery Program. They are intended to support Council's decisions in the Delivery Program and Operational Plan (particularly allocation of resources) by communicating the longer-term implications of decisions and the 'big picture' of priorities and resourcing. Ultimately, though, decisions in the Delivery Program inform the Dashboards.

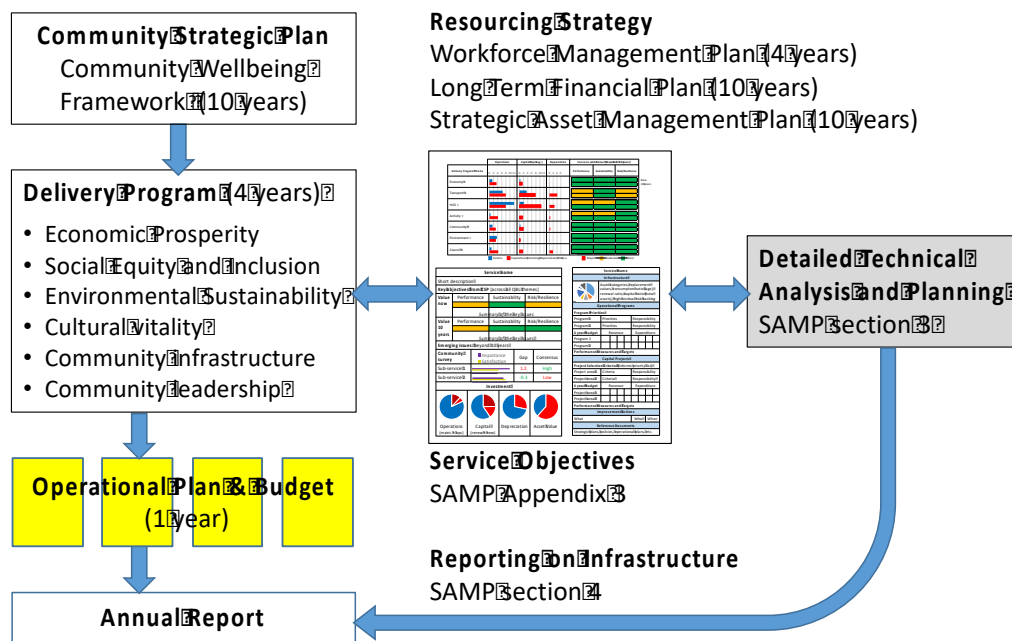
While this high-level summary of everything Council does (including infrastructure-related activities) is intended to simplify Council's approach to AM, it is backed up by detailed technical planning and analysis (discussed in section 3), which then informs reporting on infrastructure (discussed in section 4).

Service objectives are defined in detailed plans as well as Service Dashboards, Delivery Program and Operational Plan. Appendix 3 summarises these across all Council infrastructure assets.

Given that – as set out in the AM Policy – risk is one of three key perspectives on value, it is vital that Council’s risk management system informs the AM system. This is discussed in section 5.

This Strategic Asset Management Plan (SAMP) describes the application of the AM system based on the principles in ISO 55000. The AM Steering Committee (discussed in section 6) is the primary means by which the organisation monitors and reviews the implementation and improvement of the AM system.

The figure below explains how this SAMP relates to other documents in the Integrated Planning and Reporting Framework and summarises references (above) to further information.



### 3. Technical Analysis, Planning and Management of Infrastructure

As discussed in section 2, there is a need for detailed technical analysis and planning to support the high-level summary information contained in the *Service Dashboards*.

The *AM Information Register* (Appendix 3) identifies key information that underpins the AM system. An expanded version (of an operational nature) is a key reference for the AM Steering Committee who monitors the implementation and improvement of the AM system, as discussed in section 6.

This information constitutes Council’s ‘Asset Management Plans’ as defined in ISO 55000 clause 3.3.3 i.e. they specify the activities, resources and timescales required to achieve Council’s ‘AM’ or functional objectives that are established in the *Service Dashboards* (i.e. the performance objectives and targets) and ultimately the *Delivery Program* and *Operational Plan*.

#### Categories of Technical Analysis, Planning and Management Documentation

Detailed planning; analysis; processes and systems underpin the information used in the Plan.

Basic categories of technical analysis, planning and management documentation are described below. All must be periodically reviewed, and many are associated with opportunities for improvement.

*Asset registers* are the building blocks for the AM system, identifying all assets (sometimes in component parts) as well as location, quantities, materials, condition, age and other attributes.



*Asset hierarchies* are a means of prioritising resources and effort to those assets that are more critical (e.g. differentiating between very busy roads and those serving only a few properties).

*Asset condition assessments* use a variety of methods from visual inspections of buildings to automated laser/video assessments of roads to assess the condition of assets to determine how far it is through its useful service life.

*Needs analysis and strategies* identify both the needs of the community and the performance that is required from infrastructure assets to meet these (usually expressed in terms of quality or condition, functionality and capacity). This considers deterioration of assets, growth in demand, changes in community needs and expectations. Many of these may be formally adopted by Council.

*Performance modelling* predicts the expected deterioration in performance of assets over time.

*Asset valuations* consider both the 'fair value' of an asset (what it would be worth to sell on the open market – as required by accounting standards) and the expected service life. This information coupled with asset condition information enables Council to determine the current fair value of its assets and annual depreciation (how much of this value is being consumed each year) discussed in section 4.

*Capital works programs* identify the priorities for future works based on the priorities established by Council in the Service Dashboards and draw on a range of data on the assets including the asset hierarchy (the importance ranking of assets in a category e.g. main roads versus local streets). A short justification for the works is identified. The cost of undertaking works is also estimated.

*Operations and Maintenance Management Plans/Systems* are the means by which Council ensures complex assets, such as water treatment plants, are performing appropriately, being managed sustainably, and that risks are appropriately managed.

*Procedural Documents* are the means by which Council controls critical processes in the AM system such as the way projects are planned and executed, the way data is collected and stored in computer systems and methodologies for calculations related to performance of Council's infrastructure.

Section 6 discusses the need for monitoring, review and auditing of documentation, systems and processes to provide assurance as to the continuing suitability of the AM system.

## 4. Aligning Infrastructure and Financial Planning

Around 85% of Council's budgets over the next four years are devoted to operating, maintaining, renewing and building new assets as well as accounting for their depreciation. This equates to around \$45M, on average, per year over the next four years.

Obviously, the way these assets are managed is critical to Council's financial sustainability. Several key inputs to *Fit for the Future* ratios (used to benchmark performance) are defined via this SAMP.

It is thus critical to ensure strong alignment between infrastructure and financial planning in this SAMP and the Long Term Financial Plan (LTFP) respectively. The assumptions and details behind the numbers must be clear. Two key areas are discussed below.

### Asset Valuation and Consumption (Depreciation)

As noted in section 3, the *valuation* of assets is on the basis of 'fair value' (what an asset is worth on the open market). *Asset condition* says how far the asset is through its life (how much value has been consumed). The cost of *asset consumption* (depreciation) is calculated based on the value lost each year as the asset deteriorates (as life is used up), i.e. the asset value divided by its service life.

Assumptions about these factors (fair value, condition and service life) of assets determines a large proportion (around 20% or \$8.3M p.a.) of Council's annual operating expenses. Note 1 of

Council's Annual Financial Statements includes further details on service life and Note 27 includes details of methodologies for Fair Value Measurement.

These assumptions need to be refined over time. Improvement actions to condition and valuation information are identified in the detailed version of the *AM Information Register*.

## 10 Year Expenditure Projections

Council forecasts its revenues and expenditure over 10 years via the Long Term Financial Plan (LTFP). It is critical that the financial information in this SAMP aligns with the LTFP.

Appendix 5 shows how the LTFP reconciles in summary with financial information in or informed by this SAMP. The first 4 years aligns with figures in *Service Dashboards*. Figures relating to years 5 to 10 are based on continuing the priorities for the programs identified in the *Service Dashboards* over the longer term, as well as drawing on information in technical documents where these are available (e.g. the 30 year financial plan for water and sewerage assets (FINMOD) in the *Integrated Water Cycle Management Plan*).

In the LTFP, projected expenditure on *capital activities* (renewing assets and building/acquiring new ones) is reported as 'purchase of infrastructure, property, plant and equipment' in the *Cash Flow Statement*. The value of purchasing of 'non-infrastructure related' items is identified in Appendix 5 to show what is specifically for infrastructure. The figures split capital expenses on renewal and new/upgraded assets to report on the renewal ratio (a performance measure under *Fit for the Future*), which is also reported over a 4 year period in the *Service Dashboards* for each asset category.

In the LTFP, projected expenditure on *operational activities* (operating and maintaining assets) is reported as its component parts: 'employee benefits and on-costs', 'materials and contracts', etc. in the 'payments' section of the *Cash Flow Statement* as well as the 'operational expenditure' section of the *Income Statement*. Again, this includes expenditure of a 'non-infrastructure related' nature, but this is separately identified in Appendix 5 to show what is specifically devoted to infrastructure.

In the LTFP, projected *depreciation* expenses (also an operational expense) is reported in the *Income Statement* under 'expenses from ongoing activities'. Again, this includes depreciation of 'non-infrastructure related' assets separately identified in Appendix 5.

## Asset Maintenance Shortfall and Renewal Backlog

NSW Government's *Local Government Code of Accounting Practice and Financial Reporting* defines the method to calculate infrastructure performance measures that must be reported in Special Schedule 7 (SS7) of Council's annual financial statements. These are important *Fit for the Future* benchmarks.

Auditing of these measures has been flagged for several years. Council has developed a procedure (based on the *Code*) outlining its calculations, which is included on the *AM Information Register*. The key points are discussed below.

**Required maintenance**, is defined as funding 'sufficient to ensure assets don't fail prematurely and can be kept in a functional state for community use'. *Code* update 25, 2017.

Council's approach has been to base required maintenance estimates either on:

- what is being done now, plus what the staff estimate to be what needs to be done on addition to this to achieve the asset lives EG Roads and drainage, parks and reserves; or
- Benchmark figures where available; eg Buildings; Water and Sewer assets.

As information improves, both at Council and in the industry generally, confidence around these estimates will improve. For now, small funding shortfalls are being reported

In terms of renewal **backlog**, the *Code* update 25 (draft at the time of writing) now requires Council to report on the cost to bring assets:

1. to a “satisfactory” condition (defined as condition 2 out of 5 ‘good’, requiring minor maintenance, unless Council has consulted with the community and they have agreed to an alternative)
2. to an “agreed” or “accepted” level of service (defined as the intervention level set by council, based on condition)

Council needs to ensure an auditable approach to calculating these measures is followed. This will be undertaken by the AM Steering Committee following finalisation of the draft *Code*.

It is worth noting that Council has undertaken considerable community engagement about levels of service from assets already, as noted in Appendix 3.

Another point worthy of note here is that the ‘backlog’ specifically excludes new or upgraded assets, and it may be that the best value is to be delivered by investing in such assets and delaying renewal of existing assets (so long as there aren’t any significant issues of concern with these).

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## 5. Risk Management

### Relationship between Risk and Asset Management Systems

Council’s AM Policy identifies three perspectives to consider in relation to providing the ‘best possible value’ to the community: performance, sustainability and risk/resilience (these inform the basic structure of page 1 of the Service Dashboards).

