



Blayney Shire Council

Strategic Asset Management Plan (SAMP)

1.1.1 Acknowledgement to Country

Here in Blayney Shire, we gather on Wiradjuri Country on which members and elders of the local Indigenous community and their forebearers have been custodians for many centuries and on which Aboriginal people have performed age old ceremonies of celebration, initiation and renewal, we acknowledge their living culture and their unique role in the religion.

Document credit

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1 Executive summary

This Strategic Asset Management Plan (SAMP) states the approach to implementing the principles and the objectives set out in the Asset Management Policy. It includes specific requirements to outline the processes, resources, structures, roles and responsibilities necessary to establish and maintain the asset management system. The asset groups covered by this SAMP are Buildings and Other Structures, Transport, including Urban Stormwater, Sewerage Network and Swimming pools and Open Space and Recreation infrastructure assets.

The SAMP highlights major issues which need to be addressed for each of the asset classes over the next ten years. The SAMP also highlights the necessary actions for Blayney Shire Council (Council) to help close the gap between current asset management practice and move towards a 'good practice' position in the future.

Both the SAMP and the Asset Management Plans (AMPs) have been prepared in accordance with the International Infrastructure Management Manual (IIMM) and the Institute of Public Works Engineering Australasia (IPWEA) National Asset Management Strategy (NAMS) guidelines. Development of an asset management strategy and plans for council infrastructure assets is a mandatory requirement for NSW local government. The key findings for each asset class are included in the asset management plans (Appendices) and are covered in a concise but detailed manner.

The SAMP has been prepared based on best information available to Council at the time of development. The financial analysis is based on Council's current and most recent (2022/23) Financial Statements. The SAMP improvement plan identifies asset improvement strategies to improve the organisation's capability and to provide more confidence in the reliability of the asset data that informs our decisions, including the need to incorporate resilience into Councils' infrastructure risk management approach.

This strategy includes Council's Asset Management Policy. The policy provides a framework for managing infrastructure assets to support the delivery needs of the community.

1.1 Our Assets

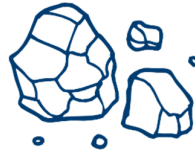
Our infrastructure and asset portfolio has a current replacement cost of approximately \$444.7 million. The asset values are estimates as at 30 June 2023, based on Council's audited annual financial statements.



Buildings and Structures



Sealed Roads



Unsealed Roads



Bridges



Pathways



Other Transport Infrastructure – Signs, Crash Barriers



Stormwater



Sewer



Aquatic Centre



Open Space and Recreational Assets

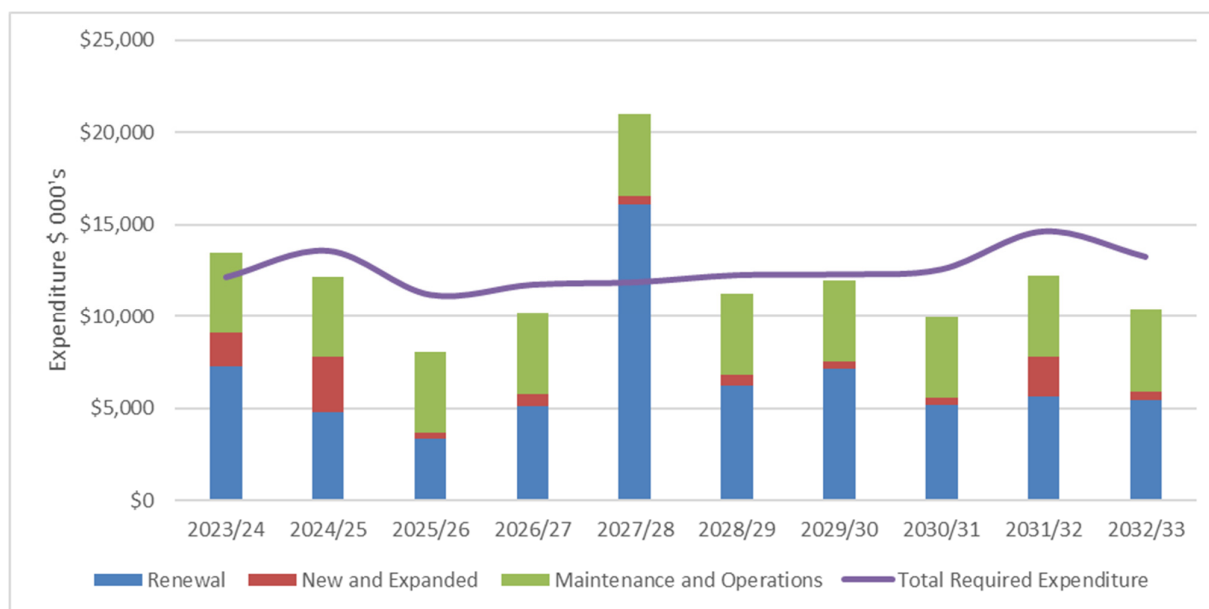


Table 1: Asset classes and values ¹

Asset Class	Gross Replacement Cost \$m	Written Down Value \$m	Annual Depreciation Expense \$m	Asset Management Plan
Buildings and Other Structures	44.5	29.8	0.64	Buildings and Other Structures
Pools	3.4	3.2	0.10	Buildings and Other Structures
Roads	257.5	209.3	3.50	Transportation
Bridges	37.6	26.9	0.35	Transportation
Footpaths	11.5	8	0.14	Transportation
Bulk Earthworks	15.2	15.2	0	Transportation
Stormwater	21.8	16.7	0.20	Transportation
Sewer	35.5	26.3	0.67	Sewer
Open Space and Rec	7.3	5.2	0.17	Parks and Gardens
Land Improvements	10.4	8.6	0.15	Parks and Gardens
Total	444.7	349.2	5.92	

¹ Table 1 includes Land Improvements that are reported as Land assets in C1-7

Figure 1: Assets 10 – year Expenditure Summary



1.2 Asset backlog

In 2022/23, Council had a combined asset backlog of \$19.35 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2023 is shown in the following table.

Table 2: Asset backlog summary

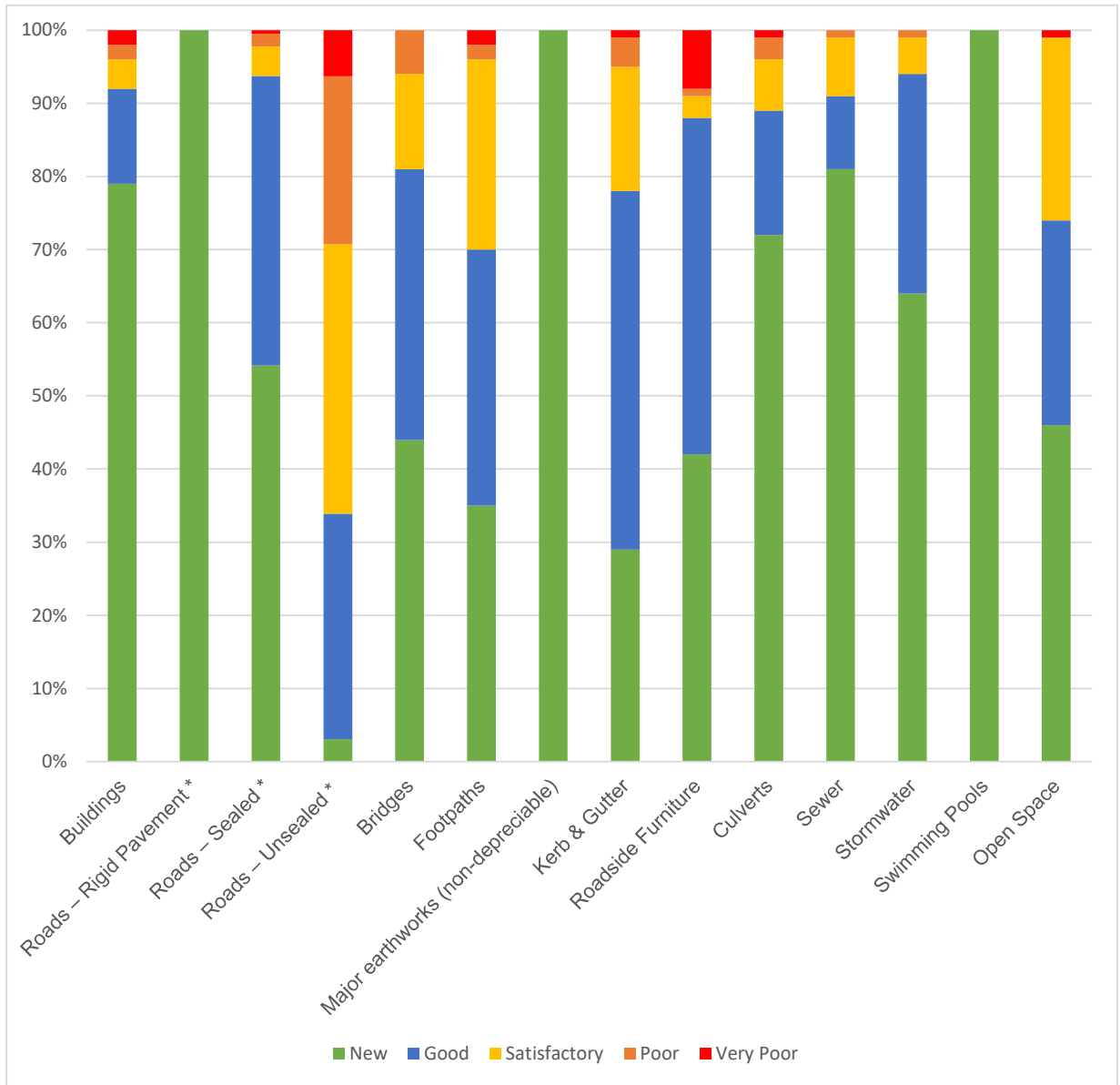
Estimated cost to satisfactory	Backlog \$m	Backlog ratio % (Backlog / WDV)
Buildings	6.80	21.6%
Transport Assets	12.23	4.4%
Sewerage Network	0.29	1.1%
Swimming pools and Open Space and Recreation infrastructure	0.03	0.4%
Total	19.35	5.7%

Our condition data reflects the significant capital works that council has undertaken in the previous term of council with a significant portion of new assets particularly in the buildings and open space assets classes with significant success in securing grant funding to deliver on the Sports and Recreation Plan. (Table 4; Figure 2). The condition is represented as a percentage of the replacement cost of Council's assets. Condition is a measure of an asset's physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. Overall, the quality of Council's condition data is rated as acceptable.

Table 3: Asset condition

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	14%	54%	18%	10%	5%
Sealed roads	80%	17%	2%	1%	0%
Unsealed roads	54%	15%	17%	11%	3%
Bridges	50%	32%	12%	6%	0%
Footpaths	38%	29%	26%	7%	0%
Major earthworks (non-depreciable)	100%	0%	0%	0%	0%
Kerb & Gutter	30%	47%	18%	4%	1%
Roadside Furniture	45%	43%	3%	1%	9%
Culverts	71%	17%	7%	4%	1%
Sewer	80%	11%	8%	1%	0%
Stormwater	64%	39%	5%	1%	1%
Swimming Pools	100%	0%	0%	0%	0%
Open Space	52%	23%	24%	1%	0%
Combined	64%	23%	9%	3%	1%

Figure 2: Asset condition summary



1.3 Expenditure and reporting

Table 4: Consolidated asset expenditure projections – base case

Expenditure projections (\$,000s)		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
– combined assets												
Actual	Renewal	\$7,233	\$4,777	\$3,310	\$5,122	\$16,080	\$6,190	\$7,160	\$5,148	\$5,613	\$5,447	\$6,786
	New and expanded assets	\$1,854	\$3,011	\$335	\$635	\$506	\$631	\$399	\$395	\$2,168	\$473	\$467
	Maintenance and operational	\$4,398	\$4,409	\$4,402	\$4,454	\$4,426	\$4,414	\$4,422	\$4,432	\$4,462	\$4,472	\$4,462
	Total expenditure	\$13,485	\$12,197	\$8,047	\$10,211	\$21,012	\$11,235	\$11,981	\$9,975	\$12,243	\$10,392	\$11,715
Required	Required renewal (depreciation)	\$6,082	\$6,241	\$6,417	\$6,564	\$6,718	\$6,874	\$7,035	\$7,197	\$7,362	\$7,552	\$7,726
	New and expanded assets	\$1,854	\$3,011	\$335	\$635	\$506	\$631	\$399	\$395	\$2,168	\$473	\$467
	Required maintenance and operational	\$4,229	\$4,348	\$4,450	\$4,556	\$4,663	\$4,774	\$4,885	\$4,999	\$5,130	\$5,249	\$5,372
	Total	\$12,165	\$13,600	\$11,202	\$11,755	\$11,887	\$12,279	\$12,319	\$12,591	\$14,660	\$13,274	\$13,565
Maintenance gap		\$169	\$61	-\$48	-\$102	-\$237	-\$360	-\$463	-\$567	-\$668	-\$777	-\$910
Renewals gap		\$1,151	-\$1,464	-\$3,107	-\$1,442	\$9,362	-\$684	\$125	-\$2,049	-\$1,749	-\$2,105	-\$940
Overall gap		\$1,320	-\$1,403	-\$3,155	-\$1,544	\$9,125	-\$1,044	-\$338	-\$2,616	-\$2,417	-\$2,882	-\$1,850

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately \$12.1 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being \$12.6 million per year.

The projections indicate that Council currently has insufficient funds to maintain and improve its portfolio of assets. There is a shortfall in CAPEX (\$2m) and OPEX (\$3m) over the life of the plan and this will result in a likely deterioration in the condition of Council’s assets portfolio.

Table 5 General Fund expenditure projections – base case

Expenditure projections (\$,000s)		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
– combined assets												
Actual	Renewal	\$6,499	\$4,457	\$2,829	\$4,827	\$7,162	\$6,114	\$7,160	\$5,148	\$5,613	\$5,447	\$6,176
	New and expanded assets	\$1,841	\$2,961	\$335	\$635	\$506	\$631	\$399	\$395	\$2,168	\$473	\$467
	Maintenance and operational	\$3,153	\$3,161	\$3,169	\$3,177	\$3,185	\$3,194	\$3,203	\$3,212	\$3,221	\$3,231	\$3,221
	Total expenditure	\$11,493	\$10,579	\$6,333	\$8,639	\$10,853	\$9,939	\$10,762	\$8,755	\$11,002	\$9,151	\$9,864
Required	Required renewal (depreciation)	\$5,398	\$5,542	\$5,702	\$5,833	\$5,971	\$6,110	\$6,255	\$6,399	\$6,547	\$6,719	\$6,875
	New and expanded assets	\$1,841	\$2,961	\$335	\$635	\$506	\$631	\$399	\$395	\$2,168	\$473	\$467
	Required maintenance and operational	\$3,823	\$3,933	\$4,025	\$4,122	\$4,220	\$4,321	\$4,422	\$4,526	\$4,646	\$4,755	\$4,867
	Total	\$11,062	\$12,436	\$10,062	\$10,590	\$10,697	\$11,062	\$11,076	\$11,320	\$13,361	\$11,947	\$12,209
Maintenance gap		-\$670	-\$772	-\$856	-\$945	-\$1,035	-\$1,127	-\$1,219	-\$1,314	-\$1,425	-\$1,524	-\$1,646
Renewals gap		\$1,101	-\$1,085	-\$2,873	-\$1,006	\$1,191	\$4	\$905	-\$1,251	-\$934	-\$1,272	-\$699
Overall gap		\$431	-\$1,857	-\$3,729	-\$1,951	\$156	-\$1,123	-\$314	-\$2,565	-\$2,359	-\$2,796	-\$2,345

The average capital and maintenance expenditure on Council General Fund assets over the ten-year forecast period is approximately \$9.8 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being \$11.4 million per year.

The projections indicate that Council currently has insufficient funds to maintain and improve its portfolio of assets. There is a shortfall in CAPEX (\$5.2m) and OPEX (\$10.9m) over the life of the plan and this will result in a likely deterioration in the condition of Council's assets portfolio.

Table 6 Sewer Fund expenditure projections – base case

Expenditure projections (\$,000s) – combined assets		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual	Renewal	\$734	\$320	\$481	\$295	\$8,918	\$76	\$0	\$0	\$0	\$0	\$610
	New and expanded assets	\$13	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Maintenance and operational	\$1,245	\$1,248	\$1,233	\$1,277	\$1,241	\$1,220	\$1,219	\$1,220	\$1,241	\$1,241	\$1,241
	Total expenditure	\$1,992	\$1,618	\$1,714	\$1,572	\$10,159	\$1,296	\$1,219	\$1,220	\$1,241	\$1,241	\$1,241
Required	Required renewal (depreciation)	\$684	\$699	\$715	\$731	\$747	\$764	\$780	\$798	\$815	\$833	\$851
	New and expanded assets	\$13	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Required maintenance and operational	\$406	\$415	\$425	\$434	\$443	\$453	\$463	\$473	\$484	\$494	\$505
	Total	\$1,103	\$1,164	\$1,140	\$1,165	\$1,190	\$1,217	\$1,243	\$1,271	\$1,299	\$1,327	\$1,356
Maintenance gap		\$839	\$833	\$808	\$843	\$798	\$767	\$756	\$747	\$757	\$747	\$736
Renewals gap		\$50	-\$379	-\$234	-\$436	\$8,171	-\$688	-\$780	-\$798	-\$815	-\$833	-\$241
Overall gap		\$889	\$454	\$574	\$407	\$8,969	\$79	-\$24	-\$51	-\$58	-\$86	\$495

The average capital and maintenance expenditure on Council Sewer Fund assets over the ten-year forecast period is approximately \$2.3 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being \$1.2 million per year.

The projections indicate that Council currently has sufficient funds to maintain and improve its portfolio of assets. There is a surplus in CAPEX (\$3.3m) and OPEX (\$7.9m) over the life of the plan and this will result in a likely improvement in the condition of Council's assets portfolio.

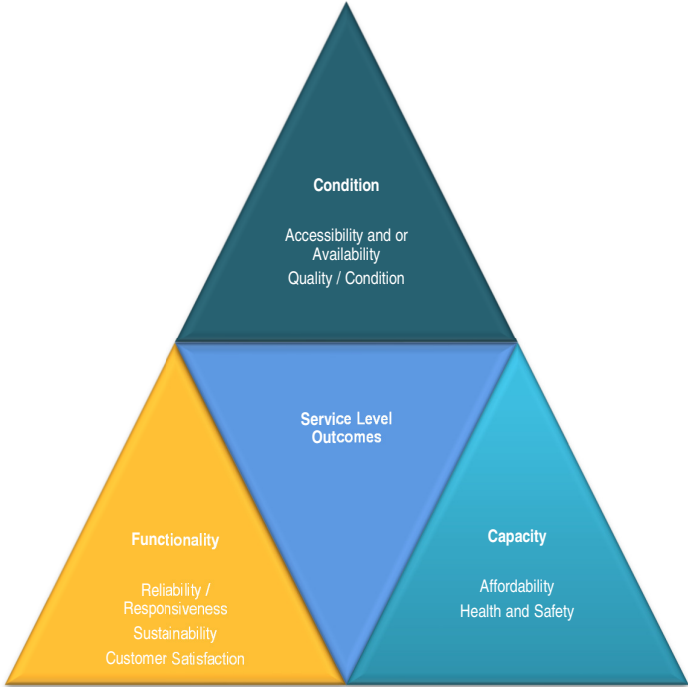
1.4 Levels of service

The objective of asset management is to enable assets to be managed in the most cost-effective way, based on an understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the level of service.

A level of service is a measurable description of what Council delivers (or intends to deliver) in an activity which relates to something that can be controlled. Council has prepared an Asset Management Policy to ensure that adequate provision is made for the long-term replacement of major assets by:

- Ensuring that Council’s infrastructure is maintained in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Implementing appropriate asset management strategies and providing financial resources required to safeguard Council assets.
- Creating and sustaining an asset management awareness throughout the organisation by way of training and development.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibilities for asset management are allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

Figure 3 Service Level Pyramid



1.5 Asset management principles

Council has developed twelve principles to guide asset management activities.

Table 7: Asset management principles

No	Principle
1	A consistent Asset Management Strategy (The Strategic Asset Management Plan) must exist for implementing systematic and appropriate asset management best practice throughout all departments of Council.
2	All relevant legislative requirements and Office of Local Government Long Term Financial Indicators are considered in asset management.
3	Asset management principles will be integrated within existing planning and operational processes.
4	Asset Management Plans will be developed for major asset categories. The plans will be informed by community consultation and financial planning and reporting.
5	An inspection regime will ensure agreed service levels are maintained and to identify asset renewal priorities.
6	Asset renewals required to meet agreed service levels are identified in adopted asset management plans and funded in Councils Long Term Financial Plan.
7	Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
8	Renewal works will use current engineering and construction technology (Modern engineering equivalent), and consider intergenerational equity, current and future population growth and social amenity.
9	Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued, and depreciated in accordance with appropriate best practice and applicable Australian Standards, including Australian Accounting Standards (AASB).
10	Future life cycle costs will be reported and considered in all decisions relating to new services and assets or upgrading of existing assets and services.
11	Future service levels will be determined in consultation with the community.
12	Training in asset and financial management will be provided for Councilors and relevant staff.

2 Introduction

2.1 Asset planning

Development of AMPs for Council’s infrastructure is a mandatory requirement for NSW councils, as per the *NSW Local Government Act 1993* and its subsequent amendments. As such, Council has developed the following SAMP to cover the period 2023/24 – 2032/33. The key findings for each asset class are included in the asset management plans section of this strategy (Appendices) and are covered in a concise but detailed manner.

Providing infrastructure is one of the most important roles of Council, as assets support services that deliver on Council’s long-term objectives. A formal approach to asset management is essential to ensure that services are provided in the most cost-effective and value-driven manner. Asset management needs to be fully aligned and integrated with Council’s Community Strategic Plan, LTFP and Workforce Strategy. This ensures that community needs, and expectations are well understood, and that funding requirements and consequences are understood and available.

