

Attachment 5 - Draft Asset Management Strategy 2025-2035 – including Asset Management Policy - Public Exhibition



DRAFT Asset Management Strategy 2025-2035



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OVERVIEW

This strategy provides a structured approach to how Snowy Valleys Council acquires, maintains, and disposes of its portfolio of assets. The strategy also provides the framework for Council to optimise the value and lifespan of its assets with a view to reducing costs, minimising risks to Council, and improving overall organisational performance.

Snowy Valleys Council (Council) was formed by proclamation of the NSW Government on 12th May 2016.

The Snowy Valleys Council Local Government Area (LGA) covers 8,960km² with a highly varied topography of flood plains and step mountain slopes. The Council provides services and support to a community of nearly 15,000 people, including residents of Adelong, Batlow, Brungle, Jingellic, Khancoban, Rosewood, Talbingo, Tooma, Tumbarumba and Tumut.

The Snowy Valleys region is made up of friendly, welcoming communities, each with unique heritage and character. It boasts a resilient and robust economy, anchored by agriculture and timber industries. The Snowy Valleys region also hosts much of the power generation for Snowy Hydro and has one of the biggest softwood plantations in the Southern Hemisphere.

The Wiradjuri, Ngarigo and Wolgalu (Walgalo) people are the Traditional Custodians of the land on which the Snowy Valleys Council is located.

ASSET MANAGEMENT

Asset management is the lifecycle management of physical assets that takes into consideration the “whole of life” approach which includes planning, procurement, construction, operation, maintenance and disposal of the asset. A key, ongoing issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement.

The extensive portfolio of infrastructure assets requires careful planning and management. Financing the needs of the portfolio can be large, requiring planning for large peaks and troughs in expenditure for renewing and replacing assets. The demand for new and improved services adds to the planning and financing complexity. The procurement of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets’ full life cycle.

This Asset Management Strategy shows how the infrastructure asset portfolio will meet the service delivery needs of the community into the future; that the asset management policy is being achieved; and that existing asset management practices integrate with the Community Strategic Plan. Improvement in asset management involves formalising the knowledge about asset performance, maintenance levels and community expectations to optimise both expenditure and service provision over a longer time scale. The goal of asset management is to ensure that services are provided in the most cost-effective manner; through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets; and for present and future consumers.

In line with the community’s vision for the Snowy Valley’s the objectives of this strategy are to:

- guide the planning, construction, maintenance and operation of the infrastructure essential for Council to provide services to the community;
- ensure that Council’s infrastructure services are provided in a financially sustainable, economically optimal way, enabling the appropriate level of service to residents, ratepayers, visitors and the environment;
- meet legislative requirements for all Council’s operations;
- ensure resources and operational capabilities are identified and responsibility for asset management is allocated; and
- provide high level oversight of financial and asset management responsibilities on development and implementation of the Asset Management Plans and Long-Term Financial Plan.

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation’s strategic planning, developing an Asset Management Policy, Asset Management Strategy, Asset Management Plans and annual Operational Plan, linked to a Long-Term Financial Plan with a funding plan.

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ASSET MANAGEMENT STRATEGY AND FRAMEWORK

The key steps in preparing an effective Asset Management Strategy include:

1. Development of an asset management policy - that underpins the strategy. The policy provides guiding principles for asset management and planning.
2. Governance and management arrangements - applying good governance and management arrangements which link asset management to service delivery and include assigning roles and responsibilities.
3. Defining levels of service - establishing mechanisms, including community consultation, to define the levels of service councils are expected to provide from their asset base.
4. Data and systems - establishment of a framework for asset management data collection.
5. Skills and processes - the framework should contain a continuous improvement program.
6. Evaluation - the framework should contain a mechanism to measure its effectiveness.

The purpose of this strategy is to enable Council to show:

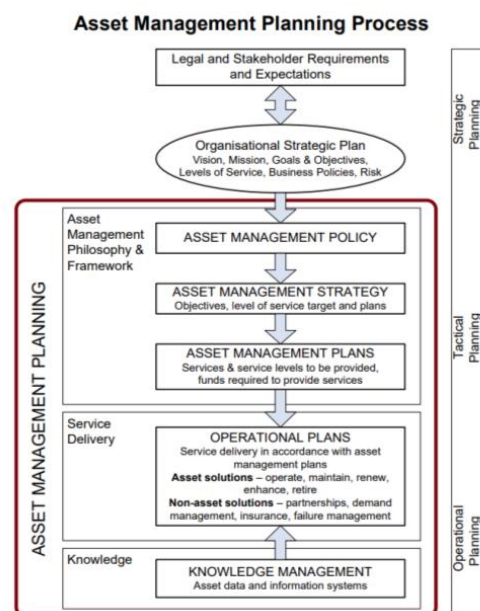
- How it applies to a structured approach to the way Council acquires, maintains, and disposes of its portfolio of assets, of which Council has thirteen (13) different classes of Assets.
- The strategy also provides a framework for Council to optimise the value and lifespan of its assets with a view to reducing costs, minimising risks to Council, and improving overall organisational performance
- How Councils asset portfolio is being developed and maintained to meet the service delivery needs of its community into the future;
- That the objectives of its asset management policies are being achieved; and
- that existing asset management practices integrate with Councils Long term Financial Plan and the Community Strategic Plan.