The AM Policy identifies that ‘risk’ is as defined in Council’s risk management system (established under Council’s *Enterprise Risk Management Charter*) so it is vital that risk and AM systems are integrated (or put differently, Council’s risk management system perhaps underpins the AM system: risk represents a ‘floor’ of minimum acceptability in terms of value). Integration of risk and AM systems is part of the terms of reference for the AM Steering Committee (Appendix 6).

Risks identified at the corporate level (via the corporate risk register) will sometimes shape the AM system itself, and the implementation of the AM system through operational and capital programs will often be driven by risk management as a priority (as identified in *Service*

*Dashboards*). Detailed technical analysis and planning (section 3) will often be driven by the need to quantify and manage risk.

In many ways the 'front line' of risk management is in the operation and management areas e.g. identifying and repairing defects on the road network and playgrounds or managing the storage, treatment and distribution of drinking water as described in the Drinking Water Quality Management Plan.

Other risks can only be treated adequately by undertaking capital works. Where a project is included in the *Capital Works Program* for reasons related to risk, this will be noted in the justification.

### Managing Critical Assets

The *IPR Guidelines* (essential element 2.13) require that the AM Strategy identify assets that are critical to its operations and outline risk management strategies for these assets.

ISO 55000 (clause 3.2.8) defines a critical asset as an asset having potential to significantly impact on the achievement of the organisation's objectives. Assets can be critical due to safety, environment or performance reasons (this can relate to legal, regulatory or statutory requirements) or because they provide services to critical customers.

Council has established hierarchies for most asset categories that prioritise efforts toward those assets with higher usage (e.g. distributor roads, trunk pipelines) and in most cases establish higher standards of performance (e.g. renewal is undertaken when assets are less deteriorated).

Risk management strategies for the primary asset categories are outlined below. Further details are discussed in section 4 and in the reference documents noted in *Service Dashboards*, as well as (where relevant) in Council's corporate risk register.

<b>Critical Asset</b>	<b>Primary Risks</b>	<b>Management Strategies</b>
Water Supply	Supply problems due to drought Supply problems due to flood Failure to meet Australian Drinking Water Guidelines Failure of critical infrastructure (e.g. pumps) or loss of power leads to loss of supply	Drought and Drinking Water Quality Loss of power and use of Treatment Works Management Plans in place; criticality analysis undertaken on all assets and condition assessments underway with opportunities to improve redundancy and resilience identified (e.g. backup pumps, storage in reservoirs)
Sewerage	Release of untreated sewage or effluent to the environment due to a loss of power or failure of infrastructure	Criticality analysis undertaken on all assets and condition assessments underway with opportunities to improve redundancy and resilience identified (e.g. backup pumps and generators, storage time in pump stations), pollution incident response plans in place
Roads, Bridges and other Transport	Safety issues arising from asset failures and/or other issues such as fallen trees, washed out bridges, flooded roads	Inspection systems in place with additional inspections undertaken where necessary (e.g. after a major storm event)
Playgrounds	Safety issues from damaged or broken equipment	Inspection system in place to identify and respond to defects
Sports-grounds	Safety of users	Appropriate maintenance carried out
Aquatic Centres	Drowning, poor water quality leads to health issues	Supervision in place, trained operators, appropriate equipment and maintenance
Buildings	Business continuity in the event of a problem with the building	Business continuity plans in place Appropriate maintenance carried out

## 6. The Asset Management System

The AM System is the set of interrelated or interacting elements of an organization to establish policies and objectives for AM, and processes to achieve those objectives (ISO 55000 cl. 3.4.2, 3.4.3).

The planning, implementation, review and improvement of the AM system is described below. A key difference from traditional AM practice (which featured very detailed asset management plans to be adopted by Councils at a corporate level) is that much of the detail is managed at the operational level, with policy and planning documents adopted by Council kept simpler to facilitate better engagement.

### Asset Management Steering Committee

Council's Asset Management Steering Committee role is to monitor and review implementation and improvement of the AM system to ensure Council's AM objectives are met. The terms of reference are in Appendix 6.

It is important to note the Group provides an important cross-functional forum for planning and coordinating AM activities including raising awareness of and communicating about AM issues (in addition to monitoring and reviewing the AM system).

### Roles, Responsibilities and Resourcing

Roles and responsibilities in relation to the AM system are established at several levels in Council:

- generally, in the AM Policy
- specific to particular programs / functions in Service Dashboards (which reflect Council's Delivery Program and Operational Plan, but generally at a higher level)
- specific to particular documents in the *AM Information Register* (refer below)
- specific to positions in Position Descriptions and employee performance objectives

The *Service Dashboards* reinforce the fact that infrastructure assets in some way support the provision of all services across Council, thus highlighting that everyone has a stake in AM and something to contribute to the implementation and improvement of the AM system.

Monitoring clarity of roles and responsibilities as well as the adequacy of resources (including competence) to support the implementation of the AM system is within the terms of reference for the AM Steering Committee, as is raising awareness of and communicating about AM issues.

### Information and Documentation Requirements

As discussed in section 3, the detailed technical analysis and planning that sits behind the Service Dashboards are critical if Council is to achieve its AM objectives.

The *AM Information Register* (Appendix 3) includes:

- a more detailed list of the key reference documents relating to each service area that are summarised in the Service Dashboards
- responsibilities for the particular source of information, document or process/system
- criteria for effective implementation and assurance of that element of the AM system (acceptance criteria, measures to demonstrate compliance, monitoring to be undertaken)
- interconnectivities between that element and other elements of the AM system (or things outside the AM system e.g. financial and HR management systems)
- current status (including confidence in data) and specific improvements required

The review of this list is an agenda item on the terms of reference for the AM Steering Committee.

## AM System Operation, Control, Monitoring and Audit

Processes within the AM system must be planned, implemented and controlled if Council is to meet its AM objectives. The *AM Information Register* identifies procedural documents (and acceptance criteria, measures to demonstrate compliance as well as monitoring undertaken for them). Many of the plans in the Register also include information on the processes required for their implementation.

Where problems or potential problems with Council's assets, AM or AM system are identified as part of monitoring, Council will take necessary actions to prevent or correct and control them, as well as eliminate the cause to avoid them recurring and will review their effectiveness. The AM Steering Group will be the forum to review and discuss such issues, as noted in the terms of reference.

ISO 55001 (clause 9.2) requires that internal audits be carried out at planned intervals to provide information to assist in the determination on whether the AM system conforms to Council's own requirements and those of ISO 55001, and whether it is effectively implemented and maintained. Terms of reference for the AM Steering Committee includes the development and implementation of an audit program.

NSW Office of Local Government has flagged its intention to introduce auditing of AM information reported by councils since 2013. Requirements defined to date in OLG Circular to Councils 15/29 fit within the comprehensive AM systems framework in ISO 55001, so the approach in this SAMP will help Council to demonstrate compliance with specified requirements and best practice when auditing is introduced.

## Review and Improvement

The primary function of the AM Steering Committee (aside from providing a forum for planning and coordinating AM activities) as established by Council's AM Policy is management review of the AM system to ensure its continuing suitability, adequacy and effectiveness.

When appropriate, improvement actions will be identified in the Delivery Program and/or Operational Plan. Business cases for unfunded actions will be considered by the AM Steering Committee.

# Appendix 1 – Asset Management Policy

See Policy Document A40/1 Asset Management Policy Doc ID 738381 yet to be exhibited and adopted.



## Appendix 2 – Service Dashboards and Dashboard Summary

### **NOTE: Dashboards to be reviewed upon adoption of budget.**

Following are the Service Dashboards and Dashboard Summary discussed in section 2.

An interpretation guide is provided for each below.

These are Council's first version of a new format of planning documentation designed to present a very high level overview of Council's functions, assets and budgets. Relevant information is drawn from more detailed sources (Council's Delivery Program, Operational Plan, Annual Financial Statements and Budgets) and so these other documents should be the final point of reference.

The Service Dashboards prepared so far cover most areas of Council's operations (with a focus on Council's infrastructure assets):

- Transport and Drainage
- Water Supply and Sewerage
- Waste Management
- Open Space, Recreation and Public Toilets
- Community Programs and Facilities

Dashboards have not yet been produced for the following functions:

- Organisational Capability
- Planning, Development and Environment
- RMS Road Maintenance Contracts
- Future Fund

All functions of Council are, however, included in the *Dashboard Summary* that draws together information from all Service Dashboards as well as budget information on these other areas.

It is important to note that these documents are still a work in progress and need further (and ongoing) refinement.

# Interpretation Guide for Service Dashboards and Dashboard Summary

## Service Dashboards: Page 1

Service Name			
Short description			
Key objectives from CSP (across all QBL themes)			
Value now	Performance	Sustainability	Risk/Resilience
Summary of the key issues			
Value 12 years	Performance	Sustainability	Risk/Resilience
Summary of the key issues			
Emerging issues: beyond 12 years			
Community survey	<ul style="list-style-type: none"> <li>Importance</li> <li>Satisfaction</li> </ul>	Gap	Consensus
Sub-service 1		1.2	High
Sub-service 2		-0.3	Low
Investment			
Operations (maint. tips)	Capital (renew/new)	Depreciation	Asset Value

Service description and relevant goals from the Community Strategic Plan

Key issues of concern with the value Council can provide now and in 12 years time with the resources it has available (plus emerging issues beyond this)

Community satisfaction survey results

Investment in the service (as a proportion of total investment in all services) in terms of:

- ongoing activities (operations: dark red)
- new/renewed assets (capital: dark red)
- depreciation (cost of asset consumption)
- total asset value

## Service Dashboards: Page 2

Service Name			
Infrastructure			
	Asset categories, replacement values, consumption ratio (age), renewal ratio, capital ratio (new assets), high residual risk backlog		
Operational Programs			
Program	Priorities	Responsibility	
Program 1			
Program 2			
4 year Budget	Revenue	Expenditure	
Program 1			
Program 2			
Performance Measures and Targets			
Capital Projects			
Project Selection Criteria (informs priority list)			
Project area	Criteria	Responsibility	
Project area 1			
Project area 2			
4 year Budget	Revenue	Expenditure	
Project area 1			
Project area 2			
Performance Measures and Targets			
Improvement Actions			
What	Who	When	
Reference Documents			
Strategic plans, policies, operational plans, etc.			

Infrastructure supporting the service

- Asset categories, quantities and cost to renew
- Consumption ratio (100% = assets are new, 0% = at end of life)
- Backlog ratio (proportion of assets in unsatisfactory condition)
- Renewal ratio (renewal spend relative to depreciation: are assets being renewed faster than they are consumed?)
- Capital ratio (spend on renewal/new and upgraded assets compared to depreciation: growth in the asset base?)