Figure 4: Council asset management planning framework

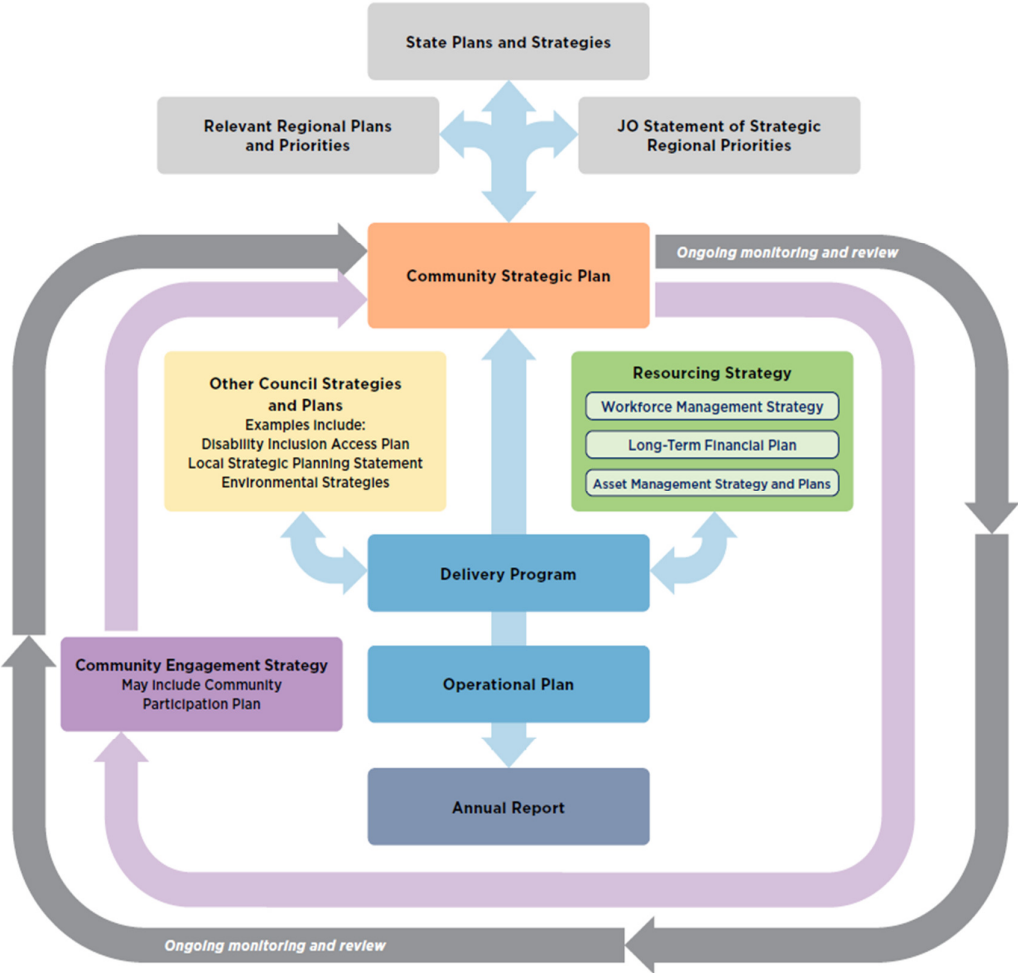


Figure 5: Relationship between Council's plans and resourcing strategies

This SAMP establishes a framework to enable the prioritisation of asset groups through planning, construction, maintenance, and operation of infrastructure necessary to achieve the goals and objectives as set out in:

- Blayney Shire Community Strategic Plan 2022-2032
- Blayney Shire Council Resourcing Strategy:
 - 2024/25 – 2033/34 Long Term Financial Plan
 - Workforce Management Plan 2022/23 – 2025/26
 - Delivery Program and Operational Plan 2023/24-2026/27
- Blayney Showground and Equestrian Sports Facilities Strategic Plan 2020-2025
- Blayney Shire Roads Strategy
- Blayney Shire Sport and Rec Plan
- Councils Community and Master plans for its Town, villages and precincts.

2.2 Scope of this Strategic Asset Management Plan

This SAMP has been developed to provide the framework to ensure that Council’s new and existing infrastructure assets are operated, maintained, renewed and upgraded to ensure that the levels of service are achieved in the most cost effective and sustainable way. It meets Council’s commitments under the *Integrated Planning and Reporting Framework (IP&R)* in that all Council’s infrastructure assets are fully accounted for. Details on each asset class, including the inventory, condition, predicted and required expenditure are included in the AMPs.

The audience for this SAMP is Council staff, the Council executive management team, elected representatives (Councillors), interest groups, stakeholders and other interested members of the general community.

The specific objectives of this strategy are:

- Maintain and Improve Public Infrastructure and Services
- Build the Capacity and Capability of Local Governance and Finance
- Diversify and Grow the Blayney Shire Local and Visitor Economy
- Enhance recreational facilities and networks that support health and wellbeing of the community, sport, heritage, and cultural interests
- Protect Our Natural Environment

The strategy identifies the future funding requirements and service delivery in the context of:

- current asset condition and performance
- levels of service
- forecasted demand for infrastructure and services
- funding constraints

This strategy supports Council’s aim to have systematic and appropriate asset management best-practice throughout all departments of Council. This is achieved by continually developing and improving the whole of Council’s knowledge, systems, processes and strategies. This will ensure that Council is providing the level of asset management necessary to competently, responsibly and sustainably manage the community assets for current and future generations.

This SAMP has been prepared using a ‘top down’ approach whereby analysis is applied at the ‘system’ or ‘network’ level. The focus is on current levels of service and current practices. It includes expenditure forecasts for asset maintenance, renewal and replacement based on local knowledge of Council’s assets and options for meeting current levels of service.

The format of this SAMP is outlined in the following table.

Table 8: Asset Management Strategy structure

Sections	Guidelines
1. Executive summary	Provides a high-level summary of the combined asset management plans and highlights the main issues for consideration.
2. Introduction	Outlines the purpose and scope of the plan and how the plan relates to other key policies and strategies.
3. Asset Management Policy	Excerpt from Council’s adopted Asset Management Policy outlining the principles guiding Council’s asset management practices.
4. Asset management practices	Provision of a comprehensive strategic asset management gap analysis process for asset management.
5. Levels of service	Outline of levels of service and asset performance standards and customer/community expectations and feedback regarding levels of service.
6. Future demand	Identification of demand trends, factors which may influence demand, forecast changes in demand, impacts and implications of future demand and effects on future planning.
7. Risk management plan	Provision of an asset-based risk management plan.
8. Overarching Strategic Asset Management Plan	Provision of a summary of Council’s overall Asset Strategy including Asset Management Policy and identification of critical assets.

2.3 Council’s assets

Council uses infrastructure assets to provide services to the community. An outline of the range of infrastructure assets and the services provided from the assets is shown below:

Table 9: Range of infrastructure assets and services

Asset Plan	Description
Buildings and Other Structures	Community, cultural, commercial, council operational and leisure facilities.

Transportation Assets	Roads, bridges, culverts, footpaths, shared paths, kerb & gutter, urban stormwater, rural drainage, and signage.
Sewerage Network	Reticulation network, pumping stations, rising mains, trunk mains, and treatment plant, excluding Buildings.
Swimming pools and Open Space and Recreation infrastructure	Active and passive recreation areas, sports facilities, playgrounds, surfaces, fencing and memorial assets, including Cemeteries.

Full details of Council’s assets are covered in the individual asset management plans found in the appendices.

2.4 About Blayney Shire Council

Blayney Shire Council has an area of 1,524 km² and is located in the Central Tablelands of New South Wales, approximately three hours by road from the centre of Sydney. The principal town in the Shire is Blayney, situated some 37km southwest of Bathurst, 35km southeast of Orange and approximately 244km by road from Sydney.

It is the centre of a district, which stretches east to Bathurst, southwest to Cowra and north to Orange. Blayney Shire comprises a number of villages and localities including Millthorpe; Carcoar; Mandurama; Lyndhurst; Neville; Newbridge; Hobbys Yards, Forest Reefs and Barry.

Figure 6: Blayney Shire Council LGA



2.5 Links to Council plans and strategies

The Strategic Asset Management Plan and Asset Management Plans have been prepared in line with the strategic objectives outlined in the Blayney Shire Community Strategic Plan 2022-2032 (CSP).

Infrastructure assets will play both a direct and indirect role in achieving the strategic objectives of the CSP. The following table indicates how Council's assets play a role in the delivery of the key strategies outlined in the CSP.

Table 10: Linkages to the Corporate Strategic Plan

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
Future Direction 1. Maintain and Improve Public Infrastructure and Services				
1.1. Plan and develop integrated transport networks, providing choices that enable people and freight to move and travel, in a safe, accessible and efficient manner				
1.1.1. Sealed roads and unsealed roads, bridges and culverts will be maintained in accordance with agreed service levels		✓		
1.1.2. Deliver the Shire Roads Strategic Plan		✓		
1.1.3. Lobby and advocate for the re-opening of the Blayney-Demondrille Railway Line				
1.1.4. Plan for future transport and road infrastructure to service future needs		✓		
1.2. The Blayney health service; medical centres, aged care providers, primary and ancillary support and emergency service agencies provided in the Shire meet the future needs of the community.				
1.2.1. Advocate to both NSW and Federal Government Ministers of Health, to ensure that Aged Care Services are maintained in Carcoar (Uralba) and Blayney (Lee Hostel), and the Blayney Health Services Clinical Services Plan is delivered				
1.2.2. Provide support for emergency management in Blayney Shire in accordance with State Emergency and Rescue Management (SERM) Act	✓			
1.3. The community is provided with access to quality lifelong education and training				
1.3.1. Advocate on behalf of the community to Government to support accessible quality local education				
1.3.2. Work with registered training organisations, key business and employment service agencies to support traineeships, trade apprenticeships and skills development				

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
1.4. Residents and business have access to reliable utilities, information and communication technologies across the Shire				
1.4.1. Lobby the Federal Government for improved internet and mobile phone access to all our villages to facilitate growth	✓			
1.4.2. Investigate and support emerging communication technologies that support our community	✓			
Future Direction 2. Build the Capacity and Capability of Local Governance and Finance				
2.1. Council is recognised as a valuable partner with government and private business stakeholders				
2.1.1. Meaningful two-way communication and engagement between NSW and Federal Governments, regional organisations, business, industry, stakeholders and communities of interest				
2.1.2. Provide for the efficient and effective administration of Council	✓			
2.1.3. Implement Workforce Management Plan strategies and actions				
2.2. Responsible management practices, delivery of services and renewal of assets across the Blayney Shire	✓	✓	✓	✓
2.2.1. Continue to support local community infrastructure projects via the Financial Assistance Program and Village Enhancement Plan allocations				
2.2.2. Review and report on Council's performance against the Long Term Financial Plan and ensure Office of Local Government Financial Performance Ratios are met				
2.2.3. Effective management of land under Council control				✓
2.3. Town Associations, Village Committees and local organisations are capable, resilient, and involved in decision making about issues that impact their own community				
2.3.1. Facilitate constructive and timely communication between Council and the Town & Village Committees /Progress Associations				
2.3.2. Support the development and implementation of improvement projects for the local Halls, School of Arts and other community facilities	✓			✓
2.3.3. Work proactively with community groups to support local events				

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
2.4. The community and ratepayers have confidence in and are engaged with Blayney Shire Council				
2.4.1. Councillors to exhibit leadership on Council, delivering on the Local Community Participation Plan and Community Engagement Strategy				
2.4.2. Customer services and information are delivered effectively and efficiently	✓	✓	✓	✓
2.4.3. Encourage sound governance practice and build the capacity and capability of local leaders within community organisations				
Future Direction 3. Diversify and Grow the Blayney Shire Local and Visitor Economy				
3.1. A viable and productive agricultural sector				
3.1.1. Support the growth of the Shire in order to preserve productive agricultural land and integrate sustainable industries into the future	✓	✓	✓	✓
3.1.2. Maintain the availability and quality of water for use in rural areas			✓	
3.2. A responsible and prosperous mining industry that is engaged with the community, working towards the improvement of the Shire				
3.2.1. Engage and advocate on behalf of the community on the corporate and environmental responsibilities of the mining sector				
3.3. Growing and connected tourism networks that add value to the vision and appeal of our heritage villages and tourism product within the Shire				
3.3.1. Implement the Orange Region Destination Management Plan	✓	✓	✓	✓
3.3.2. Work with, and support Orange360 and Central NSW Tourism				
3.3.3. Provide support to local businesses and event organisers				
3.3.4. Continue to support the Tourism Development Fund				
3.4. An attractive shire for employment opportunities with industrial, business, tourism and planned housing residential growth				
3.4.1. Implement Blayney and Millthorpe Mainstreet Masterplans	✓	✓	✓	✓
3.4.2. Facilitate the development of new residential housing availability in Blayney and Villages	✓	✓	✓	✓
3.4.3. Seek opportunities to build a vibrant local retail and business sector	✓	✓	✓	✓

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
3.4.4. Regularly review and update, planning instruments, strategies and policies	✓	✓	✓	✓
3.4.5. Work with stakeholders and partners to develop affordable housing opportunities	✓			
Future Direction 4. Enhance recreational facilities and networks that support health and wellbeing of the community, sport, heritage and cultural interests				
4.1. We are an inclusive, diverse and welcoming community				
4.1.1. Engage with young people to facilitate and progress activities within the Shire				
4.1.2. Deliver the Active Movement Strategy priorities to provide safe and accessible connecting pathway networks		✓		
4.1.3. Implement the Disability Inclusion Action Plan				
4.2. Provide facilities that support increased participation in sport and fitness activities				
4.2.1. Cultural and sporting events are supported by Council, volunteers and state sporting bodies so that they are coordinated and well resourced				✓
4.2.2. Implement Blayney Shire Sports and Recreation Masterplan to enhance and improve sporting facilities				✓
4.3. Heritage and First Nations significant sites in the natural and built environment are protected				
4.3.1. Identify items of natural and built heritage in Blayney Shire	✓			✓
4.3.2. Heritage Advisory services continue to be provided to owners of heritage items ensuring heritage is preserved whilst allowing development to occur	✓			✓
4.3.3. Ensure the Shire's 8 heritage listed cemeteries are maintained and protected	✓			✓
4.3.4. Prepare a Cemeteries Management Plan				
4.4. The shire is a centre for cultural interest, arts, performance and entertainment				
4.4.1. Utilise Council website and communication channels for promotion of major sporting and cultural events				
4.4.2. Encourage the use of the Blayney Shire Community Centre as a facility for arts and culture	✓			✓

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
4.4.3. Provide effective and consumer friendly library services in the Blayney Shire	✓			✓
4.4.4. Maintain partnerships with Arts Out West and Regional Arts Organisations				
Future Direction 5. Protect our Natural Environment				
5.1. Retain and enhance open spaces; with a focus on regeneration of native vegetation				
5.1.1. Ongoing liaison, support and participation with Local Land Services, Landcare and as a constituent Council Upper Macquarie County Council				✓
5.1.2. Maintain and strengthen partnerships with organisations responsible for natural resource management and feral pest control				✓
5.1.3. Enhance the communities understanding of biodiversity issues and work towards positive behavioural change				✓
5.1.4. Review the Roadside Vegetation Management Plan to ensure high environmental value vegetation is protected, road safety outcomes maintained and any clearing is undertaken following agreed principles and guidelines		✓		✓
5.2. The Belubula River, waterways and tributaries that flow into our regional water catchments and water supply sources are clean, healthy and biodiverse				
5.2.1. Prepare a shire wide onsite sewerage waste-water strategy			✓	
5.2.2. Clean up waterways throughout the Shire including removal of willow trees, other noxious species, creating wildlife habitat				✓
5.2.3. Stormwater Management Plans are prepared for Blayney, Millthorpe and Carcoar and projects scoped for funding				
5.2.4. Ensure provision of Sewerage Treatment and Recycled Water Treatment Plant is adequate for the growth of the Shire and promotes Residential Development			✓	
5.3. We are on the path to achieving net zero emissions and adapting to climate change risks and opportunities				
5.3.1. Facilitate new energy sources, sustainable development and farming practices within the Shire	✓	✓		

Strategy	Buildings and other structures	Transport	Sewerage network	Swimming pools, Open Space and Recreation
5.3.2. Implement the Blayney Shire Renewable Energy Action Plan				
5.3.3. Continue to investigate and challenge emerging renewable energy sources				
5.3.4. Support Council's native tree planting program and community engagement				✓
5.4. Recycling and innovative diversion of waste will reduce the volume deposited in Council's Landfill				
5.4.1. Ensure Waste Management Services are delivered in a financially sustainable manner	✓	✓		
5.4.2. Develop and promote programs with NetWaste that increase recycling and reuse				
5.4.3. Review services and introduction of a Green Bin in Waste Collection Services				
5.4.4. Investigate establishment of 'return and earn' opportunities within the Shire				

3 Asset Management Policy

Adopted: 14/11/2011

Reviewed: 08/06/2022

3.1 Scope

This policy applies to all physical infrastructure assets owned, controlled or managed by Council.

3.2 Objectives

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

1. Ensuring that Council's infrastructure is maintained in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
2. Implementing appropriate asset management strategies and providing financial resources required to safeguard Council assets.
3. Creating and sustaining an asset management awareness throughout the organisation by way of training and development.
4. Meeting legislative requirements for asset management.
5. Ensuring resources and operational capabilities are identified and responsibilities for asset management are allocated.
6. Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

3.3 Policy Background

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

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

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

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

- Members of the public and staff,
- Council's financial sustainability over the medium to long term,
- The ability to provide expected levels of service and required infrastructure,
- The political environment in which Council operates, and

- The legal liabilities of Council.

3.4 Principles

1. A consistent Asset Management Strategy (The Strategic Asset Management Plan) must exist for implementing systematic and appropriate asset management best practice throughout all departments of Council.
2. All relevant legislative requirements and Office of Local Government Long Term Financial Indicators are considered in asset management.
3. Asset management principles will be integrated within existing planning and operational processes.
4. Asset Management Plans will be developed for major asset categories. The plans will be informed by community consultation and financial planning and reporting.
5. An inspection regime will ensure agreed service levels are maintained and to identify asset renewal priorities.
6. Asset renewals required to meet agreed service levels are identified in adopted asset management plans and funded in Council's Long Term Financial Plan.
7. Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
8. Renewal works will use current engineering and construction technology (Modern engineering equivalent), and consider intergenerational equity, current and future population growth and social amenity.
9. Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued, and depreciated in accordance with appropriate best practice and applicable Australian Standards, including Australian Accounting Standards (AASB).
10. Future life cycle costs will be reported and considered in all decisions relating to new services and assets or upgrading of existing assets and services.
11. Future service levels will be determined in consultation with the community.
12. Training in asset and financial management will be provided for Councillors and relevant staff.

3.5 Responsibility

Councillors are responsible for adopting the policy and ensuring that sufficient resources are applied to manage the assets.

The General Manager has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

3.6 Review Date

This policy is scheduled for review in June 2026

4 Asset management practices

4.1 Asset management information systems

Council's asset knowledge, information and data are corporate assets and are managed as part of the asset management framework. The current applications used by Council include:

- Council's corporate system, "Synergysoft" - financial module
- Council's asset management system is AssetFinda.

4.2 Data collection and validation

In the preparation of this Strategic Asset Management Plan, Council has used the most current and up to date information available. This document will be supported by the Asset Management Plans, including ongoing monitoring, audit and improvement practices, which are to be used to optimise Council's operational and renewal expenditure.

4.3 Monitoring and review procedures

Council reports quarterly and annually on activities and outcomes to track the achievement of the CSP and Delivery Program. The asset management service levels and improvement plan actions will be reported to the community through this process.

4.4 Confidence in data

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following below.

Table 11: Asset data confidence scale

Confidence grade	General meaning
Highly reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Table 12: Asset data confidence rating

Asset class	Inventory	Condition	Age	Overall
Buildings and Other Structures	Reliable	Acceptable	Uncertain	Acceptable
Transport Assets	Reliable	Acceptable	Uncertain	Acceptable
Sewerage Network	Reliable	Reliable	Uncertain	Reliable
Swimming pools and Open Space and Recreation infrastructure	Reliable	Acceptable	Uncertain	Acceptable

4.5 Funding strategy

Council's funding strategy aims to align Council's Long Term Financial Plan, Asset Management Plans and annual budget to accommodate the lifecycle requirements of its assets. By having a unified process, all decision-making numbers can be traced back to the AMPs, thereby informing the Resourcing Strategy, annual budgets, Delivery Program and forward programs providing a degree of certainty for delivery timeframes and resourcing requirements.

In order to ensure value, Council will plan capital upgrade and new projects to meet level of service objectives by:

- planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
- undertaking project scoping for all capital upgrade/new projects to identify:
 - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset
 - the project objectives to rectify the deficiency including value management for major projects
 - the range of options, estimated capital and lifecycle costs for each option that could address the service deficiency
 - the management of risks associated with alternative options
 - evaluate the options against evaluation criteria adopted by Council
 - the best option to be included in capital upgrade/new programs.
- reviewing current and required skills base and implement training and development to meet required construction and project management needs
- reviewing the current resources and capacity of the organisation to deliver the Capital Works Program on an annual basis
- reviewing management of capital project management activities to ensure Council is obtaining best value for resources used.

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal, as shown in the appendices.

4.6 Asset management roles and functions

Council is currently facing challenges in providing linkages between long term planning for all asset classes, which is being driven out of Council’s assets division with limited involvement and input from Council’s asset custodians. Council is currently in the process of mapping out its asset management roles and responsibilities to ensure that there is clarity throughout the organisation and that all asset management functions are identified, allocated and being completed.

In the context of asset management, it is essential that the executive show leadership in this regard and support and show their commitment to asset management. This includes cultivating an organisational culture around asset management; ensuring that all personnel involved are aware of the need of asset management to balance value, risk, opportunities, and cost throughout the asset lifecycle. There needs to be a unified vision and intention from the Executive which aligns with the organisation’s values.

Asset management governance will be managed by Council’s Executive who will be reported to bi-annually and monitor and report on the progress of asset improvement plan actions.

The efficient and effective management of Council’s assets is essential to the wellbeing of the community through service delivery functions of Council. There must be a clear definition of the roles and responsibilities for all aspects of the management of assets.

Clearly, for asset management to be effective, there should be a whole of organisational approach and, as such, the traditional engineering fit for asset management is not always the best fit for all organisations and as such should be reviewed at Blayney. As with most council functions at a high level, there is an activity continuum, as shown in the following figure.

Figure 7: Asset management roles



Within these areas, asset management generally has a number of key functions, each with core activity responsibilities, as set out below. While these roles and functions can be combined, better results are typically achieved where there are distinct boundaries within functional areas.

Roles are defined as:

Asset owner	This position takes ownership responsibility for the management of assets and is usually responsible for policy and overall asset strategy.
Asset custodian	This role is normally the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.
Asset delivery	This role is responsible for the day-to-day maintenance of assets.

A summary of current Asset Management Roles and Responsibilities will be provided as part of each asset plan.

5 Levels of service

5.1 Defining levels of service

There are a variety of ways to describe levels of service (also known as service level). The concept adopted in this plan is that 'levels of service are output descriptions supported by quantifiable performance measures.'

A level of service is a measurable description of what Council delivers (or intends to deliver) in an activity which relates to something that can be controlled. Service levels may relate to:

- the reliability of an asset
- the quality of an asset
- having the right quantity of assets
- the safety/risk/security of the assets.

The objective of asset management is to enable assets to be managed in the most cost-effective way based on an understanding of customer needs, expectations, preferences and their willingness to pay for any increase in the levels of service.

5.2 Performance measures

The level of service statement is supported by performance measure(s), also referred to as performance indicator(s), that indicate how the organisation is performing in relation to that level of service. The performance measure includes targets that are made up of community and technical measures. The customer measure relates to how the community receives the service, whereas technical measures support customer measures to ensure all aspects of organisational performance are being monitored, even those that may not be understood by customers.

In this plan, the level of service is prepared so that they are clearly and directly linked with the performance measures. For some performance measures in this plan, Council will have full control over the outcome, for example 'respond to service requests within seven days'. However, it is important to recognise that some performance measures may be influenced by external factors. For example, the number of fatalities can be influenced by road management, but driver behaviours, police enforcement and a number of other factors also strongly contribute to the overall outcome.

5.3 Service level outcomes

The levels of service in this plan have been developed with a customer focus and are grouped into core customer value areas that are referred to as 'service level outcomes'. These service level outcomes (sometimes referred to as service criteria) encompass:

- condition
 - accessibility and/or availability
 - quality/condition

- functionality
 - reliability/responsiveness
 - sustainability
 - customer satisfaction
- capacity
 - affordability
 - health and safety.

5.3.1 Condition

Accessibility

To ensure the asset base performs as required, it is essential that the asset, no matter which type of asset, is generally available to the community as required. As a service outcome, Council’s customers will require assets that are accessible and can be relied upon to deliver the services that are not only expected, but the services that are required.

Quality/condition

Asset quality is also very important. Council should determine the quality of the assets required. Quality will have more to do with manner and type of the asset rather than its condition. An asset may be poor in quality yet have a condition which is described as good.