This strategy has been prepared following a review of the Council's service delivery practices, financial sustainability indicators, asset management maturity and fit with the community's vision as outlined in the Community Strategic Plan and Councils Long Term Financial Plan. This strategy has also been prepared in alignment with the suite of Asset Management Plans that Councils has now prepared for each of its thirteen (13) classes of Assets as well as the condition audits and re-valuations of Councils Assets which is undertaken on cyclical basis for all classes of Assets every five (5) years.

Council has also recently undertaken a Community Satisfaction Survey in 2024 which included questions on how satisfied the community was with certain classes of Council Assets such as Roads, Footpaths and Recreational Facilities such as Pools and Sporting fields. The Community satisfaction Survey is undertaken every four (4) years.

The following diagram illustrates the key steps in asset management planning:

Figure 1 – Asset Management Process at SVC



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ASSET MANAGEMENT POLICY

The management of community assets is a key function of Council. The provision of assets maintained to meet community needs and expectations is fundamental to Council's overall service delivery. The purpose of the Asset Management Policy is to demonstrate Council's commitment to the responsible management of its assets.

Council's Asset Management Policy sets the framework for Council's Asset Management Strategy and Asset Management Plans, while the strategy and plans support and implement the policy.

The policy:

- establishes goals and objectives for asset management;
- integrates asset management within council's corporate and strategic planning;
- maximises value for money through lifecycle costing and performance measurement;
- assigns accountability and responsibility for service delivery together with asset management; and
- promotes sustainability to protect the needs of future generations (i.e. the principles of intergenerational equity).

ASSET MANAGEMENT PLANS

Councils Asset Management Plans support and underpin the Asset Management Strategy. These are long term (10-year) plans that outline the asset activities for each service (asset class). They detail the intended asset management program for each asset class, based on controlling the organisation's understanding of customer requirements (including desired levels of service and satisfaction with current service levels), existing projected networks and asset conditions and performance. In total, Council is preparing thirteen (13) Asset Management Plans for each asset class which are in various stages of completion. The classes of assets that Council is preparing specific plans for are as follows:

- Bridges and Culverts
- Fleet, Plant, Equipment and IT
- Footpaths
- Open Space and Playgrounds
- Property and Buildings
- Resource Recovery Centres
- Retaining Walls and Earthworks
- Roads
- Specialised Buildings - Amenities
- Stormwater
- Streetscape Furniture
- Traffic Facilities
- Water and Wastewater Treatment

Council's asset management documents should be reviewed annually and be updated through the life of the Council's Community Strategic Plan 2042. Council's condition analysis reports, financial valuations, projections, maintenance and operation costs in the Asset Management Plans are prepared using available condition data and will be improved as updated information becomes available. In general Council undertakes condition audits and re-valuations of its assets on a cyclical basis for all classes of Assets every five (5) years.

Once Councils Assets Management Plans are complete it is proposed to transition the plans into a specific corporate asset management system (CAMS) which will assist Councils in how it manages its entire portfolio of Assets. Council is investigating the cost and resources required to transition its Asset Management System into a CAMS style system that can integrate with Councils current Tech 1 platform and suite of other corporate systems currently available through Tech 1.

The ten-year period of the Community Strategic Plan, the Asset Management Strategy and the Asset Management Plans identify the asset renewal and maintenance requirements for Council's ten-year Capital Works Program. This program addresses the identified infrastructure "backlog" whilst providing new and upgraded infrastructure and facilities to meet growing community demand in the future.