Operational Programs (ongoing activities)

- Priorities and responsibilities for limited resources
- Summary 4 year budgets (revenue and expenditure)
- Performance measures and targets

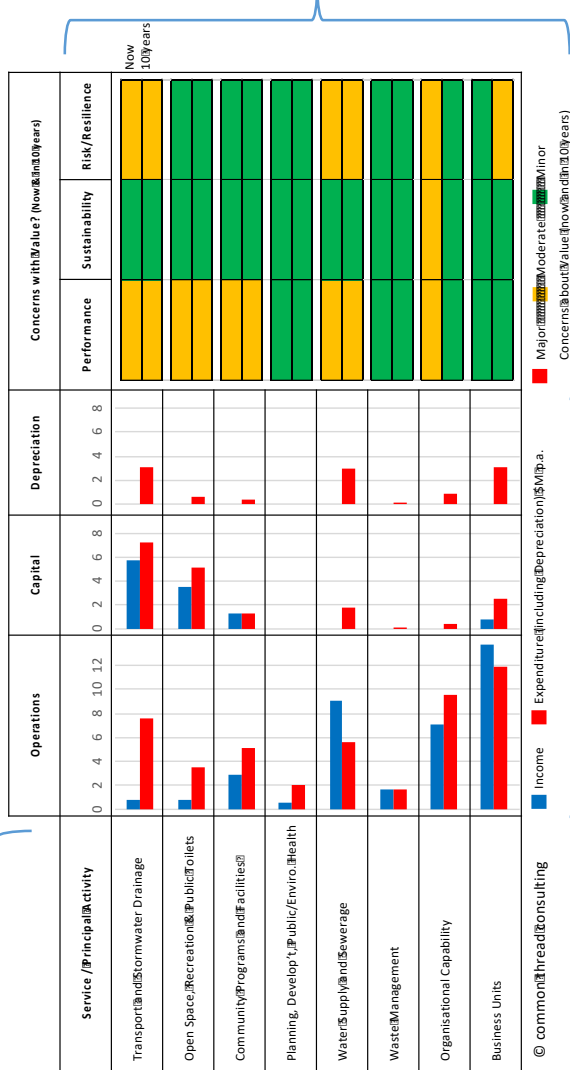
Capital Programs (renewal and new/upgraded assets)

- Priorities and responsibilities for limited resources
- Summary 4 year budgets (revenue and expenditure)
- Performance measures and targets

Improvement Action Plan

Reference Documents (for further information)

**Council's functions:** All operations are summarised on this single page (further details are available in the individual Service Dashboards)



**Concerns about the value Council is able to provide now (10 years) with the resources that has available from the perspectives of:**

- performance (quality/function/capacity),
- sustainability (minimising long term social, environmental and economic cost) and
- risk / resilience (avoiding negative outcomes, capacity to withstand shock)

**Resources invested in each function:** revenue (blue) and expenditure (red) for operations (ongoing activities); capital works (renewal and new/upgraded assets) as well as depreciation (the cost of asset consumption). If revenue (blue) is more than expenditure (red) it generates income, if it is less, it is funded by general rates. Capital expenses (asset renewal) must be equal to depreciation over the long term to avoid assets being used up.

## Transport and Drainage

Provision and maintenance of transport (local and regional roads, bridges, footpaths and cycleways, kerb and gutter, signs, guardrail) and stormwater drainage (pipes, pits, headwalls, channels, flood levees, gross pollutant traps) infrastructure, road safety programs. (Excludes State Roads (Golden Highway, Denman Road).)

**Community Strategic Plan Objectives (Goals)**

- Diversify the economy, facilitate the development of intensive agriculture and other growth industries, make the Shire more attractive place to invest and do business (Goal 1)
- Continue to improve the liveability and amenity of the Shire's communities (Goal 5)
- Our local rivers and creeks are enhanced, utilised and valued (Goal 2)
- Support initiatives which reduce the community's impact on the environment (Goal 3)
- Our community's infrastructure is planned well, is safe and reliable, and provides required levels of service (Goal 8)
- The road, footpath and cycleway networks are integrated and allow for the safe movement of residents around the Shire (Goal 9)
- A Council that is well managed, efficient and properly resourced and that is responsive to its community and stakeholders (Goal 23)
- A sustainable Council that is the best practice employer providing safe, happy and productive workplace (G24)

	Performance	Sustainability	Risk and Resilience
<b>Value Now</b>	While the road network is generally sound, feedback from the community indicates they have a higher expectation; major resealing (resurfacing) programs in recent years have significantly reduced the number of potholes; inadequate capacity in stormwater drainage is an issue in some areas (Denman, Possum Gully); some roads get cut off by flash flooding; lack of footpath/kerb in some areas	Major resurfacing programs are helping to prevent costly premature failure of pavements as well as reduce maintenance costs; a focus is now required on table drains to gain prevent premature pavement failure; heavy patching delays the need for full reconstruction, but when this is done it is high quality construction with long expected service life.	An effective maintenance management system in place to identify and respond to defects on roads. Road safety issues are of concern at some locations (alignment, width, intersections)

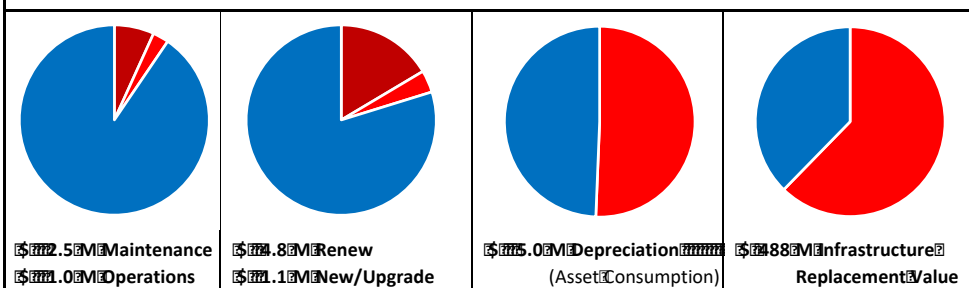
	Performance	Sustainability	Risk and Resilience
<b>Value 10 years</b>	Modelling indicates that the planned level of renewal will keep up with deterioration, although the network as a whole is ageing. Concerns relating to functionality and capacity of roads increasing with greater volumes and larger vehicles (particularly related to mining)	Resealing and drainage maintenance will continue to prevent premature failure; heavy patching will extend service life of existing pavements; continued investment in high quality construction with long expected service life will help address the 'ramping up' of renewal need	Effective maintenance management system in place. Road safety improvements (alignment, width, intersections) will be undertaken in priority sites, but cannot address all areas of concern

**Emerging Issues (Beyond 10 years)**

Current funding is sufficient to keep up with deterioration for the next 10 to 15 years. There is a need to monitor emerging growth in renewal need in the longer term. It is important that roads that are reconstructed are built with long service life to avoid exacerbating any peak in increasing volumes/size of trucks will continue. Significant funding from particular mines is dependant on continued operation.

Service	Importance / Satisfaction					Gap	Consensus
	0	1	2	3	4		
Maintenance of sealed roads	[Bar chart showing high satisfaction]						
Maintenance of unsealed roads	[Bar chart showing moderate satisfaction]						
Footpaths and cycleways	[Bar chart showing moderate satisfaction]						
Parking facilities	[Bar chart showing moderate satisfaction]						
Cleanliness of local streets	[Bar chart showing high satisfaction]						
Stormwater Drainage	[Bar chart showing low satisfaction]						

### Investment



Infrastructure						
Asset Category	Value	Consumpt'n	Backlog	Renewal	Capital	
528km Sealed Pavement	45.0	66%	1.6%	284%	338%	
528km Sealed Surface	2.9	43%	3.6%	84%	84%	
169km Kerb and Gutter	2.6	78%	0.1%	38%	43%	
94km Unsealed Roads	1.9	78%	6.3%	217%	217%	
21 Bridges (19 Conc. 2 Timb.)	5.7	73%	0.3%	33%	50%	
43km Footpaths	3.4	77%	0.5%	213%	267%	
68 Carparks	3	69%	1.2%	127%	127%	
Other Transport Assets	8.2	80%	0.3%	18%	24%	
73km Urban Stormwater	3.8	66%	1.2%	11%	105%	
1278 Culverts / 7 Causeways	4.3	68%	2.0%	32%	0%	
Bulk Earthworks	0.4	N/A	N/A	N/A	0%	
<b>TOTAL TRANSPORT</b>	<b>87.6</b>	<b>68%</b>	<b>1%</b>	<b>99%</b>	<b>121%</b>	

Operational Programs								
Program Area	Priorities							Responsible
Maintenance of Transport and Drainage Infrastructure	Identify defects via inspections and requests from public and prioritise actions to make safe and repair as per risk-based Maintenance Specification and efficient programming of work							Mgr Works
Transport & Drg. Other Ops (Technical & Asset Mgt.)	Planning for network improvements, Traffic Committee, approval of works on roads, regulatory functions, floodplain management, development control							Various
Program Area	Specific Revenue (other than General Rates)				Expenditure			
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21
Federal Assistance Grant	95,632	18,022	40,973	64,497				
Asset, Design & Depot	32,000	35,300	38,683	42,150	1,000	2,025	3,076	4,153
Urban Road Maintenance					8,844	9,565	10,529	11,742
Rural Sealed Road Maint.					7,619	20,060	43,061	66,638
Rural Unsealed Road Maint.					3,250	4,706	5,374	6,258
SRV Mine Roads Maint.					43,364	47,019	51,960	51,961
Regional Road Maintenance	28,000	28,000	28,000	28,000	33,700	39,543	45,531	51,669
Bridge Maintenance					3,488	5,074	6,701	6,702
Carpark Maintenance					16,619	19,535	22,523	25,586
Footpaths and Cycleways					2,660	4,976	7,350	7,351
Drainage Maintenance					19,618	22,608	25,673	28,815
Street and Gutter Cleaning					25,500	31,138	36,916	42,839
Street Lighting					80,000	89,500	99,238	109,218
Loan Repay (LRs/Bridges)					70,619	48,670	25,678	25,679
<b>TOTAL</b>	<b>255,632</b>	<b>281,322</b>	<b>307,656</b>	<b>334,647</b>	<b>411,281</b>	<b>465,418</b>	<b>521,618</b>	<b>593,612</b>
Program Area	Performance Measures and Targets							Target
Maintenance of Transport and Drainage Infrastructure	Target: Compliance with intervention standards and response times in maintenance specifications							90%
Transport & Drg. Other Ops	Measure: Report on maintenance accomplishments by asset type, e.g. number of potholes, areas of footpaths repaired, length of unsealed road graded and number of customer requests (plus public liability incidents) with comparisons to specifications and previous years							Report
Transport & Drg. Other Ops	Report on activities undertaken in accordance with Operational Plan							Report
Capital Projects								
Project Area	Selection Criteria (for Priority Projects List)							Responsible
Resurfacing and Heavy Patching of Sealed Roads	Resealing to maintain water proof layer and prevent premature pavement failure; includes heavy patching of isolated pavement failures prior to sealing and major maintenance							Mgr Works
Sealed Road and Drainage Renewal/Upgrade Program	Renewal of roads, kerb, drainage, etc. in poor condition based on hierarchy (i.e. amount of use), performance and risk. New/Upgraded infrastructure based on hierarchy and extent of deficiencies (e.g. performance and risk), often informed by road safety audits. Community enhancement programs as adopted by Council (Muswellbrook CBD)							Mgr Works
Unsealed Roads	Renewal of poor condition pavement, upgrades (widening, sealing) based on hierarchy, risk, reducing maintenance (grading) and dust impacts on adjacent properties							Mgr Works
Bridges	Replacement of remaining timber bridges (two left) in concrete							Mgr Works
Footpaths and Cycleways	Replacement of poor condition paths based on hierarchy and risk; provision of new paths to address 'missing links' and areas of high usage. Cycleway priorities identified in Walk and Cycle Plan.							Mgr Works
Project Area	Specific Revenue (other than General Rates)				Expenditure (excl. Depreciation)			
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21
Resurface of HPI Sealed Rds					1,609,000	1,645,000	1,683,000	1,683,000
Road Renewal & Upgrade Program (incl. Traffic Safety)	85,000	9,059	9,059	9,059	912,000	930,000	950,000	950,000
Regional Roads	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Mine Affected Roads	103,970	12,049	20,290	28,696	103,970	112,049	120,290	28,696
CBD Programme						300,000		250,000
Denman Masterplan (SRV)			500,000			2,500,000	2,500,000	
Unsealed Roads Graveling					328,000	328,000	330,000	330,000
Kerb and Guttering					125,000	130,000	130,000	130,000
Carparks					103,000	110,000	115,000	120,000
Traffic Control/safety devices					128,591	117,539	135,124	100,000
Bridges					300,000	305,000	305,000	305,000
Footpaths and Cycleways					156,000	160,000	165,000	165,000
Drainage Upgrades					158,000	158,000	159,000	160,000
<b>TOTAL</b>	<b>1,358,970</b>	<b>891,108</b>	<b>3,399,349</b>	<b>907,755</b>	<b>4,293,561</b>	<b>7,165,588</b>	<b>7,262,414</b>	<b>4,691,696</b>
Project Area	Performance Measures and Targets							Target
All projects	Target: Completion of projects in Operational Plan (% by value)							90%
	Target: Variation from Budget in Operational Plan							10%
	Target: % of transport assets in condition or replaced by replacement value							<2%
	Measure: Report on achievements including areas of road sealed with comparisons to previous years and key projects							Report
Improvement Action Plan								
What					Who	When		
Refine Pavement Management System to inform maintenance and renewal programs					Mgr. R&D	Dec. 2017		
Review of Maintenance Specifications (intervention standards and response times) based on history of compliance, risk, efficiency and benchmarking against similar councils					Mgr. Works	Sept. 2017		
Review asset condition and valuation information as detailed in appendix 5 of Strategic AMP					As per SAMP	As per SAMP		
Review forward works programs to inform Priority Projects List for 2018					Mgr. R&D	Dec. 2017		
Reference Documents								
Asset Hierarchies, Maintenance Specifications, Walk and Cycle Plan, Carparking Needs Analysis, Mine Affected Roads Strategy, Agreements with Mining Companies / V.P.A.s, Specifications (NATSPEC) for Design, Construction and Maintenance, Section 94 (Developer Contributions) Plans, Floodplain Risk Management Committee								