Condition is a measure of an asset’s physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. A copy of a typical condition rating matrix is detailed below.

Table 13: Asset condition rating matrix

Condition rating	Condition	Descriptor	Guide	Residual life as a % of total life	Mean percentage residual life
1	Excellent	An asset in excellent overall condition, however, is not new and providing its intended level of service.	Normal maintenance required	>86	95
2	Good	An asset in good overall condition with some possible early stages of slight deterioration evident, minor in nature and causing no serviceability issues. No indicators of any future obsolescence and providing a good level of service.	Normal maintenance plus minor repairs required (to 5% or less of the asset)	65 to 85	80

Condition rating	Condition	Descriptor	Guide	Residual life as a % of total life	Mean percentage residual life
3	Satisfactory	An asset in fair overall condition with some deterioration evident, which may be slight or minor in nature and causing some serviceability issues. Providing an adequate level of service with no signs of immediate or short-term obsolescence.	Significant maintenance and/or repairs required (to 10 - 20% of the asset)	41 to 64	55
4	Poor	An asset in poor overall condition, moderate to high deterioration evident. Substantial maintenance required to keep the asset serviceable. Will need to be renewed, upgraded or disposed of in near future. Is reflected via inclusion in the ten-year Capital Works Plan.	Significant renewal required (to 20 - 40% of the asset)	10 to 40	35
5	Very poor	An asset in extremely poor condition or obsolete. The asset no longer provides an adequate level of service and/or immediate remedial action required to keep the asset in service in the near future.	Over 50% of the asset requires renewal	<10	5

5.3.2 Function

Responsiveness

Council will maintain assets in a diligent manner and be responsive to the needs of the community now and into the future. Whilst this may be difficult in some instances, Council places a high emphasis on customer service and its responsiveness to customer enquiries. Strategies will be implemented to ensure that Council maintains a high level of customer support.

Customer satisfaction

Council will continue to provide services to the community in a manner that is efficient and effective. Council will continue to monitor community satisfaction with its current services and strive to improve community satisfaction where possible.

Sustainability

Council will ensure that its assets are maintained in a manner that will ensure the long term financial sustainability for current and future generations. This will be achieved by ensuring efficient and effective service delivery and ensuring appropriate funds are allocated to maintain and renew infrastructure assets.

5.3.3 Capacity

Affordability

Council will maintain its infrastructure assets in a cost-effective, affordable manner in accordance with responsible economic and financial management. In order for Council's assets to assist in meeting the strategic goals and in attaining optimum asset expenditure, Council will need to continually review its current operational strategies and adopt new and proven techniques to ensure that assets are maintained in their current condition.

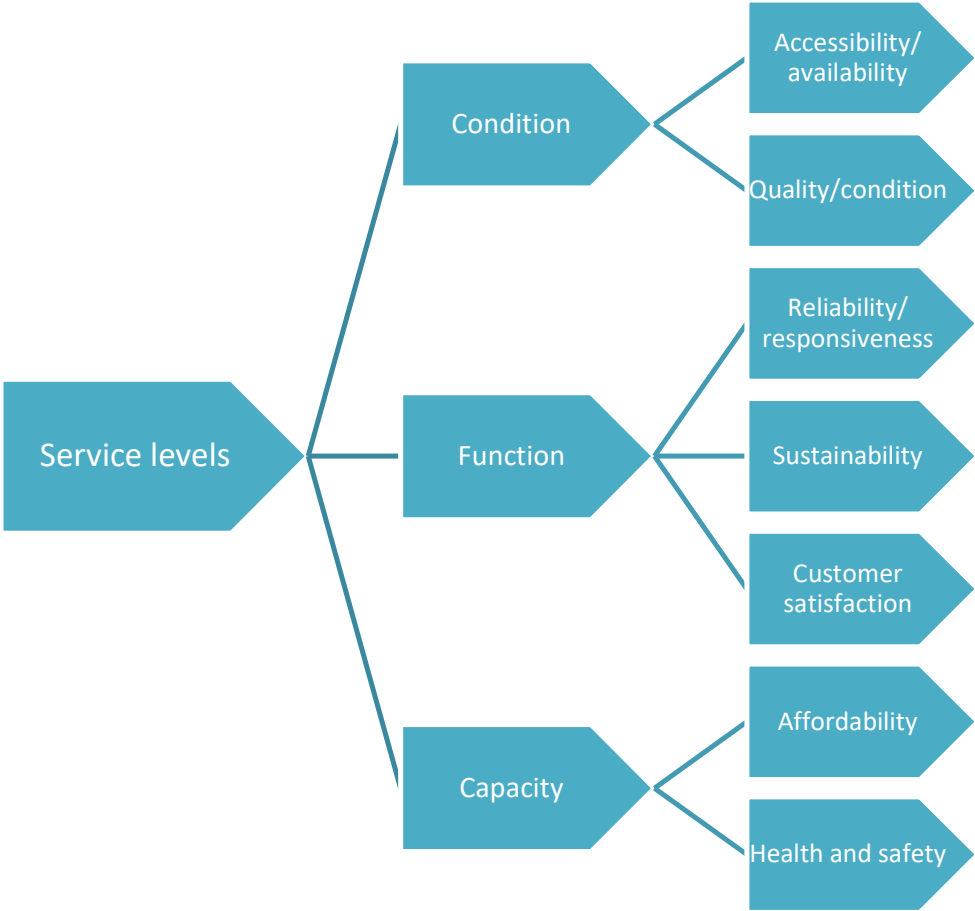
Health and safety

Council will endeavour to identify and mitigate all key health and safety risks created by the provision of services. Examples of level of service based on safety might include the following:

- services do not cause a hazard to people
- water is safe for swimming.

Each of the service level outcomes is related directly to the Council's Community Strategic Plan by the way each asset class helps deliver the services required by the community. These service level outcomes are essential to ensure the asset portfolio is not only maintained to a satisfactory level but also caters for the future demands of the community whilst balancing the potential risks to the community and the Council.

Figure 8: Service level framework



5.4 Financial based service levels

The premise of asset management is that asset requirements and asset management strategies should be driven by defined and acceptable service levels and performance standards. This section defines the various factors that are considered relevant in determining the levels of service for Council’s assets that have been used to provide the basis for the lifecycle management strategies and works program identified within this SAMP.

5.4.1 Asset backlog ratio

This ratio shows what proportion the infrastructure backlog is against the total value of a councils infrastructure. The benchmark is less than 2%. The ratio is determined by dividing the estimated cost to bring assets to a satisfactory condition by the carrying value of infrastructure, building, other structures and depreciable land improvement assets (averaged over three years).

5.4.2 Asset consumption ratio

The average proportion of ‘as new’ condition remaining for assets. This ratio shows the written down current value of the local government’s depreciable assets relative to their ‘as new’ value. It highlights the aged condition of a local government’s stock of physical assets and the potential magnitude of

capital outlays required in the future to preserve their service potential. It is also a measure of Council's past commitment to renewal of the asset class. A consumption ratio of less than 50% would suggest that past renewal funding has been inadequate or that the asset could expect to decay more rapidly.

5.4.3 Asset renewal and renewals funding ratio

Is there sufficient future funding for renewal and replacement of assets? This ratio indicates whether Council is allocating sufficient funds in its Long Term Financial Plan to adequately fund asset renewals. The benchmark is 100% (averaged over three years).

5.4.4 Asset maintenance ratio

This ratio compares actual versus required annual asset maintenance for each asset class. A ratio of above 100% indicates that Council is investing enough funds that year to halt the infrastructure backlog from growing. The benchmark is greater than 100% (averaged over three years).

Table 14: Service levels

Key performance indicator	Level of service	Performance measurement process	Performance target
Accessibility	Provision of quality of assets to meet community needs	Condition of assets are measured and reported annually	No net decrease in condition across all asset classes
	Community has confidence in Council to manage assets	Community satisfaction survey and Community engagement strategy	Increased level of confidence from previous survey
Quality/condition	Assets are maintained in a satisfactory condition	Backlog ratio (estimated cost to bring asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%
Reliability/ responsiveness	Provision of sufficient assets to meet community needs	Number of requests for additional/increased level of service	Number of requests for additional/ increased level of service less than rolling previous three-year average
Customer satisfaction	Be responsive to the needs of customers using asset	No customer requests received	85% of requests are completed within Council's service charter
	Opportunity for community involvement in decision making are provided	Asset management plan	All asset management plans are available on the website and for circulation to the public
Sustainability	Assets are managed with respect for future generations	Lifecycle approach to managing assets	Prepare a ten-year asset condition and age-based renewals plan - ensure the plan is approved by Council and updated annually
	Continuous improvement in asset knowledge, systems and processes.	Asset Management Working Group meets regularly to report on performance of strategic asset improvement program	100% of the strategic asset improvement actions completed annually
	Assets are being renewed in a sustainable manner	Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	OLG benchmark >100%
Affordability	Council maintains its assets	Asset maintenance ratio, measured by (actual maintenance expenditure and required maintenance expenditure)	OLG benchmark 100%
Health and safety	Ensure all assets are safe and do not cause a hazard to people	Safety audits	The three-year rolling average of total claims decreases

6 Future demand

Over time, the community’s demand for Council services changes. The reasons for changes can be varied, but often include demographic and workforce trends, changes in community preferences, technological changes, economic factors, and changes in regulations (including COVID-19).

6.1 Demand forecast

The future infrastructure demand for community infrastructure and facilities is driven by changes and trends in:

- population growth
- changes in the demography of the community
- urban planning
- residential occupancy levels
- commercial/industrial demand
- technological changes which impact the asset
- the economic situation
- government policy
- the environment.

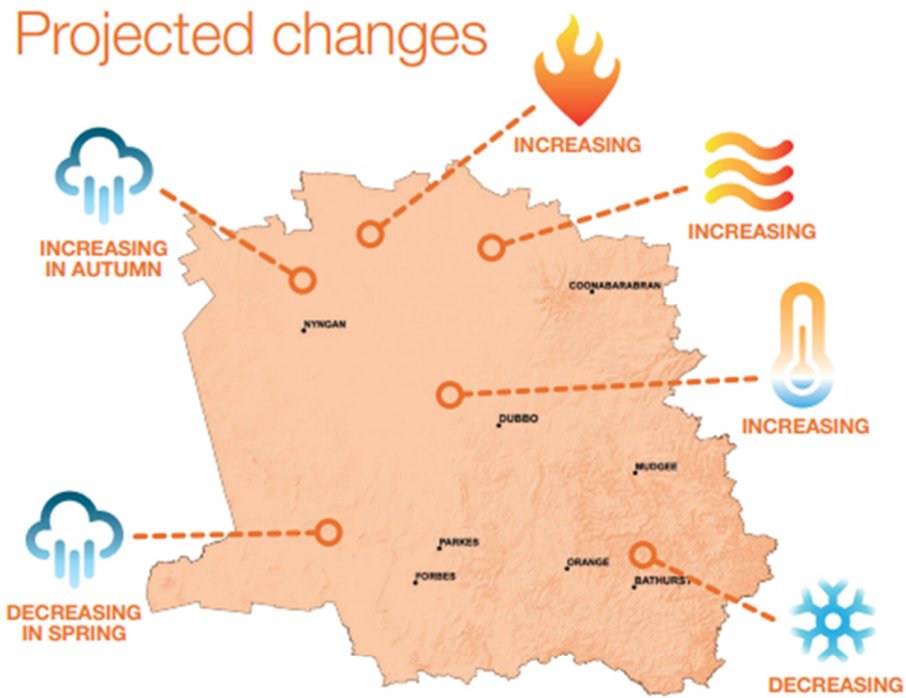
Table 15: Future demand impacts






Demand drivers	Present position	Projection	Impact on services
Population growth and residential development	Current estimated population is around 7,500 ¹ with approximately 40% of the population over the age of 50.	Growth projections to 8,000 residents by 2036 as well as a continued increase in the age profile of the population.	Anticipated population growth requires new development and supporting infrastructure primarily in Blayney and Milthorpe.

¹ NSW Department of Regional NSW, Orange, Blayney and Cabonne Regional Economic Development Strategy – 2023 update, <https://www.nsw.gov.au/sites/default/files/2023-03/Orange-Blayney-and-Cabonne-REDS-2023-Update.pdf>

Demand drivers	Present position	Projection	Impact on services
Industry and Critical Infrastructure	Blayney Shire is predominately rural in nature, supporting primary industries such as dairying, beef, lamb, wool, viticulture, orchards, potatoes, canola, and other grains. Mining is also a key industry and the area supports other industrial activities such as manufacturing, transportation, and food processing.	Targets include to enable growth in the agriculture, mining and manufacturing industries.	Enabling infrastructure will be required to facilitate these growth industries and ensure adequate linkages to suppliers and markets. Increases in the visitor economy will also require improved and sustainable infrastructure.
Environment	The NSW and ACT Regional Climate Modelling (NARClIM) Project has undertaken climate modelling of the region for 2020-2039 and 2060-2079	Expected climatic changes can be found in figure 10. This includes: <ul style="list-style-type: none"> • overall increased temperatures • increased risk and intensity of natural disaster (fire) events • decreasing spring rainfall. 	Increased frequency of significant weather events and natural disaster events will put increase the strain on the existing portfolio.

Figure 9: NARClim Modelling and Expectations



Projected temperature changes	
 Maximum temperatures are projected to increase in the near future by 0.4 – 1.0°C	Maximum temperatures are projected to increase in the far future by 1.8 – 2.7°C
 Minimum temperatures are projected to increase in the near future by 0.5 – 0.9°C	Minimum temperatures are projected to increase in the far future by 1.5 – 2.6°C
 The number of hot days will increase	The number of cold nights will decrease
Projected rainfall changes	
 Rainfall is projected to decrease in spring	Rainfall is projected to increase in autumn
Projected Forest Fire Danger Index (FFDI) changes	
 Average fire weather is projected to increase in summer, spring and winter	Severe fire weather is projected to increase in summer, spring and winter

6.2 Demand management strategies

Demand management strategies have been developed to effectively manage the change in Blayney Shire. These strategies will need to be monitored to ensure that they capture and are responsive to changing community expectations and demographic profile as the region changes.

Table 16: Demand management strategies

Demand Description	Projected Change	Impact on Services	Demand Management Plan
Population growth	Increased urban development. Increased rural / residential development.	Increased need for urban services. Increased desire for sealed roads.	Development and implementation of infrastructure strategies for key asset groups (e.g., Sewerage Business Plan, Active Movement Strategy, Master Plans). Blayney Shire Settlement Strategy, 2020.
Population change	Aging population and smaller household size.	Change in use of urban services	Development and implementation of infrastructure strategies for key asset groups (e.g., Active Movement Strategy, Master Plans).
Technological changes	Significant demand for larger and heavier vehicles.	Damage to road pavements. Risk to Bridge structures.	Implementation of Blayney Shire Roads Strategy.
Industrial developments	Growth in Logging operations in and around the Shire. Growth in the mining industry.	Damage to road pavements. Wider and sealed roads.	Implementation of Blayney Shire Roads Strategy.
Regulations	Accessibility standards	Requirement for upgrading facilities	Upgrades to contemporary standards during project scoping
Climate change	Increased number and severity of storms.	Overloading of urban stormwater systems. Increased inundation of bridge and culvert structures.	Inclusion of Climate change projections in future flood and drainage studies and bridge designs. Regular inspections of Bridge and Culvert structures.
Covid-19	Continuance of 'social distancing' rules.	Reduction in capacity of public halls etc	Monitor impacts on major facilities, including Blayney Shire Community Centre and CentrePoint Sport and Leisure Centre.

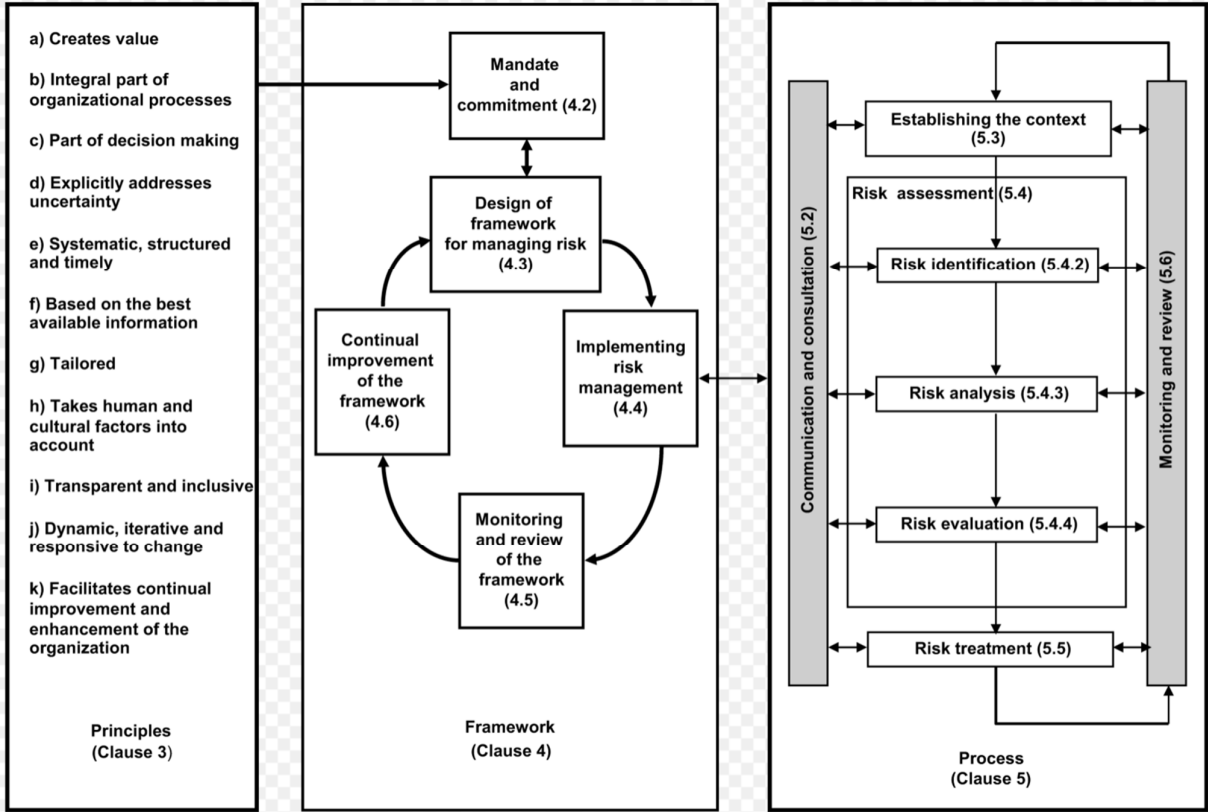
7 Risk management

Risk management is defined in 'AS/NZS 4360:2004' as: "the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects".

Council is committed to a structured and systematic approach to the management of risk with Council's enterprise risk management framework aligned with ISO 31000:2018. This aims to embed the principles of risk management in all aspects of Council's operations, which ultimately:

- increases the likelihood of Council achieving its objectives
- creates an environment where all employees have a key role in managing risk
- encourages proactive management
- improves the identification of opportunities and threats
- improves stakeholder confidence and trust
- improves financial stability and minimise losses
- improves organisational performance.

Figure 10: ISO 31000 Framework



This is a structured, best-practice and proven approach that is to be applied Council-wide to support the management of strategic, operational, financial, regulatory, and other risk. Under this approach, there are five key stages to the risk management process:

- **communicate and consult** - with internal and external stakeholders
- **establish context** - the boundaries
- **risk assessment** - identify, analyse and evaluate risks
- **treat risks** - implement and assess controls to address risk
- **monitoring and review** - risks reviews and audit.

7.1 Strategic infrastructure risks

To understand and mitigate the risk of Council not being able to maintain current levels of service and provide new assets as demanded, Council considers these risks through its Enterprise Risk Management Policy and Plan (ERMP). Significant risks are elevated to the Corporate Risk Register, which is reviewed on a regular basis and oversighted by Council's Audit, Risk and Improvement Committee (ARIC).

7.2 Critical assets

Critical assets are those assets that are likely to result in a more significant financial, environmental and social cost in terms of impact on organisational objectives. By identifying critical assets and critical failure modes, organisations can target and refine investigative activities, maintenance plans and capital expenditure plans at critical areas.

ISO 55001 Cl 6.2.1.2b requires organisations to 'review the importance of assets related to their intended outcomes, objectives and product or service requirements.' ISO 55002 Cl 6.2.2.1 suggests that 'a key aspect of planning is the identification of events in which the functionality of assets is compromised, including potentially catastrophic events in which function is completely lost'. Council determines the criticality of assets based upon the following criteria:

- complexity
- impact of loss of service
- environmental impact
- health and safety impact
- cost of failure.

Council is currently in the process of identifying its critical assets which will be listed in their respective asset management plans.

8 Expenditure projections

8.1 Asset values

Council has an infrastructure and asset portfolio with a current replacement cost of approximately \$446.4 million. The asset values are estimates of the value of assets, as at 30 June 2023 based on Council's audited annual financial statements. These values should be updated on an annual basis, in line with the annual financial statements, once completed.

Table 17: Asset classes and values ¹

Asset Class	Gross Replacement Cost \$m	Written Down Value \$m	Annual Depreciation Expense \$m	Asset Management Plan
Buildings and Other Structures	44.5	29.8	0.64	Buildings and Other Structures
Pools	3.4	3.2	0.1	Buildings and Other Structures
Roads	257.5	209.3	3.50	Transportation
Bridges	37.6	26.9	0.35	Transportation
Footpaths	11.5	8	0.14	Transportation
Bulk Earthworks	15.2	15.2	0	Transportation
Stormwater	21.8	16.7	0.20	Transportation
Sewer	35.5	26.3	0.67	Sewer
Open Space and Rec	7.3	5.2	0.17	Parks and Gardens
Land Improvements	10.4	8.6	0.15	Parks and Gardens
Total	444.7	349.2	5.92	

¹ Table 17 includes Land Improvements that are reported as Land assets in C1-7

8.2 Asset backlog

In 2022/23, Council had a combined asset backlog of \$19.35 million, with this being the estimated cost to bring assets to a satisfactory standard. The satisfactory standard is currently taken as condition 3. The breakdown of backlog per asset class as of 30 June 2023 is shown in the following table.

Table 18: Asset backlog summary

Estimated cost to satisfactory	Backlog \$m	Backlog ratio % (Backlog / WDV)
Buildings	6.80	21.6%
Transport Assets	12.23	4.4%
Sewerage Network	0.29	1.1%
Swimming pools and Open Space and Recreation infrastructure	0.03	0.4%
Total	19.35	5.7%

In 2022/23, Council’s Sewerage network and Swimming pools and Open Space and Recreation infrastructure met the OLG benchmark of 2%. The other asset classes exceeded this level with an overall Backlog Ratio of council sitting at 5.7%.

8.3 Asset condition

Our condition data reflects the significant capital works that council has undertaken in the previous term of council with a significant portion of new assets particularly in the buildings and open space assets classes with significant success in securing grant funding to deliver on the Sport and Recreation Plan. (Table 4; Figure 2). The condition is represented as a percentage of the replacement cost of Council’s assets. Condition is a measure of an asset’s physical condition relative to its condition when first constructed. When rating asset condition, Council uses a scale of 1 - 5, where 1 = new and 5 = totally failed. Overall, the quality of Council’s condition data is rated as acceptable.