STRATEGIC AND CORPORATE GOALS

The relevant theme and strategies, outlined in the Community Strategic Plan and how these are addressed in both this strategy and the associated Asset Management Plans are:

Table 1. Snowy Valleys Council – Strategic Goals

Theme	Strategy	How Outcome is Addressed
1. Our Community	<p>1.2 The wellbeing of local people is supported through the provision of local health, recreation and community services.</p> <p>1.3 Our community is safe, prepared and resilient to disasters and shocks.</p>	The Asset Management Plans provide guidelines for the effective short- and long-term management of all Council owned infrastructure for recreation and community facilities.
4. Our Infrastructure	<p>4.1 A robust transport network services us.</p> <p>4.2 Our amenities, infrastructure green spaces and community facilities meet community needs.</p> <p>4.3 Our ability to live sustainably is supported by access to contemporary waste, water and wastewater services.</p>	<p>Infrastructure is provided to support services.</p> <p>Having the correct infrastructure appropriate to the needs of the community is a primary goal of asset management planning.</p> <p>The Asset Management Plans provide guidance as to the assets required, and the long-term sustainability of these services.</p> <p>Snowy Valleys Council aims to achieve a ratio of around 1:1 on Councils asset renewals across all thirteen (13) classes of assets to maintain Councils current asset base in a condition rating of 1-3, Very Good, Good or Moderate and not let it slip to a Condition 4 or 5 (poor and very poor).</p>
5. Our Civic Leadership	5.2 Council has well managed and governed practises and resources to ensure a high performing organisation	Planning long term sustainable infrastructure is important to enable the appropriate resources to be identified, provided and enable Council to meet its statutory requirements.

EXISTING ASSETS AND SERVICES PROVIDED

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in the following table:

Table 2. Snowy Valleys Council – Existing Asset Classes and Services

EXISTING INFRASTRUCTURE ASSETS AND SERVICES PROVIDED		
ASSET CLASS	DESCRIPTION	SERVICES PROVIDED
Bridges and Culverts	Bridges Culverts	Continuity and support of access for community and economic activities across the LGA
Fleet Plant, Equipment and IT	Council vehicles Heavy plant Electronics and IT Office equipment Building plant (AC's, elevators)	Purchase and Maintain vehicles, plant and equipment to meet Council business requirements and enable works capacity
Footpaths	Footpaths	Pedestrian access for recreational and economic driving activities
Fences – Gates and Grids	Fences Gates Grids	
Open Space and Playgrounds	Structures Playgrounds	Parks and recreation services supporting community and recreational needs
Property and Buildings	Offices Works depots Halls Museums	The Council buildings provided are used to support the administration, operational, social, recreational, cultural, and economic infrastructure for the community.

EXISTING INFRASTRUCTURE ASSETS AND SERVICES PROVIDED		
ASSET CLASS	DESCRIPTION	SERVICES PROVIDED
	Libraries Visitor centre Public amenities Caravan parks	
Resource Recovery Centres	Waste transfer station Landfill Waste collection vehicles	Collection, processing and disposing of municipal domestic and commercial waste in the council area in accordance with environmental and legislative requirements.
Retaining Walls and Earthworks		Ensuring the continuity and stability of road and recreational assets
Roads	Roads	The road network provided by Council is used to support transportation and is important to the community and economic activities of the LGA.
Specialised Buildings Amenities	Amenities	Providing a service to all the community for their enjoyment
Stormwater	Pits Pipes Open channels	Control local flooding and damage to infrastructure and property. Control water quality of discharge of stormwater into the natural environment.
Streetscape Furniture	Chairs Signage Planted pots Intensive gardens	Provide respite and a green space for use by the community
Traffic Facilities	Pedestrian islands Wombat crossings	Providing methods for the safe passage of pedestrians over roadways
Water and Wastewater Treatment	Water Treatment Plants Sewage Treatment Plants	Provision of treatment for the safe management of our environment and the population

EXISTING INFRASTRUCTURE ASSETS AND SERVICES PROVIDED		
ASSET CLASS	DESCRIPTION	SERVICES PROVIDED
	Mains Pits	

VALUE OF CURRENT ASSETS

The strategy has been prepared using 2023/24 data, as shown in the following table. Source information taken from Council's asset register.