Water Supply and Sewerage																																																														
Supply of potable (drinking) water at Muswellbrook, Denman and Sandy Hollow; Sewerage reticulation and treatment at Muswellbrook and Denman; Several schemes to reuse treated effluent (Muswellbrook Golf Club, Mines).																																																														
<b>Community Strategic Plan Objectives (Goals)</b>	<p>Diversify the economy, facilitate the development of intensive agriculture and other growth industries, make the Shire more attractive place to invest and do business (G2)</p> <p>Continue to improve the liveability and amenity of the Shire's communities (Goal 5)</p> <p>Our local rivers and creeks are enhanced, utilised and valued (Goal 12)</p> <p>Support initiatives which reduce the community's impact on the environment (Goal 13)</p> <p>Support Federal and State initiatives to reduce the human impact on climate change (G14)</p> <p>Our community's infrastructure is planned well, is safe and reliable, and provides the required levels of service (Goal 18)</p> <p>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders (Goal 23)</p> <p>A sustainable Council that is the best practice employer providing a safe, happy and productive workplace (Goal 24)</p> <p>A safe, secure and reliable water supply is provided to all residents (Goal 20).</p>																																																													
<b>Value Now</b>	<b>Performance</b>	<b>Sustainability</b>	<b>Risk and Resilience</b>																																																											
	Problems exist with both water mains (water quality, frequency of breaks) and sewerage (frequency of blockages) but are being addressed via increased investment in water main renewal and rehabilitation. Denman water supply has problems with hardness. Muswellbrook Sewerage Treatment Plant doesn't meet latest effluent quality standards, but this is being replaced	Investment targeting water loss (water supply) and infiltration (sewerage) are reducing resource consumption (water, plus energy from pumping/treatment) and environmental impacts; more cost effective renewal techniques are used (e.g. Sewer relining); beneficial reuse of sewerage effluent reduces disposal; renewable energy installations reducing power consumption	Concerns with water and sewerage infrastructure (redundancy, ease of repair, minimising failures and improving the ability to respond) demands continued focus on reducing risks and improving reliability. None of the water supplies have concerns in terms of drought, although Sandy Hollow does need water to be trucked in at times when the Goulburn River is dirty																																																											
<b>Value 10 years</b>	<b>Performance</b>	<b>Sustainability</b>	<b>Risk and Resilience</b>																																																											
	With continued investment in mains rehabilitation and renewal, instances of supply interruption (water) and overflow (sewerage) will continue to decline although the pipe network is ageing. Muswellbrook Sewerage Treatment Plant renewed.	Technologies to reduce energy consumption (e.g. smart controls on pumps and treatment plants) will continue to improve. Effluent quality will improve. Reduction in sewerage failures with release to environment	Improvements to risk and resilience are expected to continue with implementation of new technology and continued investment in measures to reduce risk and improve reliability																																																											
<b>Emerging Issues (Beyond 10 years)</b>	Climate change will continue to place pressure on water supplies, although all areas have suitable drought management plans in place; Upgrade of Muswellbrook WTP will be required, investigation into alternative supply for Muswellbrook from Glenbourne Dam joint project with Upper Hunter Council; Any change to responsibilities for water and sewerage services from NSW Government i.e. for Council to no longer perform this function would have serious financial implications (loss of economies of scale)																																																													
<b>Community Survey (proposed categories)</b>	<table border="1"> <thead> <tr> <th>Service</th> <th colspan="5">Importance</th> <th colspan="5">Satisfaction</th> <th>Gap</th> <th>Consensus</th> </tr> <tr> <th></th> <th>0</th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th> <th>0</th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Water Supply</td> <td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td> <td></td> <td></td> </tr> <tr> <td>Sewerage</td> <td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td> <td></td> <td></td> </tr> </tbody> </table>	Service	Importance					Satisfaction					Gap	Consensus		0	1	2	3	4	5	0	1	2	3	4	5			Water Supply															Sewerage																	
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<b>Investment</b> (Note: Water and Sewerage are operated as distinct businesses i.e. separate to General Fund)																																																														

# Water Supply and Sewerage

Infrastructure							
Asset Category	Value	Consumpt'n	Backlog	Renewal	Capital		
196km Water Supply Pipelines	5.4	61%	12%	129%	0%		
9 Water Reservoirs	9.3	53%	0%	20%	0%		
3 Water Treatment Plants	7.4	51%	19%	81%	0%		
8 Water Pump Stations	4.0	57%	0%	0%	0%		
Plant and Equipment		0%	0%	0%	0%		
<b>TOTAL WATER SUPPLY</b>	<b>26.0</b>	<b>57%</b>	<b>10%</b>	<b>83%</b>	<b>0%</b>		
185km Sewer/Reuse Pipes	10.2	71%	14%	231%	0%		
17 Sewer/Reuse Pump Stns	9.1	58%	19%	20%	0%		
2 Sewer Treatment Plants	5.1	24%	853%	750%	2566%		
Plant and Equipment		0%	0%	0%	0%		
<b>TOTAL SEWERAGE</b>	<b>24.4</b>	<b>61%</b>	<b>73%</b>	<b>369%</b>	<b>858%</b>		

Operational Programs							
Program Area	Priorities						Responsible
Water Supply, Sewerage and Raw Water Infrastructure	Undertake operations and maintenance to achieve maintenance specifications (focused on performance and risk) and meet regulatory obligations						Operations & Mgr. W&W
Water and Sewerage network protection and improvement	Liasion with users (backflow prevention, trade waste) of water and sewerage infrastructure as well as developers (new assets); implement Water Efficiency Action Plan, Drinking Water Quality Management Plan						Various

Program Area	Revenue				Expenditure (excl. Depreciation)			
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21
Water Supply - General					790,376	792,414	850,858	895,459
Water Pump & Treatment					710,000	752,648	796,464	841,375
<b>TOTAL WATER SUPPLY</b>	<b>2,60,875</b>	<b>3,86,657</b>	<b>6,06,468</b>	<b>8,33,907</b>	<b>5,00,376</b>	<b>5,45,061</b>	<b>6,47,322</b>	<b>7,36,834</b>
Sewerage - General					850,881	882,577	868,776	908,672
Sewerage Pump & Treatment					950,710	823,911	886,905	846,399
<b>TOTAL SEWERAGE</b>	<b>1,670,500</b>	<b>1,831,170</b>	<b>1,875,548</b>	<b>2,961,956</b>	<b>1,801,591</b>	<b>1,706,488</b>	<b>1,755,681</b>	<b>2,755,071</b>

Program Area	Performance Measures and Targets						Target
Operation and Maintenance of all Water, Sewerage and Raw Water Infrastructure	Target: portion of tests complying with drinking water supply guidelines (treatment & reticulation)						100%
	Target: portion of tests complying with PA Licences for reclaimed water						100%
	Target: compliance with maintenance specifications and levels of service						90%
	Measure: report on operational activities and maintenance accomplishments with reference to specifications, previous years and NSW water and sewerage benchmarking report						Report
Network Protection and Improvement	Measure: report on implementation of actions from Water and Sewerage Strategic Business Plans, Drinking Water Quality Management Plan, Water Efficiency Plan; notable actions in relation to network protection e.g. trade waste, backflow protection						Report

Capital Projects								
Project Area	Selection Criteria (for Priority Projects List)							Responsible
Water Supply	Renewal: based on risk (assets that are critical due to number of users are higher priority); new and upgraded assets based on reducing operating costs and Water Strategy to address capacity issues and improve redundancy							
Sewerage	Renewal: based on risk; new and upgraded assets: based on reducing operating costs and Sewerage Strategy to address capacity issues and reduce risk							

Project Area	Revenue				Expenditure			
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21
Water Supply Pipelines					1,060,000	675,000	650,000	450,000
Water Reservoirs/Storage					180,000			
Water Treatment Plants					1,040,000	597,471	75,000	75,000
Water Pump Stations								
Plant and Equipment					320,000	60,000	60,000	60,000
Renewable Energy Actions							400,000	390,000
Misc. (needs classifying)					705,000	50,000	130,000	865,000
Loan Repayments					257,051	273,847	291,744	10,113
<b>TOTAL WATER SUPPLY</b>	<b>1,906,777</b>	<b>902,529</b>	<b>50,000</b>	<b>50,000</b>	<b>3,562,051</b>	<b>1,656,318</b>	<b>1,606,744</b>	<b>1,850,113</b>
Sewerage Mains	485,891				1,300,000	1,150,000	1,650,000	1,450,000
Sewerage Pumping Stations					120,000	includes mains to transportation	540,000	
Sewerage Treatment Plants	14,100,000				14,420,000	26,100,000	540,000	
Plant and Equipment					200,000	70,000	70,000	70,000
Renewable Energy Actions					80,000	1,200,000	1,100,000	1,000,000
Misc.					60,000	20,000	20,000	20,000
Loan Repayments					421,000	1,127,000	1,135,000	1,221,000
<b>TOTAL SEWERAGE</b>	<b>14,635,891</b>	<b>28,195,196</b>	<b>3,188,504</b>	<b>2,423,451</b>	<b>16,601,000</b>	<b>29,667,000</b>	<b>4,515,000</b>	<b>3,761,000</b>

Project Area	Performance Measures and Targets						Target
All projects	Target: Completion of projects in Operational Plan (% by value)						90%
	Target: Variation from Budget in Operational Plan						10%
	Target: SOMETHING AROUND improved LOS AND RISK?						TARGET?
	Measure: report on achievements and key projects						Report

Improvement Action Plan		
What	Who	When
Review asset information as detailed in Appendix 5 of Strategic AMP (key items below)	As per AMP	As per AMP
Criticality analysis of condition data for water and sewerage pipelines to inform works program	Asset Mgr.	Mar 2017
Review of Maintenance Specifications (intervention standards and response times) based on history of compliance, risk, efficiency and benchmarking against similar councils	Asset Mgr.	Apr 2017
Review asset valuation and usefulness (full evaluation required by 30 June 2017)	Asset Mgr.	June 2017
Review Water and Sewerage Strategic Business Plans	Asset Mgr.	Dec 2017

Reference Documents	
Integrated Water Cycle Management Plan, Water and Sewerage Strategic Business Plans, Maintenance Specifications, Specifications (NATSPEC) for Design, Construction and Maintenance, Section 4 (Developer Contributions) Plans, Water Quality Management Plan, Water Efficiency Plan, Reclaimed Water Management Plan, Environmental Management Plans for Treatment Plants	

# Waste Management

Provision of 3-bin domestic waste collection (putrescible, recyclable and garden waste organics) and education service; annual bulky goods collection; operation of Muswellbrook landfill and Denman transfer station; waste and recyclables collection for public spaces; working to reduce illegal dumping.