Table 19: Confidence in condition data

Asset class	Condition
Buildings and Other Structures	Reliable
Transport Assets	Acceptable
Sewerage Network	Reliable
Parks and Gardens	Acceptable

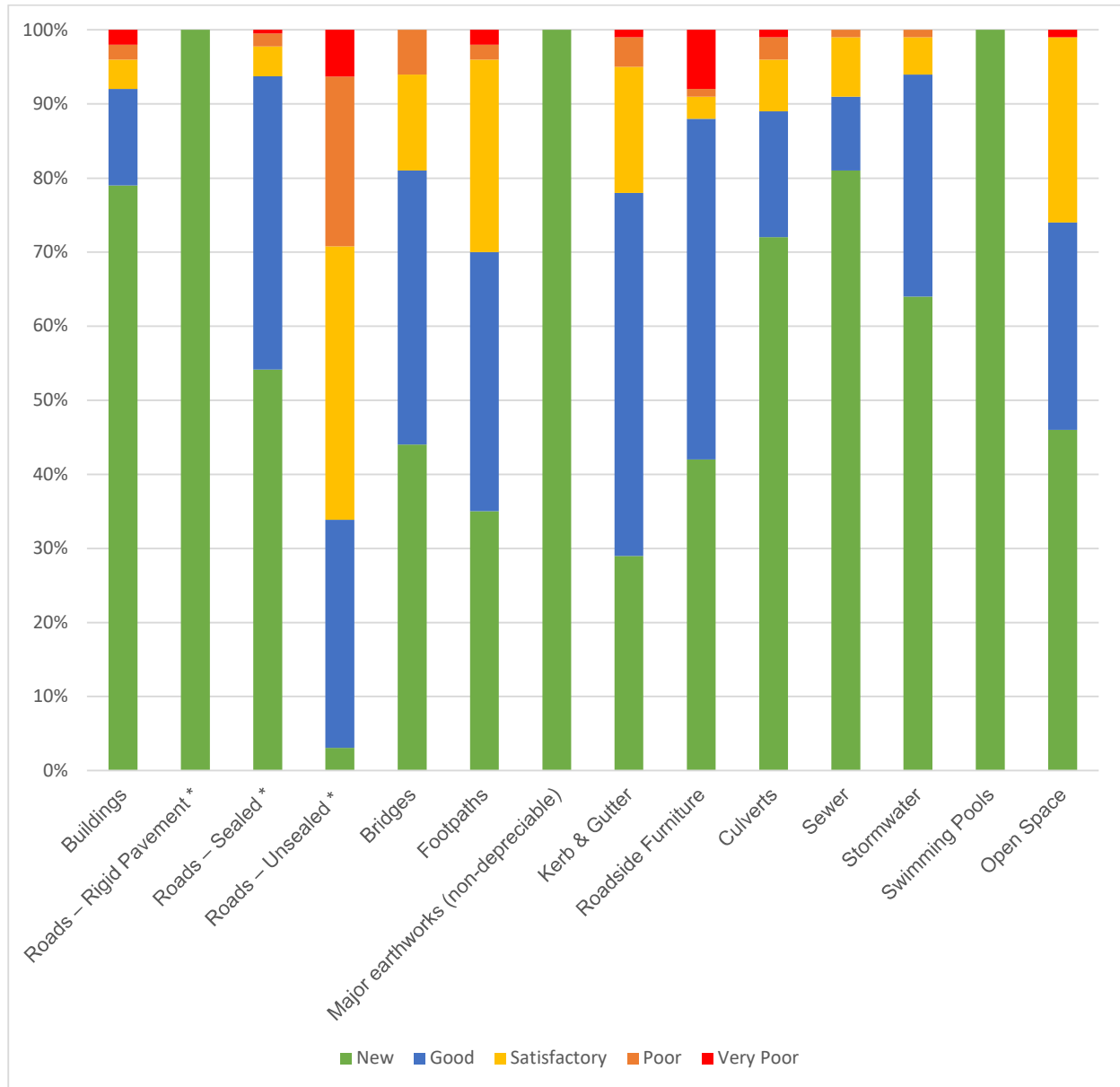
Details of Council’s current asset condition are shown in the table below. The condition is represented as a percentage of the replacement cost of Council’s assets.

Table 20: Asset Condition Data

Asset class	Asset condition (% of CRC)				
	1 - Excellent	2 - Good	3 - Satisfactory	4 - Poor	5 - Very poor
Buildings	14%	54%	18%	10%	5%
Sealed roads	80%	17%	2%	1%	0%
Unsealed roads	54%	15%	17%	11%	3%
Bridges	50%	32%	12%	6%	0%
Footpaths	38%	29%	26%	7%	0%
Major earthworks (non-depreciable)	100%	0%	0%	0%	0%
Kerb & Gutter	30%	47%	18%	4%	1%
Roadside Furniture	45%	43%	3%	1%	9%
Culverts	71%	17%	7%	4%	1%
Sewer	80%	11%	8%	1%	0%
Stormwater	64%	39%	5%	1%	1%
Swimming Pools	100%	0%	0%	0%	0%
Open Space	52%	23%	24%	1%	0%
Combined	64%	23%	9%	3%	1%

*Formation and Sub-base condition excluded

Figure 11: Condition summary



8.4 Expenditure and reporting

The average capital and maintenance expenditure on Council assets over the ten-year forecast period is approximately \$12.1 million per year. This compares to the expenditure which is required to maintain, operate, and renew the asset network as required being \$12.6 million per year.

The projections indicate that Council currently has insufficient funds maintain and improve its portfolio of assets. There is a shortfall in CAPEX (\$2m) and OPEX (\$3m) over the life of the plan and this will result in a likely deterioration in the condition of Council’s assets portfolio.

A summary of the projected expenditure requirements can be found in the following tables for Council’s consolidated assets, general fund assets as well as its sewer fund assets.

Table 21: Combined asset expenditure projections

Expenditure projections (\$,000s) – combined assets		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual	Renewal	\$7,233	\$4,777	\$3,310	\$5,122	\$16,080	\$6,190	\$7,160	\$5,148	\$5,613	\$5,447	\$6,786
	New and expanded assets	\$1,854	\$3,011	\$335	\$635	\$506	\$631	\$399	\$395	\$2,168	\$473	\$467
	Maintenance and operational	\$4,398	\$4,409	\$4,402	\$4,454	\$4,426	\$4,414	\$4,422	\$4,432	\$4,462	\$4,472	\$4,462
	Total expenditure	\$13,485	\$12,197	\$8,047	\$10,211	\$21,012	\$11,235	\$11,981	\$9,975	\$12,243	\$10,392	\$11,715
Required	Required renewal (depreciation)	\$6,082	\$6,241	\$6,417	\$6,564	\$6,718	\$6,874	\$7,035	\$7,197	\$7,362	\$7,552	\$7,726
	New and expanded assets	\$1,854	\$3,011	\$335	\$635	\$506	\$631	\$399	\$395	\$2,168	\$473	\$467
	Required maintenance and operational	\$4,229	\$4,348	\$4,450	\$4,556	\$4,663	\$4,774	\$4,885	\$4,999	\$5,130	\$5,249	\$5,372
	Total	\$12,165	\$13,600	\$11,202	\$11,755	\$11,887	\$12,279	\$12,319	\$12,591	\$14,660	\$13,274	\$13,565
Maintenance gap	\$169	\$61	-\$48	-\$102	-\$237	-\$360	-\$463	-\$567	-\$668	-\$777	-\$910	
Renewals gap	\$1,151	-\$1,464	-\$3,107	-\$1,442	\$9,362	-\$684	\$125	-\$2,049	-\$1,749	-\$2,105	-\$940	
Overall gap	\$1,320	-\$1,403	-\$3,155	-\$1,544	\$9,125	-\$1,044	-\$338	-\$2,616	-\$2,417	-\$2,882	-\$1,850	

Figure 12: Consolidated Fund asset expenditure projections

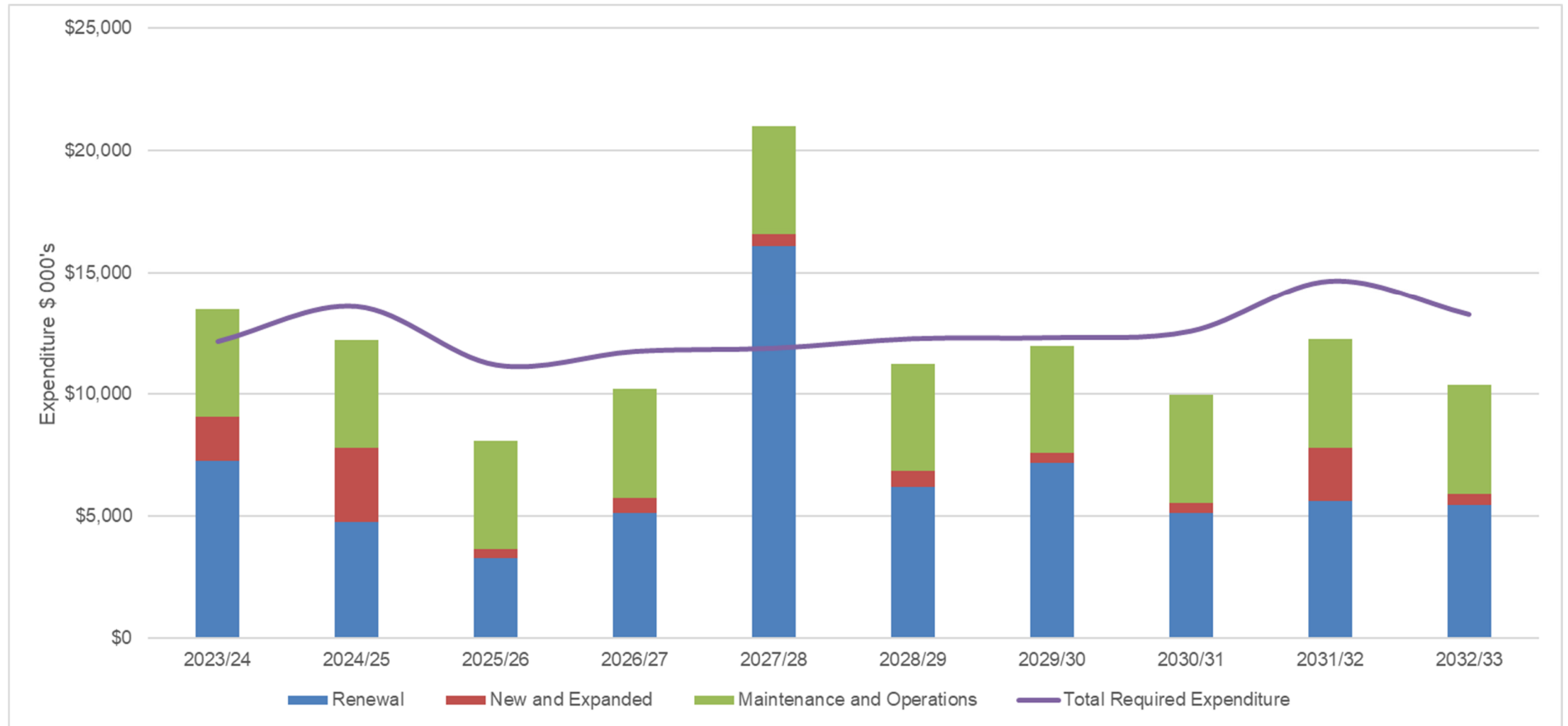


Table 22 General Fund expenditure projections

Expenditure projections (\$,000s)		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
– combined assets												
Actual	Renewal	\$6,499	\$4,457	\$2,829	\$4,827	\$7,162	\$6,114	\$7,160	\$5,148	\$5,613	\$5,447	\$6,176
	New and expanded assets	\$1,841	\$2,961	\$335	\$635	\$506	\$631	\$399	\$395	\$2,168	\$473	\$467
	Maintenance and operational	\$3,153	\$3,161	\$3,169	\$3,177	\$3,185	\$3,194	\$3,203	\$3,212	\$3,221	\$3,231	\$3,221
	Total expenditure	\$11,493	\$10,579	\$6,333	\$8,639	\$10,853	\$9,939	\$10,762	\$8,755	\$11,002	\$9,151	\$9,864
Required	Required renewal (depreciation)	\$5,398	\$5,542	\$5,702	\$5,833	\$5,971	\$6,110	\$6,255	\$6,399	\$6,547	\$6,719	\$6,875
	New and expanded assets	\$1,841	\$2,961	\$335	\$635	\$506	\$631	\$399	\$395	\$2,168	\$473	\$467
	Required maintenance and operational	\$3,823	\$3,933	\$4,025	\$4,122	\$4,220	\$4,321	\$4,422	\$4,526	\$4,646	\$4,755	\$4,867
	Total	\$11,062	\$12,436	\$10,062	\$10,590	\$10,697	\$11,062	\$11,076	\$11,320	\$13,361	\$11,947	\$12,209
Maintenance gap	-\$670	-\$772	-\$856	-\$945	-\$1,035	-\$1,127	-\$1,219	-\$1,314	-\$1,425	-\$1,524	-\$1,646	
Renewals gap	\$1,101	-\$1,085	-\$2,873	-\$1,006	\$1,191	\$4	\$905	-\$1,251	-\$934	-\$1,272	-\$699	
Overall gap	\$431	-\$1,857	-\$3,729	-\$1,951	\$156	-\$1,123	-\$314	-\$2,565	-\$2,359	-\$2,796	-\$2,345	

Figure 13 General Fund Expenditure Projection

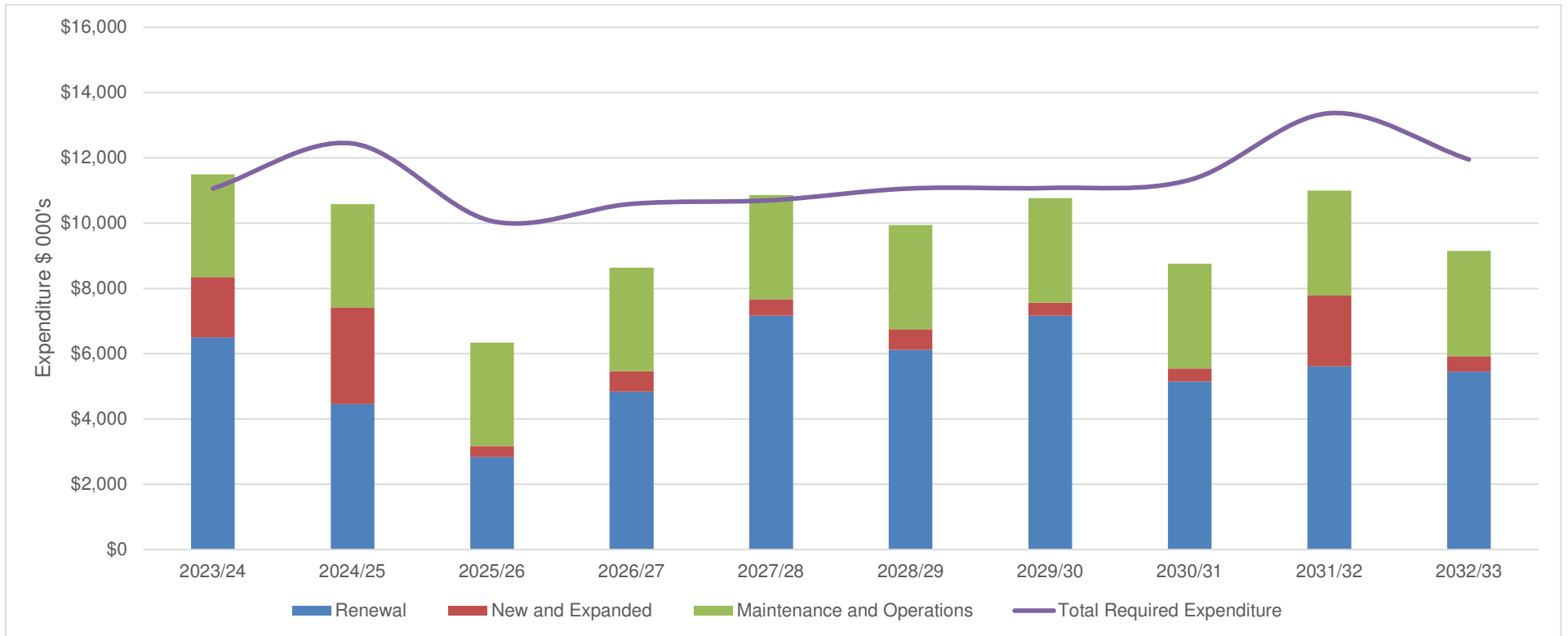
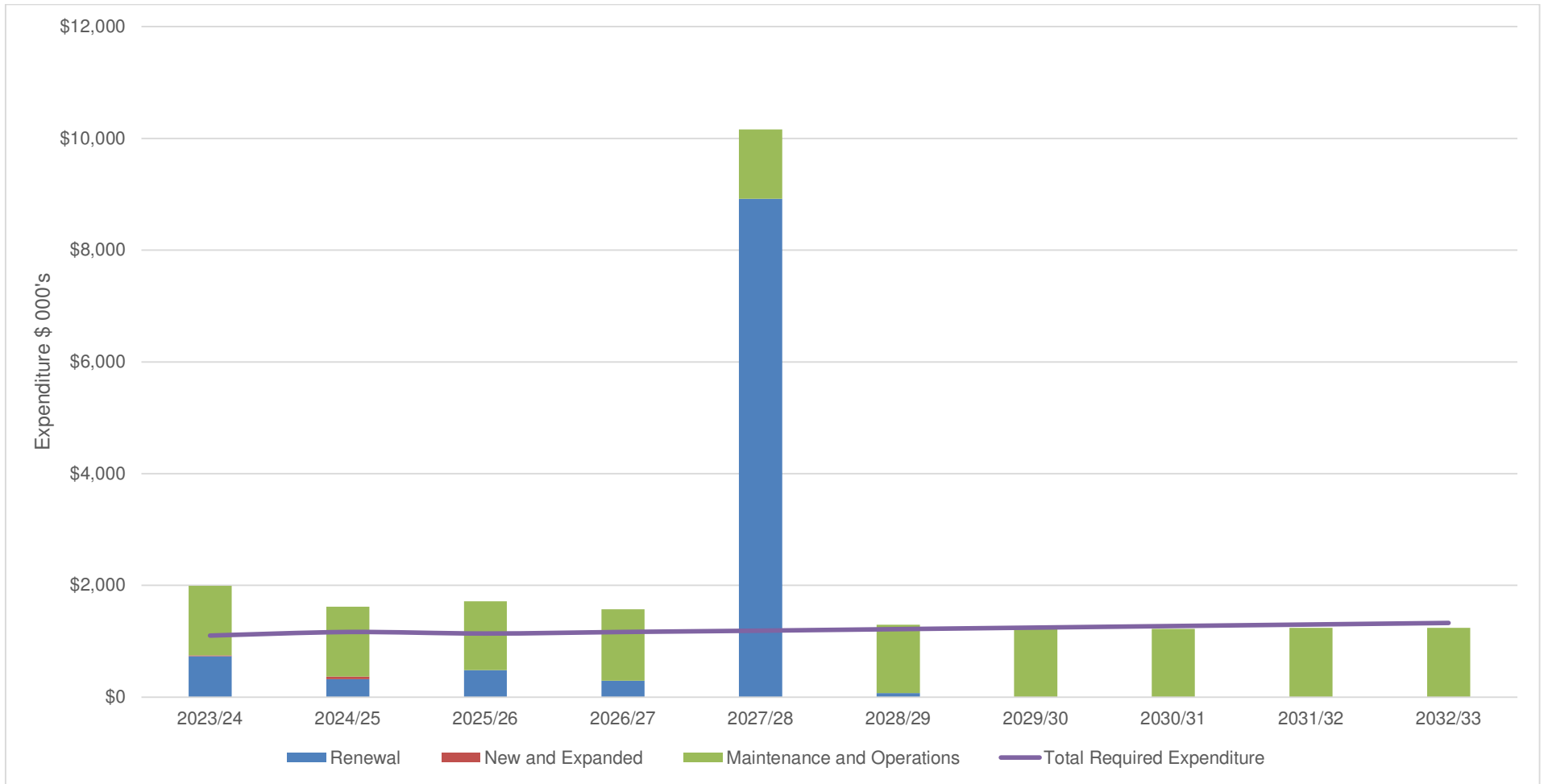


Table 23 Sewer Fund Projections

Expenditure projections (\$,000s)		2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
– combined assets												
Actual	Renewal	\$734	\$320	\$481	\$295	\$8,918	\$76	\$0	\$0	\$0	\$0	\$610
	New and expanded assets	\$13	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Maintenance and operational	\$1,245	\$1,248	\$1,233	\$1,277	\$1,241	\$1,220	\$1,219	\$1,220	\$1,241	\$1,241	\$1,241
	Total expenditure	\$1,992	\$1,618	\$1,714	\$1,572	\$10,159	\$1,296	\$1,219	\$1,220	\$1,220	\$1,241	\$1,241
Required	Required renewal (depreciation)	\$684	\$699	\$715	\$731	\$747	\$764	\$780	\$798	\$815	\$833	\$851
	New and expanded assets	\$13	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Required maintenance and operational	\$406	\$415	\$425	\$434	\$443	\$453	\$463	\$473	\$484	\$494	\$505
	Total	\$1,103	\$1,164	\$1,140	\$1,165	\$1,190	\$1,217	\$1,243	\$1,271	\$1,299	\$1,327	\$1,356
Maintenance gap		\$839	\$833	\$808	\$843	\$798	\$767	\$756	\$747	\$757	\$747	\$736
Renewals gap		\$50	-\$379	-\$234	-\$436	\$8,171	-\$688	-\$780	-\$798	-\$815	-\$833	-\$241
Overall gap		\$889	\$454	\$574	\$407	\$8,969	\$79	-\$24	-\$51	-\$58	-\$86	\$495



8.5 Financial performance

The Office of Local Government has established financial benchmarks for councils to strive towards and adhere to. The charts below showcase Council's current financial service levels and the impacts of Council's projected expenditure upon these service levels.

Figure 14: Consolidated Portfolio

Infrastructure Ratios	Budget 2023/24	Estimated 2032/33		Funding Gap \$ 000's
Infrastructure renewals ratio	118.9%	72.1%	Budget year	\$1,151
Benchmark 100%			5-year average	\$900
			10-year average	-\$196
Infrastructure Backlog Ratio ¹	5.2%	3.9%	Budget year	-\$11,849
Benchmark 2%			5-year average	-\$11,619
			10-year average	-\$10,883
Infrastructure Maintenance Ratio	104%	85%	Budget year	\$169
Benchmark 100%			5-year average	-\$31
			10-year average	-\$299
Total Funding Gap			Budget year	-\$10,780
			5-year average	-\$10,750
			10-year average	-\$11,378

¹ The Infrastructure Backlog Ratio Funding Gap is the amount required to reduce Councils 5.2% Backlog Ratio to the OLG benchmark of 2.0%.

Figure 15 General Fund Portfolio

Infrastructure Ratios	Budget 2023/24	Estimated 2032/33		Funding Gap \$ 000's
Infrastructure renewals ratio	120.4%	81.1%	Budget year	\$1,101
Benchmark 100%			5-year average	-\$534
			10-year average	-\$522
Infrastructure Backlog Ratio ¹	5.6%	4.1%	Budget year	-\$12,118
Benchmark 2%			5-year average	-\$11,936
			10-year average	-\$11,232
Infrastructure Maintenance Ratio	82.5%	68%	Budget year	-\$670
Benchmark 100%			5-year average	-\$856
			10-year average	-\$1,089
Total Funding Gap			Budget year	-\$11,687
			5-year average	-\$13,326
			10-year average	-\$12,843

¹ The Infrastructure Backlog Ratio Funding Gap is the amount required to reduce Councils 5.6% Backlog Ratio to the OLG benchmark of 2.0%.