Table 3. Snowy Valleys Council – Value of Current Assets

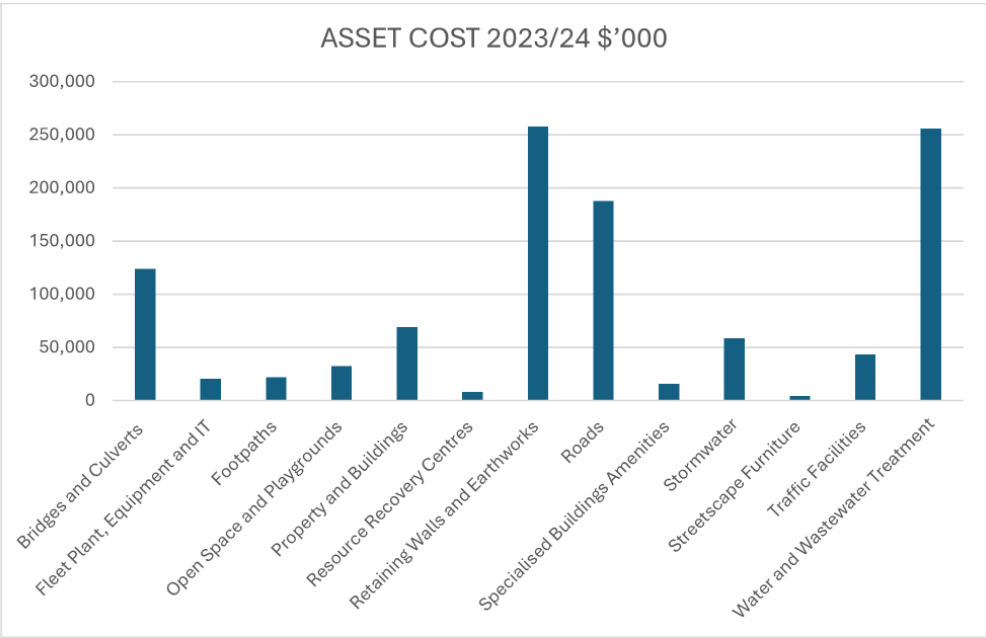
ASSET CLASS	ASSET COST 2023/24	ACCUMULATED DEPRECIATION 2023/24	WRITTEN DOWN VALUE 2023/24
Bridges and Culverts	\$123,557,781	\$45,075,021	\$78,482,761
Fleet Plant, Equipment and IT	\$20,496,340	\$11,040,723	\$9,455,616
Footpaths	\$21,943,000	\$5,431,371	\$16,511,628
Open Space and Playgrounds	\$32,197,955	\$11,882,840	\$20,315,115
Property and Buildings	\$69,067,864	\$31,384,485	\$37,683,379
Resource Recovery Centres	\$8,169,529	\$1,456,485	\$6,713,044
Retaining Walls and Earthworks	\$257,815,703	\$348,126	\$257,467,577
Roads	\$187,849,416	\$54,165,406	\$133,684,010
Specialised Buildings Amenities	\$15,565,777	\$6,106,424	\$9,459,353
Stormwater	\$58,462,760	\$20,241,302	\$38,221,458
Streetscape Furniture	\$4,078,731	\$1,723,871	\$2,354,860
Traffic Facilities	\$43,251,124	\$13,666,201	\$29,584,923
Water and Wastewater Treatment	\$255,717,801	\$143,454,526	\$112,263,275
TOTAL	\$1,098,173,780	\$345,976,780	\$752,196,999

The 2023/24 replacement costs as detailed above are also represented in the graphs below. Council's largest asset classes in terms of replacement costs are Retaining Walls and Earthworks and Water and Wastewater Treatment plants.