**Community Strategic Plan Objectives (Goals)**  
 Support initiatives which reduce the community's impact on the environment (Goal 2.3)  
 A Council that is well managed, efficient and properly resourced and that is responsive to its community and stakeholders (Goal 2.3)

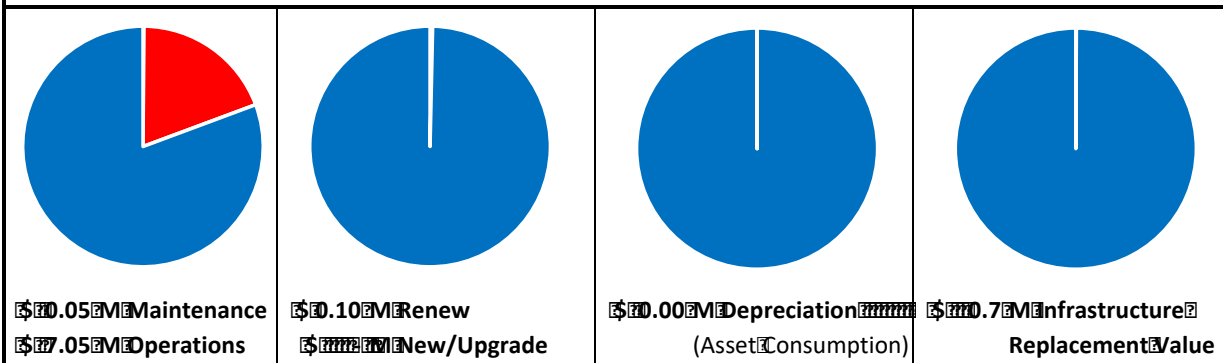
Value Now	Performance	Sustainability	Risk and Resilience
	Community feedback on waste collection and drop-off facilities at Muswellbrook landfill and Denman transfer station is good; there is sufficient capacity in Muswellbrook landfill for at least 5 years and plans are in place beyond this CHECK; action is taken on illegal dumping	Council is providing a relatively cost-effective waste management service that meets community needs while minimising its environmental impact (opportunities for regional collaboration are taken to reduce costs and improve environmental outcomes)	Risks are effectively managed in relation to the operation of the waste management service and, in particular, the operation of Muswellbrook landfill which has a specific management plan in place to minimise impacts

Value 10 years	Performance	Sustainability	Risk and Resilience
	Current waste collection and processing operations are insufficient to meet the NSW Government targets for diversion from landfill (70% by 2021); Muswellbrook landfill will be OK???	By undertaking appropriate planning and working regionally, Council will continue to provide a relatively cost-effective waste management service that meets community needs while minimising its environmental impact	Risks are effectively managed in relation to the operation of the waste management service and, in particular, the operation of Muswellbrook landfill which has a specific management plan in place to minimise impacts

**Emerging Issues (Beyond 10 years)**  
 Community expectations and regulatory standards will continue to drive the need for improvements in waste management; changing technologies (e.g. in waste processing and disposal) may also shape the way Council delivers this service. COMMENTS ABOUT LANDFILL LIFE... Council is building up a sufficient reserve to undertake the significant works required when the landfill is finally closed.

Community Survey	Service	Importance	Satisfaction	Gap	Consensus
	Household waste and recycling	0 1 2 3 4	0 1 2 3 4		

**Investment** (note: Domestic Waste Management is operated as a distinct business, i.e. separate to General Fund)





# Waste Management

## Infrastructure



Asset Category	Value	Consumption	Backlog	Renewal	Capital
Buildings	10.6	50%	0%	0%	12308%
Other Structures	0.1	36%	0%	0%	0%
<b>TOTAL WASTE MANAGEMENT</b>	<b>10.7</b>	<b>48%</b>	<b>0%</b>	<b>0%</b>	<b>10323%</b>

## Operational Programs

Program Area	Priorities	Responsible
Waste Mgmt. Strategy	Implementation of actions from Waste Strategy (once adopted by Council)	Mgr. Waste
Domestic Waste Mgmt.	Manage contracts for waste collection and processing to ensure service standards are achieved	Mgr. Waste
Waste Mgmt. Facilities and Landfill Operations	Manage landfill and waste management facilities (Muswellbrook and Denman) in compliance with regulatory requirements (Landfill License) and Environmental Management Plan	Mgr. Waste

Program Area	Revenue				Expenditure			
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21
Rates and Charges	2,431,000	2,625,000	2,722,000	2,830,000	345,000	354,000	363,000	372,000
Recyclable Collect/Process					95,000	105,000	115,000	125,000
Waste Collection					94,000	98,000	103,000	108,000
Greenwaste Collection					93,000	98,000	102,000	107,000
Education and Clean-ups					01,000	11,000	21,000	32,000
Admin. Management					09,000	73,000	102,000	107,000
Contribution to WMF Facility								
<b>TOTAL DOMESTIC WASTE</b>	<b>2,431,000</b>	<b>2,625,000</b>	<b>2,722,000</b>	<b>2,830,000</b>	<b>437,000</b>	<b>539,000</b>	<b>626,000</b>	<b>717,000</b>
Contribution from Domestic	09,000	73,000	102,000	107,000				
Upper Hunter Ccl Fees	988,000	1,021,000	1,073,000	1,122,000				
Tipping Fees					920,000	978,000	1,037,000	1,098,000
NSW Govt. Landfill Levy					260,939	336,450	408,900	425,300
Mbk Waste Mgmt. Facility					56,000	10,000	10,000	10,000
Process Green/Food Waste					0,000	0,000	0,500	1,000
Denman WMF Facility					20,000	20,000	20,000	20,000
Lease and Dividend								
<b>TOTAL W. MGMT. FACILITY</b>	<b>988,000</b>	<b>1,021,000</b>	<b>1,073,000</b>	<b>1,122,000</b>	<b>666,939</b>	<b>954,450</b>	<b>1,086,400</b>	<b>1,164,300</b>

Program Area	Performance Measures and Targets	Target
Waste Mgmt. Strategy	Measure: Progress in implementation of actions from Waste Strategy	Report
Domestic Waste Mgmt.	Target: Compliance with service specifications for waste collection and processing	100%
	Target: Compliance with Landfill License conditions and other regulatory requirements	100%
Waste Mgmt. Facilities and Landfill Operations	Target: Compliance with service specifications for waste collection and processing	100%
	Measure: Report on waste management facility usage, diversion rates with comparisons to previous years and NSW Government benchmarks	Report

## Capital Projects

Project Area	Selection Criteria (for Priority Projects List)	Responsible
Waste Management	Actions required to address compliance issues, improvements to waste diversion rates	Waste Mgr.

Project Area	Revenue				Expenditure			
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21
Organics Processing Facility					1,600,000			
Landfill Closure Reserve	750,000	750,000	750,000	750,000				
<b>TOTAL WASTE MGMT.</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>750,000</b>	<b>1,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

Project Area	Performance Measures and Targets	Target
All projects	Target: Completion of projects in Operational Plan (% by value)	90%
	Target: Variation from Budget in Operational Plan	10%
	Measure: Report on achievements and key projects	Report

## Improvement Action Plan

What	Who	When
Finalise review of Waste Strategy	Mgr. Waste	

## Reference Documents

Waste Strategy, Service Specifications, Landfill Environmental Management Plans and Landfill License

# Organisational Capability

Provision of internal support services enabling front-line service provision (finance, human resources, information technology, property management, asset and fleet management, administration and governance); First contact services (customer service centres, telephone enquiries and website/online services); Communications and engagement activities (media, communications, corporate planning and reporting)

**Community Strategic Plan Objectives (Goals)**

Collaborative and responsive community leadership that meets the expectations and anticipates the needs of the community (Goal 1)

Genuine and well-informed community participation in decision making (Goal 2)

A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders (Goal 3)

A sustainable Council that is the best practice employer providing a safe, happy and productive workplace (Goal 4)

Value Now	Performance	Sustainability	Risk and Resilience
	Capability for internal services to support front-line service delivery e.g. information technology systems, human resources, quality and functionality of customer service front counter, website, ...; community engagement programs and practices; ..	There are opportunities to minimise the financial cost of delivering these internal services via economies of scale, innovation and the use of technology.	Organisational management systems supporting Council's operations are complex. There are opportunities to reduce risks through implementation of better systems and tools to support these, and to improve organisational resilience (e.g. through business continuity planning, succession planning) ..

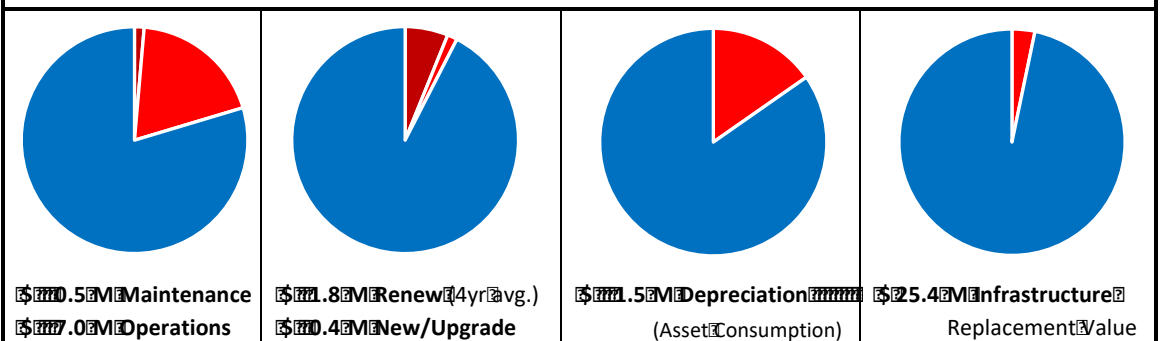
Value 10 years	Performance	Sustainability	Risk and Resilience
	With effective implementation of opportunities to support investment in new technologies, etc. the quality, functionality and capacity of internal services and 'front-line' services as well as the quality of engagement and communications will improve over time	Council will continue to deliver cost-effective services to the community, and to deliver social benefits as a major employer in the community	With effective planning and implementation of change programs, risks will be effectively managed and organisational resilience will improve. A key risk to manage is workforce planning (succession planning given the ageing workforce and attraction/retention of qualified staff)