Figure 16 Sewer Fund Portfolio

Infrastructure Ratios	Budget 2023/24	Estimated 2032/33		Funding Gap \$ 000's
Infrastructure renewals ratio	107.4%	0%	Budget year	\$50
Benchmark 100%			5-year average	\$1,434
			10-year average	\$326
Infrastructure Backlog Ratio ¹	1.0%	1.6%	Budget year	\$0
Benchmark 2%			5-year average	\$0
			10-year average	\$0
Infrastructure Maintenance Ratio	306.6%	251%	Budget year	\$839
Benchmark 100%			5-year average	\$824
			10-year average	\$790
Total Funding Gap			Budget year	\$889
			5-year average	\$2,258
			10-year average	\$1,115

¹ Councils Sewer Fund Infrastructure Backlog Ratio is below the OLG benchmark of 2%.

Figure 17: Consolidated OLG asset expenditure ratios

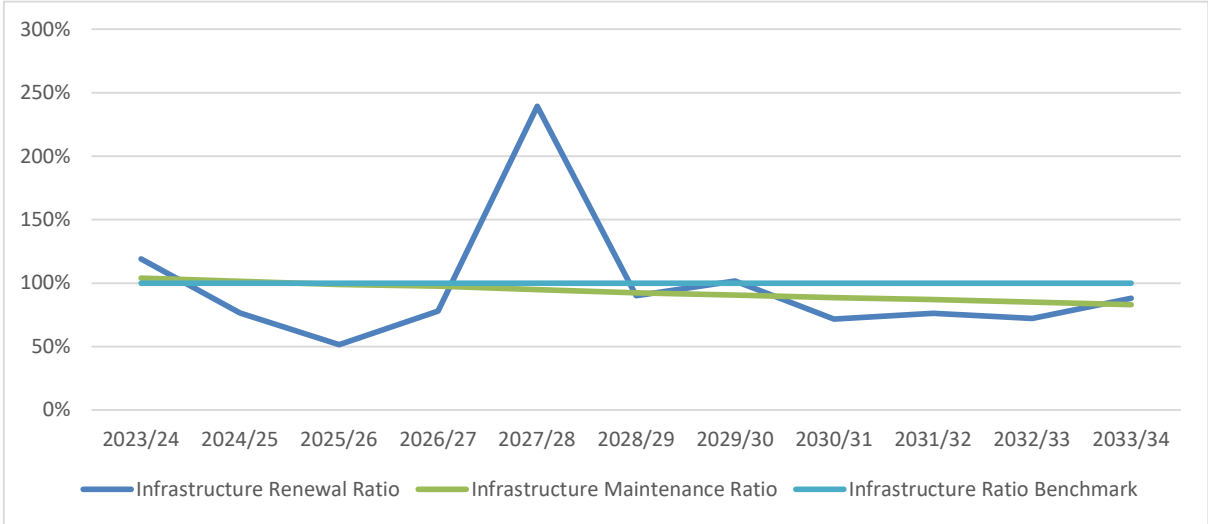


Figure 18: Consolidated OLG backlog ratio

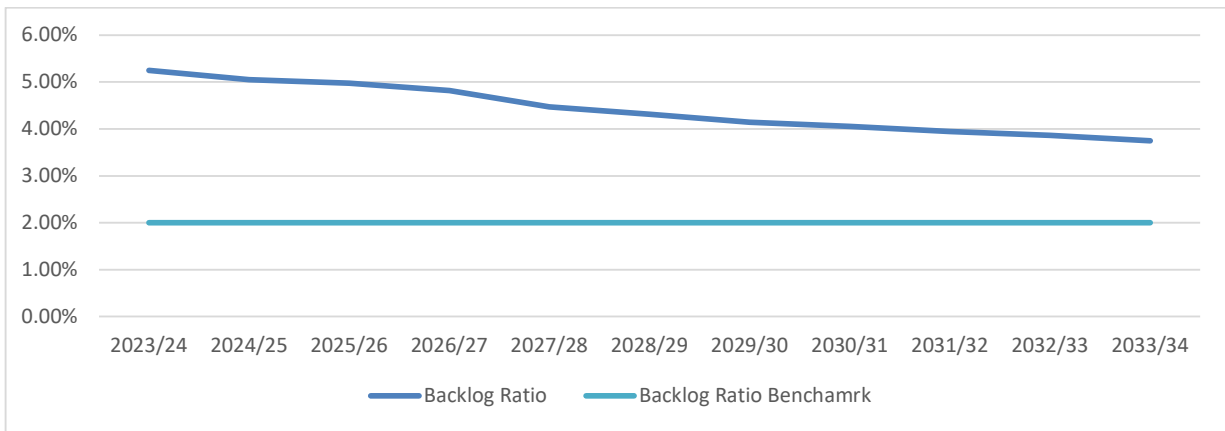


Figure 19 General Fund OLG asset expenditure ratios

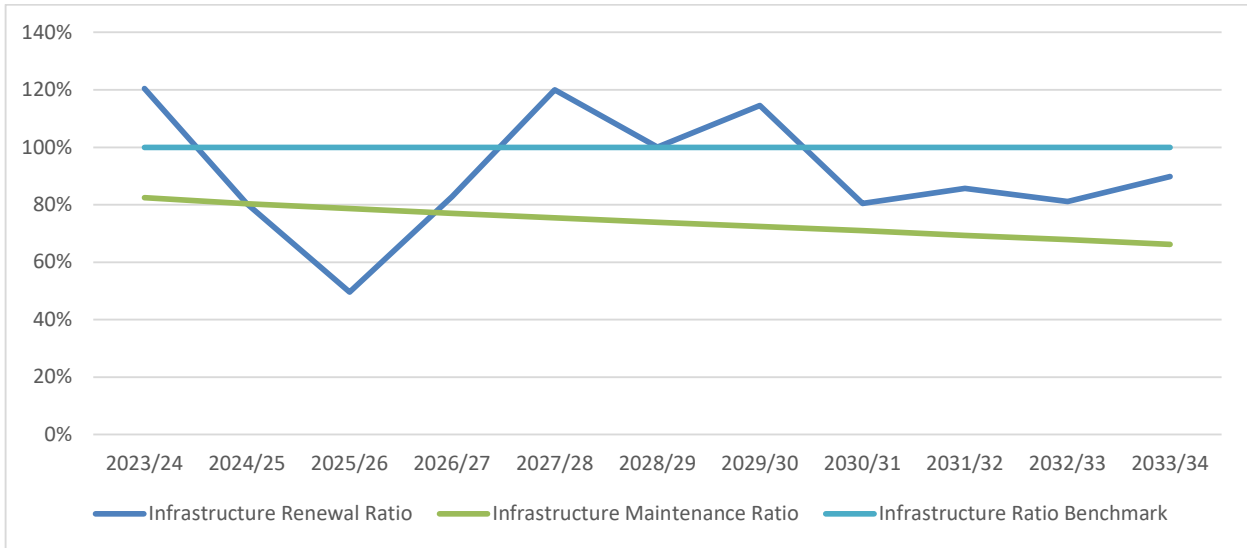


Figure 20 General Fund Backlog Ratio

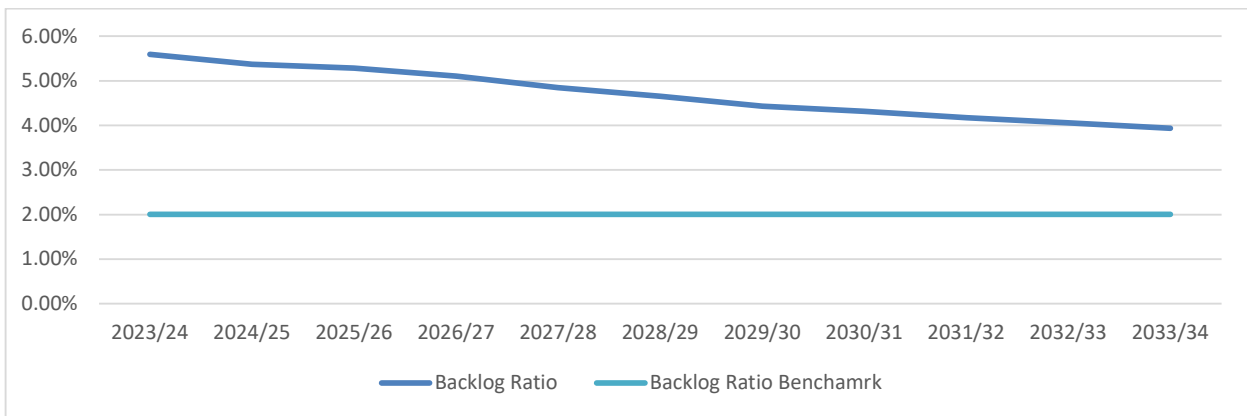


Figure 21 Sewer OLG asset expenditure ratios

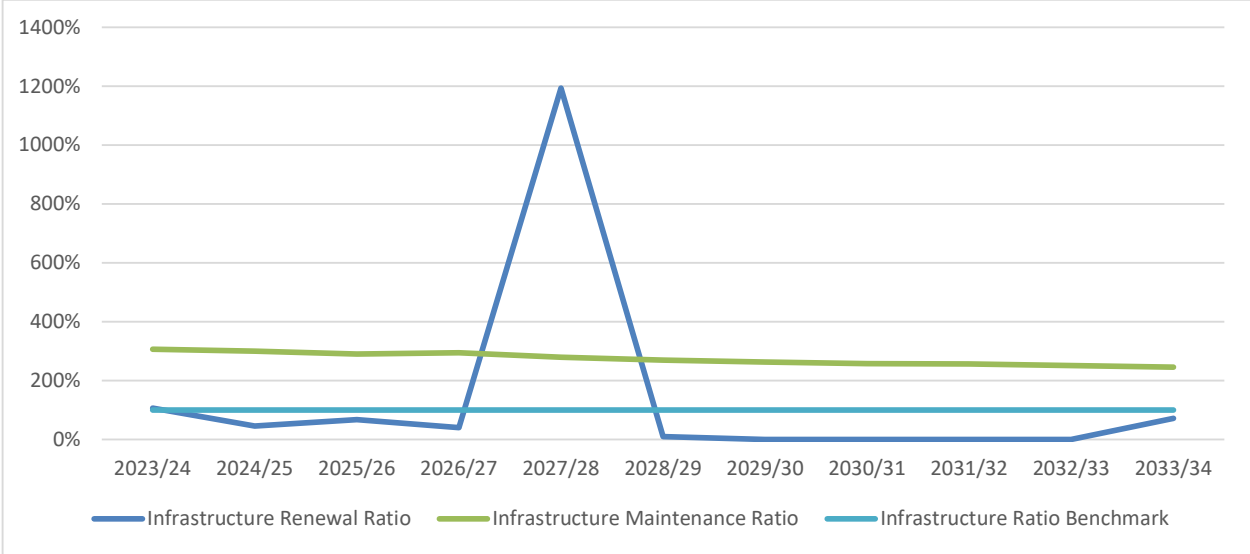
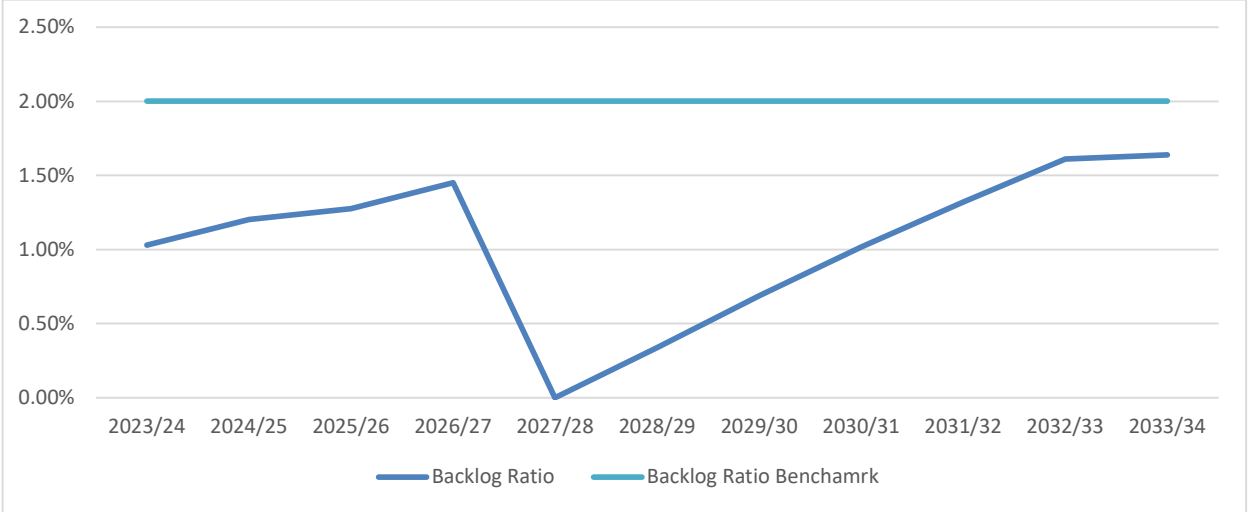


Figure 22 Sewer backlog ratio



9 Overarching improvement Plan

The Strategic Asset Management Plan is to enable Council to:

- demonstrate how its asset portfolio will meet the service delivery needs of its community into the future.
- ensure the integration of Council's asset management with its Community Strategic Plan.

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

Table 24: Asset management strategic actions

No	Strategy	Desired outcome
1	Continue the move from annual budgeting to long term financial planning for all asset classes.	The long-term implications of Council services are considered in annual budget deliberations.
2	Further develop and review the Long Term Financial Plan covering ten years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
3	Review and update asset management plan financial projections and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
4	Continue to report Council's financial position at fair value in accordance with Australian accounting standards, financial sustainability and performance against strategic objectives in annual reports, ensuring that asset remaining lives are assessed on an annual basis.	Financial sustainability information is available for Council and the community.
5	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
6	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
7	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. Assess whether current resourcing is sufficient to cover all asset management functions for all asset classes.	Responsibility for asset management is defined.
8	Implement an improvement plan to initially realise 'core/good' maturity for the financial and asset management competencies, then progress to 'advanced/better' maturity.	Improved financial and asset management capacity within Council.
9	Report annually to Council on development and implementation of asset management strategy and plan and long-term financial plans.	Oversight of resource allocation and performance.
10	Incorporate resilience into Council's infrastructure risk management approach, particularly in disaster sensitive areas.	Improved ability for Council to build and maintain infrastructure vulnerable to natural disasters.

Table 25: Improvement plan

Ref No.	Improvement Plan tasks	Priority	Suggested Timeframe
0	Existing Data Improvement Plan		
0.1	Calculation and disclosure of data input confidence levels for all assets classes (per AMPs).	Low	2025
0.2	Develop Data improvement plans for all asset classes within individual AMPs.	High	2025
0.3	Assess and include Functionality and Capacity scores (1 to 5) for all relevant assets, as per asset class revaluations.	Low	2025
0.4	Develop age data for assets, were construction date unknown, as per asset class revaluations.	High	Per Revaluation
0.4a	Transportation asset class age data (sealed road surfaces, road pavements, bridges, (some) pathways, and urban stormwater).	High	2025
0.5	Incorporate Geotechnical investigations from works program to improve confidence in road pavement depths	Medium	2024
1.	Asset Management Maturity		
1.1	Implement an improvement plan to initially realise 'core/good' maturity for the financial and asset management competencies, then progress to 'advanced/better' maturity.	High	2024
2.	Asset Data and Knowledge		
2.1	Separate non-depreciable components from reported condition profiles	High	Per Revaluation
3.	Asset Knowledge Processes		
3.1	Undertake an annual desktop review of asset valuations ensuring that there is an annual review of useful life of assets.	High	Ongoing
3.2	Implementation of 1:1 relationship between financial and technical register.	Very High	Ongoing Quarterly
3.3	Develop Asset Accounting Manual to provide guidance on asset accounting policies and functions e.g. (Capitalisation, Thresholds, Valuation etc.)	High	2025
4.	Strategic Asset Planning Processes		
4.1	Ensure that all asset classes have up to date asset management plans.	Very High	2025
4.2	Review and update asset management plans and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Very High	Ongoing
4.3	Review the Asset Management Strategy to ensure that it incorporates the most up to date and relevant information on each asset class.	Very High	2025
5.	Operations and Maintenance Work Practices		
5.1	Identify critical assets and incorporate critical asset risk mitigation plans into Council's emergency response planning procedures.	High	2025
6.	Information Systems		
6.1	Feasibility review of integrated asset management system	High	2024
6.2	Feasibility review of integrated maintenance management/work order system	Medium	2024
7.	Organisational Context		

Ref No.	Improvement Plan tasks	Priority	Suggested Timeframe
7.1	Council is to establish an asset management steering committee for reporting on asset management progress and improvement plan status and create a process for bi-annual reporting to senior management.	Very High	2024
7.2	Council to undertake an in-depth workforce review of asset management roles and responsibilities and ensuring that all functions of asset management are covered and are attached to position descriptions and such that Council has an understanding of current gaps in capacity and capability.	Medium	2024
7.3	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	High	2024
7.4	Develop and document project management framework	High	2024

[Back Cover]

Appendix A – Transportation Asset Management Plan

This Asset management plan covers the portfolio of transport assets that facilitate the movement of people, vehicles and goods throughout Blayney Shire.

The plan covers councils' management of its Sealed roads, Unsealed roads, its Bridges and Culverts, Stormwater assets, Pathways as well as its ancillary transport assets.

As the owner and manager of transport assets, Council has a responsibility for a number of functions including:







- Operations and Maintenance
- Renewal and Refurbishment
- New Acquisitions and Upgrades
- As well as the Disposal of existing assets.

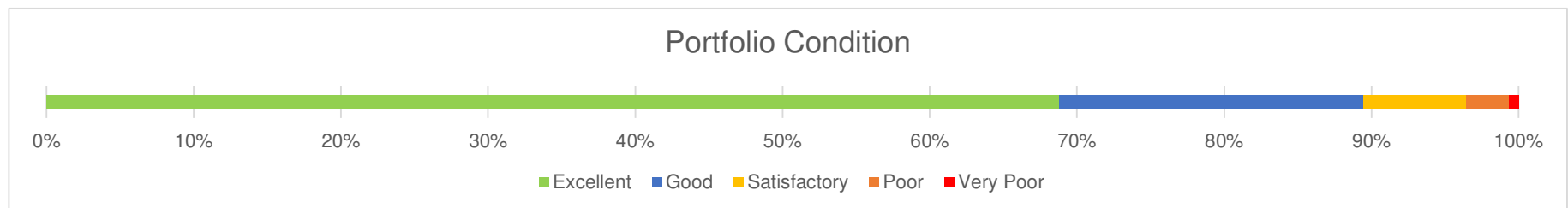
The planning of these functions is outlined in this asset management plan.



TRANSPORTATION INFRASTRUCTURE AT A GLANCE

The Transport Infrastructure asset portfolio comprises infrastructures relating to roading and pedestrian travel.

Value & Composition	Importance to the Community	Importance to the Community	Importance to the Community
Transport Infrastructure assets have a total value of: \$343.6m	Community Value of Sealed Roads 3.64	Community Value of Footpaths 3.37	Community Value of Unsealed Roads 2.22
			
			



Purpose of this Plan

The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of transport assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

- asset inventory, values and condition
- asset-based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of transport assets.

Figure 1: Relationship between Council's plans and resourcing strategies

Document	Purpose
Community Strategic Plan	Sets the community's vision for the next 10 years and strategies to achieve the vision
Community Engagement Strategy	Guides how Council engages with the community in all aspects of the IPR Framework and sets actions to be included in the Delivery Program
Delivery Program	Outlines the actions Council will undertake to meet the CSP goals over four years
Resourcing Strategy	Companion documents to the Delivery Program, outlines how Council will resource the actions (addressing Council's finances, assets and workforce)
Operational Plan and Budget	Maps what programs, projects and activities Council will undertake each financial year to fulfil the actions in the Delivery Program and to achieve the goals in the CSP
Strategic documents	Informs the actions in the Delivery Program and Operational Plan e.g. Economic Development Strategy
Quarterly reports, Annual Report and State of the Council Report	Reports Council's progress in achieving the community's vision
Blayney Shire Roads Strategy	The Blayney Shire Council Roads Strategy 2023 (Strategy) sets out a framework for assessing the priority for individual road rehabilitation and upgrade (or expansionary) works.
Road Hierarchy Renewal and Maintenance Policy	The Policy outlines Council's level of service for road renewal and maintenance activities and details procedures for the management of the road network, road related infrastructure and activities.
Pathway Hierarchy Renewal and Maintenance Policy	The Policy outlines Council's level of service for pathway maintenance activities and details procedures for the management of the pathway network and related infrastructure.

Levels of service

Community Consultation and Feedback

In 2021 Blayney Shire Council conducted a community survey to inform the Blayney Shire Community Strategic plan. The feedback for sealed and unsealed roads is summarised below.

Challenges with increased heavy vehicle traffic, particularly logging trucks on Hobbys Yards Road, highlight the strain on the road network. The Carcoar Street project faced mixed feedback, likely due to its two-stage delivery, emphasising the importance of continuous communication with residents about project status and timelines. Council's efforts during adverse weather are appreciated, but resource constraints affect pothole and patching works, potentially posing hazards, especially for motorcyclists.

While 45% of respondents express satisfaction with certain road safety aspects, concerns persist, such as inadequate line marking on sealed roads. Traffic conflicts arise at intersections where local roads intersect with state roads like the Mid-Western Highway and Orange Road. Community apprehension surrounds Council's roadside vegetation clearing projects.

Traffic safety concerns range from speeding on country roads to improper truck parking in residential areas, requiring the Road Safety Officer to convey safer driving messages. Residents have mixed responses to unsealed roads, particularly during wet weather, with dissatisfaction over issues like potholes, corrugations, and drainage problems.

For some people, including those bus operators, or residents whose primary access for work, education, transport of goods and primary production is an unsealed road and ongoing repair needed on these roads is not satisfactory.

The community consultation generated a number of recommendations relating to the management of transport assets:

- Ongoing collection and analysis of pothole patching data, coupled with prompt action on customer requests, are crucial. Sections requiring repeated patching should be considered for heavy patching or other necessary works.
- Council should explore innovative pothole patching methods to minimize loose stones and the need for repetitive repairs.
- Allocate a separate budget for repainting lines, installing guide posts, and employing road delineation methods to enhance safety outcomes.
- Continual reference to the Shire Roads Strategy is essential for prioritising reconstruction and new sealing projects.
- Maintain the annual re-sheeting and drainage works program to rehabilitate gravel roads and uphold road infrastructure.