Figure 2. Snowy Valleys Council – Asset Replacement Costs

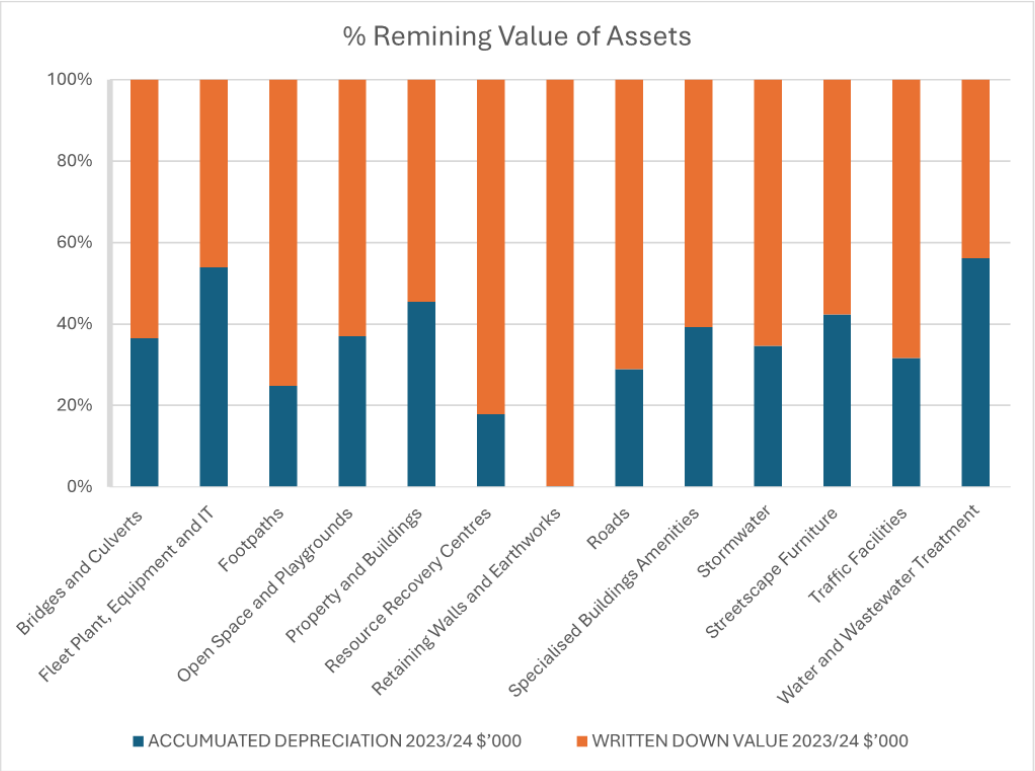
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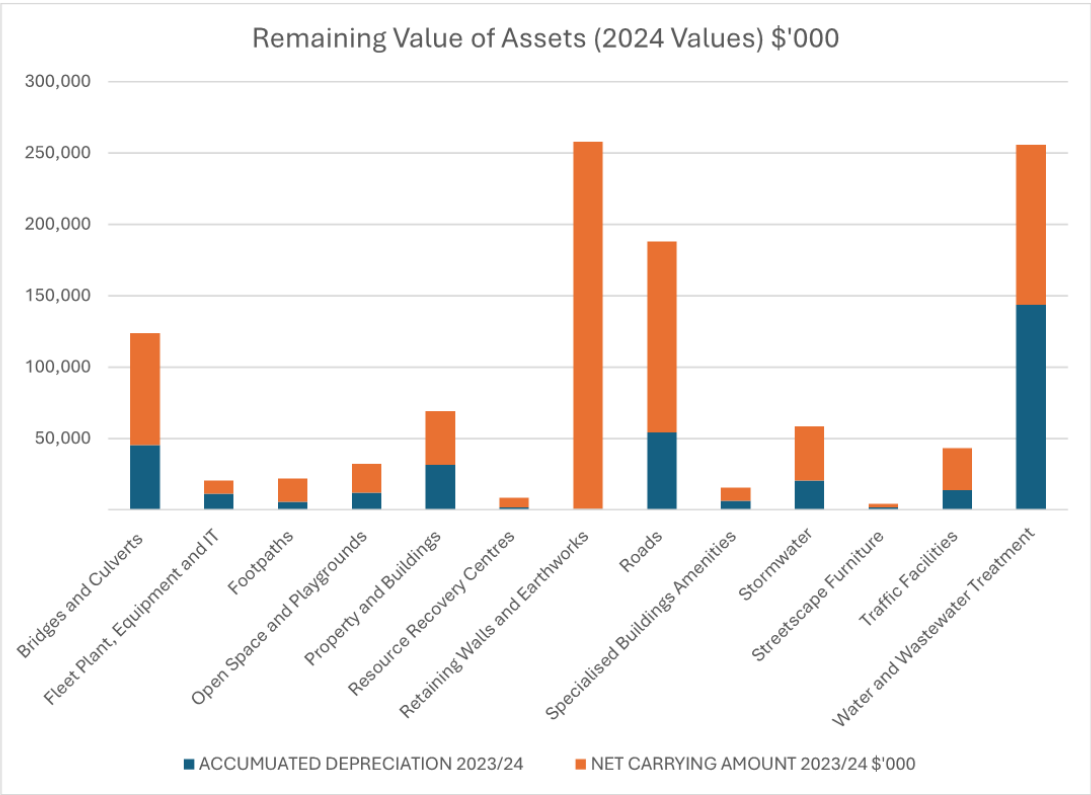
Consumption ratios are indicative of how much value remains in the asset. The graph below shows the remaining value of Council's assets (30 June 2024) compared to its replacement cost in percentage terms.

Figure 3. Snowy Valleys Council – Remaining % - Useful life of Assets



The above graph above shows asset consumption as a percentage, whilst the figure below shows it as the dollar value and brings the relativity of each asset group into the representation (30 June 2024). Water and sewer assets were initially constructed in the 1950's and 60's, which means they are now reaching the end of the useful life and therefore their accumulated depreciation is higher than the remaining value of the asset.

Figure 4. Snowy Valleys Council – Remaining (\$) Value of Assets



CONDITION OF CURRENT ASSETS

The useful lives of infrastructure assets can depend on many factors. Often this factor is condition, however, other factors that affect useful lives may include function, amenity, compliance, capacity, and obsolescence. Condition is also a critical factor influencing risk. Table 4 shows data from Councils asset register as at 30 June 2024.