**Emerging Issues (Beyond 10 years)**

Technology is becoming increasingly important in organisational support services as well as facilitating online service delivery and engagement. Workforce planning (succession planning and attraction/retention of qualified staff) will continue to be a challenge

Community Survey	Service	Importance / Satisfaction					Gap	Consensus
		0	1	2	3	4		
	Council communication with the community							
	Customer service (phone/person)							
	Website and Online Services							

**Investment** (note: majority of operations expenses are internal charges included in other services (see page 2))



Organisational Capability						
Infrastructure and Equipment						
	Asset Category	Value	Consumpt'n	Backlog	Renewal	Capital
	Plant and Equipment	3.9	28%	0%	66%	0%
	Administration Centre	3	90%	0%	0%	0%
	Works Depot	3	36%	5%	0%	0%
	IT and Office Equipment	8	32%	0%	0%	0%
<b>TOTAL ORGANISATIONAL CAPABILITY</b>		<b>5.4</b>	<b>40%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Operational Programs						
Program Area	Priorities					Responsible
Human Resource Management and Safety	Coordinating implementation of the Workforce Management Plan including recruitment and selection, training and development, employee performance, Workplace Health and Safety					
Financial Services	Accounting activities for normal business operations (creditors, debtors, payroll), reporting for statutory and management purposes, financial planning					
Information Technology	Provision of tools to facilitate business operations including computer hardware/software, networks, communications, GIS, website, implementation of IT strategy					
Property (Building and Facilities) Management	Management of buildings/facilities portfolio supporting services (open space, community as well as administration, works depots) including maintenance and renewal planning, relations with users/lessees in accordance with Building and Facilities Lease/Use Policy					
Asset Planning and Reporting	Maintain and update asset register to facilitate planning and reporting, long term planning for infrastructure assets to support informed decision making, implement strategic AM Plan					
Vehicle & Fleet Mgmt.	Maintenance and replacement of Council's vehicle fleet and heavy plant fleet (funded via internal charges to cover operations and replacement)					
Customer Service & Admin.	Support of operations including first contact, administration, records management, media and website, coordinate implementation of Customer Service Strategy					
Integrated Planning	Facilitate integrated planning and reporting process, service reviews, risk management framework, managing insurance and risk management matters					
Corporate Services Mgmt.	Managing corporate services functions of Council (all internal services)					
Executive Services	Functions relating to GM and councillors, civic duties and functions					
Program Area	Revenue				Expenditure (excl. Depreciation)	
	2017/18	2018/19	2019/20	2020/21	2017/18	2019/20
HR & Safety	42,000	43,000	44,000	45,000	675,000	667,000
Financial Services (ex. Rates)					1,198,000	1,227,950
Information Services					904,000	827,000
Property and Building						50,000
Customer Service & Admin.					697,000	611,000
Fleet Operations	2,165,000	2,215,000	2,267,000	2,319,000	1,565,000	1,615,000
Integrated Planning	34,000	34,000	34,000	34,000	596,000	610,000
Corporate Services Mgmt.					1,065,000	1,093,000
Executive Services					836,000	856,000
Internal Charges/Dividends (water, sewer, waste, commercial buildings)	3,415,000	3,456,000	3,521,000	3,565,000		
<b>TOTAL DRG. CAPABILITY (incl. Internal Charges)</b>	<b>5,656,000</b>	<b>5,748,000</b>	<b>5,866,000</b>	<b>5,963,000</b>	<b>7,536,000</b>	<b>7,731,950</b>
Less internal charges	-5,580,000	-5,671,000	-5,788,000	-5,884,000		
<b>TOTAL DRG. CAPABILITY (external rev./exp. only)</b>	<b>76,000</b>	<b>77,000</b>	<b>78,000</b>	<b>79,000</b>		
Program Area	Performance Measures and Targets					Target
Human Resource Management and Safety	Measure: report on employee measures (turnover, engagement, TIFR, severity rate, ?)					Report
Financial Services	Measure: report on implementation of actions from Workforce Management Plan, WHS Strategy					Report
Information Technology	Measure: report on compliance with statutory and operational requirements					Report
Property (Building and Facilities) Management	Measure: report on investments, creditors/debtors, other activities (e.g. rates, water meters, ?)					Report
Asset Planning and Reporting	Target: compliance with service standards, ?					90%
Customer Service	Measure: report on implementation of actions from IT Strategy					Report
Internal Audit	Target: achieve service standards (e.g. response to maintenance requests, ?)					90%
Risk Management	Measure: report on utilisation and revenues, maintenance activities, ? (oper. lease policy)					Report
	Target: asset condition inspections, evaluations and additions (new work) for reporting					Complete
	Measure: report on progress on implementation of improvement action plan, outcomes of audits					Report
	Target: achieve service standards (e.g. identified in Quality Customer Service Policy (include one about 80% resolution of issues at first point of contact?))					100%
	Measure: activity report (e.g. web traffic) progress with actions in Customer Service Strategy?					Report
	Measure: report on activities (e.g. internal audits undertaken, completion of items on action list?)					Report
	Target: score on statewide Mutual Audit name?					X%
	Measure: report on progress on implementing actions in Risk Management Strategy					Report
Capital Projects						
Project Area	Selection Criteria (for Priority Projects List)					Responsible
Vehicles & Plant Fleet	Optimising replacement costs/operations costs, safety and performance issues					
Administration Offices	Improvements to efficiency and effectiveness (esp. customer service), workplace health & safety					
Works Depot	Addressing performance and safety issues, minimising long term costs of buildings & facilities					
Information Technology	As per IT Strategy					
Project Area	Specific Revenue (other than General Rates)				Expenditure	
	2016/17	2017/18	2018/19	2019/20	2016/17	2019/20
Works/Vehicles & Plant Fleet					743,000	801,000
Corporate Services/Vehicles					250,000	260,000
Corporate Services/Program					150,000	165,000
Administration Offices					50,000	
Works Depot					275,000	
Office Equipment/IT					400,000	500,000
<b>TOTAL</b>					<b>1,868,000</b>	<b>1,726,000</b>
Project Area	Performance Measures and Targets					Target
All Projects	Target: Completion of Projects in Operational Plan (% by value)					90%
	Target: Variation from Budget in Operational Plan					10%
	Measure: report on achievements					Report
Improvement Action Plan						
What						Who
Workforce Management Plan						
Workplace Health and Safety Strategy						
Revise Long Term Financial Plan						Annually
Revise Strategic Asset Management Plan						Mgr. & S
Customer Service Policy and Strategy						
Preparation and Review of PR documents						
IT Strategy						
Risk Management Policy and Strategy						
Reference Documents						
Key documents (full list on website under 'policies'): Workforce Management Plan, Workplace Health and Safety Policy and Strategy, IT Strategy, Property Leasing Policy, Asset Management Policy, Quality Customer Service Policy, Financial Policies, Long Term Financial Plan, Quarterly Budget Reviews, Budgets, Operational Plan, Delivery Program						

## Open Space, Recreation and Public Toilets

Provision and maintenance of open space, recreation and public facilities including parks, reserves and sporting fields, public toilets, sports amenities and facilities, playgrounds, aquatic centres, skate parks, BBQ areas, outdoor furniture, boat ramps, fencing, lighting, paths; operation and maintenance of cemeteries and some environmental restoration

**Community Strategic Plan Objectives (Goals)**

- Diversify the economy, facilitate the development of intensive agriculture and other growth industries, make the Shire more attractive place to invest and do business (Goal 2)
- Develop Muswellbrook as a Regional Centre (Goal 4)
- Continue to improve the liveability and amenity of the Shire's communities (Goal 5)
- Build social inclusion and improve the delivery of social services (Goal 7)
- Enhance native vegetation connectivity across the Upper Hunter (Goal 11)
- Our local rivers and creeks are enhanced, utilised and valued (Goal 12)
- Our community's infrastructure is planned well, is safe and reliable, and provides required levels of service (Goal 18)
- A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders (Goal 23)

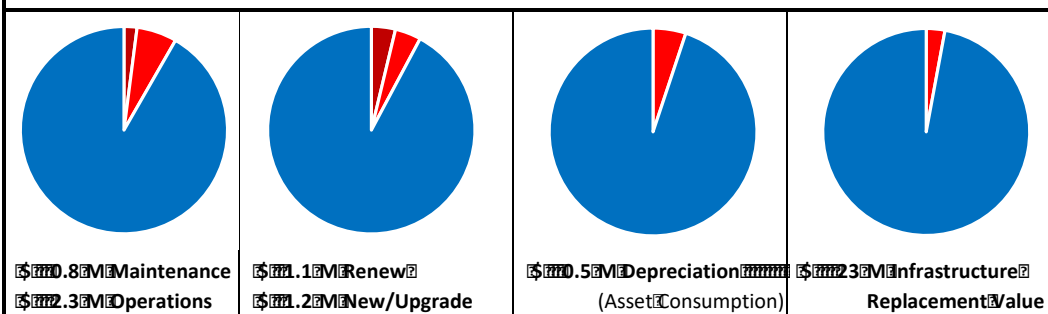
Value Now	Performance	Sustainability	Risk and Resilience
	Facilities are generally in good condition and operated well maintained to meet community performance expectations (although public toilets score quite low). The Recreation Needs Study identifies various projects to improve the functionality of sports facilities, a round half of which can be funded over the next four years	Significant leak in Muswellbrook Pool. All facilities are planned and delivered. The balance between social, environmental and economic costs of benefits. Recurrent costs for sport grounds would be reduced by improved irrigation. Consideration could be given to disposal of low use facilities to reduce cost.	An effective risk management system in place to identify and respond to effects, although review of maintenance specifications, intervention levels and response times and record keeping is required

Value 10 years	Performance	Sustainability	Risk and Resilience
	Council should be able to keep pace with the need for infrastructure renewals as well as funding some upgrade works to meet increased expectations. Resourcing for operations and maintenance should continue to be sufficient.	With the replacement of Muswellbrook Pool to address the leak will be complete even without SRV, these functions will be balancing social, environmental and economic issues effectively.	Effective risk management system in place; strong/active community groups enhances community resilience

**Emerging Issues (Beyond 10 years)**  
Ongoing planning and review of the provision of adequate and appropriate facilities is essential with changing usage, needs and demographics; volunteer numbers???