Levels of Service

Outcome	Level of Service	How will we measure it?	What is our target?	How are we going?
Functionality - Reliability / Responsiveness	Be responsive to the needs of the road and transport asset users	Customer Service Requests	85% of requests are completed within Councils service charter	
Functionality - Reliability / Responsiveness	Planned works completed in accordance with schedules	Completion of scheduled work	90% completion within scheduled service standard	
Functionality - Sustainability	Provide well maintained infrastructure that is affordable to the community	Planned vs. Reactive Maintenance	Greater than 50% of maintenance expenditure is undertaken through planned maintenance schedules	
Functionality - Sustainability	Assets are being renewed in a sustainable manner	Infrastructure asset renewal ratio	OLG benchmark > 100%	

Outcome	Level of Service	How will we measure it?	What is our target?	How are we going?
Capacity - Affordability	The services are affordable and managed using the most cost-effective methods for the required level of service	Annual budget reporting	Maintenance / Operational Expenditure within 5% of Annual budget	
Capacity - Affordability	Council maintains its assets	Infrastructure Asset Maintenance Ratio	OLG benchmark of 100%	
Capacity - Health and Safety	Provide roadways free from hazards	Number of road accidents (annual RMS accident report)	Reduction in 3 year rolling average	
Capacity - Health and Safety	Provide pathways free from hazards	Number of insurance claims received	Reduction in 3 year rolling average	

Roles and Responsibility

Position	Role	Asset Class	Responsibilities	Functions
Director Infrastructure	Asset Owner	Roads Bridges & Culverts Footpaths Stormwater	This position takes ownership responsibility for the management of assets and is usually responsible for policy and over all asset strategy	Establish long term policy and strategy Establish existing demand for assets Establish future demand for assets (type and standard) Establish long term community expectation Implement policy and strategy for existing assets Establish community asset service level Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy Maintain and develop asset systems and reporting Ensure asset accounting is accurate and maintained, and asset valuation, Develop capital works prioritisation Develop capital works program Liaison with the organisation as a whole on asset matters
Manager Assets	Asset Custodian	Roads Bridges & Culverts Footpaths Stormwater	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	Develop and oversee capital works and maintenance program Handover and documentation Control budgets Develop asset plans Asset condition rating Risk management Data custodian – Hierarchy, level of detail Recommendation of asset disposal and renewal 4yr program
Manager Operations	Asset Delivery – CAPEX/OPEX Service Delivery – Operations	Roads Bridges & Culverts Footpaths Stormwater	Responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	Controls asset use, in line with policy Deliver programmed and reactive maintenance, internal/external Deliver and / or manage capital works Manage all operations and service delivery functions Manage service user expectations Deliver adopted levels of service

Future Demand

Drivers of Change

The future infrastructure demand for transport assets is driven by changes and trends in:

- population growth and changes in the demography of our community
- urban planning
- commercial/industrial demand particularly with respect to freight.
- technological changes which impact our assets and our ability to monitor our assets.
- the environment and changes in our climate



Demand Management Plan

Table with Impact of demand drivers and any high-level mitigating actions

Demand factor	Impact on services
Population	The population in the region is expected to continue to grow and supporting infrastructure will be required to accommodate this change. Local infrastructure, including roads, will be needed to support additional housing needs and the new industry and development.
Industry	Road and rail infrastructure will continue to improve within the region, including the establishment of the Parkes Intermodal Freight Terminal, this external expenditure requires a corresponding council program to allow growth within Blayney Shire.
Demographics	An increasing and older population will place an increased demand on some assets and increased accessibility requirements for footpaths, aged care facilities, community centres and recreation assets.
Increasing costs	Increases in demand and limited providers is likely to increase the costs of providing road infrastructure projects.
Environment and climate	Road and bridges may be affected by extreme weather and increased variability.
Technology	Increasing connectivity and a diverse economy will retain and establish new residents, businesses and industries in Blayney Shire over the next 20 years. These factors may contribute to more complicated assets with higher maintenance and renewal costs.

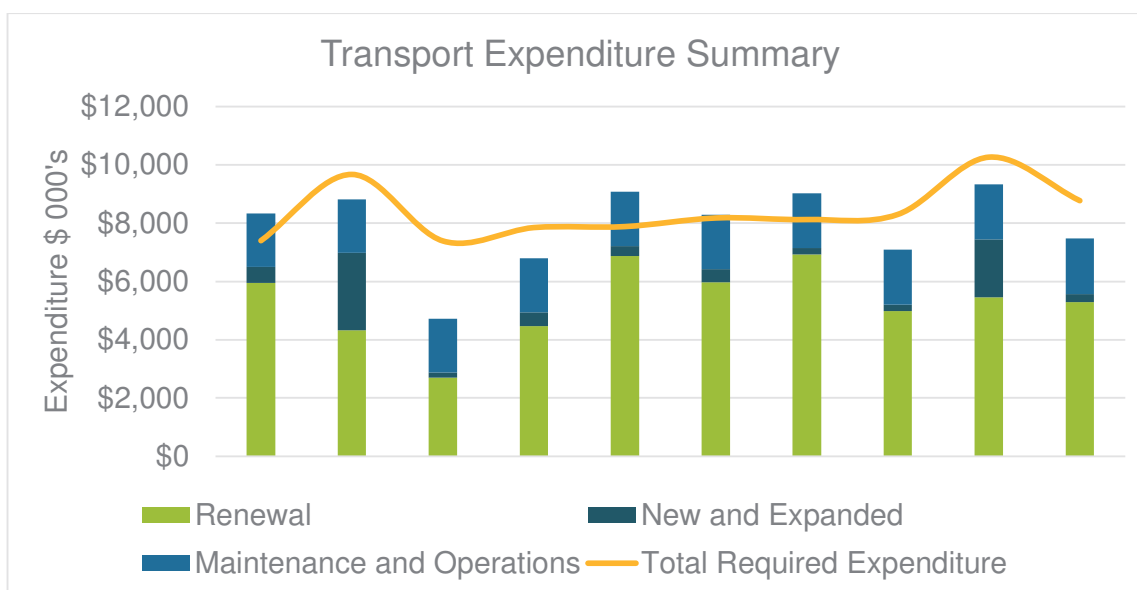
Lifecycle management

Assets

Asset class	Asset category	Unit	Quantity
Roads	Local sealed roads	Km	340
Roads	Regional sealed roads	Km	44
Roads	Local unsealed roads	Km	346
Bulk earthworks	Major Earthworks (cut/fill >2m)	No.	29
Roads	Crash Barriers (Guard Rail, Wire Rope)	Km	11
Bridges	Bridges – concrete/steel	No.	74
Bridges	Bridges – timber	No.	2
Roads	Culverts – major (450mm – 6m)	No.	429
Roads	Culverts – minor (<450mm)	No.	993
Roads	Urban Stormwater Pipes	Km	32
Roads	Kerb and Gutter	Km	73
Footpaths	Footpath/Shared	Km	39
Roads	Signs (all road signs)	No.	3,879
Roads	Guide posts	No.	12,399

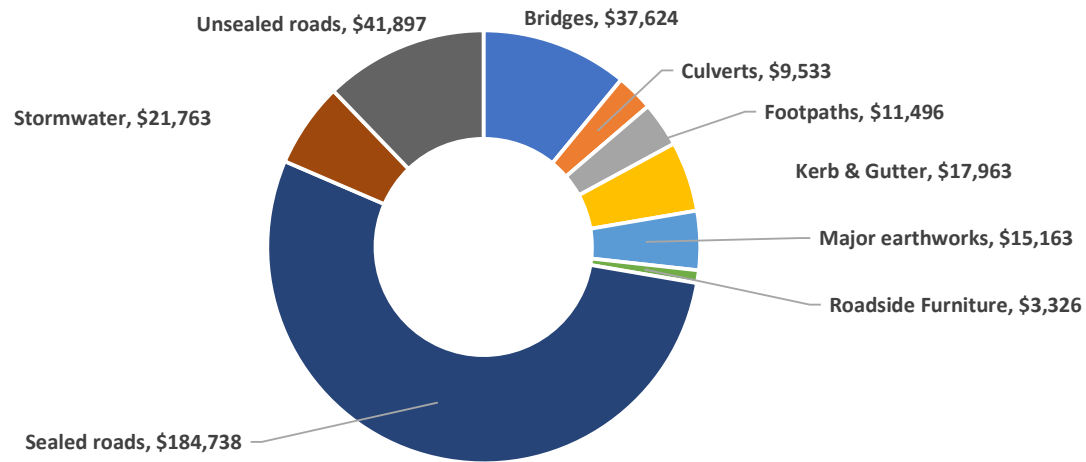
Infrastructure Ratios	Budget 2023/24	Estimated 2032/33	Funding Gap \$ 000's	
Infrastructure renewals ratio	139%	100%	Budget Year	\$1,689
Benchmark 100%			5-year average	\$375
			10-year average	\$528
Infrastructure Backlog Ratio ¹	4.1%	2.7%	Budget Year	-\$6,131
Benchmark 2%			5-year average	-\$5,706
			10-year average	-\$4,676
Infrastructure Maintenance Ratio	65.4%	55%	Budget Year	-\$986
Benchmark 100%			5-year average	-\$1,120
			10-year average	-\$1,282
Total Funding Gap			Budget Year	-\$5,428
			5-year average	-\$6,451
			10-year average	-\$5,430

¹ The Infrastructure Backlog Ratio Funding Gap is the amount required to reduce Councils 4.1% Backlog Ratio to the OLG benchmark of 2.0%.

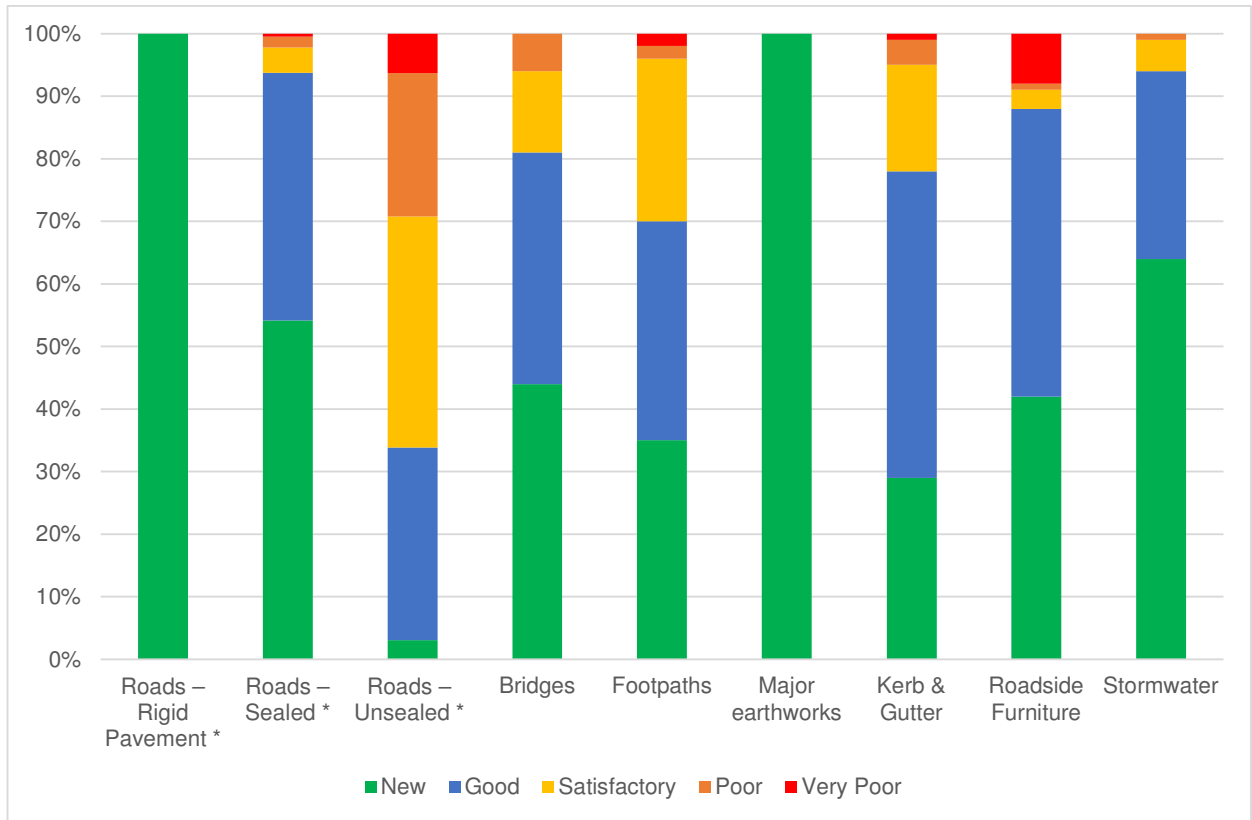


Asset Values

Asset Category	Gross Replacement Cost (\$ 000's)	Written Down Value (\$ 000's)	Annual Depreciation (\$ 000's)	New	Good	Satisfactory	Poor	Very Poor
Sealed roads	184,738	150,168	2,224	80%	17%	2%	1%	0%
Unsealed roads	41,897	34,057	946	54%	15%	17%	11%	3%
Bridges	37,624	26,915	354	50%	32%	12%	6%	0%
Footpaths	11,496	8,013	144	38%	29%	26%	7%	0%
Major earthworks	15,163	15,163	0	100%	0%	0%	0%	0%
Kerb & Gutter	17,963	14,602	183	30%	47%	18%	4%	1%
Roadside Furniture	3,326	2,704	92	45%	43%	3%	1%	9%
Culverts	9,533	7,749	86	71%	17%	7%	4%	1%
Stormwater	21,763	16,725	200	64%	39%	5%	1%	1%



Condition



Inspection Schedule

Asset Category	Inspection intervals
Local & Regional Sealed Roads	Formal Inspection every 5 years Ad-hoc & informal inspections in between
Local Unsealed Roads	3 to 12 monthly based on road hierarchy
Bridges – Concrete/Steel	Ad hoc / after major wet weather events
Bridges – Timber	Formal every 2 to 5 years based on known issues
Culverts – all	Ad hoc / after major wet weather events
Urban Stormwater – Pits & Pipes	Ad hoc / after major wet weather events Formal inspection undertaken as part of 2019/20 Transportation revaluation
Footpath / Shared	6 monthly (Blayney and Millthorpe CBD's) 12 monthly for rest of Blayney & Villages
Kerb and Gutter	12 monthly
Other (major earthworks, crash barriers, signs, etc)	Formal Inspection every 5 years Ad-hoc & informal inspections in between

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following below.

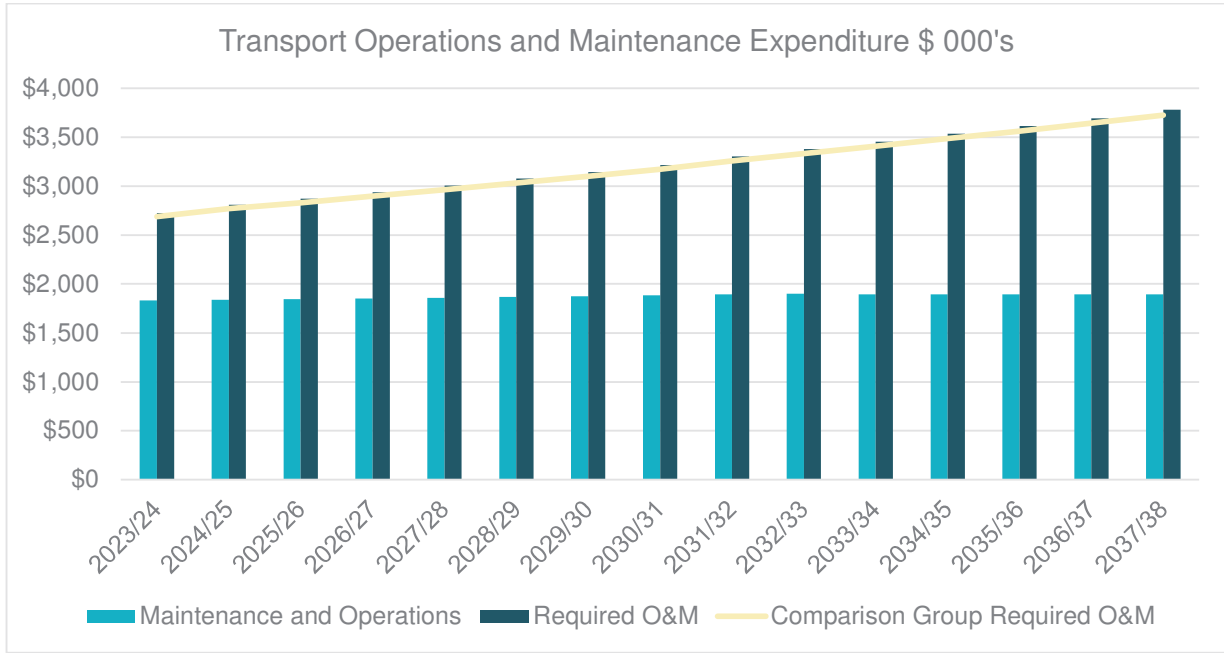
Confidence grade	General meaning
Highly reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

Asset class	Inventory	Condition	Age	Overall
Transport (Roads, Bridges, Footpaths, stormwater)	Reliable	Acceptable	Reliable	Reliable

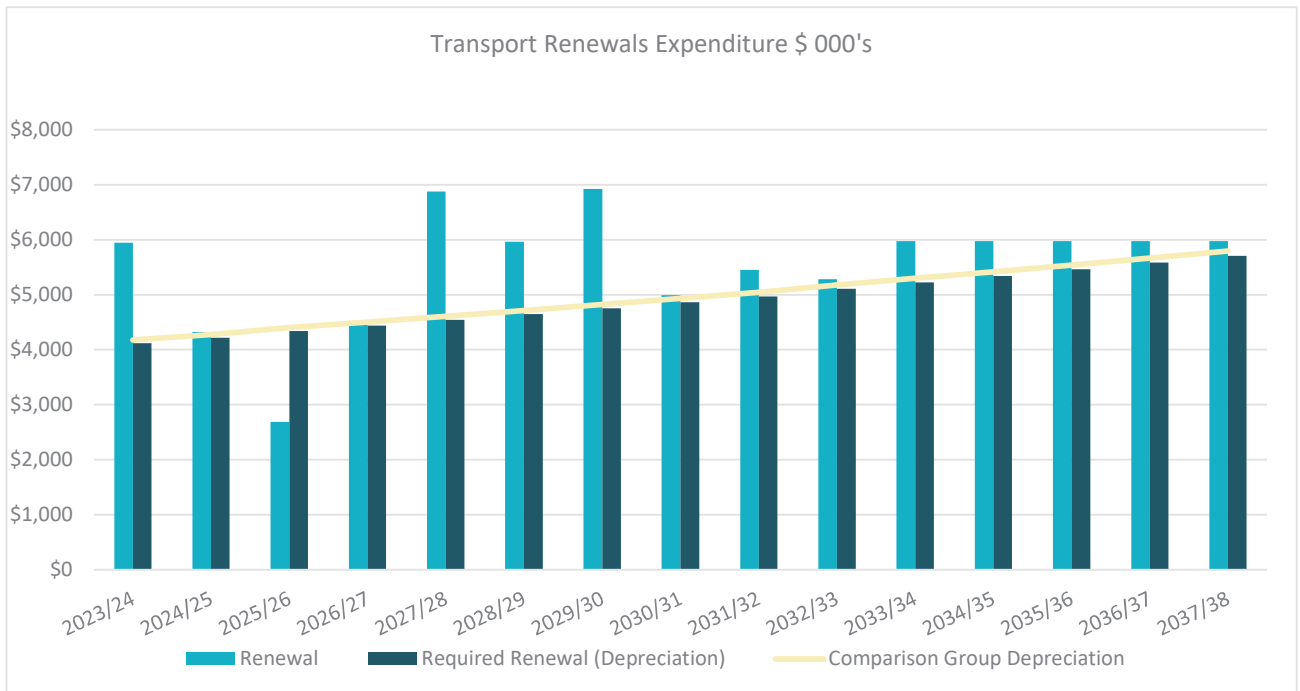
Operations and Maintenance Plan

Councils has detailed its transport maintenance strategy in its Road Hierarchy Renewal and Maintenance Policy as well as in the Pathway Hierarchy Renewal and Maintenance Policy.



1.1. Renewal Plan (Capital)

Councils has detailed its transport renewal and replacement strategy in its Road Hierarchy Renewal and Maintenance Policy as well as in the Pathway Hierarchy Renewal and Maintenance Policy.



Risk Management

Risk Assessment

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council’s transport assets and highlights the strategic risks which impact Council’s asset portfolio.

Service or Asset at risk	What can happen	Risk rating (VH,H)	Risk treatment plan	Residual risk*	Treatment costs
Road pavement	Flooding/Inundation leading to pavement failure	H	Adequate drainage maintenance, initial pavement design considerations	M	\$250,000/km
Footpath	Concrete slab failure creating trip hazard	H	Regular inspections and funding renewal works	M	\$150/sq m
Bridge	Flooding/Inundation leading to structural damage	H	Inspections and specific inspections following large rain events.	M	Issue specific

* The residual risk is the risk remaining after the selected risk treatment plan is operational.



Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Similarly, critical failure modes are those which have the highest consequences. Critical assets have been identified and their typical failure mode and the impact on service delivery are as follows:

Critical Asset(s)	Failure mode	Impact
All Bridges on roads providing 'only' access	Structural failure / Flooding	Complete removal of access
Hobbys Yards Road	Flooding/Inundation	Complete removal of access
Belubula Way	Flooding/Inundation	Complete removal of access
Newbridge Road	Flooding/Inundation	Complete removal of access

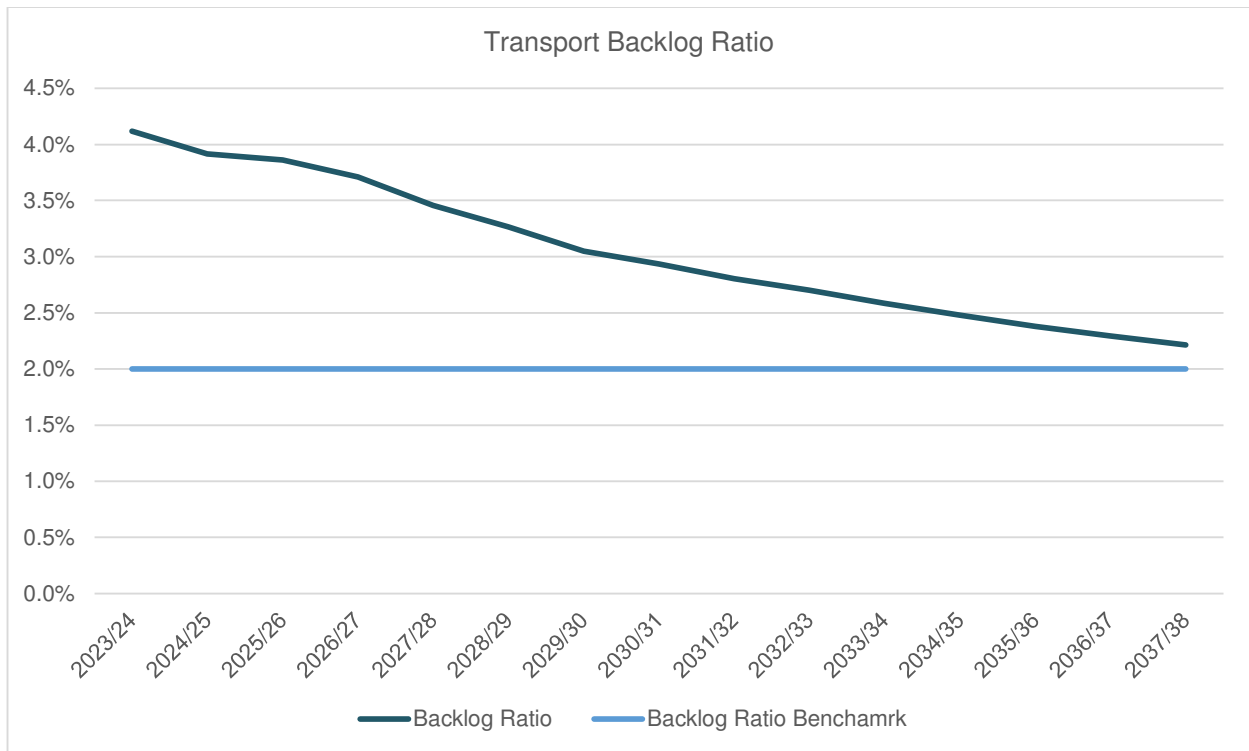
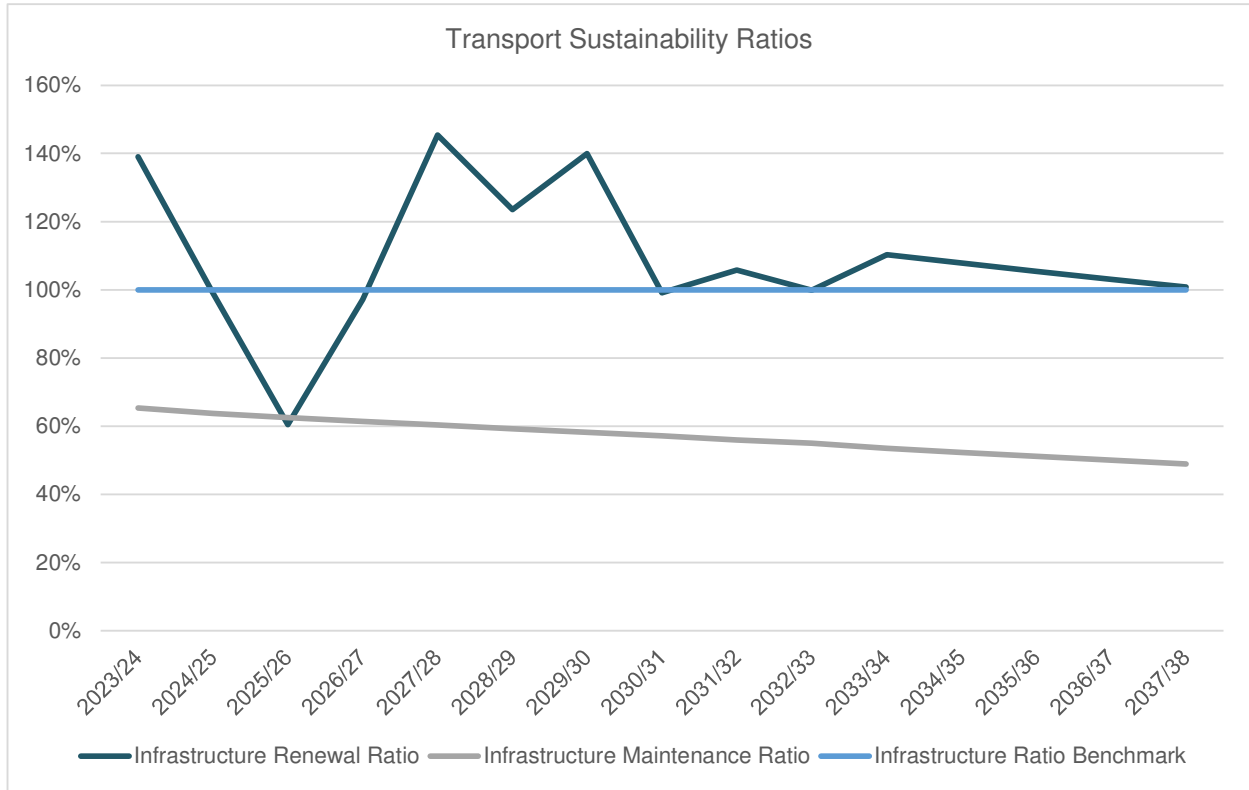
The following attributes are currently being considered as part of this analysis:

	High	Medium	Low
Road classification	Arterial	Primary Collector/Local Collector	Local Access
Emergency services	Police Ambulance	RFS, NSWFB, SES	Airfield, Council Depot
Schools	40km zones		
Accident history	Fatality	Accidents >5	
Isolated communities	Only one road providing access to or from a community		

Expenditure Forecast

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual (Budgeted) Expenditure											
Renewal	\$6,011	\$4,394	\$2,763	\$4,540	\$6,952	\$6,042	\$7,001	\$5,071	\$5,533	\$5,365	\$6,056
New and expanded	\$1,666	\$2,810	\$177	\$471	\$334	\$455	\$223	\$217	\$1,988	\$289	\$289
Maintenance and Operations	\$1,861	\$1,868	\$1,876	\$1,884	\$1,893	\$1,902	\$1,910	\$1,919	\$1,929	\$1,938	\$1,929
Total Expenditure	\$9,538	\$9,072	\$4,816	\$6,895	\$9,179	\$8,399	\$9,134	\$7,207	\$9,450	\$7,592	\$8,274
Required Expenditure											
Required Renewal (Depreciation)	\$4,322	\$4,438	\$4,570	\$4,672	\$4,781	\$4,890	\$5,003	\$5,116	\$5,231	\$5,371	\$5,493
New and expanded	\$1,666	\$2,810	\$177	\$471	\$334	\$455	\$223	\$217	\$1,988	\$289	\$289
Required O&M	\$2,846	\$2,932	\$2,998	\$3,067	\$3,138	\$3,210	\$3,283	\$3,357	\$3,447	\$3,525	\$3,605
Total Required Expenditure	\$8,834	\$10,180	\$7,745	\$8,210	\$8,253	\$8,555	\$8,509	\$8,690	\$10,666	\$9,185	\$9,387
OPEX Balance (GAP)	-\$986	-\$1,063	-\$1,121	-\$1,183	-\$1,245	-\$1,309	-\$1,372	-\$1,437	-\$1,518	-\$1,586	-\$1,676
RENEWAL Balance (GAP)	\$1,689	-\$44	-\$1,806	-\$133	\$2,171	\$1,152	\$1,997	-\$45	\$301	-\$6	\$564
TOTAL Balance (GAP)	\$703	-\$1,107	-\$2,927	-\$1,316	\$926	-\$157	\$625	-\$1,482	-\$1,217	-\$1,592	-\$1,112

OLG Financial Ratios



2. Improvement and Monitoring

Improvement Plan

Improvement actions including who and by when.

Ref No.	Improvement Plan tasks	Priority	Suggested Timeframe
0	Existing Data Improvement Plan		
0.1	Calculation and disclosure of data input confidence levels for all asset classes (per AMPs).	Low	6/25
0.3	Assess and include Functionality and Capacity scores (1 to 5) for all relevant assets, as per asset class revaluations.	Low	6/25
0.4	Transportation asset class age data (sealed road surfaces, road pavements, bridges, (some) pathways, and urban stormwater).	High	6/25
0.5	Incorporate Geotechnical investigations from works program to improve confidence in road pavement depths	Medium	6/25
2.	Asset Data and Knowledge		
2.1	Separate non-depreciable components from reported condition profiles	High	2025
3.	Asset Knowledge Processes		
3.1	Undertake an annual desktop review of asset valuations ensuring that there is an annual review of useful life of assets.	High	Ongoing
3.2	Implementation of 1:1 relationship between financial and technical register.	Very High	Ongoing Quarterly
3.3	Develop maintenance and renewal policy for councils' bridges and stormwater assets	Very High	3/24
4.	Strategic Asset Planning Processes		
4.1	Undertake annual review of Asset Management Plan	Very High	Ongoing
5.	Operations and Maintenance Work Practices		
5.1	Identify critical assets and incorporate critical asset risk mitigation plans into Council's emergency response planning procedures.	High	2025
6.	Information Systems		
6.3	Ensure integration and access between spatial system and current technical asset register	High	Ongoing

Monitoring and Review Procedure

This AMP will be reviewed during annual budget planning processes and amended to show any material changes in service levels and/or resources available to provide those services as a result of budget decisions. The AMP will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the long-term financial plan. The AMP has a life of 4



years and is due for complete revision and updating within 12 months of each Blayney Shire Council election.

Appendix B – Buildings and Other Structures Asset Management Plan

This Asset management plan covers the portfolio of buildings assets that provide operational, recreational and business services throughout Blayney Shire.

The plan covers councils' management of its Specialised and Non-Specialised Buildings.

As the owner and manager of buildings assets, Council has a responsibility for a number of functions including:

- Operations and Maintenance
- Renewal and Refurbishment
- New Acquisitions and Upgrades
- As well as the Disposal of existing assets.

The planning of these functions is outlined in this asset management plan.



BUILDINGS INFRASTRUCTURE AT A GLANCE

Value & Composition	Importance to the Community – Value of Councils Services
Buildings Infrastructure assets have a total value of \$44.5m*	<ul style="list-style-type: none"> • Public Toilets – 3.64 • Centrepoint Sports and Leisure Centre – 3.61 • Blayney Shire Community Centre – 3.24 • Visitor Information Centre – 3.07 • Blayney Library – 2.98



Administration



Amenities



Bus Shelters



Emergency Services



Centrepoint Sports and Leisure Centre



Community Facilities



Central West Equestrian and Livestock Centre



Depot and Waste Depot



Library



Open Space Shelters



Pound



Sheds



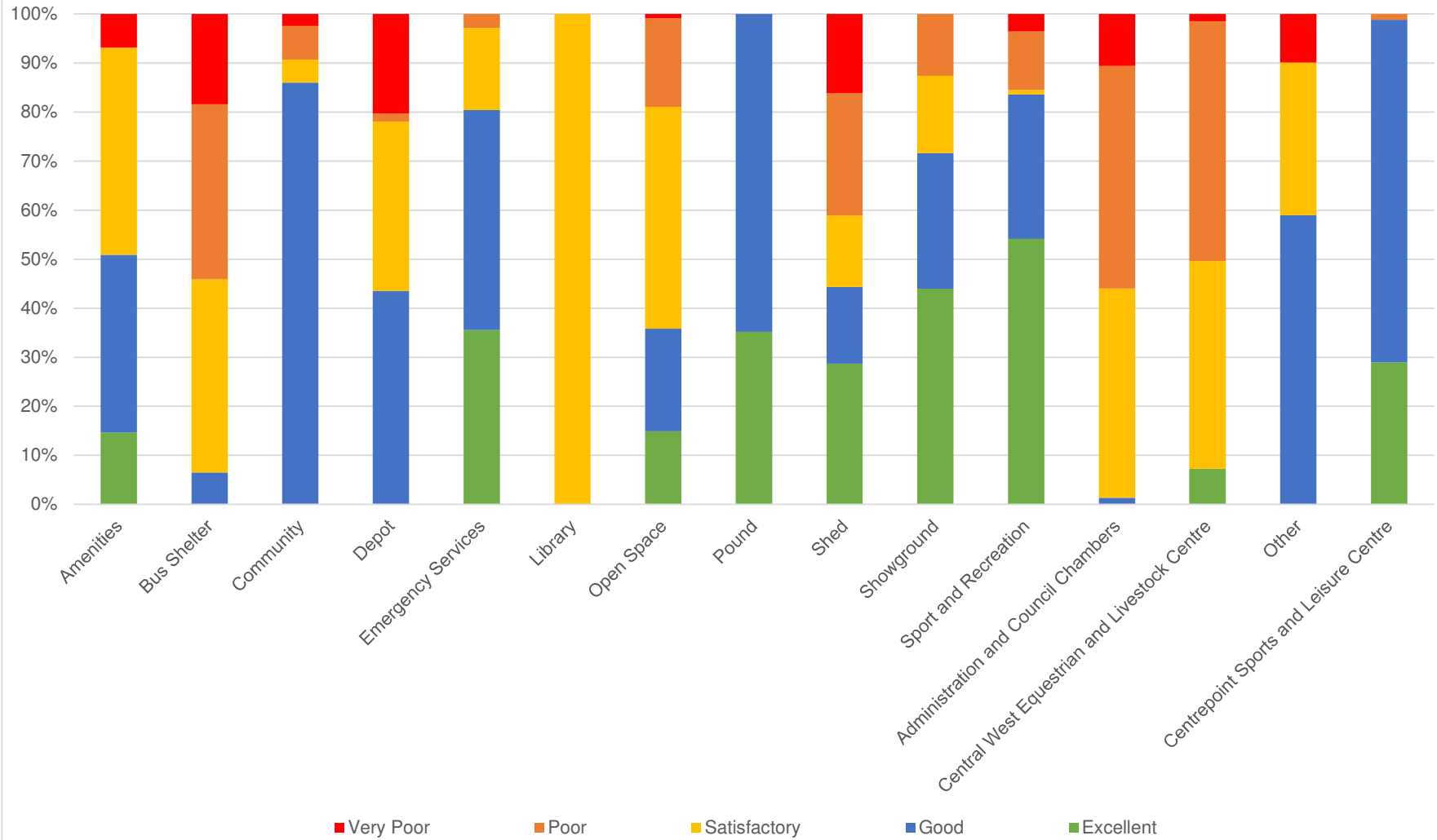
Showgrounds



Sport and Recreation

* Council Audited Annual Financial Statements 22/23

Portfolio Condition



Purpose of this Plan

The purpose of this asset management plan is to develop a strategic framework for the maintenance and renewal of buildings assets and to provide an agreed level of service in the most effective manner.

This plan includes the following scope of management:

- asset inventory, values and condition
- asset-based levels of service
- demand and service management
- risk management
- development of the long-term financial plan (LTFP) for the maintenance and renewal of its buildings.

Figure 1: Relationship between Council's plans and resourcing strategies

Document	Purpose
Community Strategic Plan	Sets the community's vision for the next 10 years and strategies to achieve the vision
Community Engagement Strategy	Guides how Council engages with the community in all aspects of the IPR Framework and sets actions to be included in the Delivery Program
Delivery Program	Outlines the actions Council will undertake to meet the CSP goals over four years
Resourcing Strategy	Companion documents to the Delivery Program, outlines how Council will resource the actions (addressing Council's finances, assets and workforce)
Operational Plan and Budget	Maps what programs, projects and activities Council will undertake each financial year to fulfil the actions in the Delivery Program and to achieve the goals in the CSP
Strategic documents	Informs the actions in the Delivery Program and Operational Plan e.g. Economic Development Strategy
Quarterly reports, Annual Report and State of the Council Report	Reports Council's progress in achieving the community's vision
Blayney Town and Village community plans	Provide the master planning and vision for each of council's towns and villages.
Blayney Shire Sport and Recreation Plan	Provides the planning and needs assessment for sport and recreational activities within the shire.

Levels of service

Community Consultation and Feedback

Blayney Shire Council's Buildings portfolio provides facilities so that the local community and visitors can participate in a wide variety of recreational, cultural, educational, and social activities. The Council's administration building, and depot are the base for Council's employees who deliver essential services to the community. In 2021 Blayney Shire Council conducted a community survey to inform the Blayney Shire Community Strategic plan. The value (out of 5) that the community placed on councils' buildings assets was:

- Public Toilets – 3.64
- Centrepont Sport and Leisure Centre – 3.61
- Blayney Shire Community Centre – 3.24
- Showgrounds – 3.23
- Visitor Information Centre – 3.07
- Blayney Library – 2.98



Levels of Service

Outcome	Level of Service	How will we measure it?	What is our target?	How are we going?
Accessibility	Provision of quality of assets to meet community needs	Condition of assets are measured and reported annually	No net decrease in condition across all asset classes	
	Community has confidence in Council to manage assets	Community satisfaction survey and Community engagement strategy	Increased level of confidence from previous survey	
Quality/ condition	Assets are maintained in a satisfactory condition	Backlog ratio (estimated cost to bring asset to a satisfactory condition / written down value of the assets)	OLG benchmark <2%	
Reliability/ responsiveness	Provision of sufficient assets to meet community needs	Number of requests for additional/ increased level of service	Number of requests for additional/ increased level of service less than rolling previous three-year average	

Outcome	Level of Service	How will we measure it?	What is our target?	How are we going?
Customer satisfaction	Be responsive to the needs of customers using asset	No customer requests received	85% of requests are completed within Council's service charter	
	Opportunity for community involvement in decision making are provided	Asset management plan	All asset management plans are available on the website and for circulation to the public	
Sustainability	Assets are managed with respect for future generations	Lifecycle approach to managing assets	Prepare a ten-year asset condition and age-based renewals plan - ensure the plan is approved by Council and updated annually	
	Assets are being renewed in a sustainable manner	Asset renewal ratio (asset renewal expenditure / annual depreciation expense)	OLG benchmark >100%	

Roles and Responsibility

Position	Role	Asset Class	Responsibilities	Functions
<p>Director Infrastructure</p> <p>Director Planning and Environmental Services</p>	Asset Owner	Buildings	This position takes ownership responsibility for the management of assets and is usually responsible for policy and over all asset strategy	<p>Establish long term policy and strategy</p> <p>Establish existing demand for assets</p> <p>Establish future demand for assets (type and standard)</p> <p>Establish long term community expectation</p> <p>Implement policy and strategy for existing assets</p> <p>Establish community asset service level</p> <p>Ensure integration of asset management into Council's community, delivery and operational plans & resourcing Strategy</p> <p>Maintain and develop asset systems and reporting</p> <p>Ensure asset accounting is accurate and maintained, and asset valuation,</p> <p>Develop capital works prioritisation</p> <p>Develop capital works program</p> <p>Liaison with the organisation as a whole on asset matters</p>
Manager Assets	Asset Custodian	Buildings	This position is the technical expert and has responsibility for collecting and maintaining asset data, determining works programs and maintenance strategies etc.	<p>Develop and oversee capital works and maintenance program</p> <p>Handover and documentation</p> <p>Control budgets</p> <p>Develop asset plans</p> <p>Asset condition rating</p> <p>Risk management</p> <p>Data custodian – Hierarchy, level of detail</p> <p>Recommendation of asset disposal and renewal 4yr program</p>
Manager Operations	<p>Asset Delivery – CAPEX/OPEX</p> <p>Service Delivery – Operations</p>	Buildings	Responsible for the day-to-day maintenance, operations and services delivered by assets as well as the delivery of capital works	<p>Controls asset use, in line with policy</p> <p>Deliver programmed and reactive maintenance, internal/external</p> <p>Deliver and / or manage capital works</p> <p>Manage all operations and service delivery functions</p> <p>Manage service user expectations</p> <p>Deliver adopted levels of service</p>

Future Demand

Drivers of Change

The future infrastructure demand for building assets is driven by changes and trends in:

- population growth and changes in the demography of our community
- urban planning
- commercial/industrial demand
- technological changes which impact our assets and our ability to monitor our assets.
- the environment and changes in our climate
- changes in behavior and utilisation of service due to the COVID-19 Pandemic



Demand Management Plan

Demand factor	Impact on services
Population	The population in the region is expected to continue to grow and supporting infrastructure will be required to accommodate this change. Local infrastructure, including buildings, will be needed to support additional housing needs and the new industry and development.
Industry	Road and rail infrastructure will continue to improve within the region, including the establishment of the Parkes Intermodal Freight Terminal, this external expenditure requires a corresponding council program to allow growth within Blayney Shire.
Demographics	An increasing and older population will place an increased demand on some assets and increased accessibility requirements for footpaths, aged care facilities, community centres and recreation assets.
Increasing costs	Increases in demand and limited providers is likely to increase the costs of providing road infrastructure projects.
Environment and climate	Buildings may be affected by extreme weather and increased variability.
Technology	Increasing connectivity and a diverse economy will retain and establish new residents, businesses and industries in Blayney Shire over the next 20 years. These factors may contribute to more complicated assets with higher maintenance and renewal costs.

Lifecycle management

Assets ¹

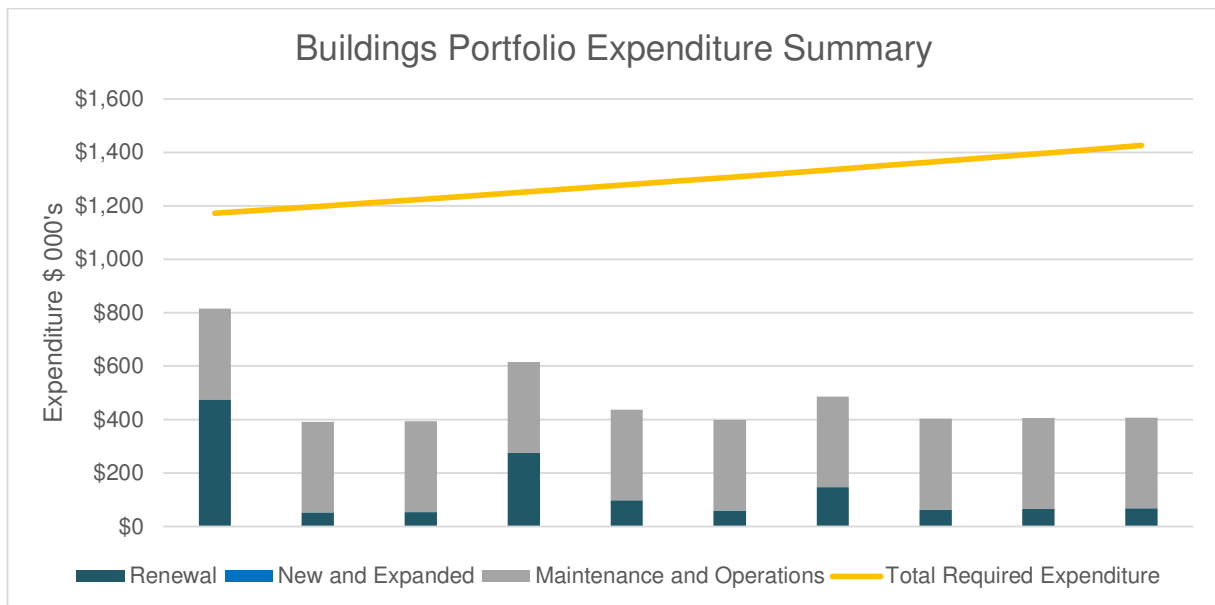
Facilities	Current Value
Administration and Council Chambers	\$6m
Amenities	\$3.8m
Bus Shelters	\$0.125m
Emergency Services	\$2.2m
Centrepoint Sports and Leisure Centre	\$17.3m
Community	\$7.1m
Central West Equestrian and Livestock Centre	\$1.8m
Depot	\$3.5m
Library	\$0.9m
Open Space	\$0.7m
Pound	\$0.325m
Other	\$0.5m
Sheds	\$0.88m
Showgrounds	\$0.35m
Sport and Recreation	\$2.2m

¹ Values based on 30 September 2023 Data



Infrastructure Ratios	Budget 2023/24	Estimated 2032/33	Funding Gap \$ 000's	
Infrastructure renewals ratio Benchmark 100%	72.9%	8.5%	Budget Year	-\$177
			5-year average	-\$491
			10-year average	-\$586
Infrastructure Backlog Ratio ¹ Benchmark 2%	20.6%	15.7%	Budget Year	-\$6,168
			5-year average	-\$6,302
			10-year average	-\$6,481
Infrastructure Maintenance Ratio Benchmark 100%	65.4%	54%	Budget Year	-\$180
			5-year average	-\$203
			10-year average	-\$235
Total Funding Gap			Budget Year	-\$6,525
			5-year average	-\$6,996
			10-year average	-\$7,302

¹ The Infrastructure Backlog Ratio Funding Gap is the amount required to reduce Councils 20.6% Backlog Ratio to the OLG benchmark of 2.0%.