Table 4. Snowy Valleys Council – Condition of Current Assets

ASSET CLASS	ASSETS IN CONDITION AS A PERCENTAGE OF GROSS REPLACEMENT COST					GROSS REPLACEMENT COST
	1	2	3	4	5	
Bridges and Culverts	77%	20%	2%	1%	0%	\$123,557,781
Fleet Plant, Equipment and IT	82%	9%	6%	0%	0%	\$20,496,340
Footpaths	69%	24%	7%	0%	0%	\$21,943,000
Open Space and Playgrounds	64%	17%	14%	5%	0%	\$32,197,955
Property and Buildings	17%	27%	43%	12%	0%	\$69,067,864
Resource Recovery Centres	68%	22%	10%	0%	0%	\$8,169,529
Retaining Walls and Earthworks	100%	0%	0%	0%	0%	\$257,815,703
Roads	57%	40%	4%	0%	0%	\$187,849,416
Specialised Buildings Amenities	37%	21%	25%	15%	2%	\$15,565,777
Stormwater	31%	56%	13%	0%	0%	\$58,462,760
Streetscape Furniture	60%	0%	40%	0%	0%	\$4,078,731
Traffic Facilities	41%	33%	25%	1%	0%	\$43,251,124
Water and Wastewater Treatment	47%	35%	14%	3%	0%	\$255,717,801

Table 5. Snowy Valleys Council – How Assets are classified in terms of Condition and Risk

Level of Risk		Category	Condition	Action Required	Time frame for repairs, upgrade or replacement
VH	Very High Risk	5	Very poor Urgent renewal/upgrading required	Immediate corrective action	Depends on Asset Class – outlined in AMP
H	High Risk	4	Poor Renewal required	Prioritised action required	Depends on Asset Class – outlined in AMPs
M	Medium Risk	3	Satisfactory Maintenance work required	Planned action required	Depends on Asset Class – outlined in AMPs
L	Low Risk	2	Good Only minor maintenance work required	Manage by routine procedures	Depends on Asset Class – outlined in AMPs
Ne w	No Risk	1	Excellent No work required (normal maintenance)	None	None

PLANNING ASSUMPTIONS

RENEWAL FUNDING (LONG TERM FINANCIAL PLAN)

The depreciation and renewal expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term.

The Asset Renewal Funding Ratio (ARFR) is the most important indicator. It compares the funding with depreciation and capital renewal expenditure. In local government an ARFR of 1 or greater sustained over the long term indicates the optimal renewal and replacement of assets. The target range is between 95% and 105% (or 0.95 and 1.05). This ratio as stated compares planned capital expenditure on renewals (as outlined in Councils the Long-Term Financial Plan) to the required capital expenditure on renewals (as indicated in the Asset Management Plans and depreciation amounts) over a 10-year period. The ARFR helps determine if sufficient future funding is available to renew or replace assets, ensuring the long-term sustainability of infrastructure and services.

If the ratio falls below 1, there is a risk that Council may struggle to maintain current service levels and may face a backlog of maintenance and renewal work.

Simply at a strategic level, the asset renewal ratio, specifically the Asset Renewal Funding Ratio (ARFR), assesses the ability of a local Council to fund projected asset renewals, ensuring continued service delivery without incurring additional operating costs.

Snowy Valleys Council aims to achieve a ratio of around 1:1 on Councils asset renewals across all thirteen (13) classes of assets to maintain Councils current asset base in a condition rating of 1-3, Very Good, Good or Moderate and not let it slip to a Condition 4 or 5 (poor and very poor).

Table 6 indicates the average annual depreciation required to meet the 100% target associated with an Asset Renewal Ratio of 1.

Table 6. Snowy Valleys Council – Average annual depreciation required to meet the 100% - Asset Renewal Ratio of 1:1

ASSET CLASS	DEPRECIATION EXPENSE (\$)		
	YEAR ENDING	10 YEAR TOTAL	
	30-Jun-24	INCREASING BY 3% p.a.	AVERAGE
Bridges and Culverts	\$1,028,418	\$11,789,664	\$1,178,966
Fleet Plant, Equipment and IT	\$1,385,951	\$15,888,382.68	\$1,588,838
Footpaths	\$269,451	\$3,088,953	\$308,895
Open Space and Playgrounds	\$925,006	\$10,604,158	\$1,060,416
Property and Buildings	\$1,291,309	\$14,803,412	\$1,480,341
Resource Recovery Centres	\$175,425	\$2,011,046	\$201,105
Retaining Walls and Earthworks	\$58,300	\$668,346	\$66,835
Roads	\$3,457,630	\$39,637,857	\$3,963,786
Specialised Buildings Amenities	\$316,816	\$3,631,936	\$363,194
Stormwater	\$538,486	\$6,173,141	\$617,314
Streetscape Furniture	\$136,932	\$1,569,771	\$156,977

Water and Wastewater Treatment	\$2,422,874	\$27,775,538	\$2,777,554
Traffic Facilities	\$427,625	\$4,902,242	\$490,224
TOTAL	\$12,674,099	\$145,294,347	\$14,529,434

Table 7 indicates the funding level as a percentage. The percentage is the current budgeted capital renewal compared to the annual depreciation.