Community Survey	Service	Importance vs Satisfaction					Gap	Consensus
		0	1	2	3	4		
	Council Swimming Pool & Gym	[Bar chart showing high importance and satisfaction]						
	Condition of Sporting Facilities	[Bar chart showing high importance and satisfaction]						
	Cleanliness & Appearance of Parks	[Bar chart showing high importance and satisfaction]						
	Facilities & Services for Youth	[Bar chart showing high importance and satisfaction]						
	Public Toilets	[Bar chart showing high importance and low satisfaction]						

### Investment



# Open Space, Recreation and Public Toilets

## Infrastructure



Asset Category	Value	Consumpt'n	Backlog	Renewal	Capital
2 Aquatic Centres (buildings, pool, plant)	2.5	71%	35%	1176%	2153%
2 Indoor Sports Stadiums	5.3	86%	0%	179%	179%
17 Sports Buildings/Amenities	2.3	92%	0%	140%	140%
4 Parks/Sports Structures & Equipment	6.7	79%	5%	18%	28%
5 Public Toilets	0.4	91%	0%	0%	0%
<b>TOTAL OPEN SPACE/REC./PUBLIC TLTS.</b>	<b>22.8</b>	<b>81%</b>	<b>11%</b>	<b>425%</b>	<b>758%</b>

## Operational Programs

Program Area	Priorities	Responsible
Maintenance and Operation of Aquatic Centres	Maintain and operate infrastructure to meet health standards, operate facilities in accordance with performance standards (opening hours) and regulations/codes of practice	Mgr. Property
Maintenance of Buildings and Facilities	Maintain in accordance with maintenance specification identify and respond to defects based on risk, efficient programming of work and impacts on use of the facility	Mgr. Property
Cleaning of Public Toilets	Clean in accordance with cleaning schedule and in response to additional needs	Mgr. Works
Mowing of Parks, Reserves, Sportsfields and Cemeteries	Mowing to achieve maintenance specifications, prioritising those facilities with higher usage/criticality if funds are limited	Mgr. Works

Program Area	Specific Revenue (other than General Rates)				Expenditure			
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21
Aquatic Centres	31,100	30,522	06,469	758,870	1,127,000	55,050	3,398,151	5,510,305
Indoor Sports Centres	7,500	8,438	9,398	10,383	6,000	7,650	9,341	1,075
Other Sports	1,600	1,640	1,681	1,723	61,000	70,025	79,276	88,758
Parks & Playgrounds Maint.	1,000	1,000	1,000	1,000	169,000	198,225	228,181	258,885
Cemeteries	4,000	5,600	7,240	8,921	9,500	10,988	14,537	17,151
Public Toilets					3,500	5,088	6,715	8,383
<b>TOTAL</b>	<b>75,200</b>	<b>77,200</b>	<b>55,788</b>	<b>910,897</b>	<b>2,886,000</b>	<b>2,658,025</b>	<b>3,246,201</b>	<b>3,404,556</b>

Program Area	Performance Measures and Targets	Target
Maintenance of All Open Space, Recreational and Public Facilities	Target: Compliance with maintenance schedule (programmed) and intervention standards and response times (reactive) in maintenance specifications	90%
	Measure: Report on maintenance accomplishments (by asset type) and number of customer requests (plus public liability incidents) with comparisons to previous years	Report
	Measure: Report on usage of open space, recreation and public facilities, with comparisons to previous years	Report

## Capital Projects

Project Area	Selection Criteria (for Priority Projects List)	Responsible
Open Space, Recreational Facilities & Public Toilets	Renewal and upgrade based on priorities including performance objectives, deficiencies, current expected usage, proximity/availability of alternative facilities, minimising maintenance cost & risk	Mgr. Property

Project Area	Specific Revenue (other than General Rates)				Expenditure			
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21
Aquatic Centres					60,000	50,000		60,000
Regional Aquatic Ctr. (SRV)					50,000	50,000		60,000
Recreation Renewals					50,000	50,000	55,000	60,000
Sporting Grants					25,000	25,000	25,000	25,000
Cemeteries					00,000	05,000	00,000	00,000
Tree Management					25,000	25,000	25,000	25,000
<b>TOTAL</b>					<b>60,000</b>	<b>455,000</b>	<b>45,000</b>	<b>60,000</b>

Project Area	Performance Measures and Targets	Target
All projects	Target: Completion of Projects in Operational Plan (% by value)	90%
	Target: Variation from Budget in Operational Plan	10%
	Measure: Report on achievements	Report

## Improvement Action Plan

What	Who	When
Review asset information (as detailed in Appendix 5 of Strategic AMP)	As per AMP	As per AMP
Review classifications in Asset System and budgets to facilitate planning and reporting (parks/sports, aquatic, cemetery, sports, community)	Mgr. Property	Mar 2017

## Reference Documents

Recreation Needs and Management Study, Maintenance Specifications, Specifications (NATSPEC) for Design, Construction and Maintenance, Management Plans for Parks/Reserves, Cemetery Management Plans, Council Building Lease Policy, Sporting Field and Facilities Policy, Sports Committee

## Community Programs and Facilities

Council's role in community programs varies widely, but is often undertaken in collaboration with other organisations and stakeholders. Council is sometimes a direct service provider, but at other times only provides facilities or acts as a facilitator and an advocate. Functions include Muswellbrook and Denman Libraries, Muswellbrook Art Gallery, Visitors Information Centre, Economic Development and Tourism, Sustainability Programs, Emergency Services, Education

**Community Strategic Plan Objectives (Goals)**

- Support job growth (Goal 1)
- Diversify the economy, facilitate the development of intensive agriculture and other growth industries, make the Shire a more attractive place to invest and do business (Goal 2)
- Facilitate greater access to higher education and full participation in the knowledge and creative economy (Goal 3)
- Develop Muswellbrook as a Regional Centre (Goal 4)
- Support initiatives which reduce the community's impact on the environment (Goal 5)
- Support Federal and State initiatives to reduce the human impact of climate change (G14)
- Facilitate options to improve cultural activities in the Shire (Goal 6)
- Facilitate cultural activities and events which engage the community and visitors, and which create a greater sense of place and identity (Goal 7)

Value Now	Performance	Sustainability	Risk and Resilience
	Council either provides or facilitates a diverse array of community programs and facilities that are valued by the community. Resource limitations mean that in most cases there are opportunities to do more (priorities are identified in relevant strategic plans, but in particular cultural activities and	While Council is working to facilitate and encourage economic diversification and investment and establish Muswellbrook as a Regional Centre, there is a need for continued efforts in collaboration with other stakeholders to make this vision a reality. Council is managing community buildings sustainably	Risks are currently managed adequately. Community capacity building and adequate support services are an important means of fostering community resilience, which is a concern at present over a lack of diversity in the economy. Emergency services/response capability is essential to community resilience

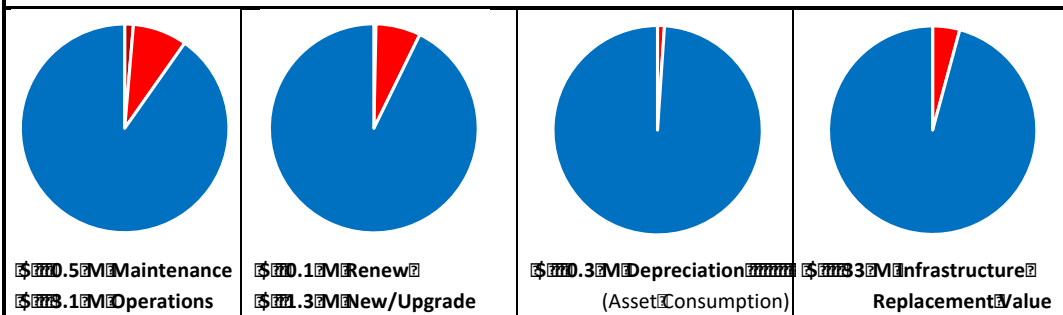
Value 10 years	Performance	Sustainability	Risk and Resilience
	Council's role in the community will need to continue to respond to take account of changes in the local community and broader context	Continued investment and efforts by Council is required to overcome challenges such as economic diversification in the regional economy	Risk management is addressed in strategic plans, and is expected to be adequate. Council needs to continue to work with other stakeholders to build community resilience, particularly around economic diversification.

**Emerging Issues (Beyond 10 years)**

Needs for community programs and facilities change as demographics and other factors change. Continued planning is important. Given resource limitations, it is vital that Council supports partner organisations and builds community capacity so that it can play an advocacy and facilitation role rather than providing services directly, where possible.

Community Survey	Service	Importance vs Satisfaction					Gap	Consensus
		0	1	2	3	4		
	Local Festivals and Events							
	Community Buildings and Halls							
	Facilities & Services for Older Residents							
	Support for Industry/jobs							
	Facilities and Services for Youth							

### Investment



Community Programs and Facilities								
Infrastructure								
	Asset Category	Value	Consumpt'n	Backlog	Renewal	Capital		
	Education (TAFE, Town Campus)	3.4	100%	0%	0%	0%		
	Culture (Art Gallery, Campbells Crn/U/S)	6.5	96%	0%	105%	0%		
	Muswellbrook & Denman Libraries	5.5	90%	0%	0%	0%		
	8 Community Buildings	5.5	85%	0%	147%	220%		
	21 Emergency (SES/RFS) Buildings	3.2	91%	0%	0%	0%		
TOTAL COMMUNITY FACILITIES		3.0	95%	0%	41%	31%		
Operational Programs								
Program Area	Priorities						Responsible	
Provision of buildings used by Council and other organisations	Provision of safe and functional facilities in accordance with lease, license and any other relevant requirements including future fund policy for education & cultural facilities and service level agreements for buildings used by Council functions. Incl. maintenance, insurance, etc.						Mgr. Property & Building Services	
Art Gallery	Operation of Muswellbrook Art Gallery, staging of programs and events							
Libraries	Operate libraries and home library service through Upper Hunter Regional Library Network staging events and programs, implementation of actions in the Library Strategic Plan							
Economic & Destination (Tourism) Development	Implementation of actions from Economic Development and Destination Management Plans in conjunction with local stakeholders, planning and management of events							
Community Development	Facilitation of community services, implementation of actions in Social Plan							
Sustainability	Carry out actions identified in Council's Sustainability Plan (note: funded also by internal charges)							
Emergency Services	Provision of support and facilities for Rural Fire Service, State Emergency Services and NSW Fire Brigade in accordance with Service Level Agreements; provision of Emergency Operations Centre, facilitation of local Emergency Management and Rescue Committees							
Program Area	Specific Revenue (other than General Rates)				Expenditure (excl. Depreciation)			
	2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20
Other Community Buildings	558,995	572,970	587,294	601,976	452,000	444,000	39,000	36,000
Art Gallery and Programs	59,260	60,742	62,260	63,817	379,000	388,475	398,187	408,142
Libraries and Programs	190,000	194,750	199,619	204,609	924,000	947,100	970,778	995,047
Economic & Community Dvt.	260,000	108,000	111,000	114,000	752,000	559,402	573,387	587,722
Sustainability Programs	225,000	112,000	115,000	118,000	713,000	621,000	637,000	653,000
Emergency Services	234,000	239,850	245,846	251,992	555,000	568,875	583,097	597,674
TOTAL	1,527,255	1,288,311	1,321,019	1,354,395	3,775,000	3,528,852	3,601,448	3,677,585
Program Area	Performance Measures and Targets						Target	
Provision of buildings	Measure: Compliance with agreed requirements with user groups						Report	
Art Gallery	Measure: Participation trends and implementation of actions from Cultural Plan						Report	
Libraries	Measure: Participation trends and implementation of actions from Library Strategic Plan						Report	
Tourism, Economic & Community Dvt	Measure: Analysis of trends and activity report on outcomes from implementation of Economic Strategy, Destination Management and Social Plans						Report	
Sustainability	Measure: Report on outcomes from implementation of Sustainability Plan						Report	
Emergency Services	Measure: Activity report, implementation of actions in Local Emergency Management Plan						Report	
Capital Projects								
Project Area	Selection Criteria (for Priority Projects List)						Responsible	
Refurbish, Renewal and/or New Buildings/Facilities	Performance deficiencies with existing facilities or demonstrated need for new ones, usage, criticality, availability of alternative facilities, ability to generate revenues from the service to pay for the works and ongoing operations/maintenance costs, positive feedback from community engagement about the proposal. Agency needs to determine emergency services allocations						Mgr. Property & Building Services	
Project Area	Specific Revenue (other than General Rates)				Expenditure			
	2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20
Other Community Buildings					100,000	100,000		
Performance Centre (SRV)	200,000	5,000,000	5,000,000		200,000	5,000,000	5,000,000	
Art Gallery					150,000			
Libraries								
Emergency Services								
Buildings renewals (unallocated - some may go to other service areas)					500,000	50,000	50,000	50,000
TOTAL	200,000	5,000,000	5,000,000	0	550,000	5,250,000	5,150,000	150,000
Project Area	Performance Measures and Targets						Target	
All projects	Target: Completion of projects in Operational Plan (% by value)						90%	
	Target: Variation from Budget in Operational Plan						10%	
	Measure: Report on achievements						Report	
Improvement Action Plan								
What						Who	When	
Engage with building users to identify priorities for future works in terms of performance						Mgr. Prop.	Dec 2017	
Review and update Social, Cultural, Library, Destination Management, Economic Development, Local Emergency Management Plans for new term of Council						Various	TBA	
Review asset information as detailed in Appendix 5 of Strategic AMP						As per SAMP	As per SAMP	
Reference Documents								
Social, Cultural, Library, Destination Management, Economic Development Plans, Festivals and Events Strategy, Upper Hunter Library Network Collection Development Policy, Service Level Agreement with RFS and SES, Local Emergency Management Plan, Muswellbrook Shire Art Collection Policy								

## Appendix 3 – Service Objectives

As discussed in section 2, while the Service Dashboards in Appendix 2 are intended to provide a high-level picture of Council's operations as a whole, there is a need to simplify the information regarding what the community can expect from a particular service.