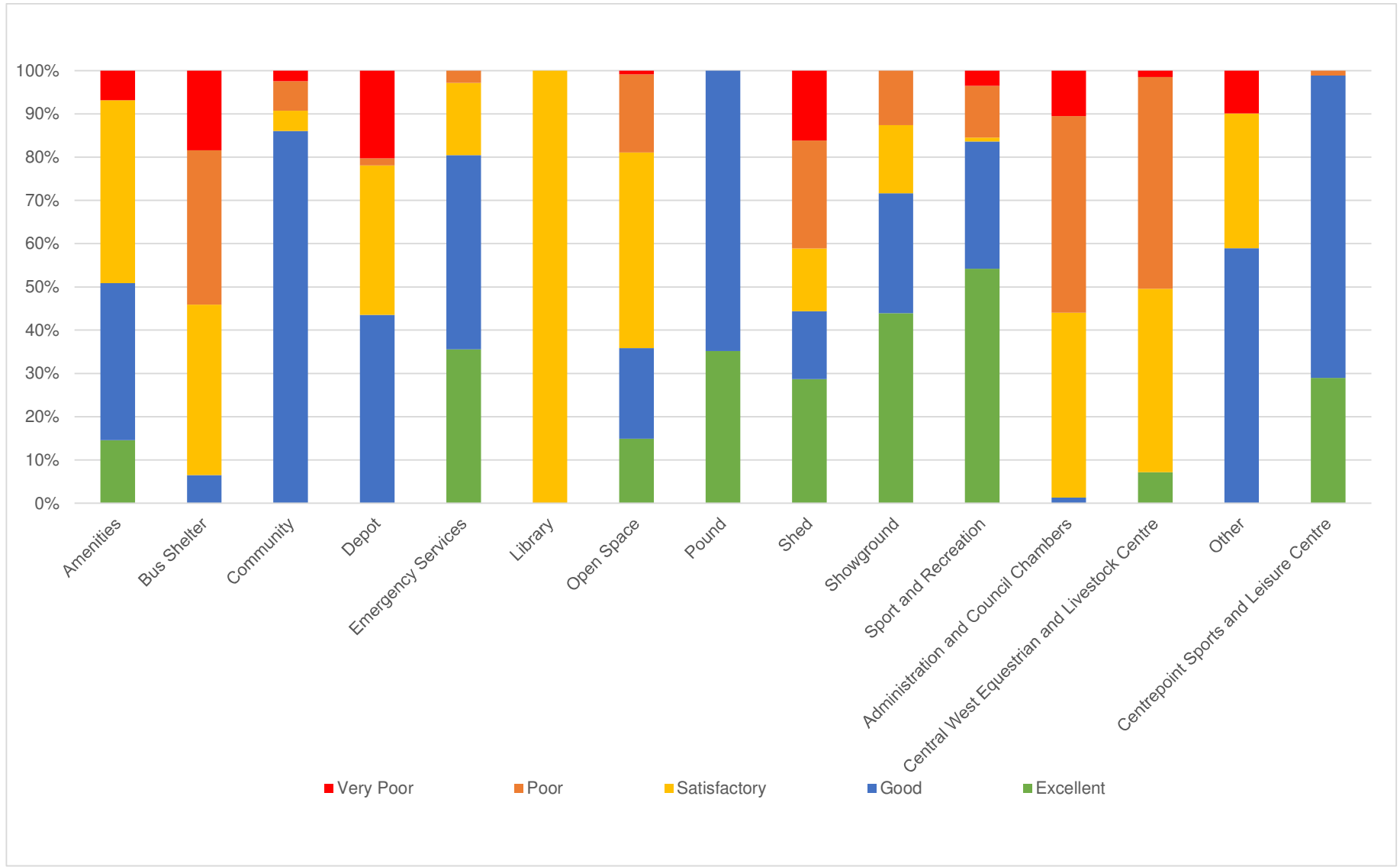


Asset Values ¹

Asset Category	Gross Replacement Cost (\$ m)	Written Down Value (\$ m)	Annual Depreciation (\$ m)	New	Good	Satisfactory	Poor	Very Poor
Administration and Council Chambers	6.06	2.83	0.120	0.0%	1.3%	42.7%	45.4%	10.6%
Amenities	3.83	2.55	0.081	14.6%	36.3%	42.3%	0.0%	6.8%
Bus Shelter	0.13	0.06	0.003	0.0%	6.5%	39.4%	35.7%	18.4%
Central West Equestrian and Livestock Centre	1.76	1.53	0.025	7.2%	0.0%	42.4%	48.9%	1.5%
Centrepoint Sports and Leisure Centre	17.29	12.84	0.378	29.0%	69.9%	0.0%	1.2%	0.0%
Community	7.19	4.94	0.141	0.0%	86.0%	4.7%	6.9%	2.4%
Depot	3.46	1.91	0.068	0.0%	43.5%	34.5%	1.6%	20.3%
Emergency Services	2.18	1.68	0.041	35.5%	44.9%	16.7%	2.8%	0.0%
Library	0.93	0.55	0.019	0.0%	0.0%	100.0%	0.0%	0.0%
Open Space	0.70	0.43	0.013	14.9%	20.9%	45.2%	18.1%	0.9%
Other	0.54	0.33	0.015	0.0%	59.0%	31.2%	0.0%	9.9%
Pound	0.32	0.27	0.004	35.2%	64.8%	0.0%	0.0%	0.0%
Shed	0.88	0.53	0.017	28.7%	15.6%	14.6%	24.9%	16.2%
Showground	0.35	0.26	0.008	44.0%	27.7%	15.8%	12.6%	0.0%
Sport and Recreation	2.17	1.69	0.035	54.2%	29.5%	0.9%	11.9%	3.6%
Grand Total	47.76	32.40	0.969	17.6%	51.2%	17.1%	9.6%	4.5%

¹ Values based on 30 September 2023 Data

Condition



Inspection Schedule

Inspection Type	Inspection intervals
Condition Inspection	Council inspects the condition of its Buildings Portfolio in accordance with its Buildings Revaluations. These are programmed every 3 – 5 years depending on inflationary environment.
Defect Inspection	Defects are currently captured reactively by property managers and through customer requests
Cyclical Inspection	Assets which are on a cyclical maintenance schedule (e.g. HVAC) are inspected inline with their programmed maintenance schedule.

The confidence in the asset data used as a basis for the financial forecasts has been assessed using the following grading system, as outlined in the following below.

Confidence grade	General meaning
Highly reliable	Data based on sound records, procedure, investigations and analysis that is properly documented and recognised as the best method of assessment.
Reliable	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example, the data is old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
Acceptable	Data based on sound records, procedures, investigations and analysis with some shortcomings and inconsistencies.
Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported or extrapolation from a limited sample.
Very uncertain	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

Summary of confidence in asset data for all asset classes is detailed in the table below.

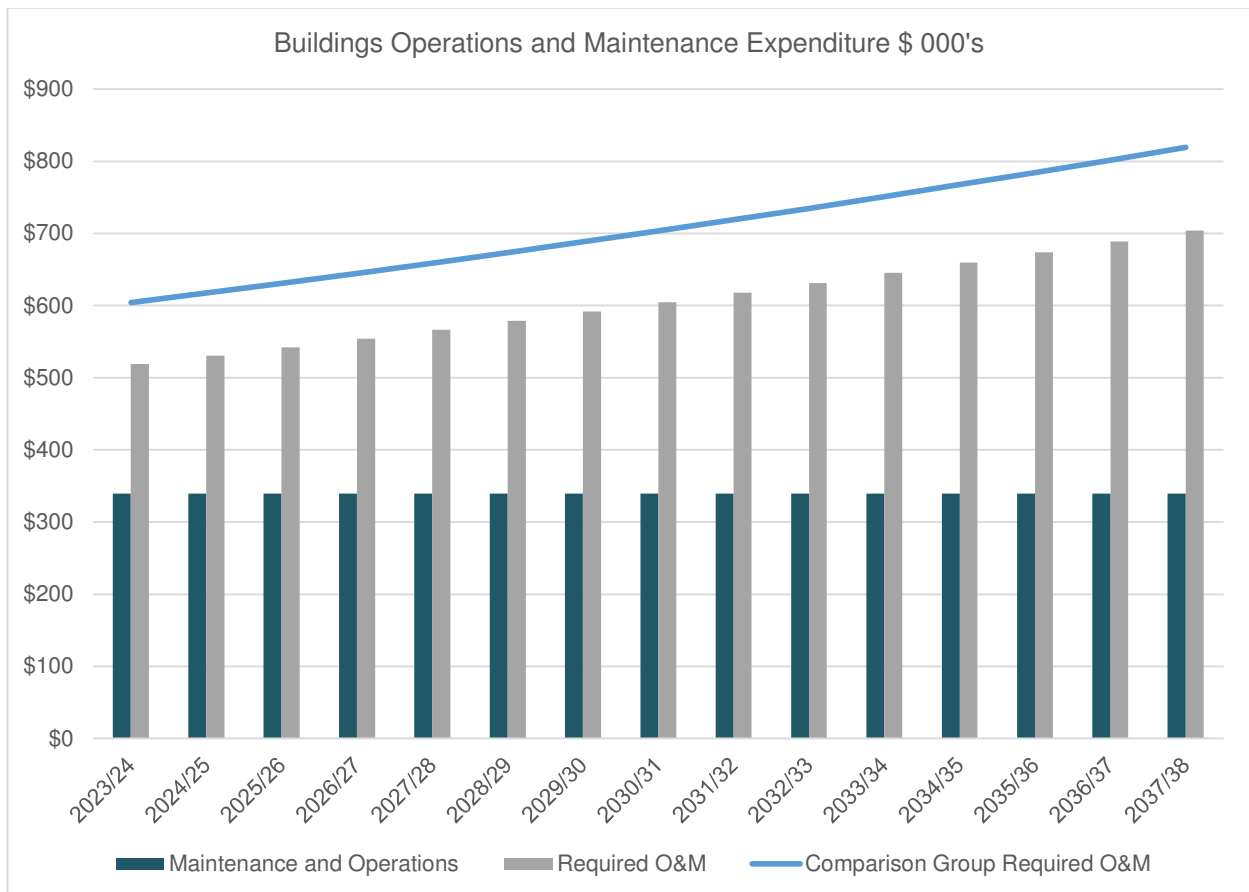
Asset class	Inventory	Condition	Age	Overall
Buildings	Reliable	Acceptable	Uncertain	Acceptable

Operations and Maintenance Plan

Councils currently manages defects in its Building portfolio in a reactive manner with no scheduled defect inspection program and relying upon property manager / customer requests on any issues which may arise.

Key Building components such as mechanical (HVAC), electrical and fire safety equipment are on cyclical maintenance and inspection schedules in accordance with legislation and have been programmed in.

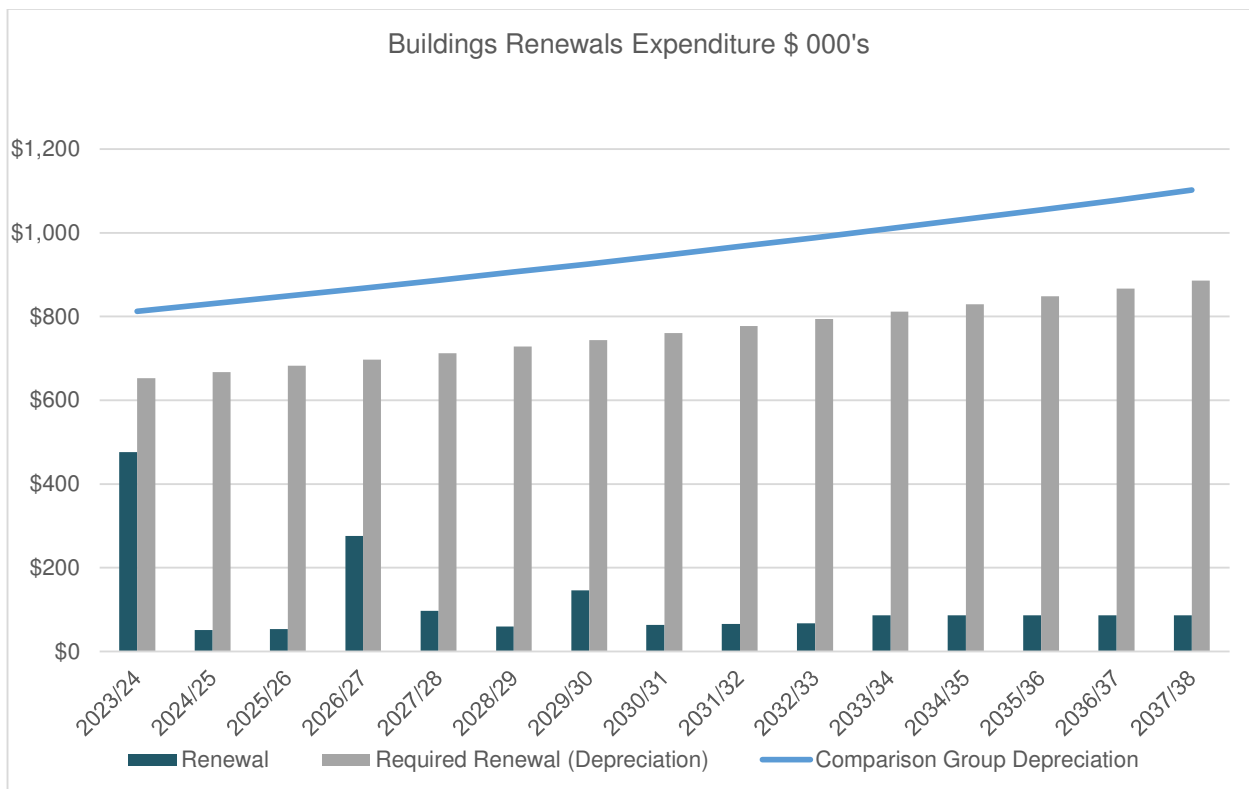
It should be noted that due to recent grant funding, a significant portion of councils buildings assets are currently in good condition and as such carry a reduced maintenance burden. As council's portfolio ages a cyclical defect inspection program will be implemented to optimise the cost of maintaining the network against the level of service delivered to the community.



Council undertook a high-level comparison of its maintenance and operations expenditure against similar NSW councils relative to the value of its portfolio. The analysis showed that Council has budgeted approximately 60% of the required funding for operations and maintenance in the current long term financial plan. While there is a significant portion of assets in 'New and Good' condition (68%), a continued shortfall here will accelerate the degradation of the condition of the portfolio and result in an increase in backlog over the 10 – year period.

1.1. Renewal Plan (Capital)

Historically, council’s asset replacement and renewals for its Building portfolio has been reactive and opportunistic to the availability of state and federal grant funding. However, having completed a full condition assessment of its portfolio as part of a revaluation in 2023, council is in the process of developing a long-term program of works for its assets. A key consideration as part of the program is the functionality (are the buildings still fit for purpose) and utilisation (have the buildings reached their usage capacity and are in need of expansion) of its Buildings in conjunction with the condition of its assets i.e. the program of renewal works will focus on the services delivered to the community and not just the physical assets themselves.



Currently, over the life of the plan, there is a significant shortfall in budgeted capital expenditure in the long-term financial plan relative to the consumption (i.e. the depreciation) of the portfolio. Less than 20% of the renewal requirements are funded in the later years of the Long Term Financial Plan and while there is a significant portion of assets currently in good condition, the consistent shortfall will result in a condition decay across the portfolio and an increase in backlog.

Risk Management

Risk Assessment

Council utilises a corporate risk framework which aligns with ISO 31000:2018. The framework has been adopted for Council's buildings assets and highlights the strategic risks which impact Council's asset portfolio.

Service or Asset at risk	What can happen	Risk rating (VH,H)	Risk treatment plan	Residual risk*	Treatment costs
	Collapse or major failure of building structure resulting in injury or loss of service	H	Improved maintenance and renewal planning	L	
	Unplanned expansion of asset inventory	H	Develop and implement master plans	L	
	Low asset usage or inequity of facility provision	H	Implement master plans. E.g. Village Plans	M	
	Unauthorised entry/vandalism to buildings	H	Supply and Install new key system (As per Parks and Recreation AMP)	M	
	Injuries and Insurance Claims	H	Improved signage and compliance. E.g. Non Potable Water Signage	M	

* The residual risk is the risk remaining after the selected risk treatment plan is operational.

Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Similarly, critical failure modes are those which have the highest consequences. Critical assets have been identified and their typical failure mode and the impact on service delivery are as follows:

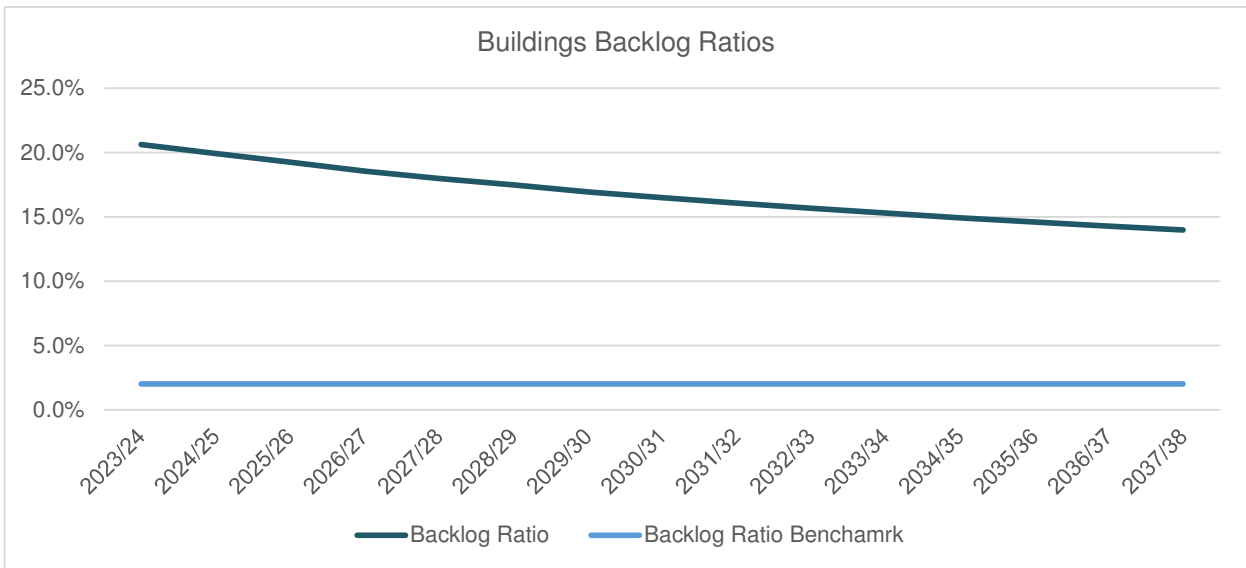
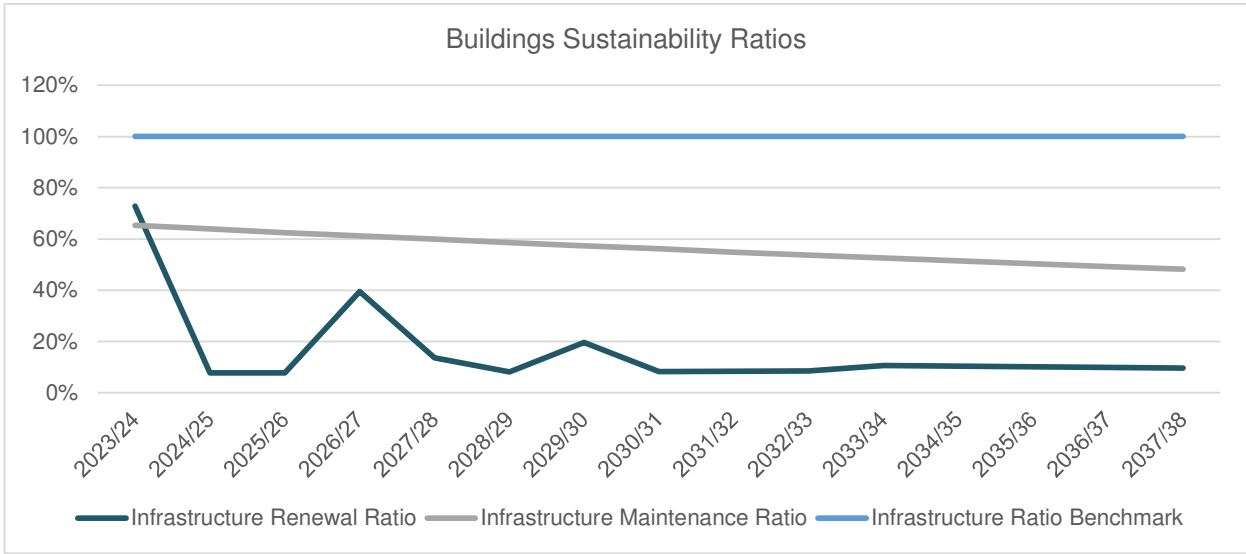
Critical Asset(s)	Failure mode	Impact
CentrePoint Sport and Leisure Centre	Failure of structural building components due to corrosive environment	Serious injury and reputation damage through closure of facility



Expenditure Forecast

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Actual (Budgeted) Expenditure											
Renewal	\$476	\$52	\$54	\$275	\$97	\$59	\$146	\$64	\$66	\$67	\$87
New and expanded	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and Operations	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339
Total Expenditure	\$815	\$391	\$393	\$614	\$436	\$398	\$485	\$403	\$405	\$406	\$426
Required Expenditure											
Required Renewal (Depreciation)	\$653	\$667	\$682	\$697	\$712	\$728	\$744	\$761	\$777	\$794	\$812
New and expanded	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Required O&M	\$519	\$531	\$542	\$554	\$566	\$579	\$592	\$605	\$618	\$631	\$645
Total Required Expenditure	\$1,172	\$1,198	\$1,224	\$1,251	\$1,278	\$1,307	\$1,336	\$1,366	\$1,395	\$1,425	\$1,457
OPEX Balance (GAP)	-\$180	-\$192	-\$203	-\$215	-\$227	-\$240	-\$253	-\$266	-\$279	-\$292	-\$306
RENEWAL Balance (GAP)	-\$177	-\$615	-\$628	-\$422	-\$615	-\$669	-\$598	-\$697	-\$711	-\$727	-\$725
TOTAL Balance (GAP)	-\$357	-\$807	-\$831	-\$636	-\$842	-\$909	-\$851	-\$963	-\$990	-\$1,019	-\$1,031

OLG Financial Ratios



2. Improvement and Monitoring

Improvement Plan

Improvement actions including who and by when.

Ref No.	Improvement Plan tasks	Priority	Suggested Timeframe
0	Existing Data Improvement Plan		
0.1	Calculation and disclosure of data input confidence levels for all assets classes (per AMPs).	Low	9/23
0.3	Assess and include Functionality and Capacity scores (1 to 5) for all relevant assets, as per asset class revaluations.	Low	12/24
0.4	Develop age data for assets, were construction date unknown, as per asset class revaluations.	High	3/24
2.	Asset Data and Knowledge		
2.1	Clean asset data to ensure that asset condition is measured consistently across the various asset classes and sub classes.	High	2024
2.2	Develop an asset condition inspection strategy that ensures all assets are inspected on a regular basis. Consider cyclical collection over a number of years.	High	2023
2.3	Separate non-depreciable components from reported condition profiles	High	2023
3.	Asset Knowledge Processes		
3.2	Undertake an annual desktop review of asset valuations ensuring that there is an annual review of useful life of assets.	High	2023
3.3	Implementation of 1:1 relationship between financial and technical register.	Very High	2025
3.3	Develop maintenance and renewal policy for councils' bridges and stormwater assets	Very High	2024
4.	Strategic Asset Planning Processes		
4.3	Undertake annual review of Asset Management Plan	Very High	2024
5.	Operations and Maintenance Work Practices		
5.2	Identify critical assets and incorporate critical asset risk mitigation plans into Council's emergency response planning procedures.	High	2024
6.	Information Systems		
6.3	Ensure integration and access between spatial system and current technical asset register	High	2024

Monitoring and Review Procedure

This AMP will be reviewed during annual budget planning processes and amended to show any material changes in service levels and/or resources available to provide those services as a result of budget decisions. The AMP will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the long-term financial plan. The AMP has a life of 4 years and is due for complete revision and updating within 12 months of each Blayney Shire Council election.