Table 7. Snowy Valleys Council – % Percentage of the current budgeted capital renewal compared to the annual depreciation

ASSET CLASS	2025/2026 BUDGETED CAPITAL RENEWAL	DEPRECIATION YEAR ENDING 30 JUNE 2024	FUNDING LEVEL (%)	ASSET RENEWAL FUNDING RATIO
Bridges and Culverts	\$430,000	\$1,028,418	42%	0.42
Fleet Plant, Equipment and IT	\$1,643,000	\$1,385,951.67	119 %	1.19
Footpaths	\$130,000	\$269,451	49%	0.49
Open Space and Playgrounds	\$248,000	\$925,006	27%	0.27
Property and Buildings	\$455,000	\$1,291,309	35%	0.35
Resource Recovery Centres	\$0	\$175,425	0%	0.00
Retaining Walls and Earthworks	\$0	\$58,300	0%	0.00
Roads	\$5,570,000	\$3,457,630	161%	1.6
Specialised Buildings Amenities	\$310,000	\$316,816	98%	0.98
Stormwater	\$100,000	\$538,486	19%	0.19
Streetscape Furniture		\$136,932	0%	0.00
Traffic Facilities	\$100,000	\$2,422,874	4%	0.04
Water and Wastewater Treatment	\$7,840,000	\$427,625	1833%	18.33

Councils spending on renewals for the 2025/2026 financial year is lower than required to meet the asset renewal funding ratio on the majority of asset classes. Council receipt of external, one-off funding for roads (an additional \$700,000 from RERRF, \$1.3m R2R, \$300k Block) enhances the ratio, making the ratio appear better than longer term funding model suggests.

Councils Water Supply and Sewerage network renewals are higher due to the timing of renewals of key assets, being the Khancoban Water and Sewerage Treatment Plants, Tumba Dam Wall and Tumbarumba Water Security projects.

Overall Council is underfunding renewals and is heavily reliant on grant funding to manage the asset base and meet renewal needs. The current asset base is in good condition due to high investment over the last 10 years from funding including Covid stimulus, bushfire and amalgamation related grants.

Table 8. Snowy Valleys Council – Asset Value Breakdown

	ASSET COST	WRITTEN DOWN VALUE	CURRENT AVERAGE ANNUAL BUDGET (25/26)	REQUIRED AVERAGE ANNUAL BUDGET	UNFUNDED RENEWAL	ANNUAL DEPRECIATION
Bridges and Culverts	\$123,557,781	\$78,482,761	\$ 430,000.00	\$1,178,966	748,966	\$1,178,966
Fleet Plant, Equipment and IT	\$20,496,340	\$9,455,616	\$1,643,000.00	\$1,588,838	14,245,358	\$1,588,838
Footpaths	\$21,943,000	\$16,511,628	\$130,000.00	\$308,895	178,895	\$308,895
Open Space and Playgrounds	\$32,197,955	\$20,315,115	\$248,000.00	\$1,060,416	812,416	\$1,060,416
Property and Buildings	\$69,067,864	\$37,683,379	\$455,000.00	\$1,480,341	1,025,341	\$1,480,341
Resource Recovery Centres	\$8,169,529	\$6,713,044	\$ -	\$201,105	201,105	\$201,105
Retaining Walls and Earthworks	\$257,815,703	\$257,467,577	\$ -	\$66,835	66,835	\$66,835
Roads	\$187,849,416	\$133,684,010	\$5,570,000	\$3,963,786	-1,606,214	\$3,963,786
Specialised Buildings Amenities	\$15,565,777	\$9,459,353	\$310,000.00	\$363,194	53,194	\$363,194
Stormwater	\$58,462,760	\$38,221,458	\$ 100,000.00	\$617,314	517,314	\$617,314
Streetscape Furniture	\$4,078,731	\$2,354,860	\$ -	\$156,977	156,977	\$156,977
Traffic Facilities	\$43,251,124	\$29,584,923	\$ 100,000.00	\$2,777,554	2,677,554	\$2,777,554
Water and Wastewater Treatment	\$255,717,801	\$112,263,275	\$7,840,000.00	\$490,224	-7,349,776	\$490,224

SERVICE DEMAND AND SATISFACTION

Asset management sustainability is reliant on Council engaging with the community on affordable and sustainable service levels to determine satisfactory service levels and the trade-off between what the community is prepared to pay, the quality and mix of services Council can afford to provide.