The Service Objective documents listed below are being developed to address this need and to facilitate future community engagement regarding Council services. They cover all aspects of a service (including maintenance, operations, renewal and upgrade of assets).

Details of the funding allocated to the particular program, the quantity and value of assets, etc. presented in the Service Dashboards are not repeated in these documents, but rather are referenced as a source of further information.

<b>Service Objectives document</b>
Sealed Roads (including Kerb and Gutter)
Unsealed Roads
Footpaths and Cycleways
Stormwater Drainage
Playgrounds
Parks, Reserves and Sporting Fields
Public Toilets and Sports Amenities
Water Supply
Sewerage
Waste Management

While the Service Objectives documents are intended to facilitate future community engagement (as well as ongoing customer relations e.g. to clarify the level of service Council provides), it is important to note that Council has undertaken significant consultation across the full range of its functions in the past including:

<b>Service Area</b>	<b>Recent Consultation</b>
Water and Sewerage	Integrated Water Cycle Management Plan
Waste Management	Waste Management Strategy
	<b>Previous Consultation</b>
Footpaths and Cycleways	Walk and Cycle Plan
Open Space Facilities	Recreation Needs and Management Study, plans of management for numerous particular sites and Facilities (REFS?)
Libraries	Library Strategic Plan
Roads	Muswellbrook and Denman Parking Study Developer Contribution Plans

A more complete list of documents is provided in the Dashboards.



## Appendix 4 – Asset Management Information Register

The table below provides an overview of key documents and sources of asset information. As discussed in section 3, a detailed version of this list will be kept under review by the Asset Management Steering Committee as a means of driving continuous improvement efforts.

<b>Buildings and Recreation</b>
GIS layer for buildings
GIS layer for other structures and depreciable land improvements
Maintenance Management System for Playgrounds
<b>Finance</b>
Asset Register
<b>Roads</b>
Asset register for sealed and unsealed roads
Automated condition data for sealed roads
Condition rating and future works programs for transport assets
Pavement Management System
Asset register for bridges
Asset register for storm water drainage
Maintenance Management System for roads
<b>Water and Sewerage</b> (separate information exists for each of the following)
FINMOD (financial modelling of future water supply infrastructure needs and operations)
GIS backend database
Service request management system
Plant asset register
Plant condition inspection records
<b>Waste Management</b>
Waste Management Strategy

## Appendix 5 – 10 Year Expenditure Projections To be revised on adoption of Budget 2017/18

The 10 year projections for infrastructure operations, depreciation and capital expenditure on asset renewal for the GENERAL FUND are tabled below along with the relevant figures from the LTFP to demonstrate that these figures align. The capital expenditure figures in the Service Dashboards should align with the first 4 years of figures below, although there are at this stage some discrepancies that still need to be addressed.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Total Expenses relating to 'Maintenance' Activities										
Total Expenses from Continuing Operations (from <i>Income Statement</i> )	\$35,085,749	\$35,804,842	\$37,184,258	\$39,687,556	\$40,589,608	\$41,514,602	\$42,463,140	\$43,435,839	\$44,433,330	\$45,456,266
<b>DEPRECIATION</b>										
Transport	-\$5,130,000	-\$5,258,250	-\$5,389,706	-\$5,524,445	-\$5,662,556	-\$5,804,120	-\$5,949,223	-\$6,097,954	-\$6,250,402	-\$6,406,662
Buildings	-\$551,500	-\$564,769	-\$578,354	-\$592,274	-\$607,081	-\$622,258	-\$637,814	-\$653,760	-\$670,104	-\$686,856
Waste Management	-\$60,950	-\$62,474	-\$64,036	-\$65,636	-\$67,277	-\$68,959	-\$70,683	-\$72,450	-\$74,262	-\$76,118
Aquatic Centre	-\$123,900	-\$70,000	-\$200,000	-\$200,000	-\$205,000	-\$210,125	-\$215,378	-\$220,763	-\$226,282	-\$231,939
Performance Centre				-\$360,000	-\$369,000	-\$378,225	-\$387,681	-\$397,373	-\$407,307	-\$417,490
<b>Total Infrastructure Depreciation</b>	<b>-\$5,866,350</b>	<b>-\$5,955,493</b>	<b>-\$6,232,096</b>	<b>-\$6,742,355</b>	<b>-\$6,910,914</b>	<b>-\$7,083,687</b>	<b>-\$7,260,779</b>	<b>-\$7,442,299</b>	<b>-\$7,628,356</b>	<b>-\$7,819,065</b>
Total Non Infrastructure Depreciation	-\$1,489,428	-\$1,525,353	-\$1,562,149	-\$1,599,840	-\$1,639,836	-\$1,680,832	-\$1,722,853	-\$1,765,924	-\$1,810,072	-\$1,855,324
Total Depreciation (from <i>Income Statement</i> )	-\$7,355,778	-\$7,480,846	-\$7,794,245	-\$8,342,195	-\$8,550,750	-\$8,764,519	-\$8,983,632	-\$9,208,223	-\$9,438,428	-\$9,674,389
<b>CAPITAL EXPENSES</b>										
Transport - Renewals	\$4,583,326	\$6,029,064	\$6,119,519	\$4,612,667	\$5,401,026	\$5,474,918	\$6,588,976	\$6,816,204	\$7,133,604	\$7,251,183
Transport - New and Upgraded	\$930,235	\$2,336,525	\$2,342,895	\$1,073,098	\$953,457	\$1,333,949	\$1,339,579	\$1,345,350	\$1,351,265	\$1,357,328
Transport - Total Capital	\$5,513,561	\$8,365,588	\$8,462,414	\$5,685,765	\$6,354,482	\$6,808,868	\$7,928,556	\$8,161,554	\$8,484,869	\$8,608,511
Other Infrastructure Assets - Renewals	\$1,110,000	\$4,439,990	\$990,000	\$920,000	\$920,000	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000
Other Infrastructure Assets - New and Upgraded	\$175,000	\$3,500,000	\$0	\$0	\$0	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Other Infrastructure Assets - Total Capital	\$1,285,000	\$7,939,990	\$990,000	\$920,000	\$920,000	\$1,170,000	\$1,170,000	\$1,170,000	\$1,170,000	\$1,170,000
Total Infrastructure Asset Capital	\$6,798,561	\$16,305,578	\$9,452,414	\$6,605,765	\$7,274,482	\$7,978,868	\$9,098,556	\$9,331,554	\$9,654,869	\$9,778,511
Total Non-Infrastructure Capital	\$3,230,251	\$15,265,514	\$15,650,759	\$3,126,768	\$2,703,040	\$3,229,968	\$3,607,569	\$3,635,861	\$3,564,859	\$3,694,583
Total Purchases IPPE (from <i>Cashflow Statement</i> )	\$10,028,812	\$31,571,092	\$25,103,173	\$9,732,533	\$9,965,693	\$12,241,007	\$12,715,156	\$13,057,888	\$13,314,510	\$13,512,290
<b>Total Building and Infrastructure Asset Renewal</b>	<b>\$5,693,326</b>	<b>\$10,469,054</b>	<b>\$7,109,519</b>	<b>\$5,532,667</b>	<b>\$6,321,026</b>	<b>\$6,519,918</b>	<b>\$7,633,976</b>	<b>\$7,861,204</b>	<b>\$8,178,604</b>	<b>\$8,296,183</b>
Building and Infrastructure Asset Renewal Ratio	97%	176%	114%	82%	91%	92%	105%	106%	107%	106%
<b>3 year average BIR Ratio (2016/17 was 116%)</b>	<b>130%</b>	<b>129%</b>	<b>124%</b>	<b>96%</b>	<b>89%</b>	<b>96%</b>	<b>101%</b>	<b>106%</b>	<b>106%</b>	<b>106%</b>

There is further work to finalise this table and similar ones for the Water and Sewer funds, but the intention is that these demonstrate the alignment between the LTFP and figures in the Service Dashboards.

## Appendix 6 – Terms of Reference for the AM Steering Committee

To develop, assess and make recommendations to Manex on:

- Asset Management Improvement Strategy;
- Review of Asset Management Plans;
- Integration of AMPs into IP&R, IWCM and Long Term Financial Plan;
- Review and implementation of improved systems and procedures;
- Sharing experience; and
- Collaboration on asset management matters affecting the wider organisation.

### **Committee Membership**

Executive Manager Water and Waste, Manager Roads and Drainage, Manager Property, Corporate Services Manager, Manager Integrated Planning and Reporting  
Quorum 3

### **Committee Chair (Manex Appointment)**

Currently Director Community Infrastructure (Neil Pope) Non-voting

It is proposed that the seating be arranged to separate the actual Committee from the support staff and visitors. This will enable the business to be conducted more effectively and efficiently

### **Staff Support Officers**

Asset Management Coordinator plus admin

### **Attending Staff (as required by agenda items; or from Project working groups established from time to time)**

Manager Works, Road Asset Engineer, Asset Manager Water and Waste, Business Systems Accountant, Director Planning Community & Corporate Services, etc

### **Typical Agenda Matters:**

#### **Direct Role**

(Usually require a report and recommendations, maybe by a working group project manager):

- Review and recommendations to Manex in respect to Policy and Major Systems Improvements;
- Review and recommendations to Manex in resource and budget requirements;

- Other matters at the discretion of the team chairperson. Eg, If one area has developed some best practice or innovation that would have wider application to other asset management areas

### **Regular Briefings and reports on progress on prioritised actions**

(These need to be scheduled so that they do not all fall in the same meetings):

- Asset Management System Project Management Team
- Roads and Drainage AMP Project Management Team
- Property AMP Project Management Team
- Water and Waste AMP Project Management Team
- Communication, consultation, engagement, public relations
- Responsibilities implementation group,
- Corporate Systems

### **Periodic activities:**

- Review the Asset Management Improvement Strategy action list every three months. Note to be updated quarterly before that meeting paper deadline. Note: can stagger away from Op Plan and Budget 'quarterly reviews' to avoid extra workload at that time.
- Include Audit actions into Asset Management Improvement Strategy from time to time as adopted
- Quarterly social activity (dinner or lunch, with a dinner speaker on best practice for example?)