Achieving and maintaining sustainability in local government requires consideration of services, service levels, associated costs and associated risks. The appropriate management of the infrastructure of Council requires asset management estimates and asset accounting estimates that are realistic and support decision making.

In addition to accurate financial records and condition data, Council periodically conducts a Customer Satisfaction Surveys to determine community (residents) attitudes towards the services and facilities it provides. This provides Council with feedback about the quality and appropriateness of each of its services, and this information is used in the development of Councils Delivery Program.

Surveys were conducted in 2016, 2018 2021 and 2024. The survey is conducted on Council's behalf by an independent research company. The randomly selected representative sample consists of 401 residential customers (both owners and renters).

The following table details the relative importance of service areas for residents as identified through the 2024 Customer Satisfaction Survey. Libraries was the top performing service/facility. The scores were based on a 1 to 5 ranking with 5 being the highest.

Table 9. Snowy Valleys Council – Customer Satisfaction Survey results 2024

Service/Facility	2018	2021	2024	Change since 2021
Swimming pools	3.7	3.7	3.38	-0.32
Sports facilities	3.6	3.5	3.2	-0.3
Condition of sealed local roads in your area	3.2	2.6	2.41	-0.19
Parks, reserves, and playgrounds	3.9	3.5	3.33	-0.17
Footpaths in your area	3.2	2.9	2.76	-0.14
Maintenance of unsealed roads in your area	3	2.4	2.27	-0.13
Waste management	3.7	3.2	3.17	-0.03
Water and sewerage services	3.8	3.4	3.39	-0.01
Libraries	4	3.9	3.89	-0.01

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As part of Council's continual improvement of its asset management planning it is recommended that in future years a more informed discussion with the community is required to further develop an understanding of the relationship between desired levels of service their associated costs, and their willingness and/or capacity to pay for them.

GAPS AND FUTURE NEEDS

PRIORITY RISK AREAS

Snowy Valleys LGA is an established area. Much of its infrastructure is aging and requires renewal. The priority risk areas are as follows and refer to table 4 which identifies those Assets classes that are in most need of renewal due to their condition being Poor or Very Poor

Table 10. Snowy Valleys Council – Priority Renewal Areas - Asset Classes

ASSET CLASS	CONDITION	RISK
Specialised Building Amenities (Public Toilets)	<p>15% of Councils Specialised Building Amenities (Public Toilets) are classified as being in Poor condition</p> <p>2% of these assets are classified as being in Very Poor condition</p> <p>Refer to Table 4</p>	There are a number of Councils Specialised Building Amenities (Public Toilets) within the LGA that require continued investment and renewal to meet community expectations. The management of Council's Specialised Building Amenities (Public Toilets) is identified as a medium risk to the organisation.
Property and Buildings	<p>12% of Councils Properties are classified as being in are in Poor condition</p> <p>Refer to Table 4</p>	There are a number of significant buildings of importance within the LGA that require continued investment and renewal to meet modern needs and expectations whilst managing the risk of the asset. The management of Council's properties and buildings is identified as a medium risk to the organisation.

ASSET CLASS	CONDITION	RISK
Open Space and Playgrounds	<p>5% of Councils Open Space and Playgrounds are classified as being in are in</p> <p>Poor condition</p> <p>Refer to Table 4</p>	<p>Continued monitoring and intervention limits the risk of these assets detartrating to a condition that is deemed unsafe to use (Condition 5- very poor).</p> <p>The management of Councils Open Space and Playgrounds is identified as of a moderate risk to the organisation</p>
Water and Wastewater Treatment	<p>3% of Councils Water and Wastewater Treatment facilities are classified as being in Poor Condition</p> <p>Refer to Table 4</p>	<p>The interruption of Sewer and Water Services is identified as of a high risk to the organisation</p>
Bridges and Culverts	<p>1% of Councils Bridges and Culverts are classified as being in Poor Condition</p> <p>Refer to Table 4</p>	<p>There are a number of significant structures including the Wee Jasper Road (Pioneer) Bridge and the Stony Creek Culvert that provide critical access for industry and community. Adequate condition data ensures the networks deterioration is known and adequate planning for replacement is undertaken, managing the risk of the asset. These assets are prone to impact by adverse weather events.</p> <p>Bridges and Culverts are identified as of a high risk to the organisation</p>
Traffic Facilities	<p>1% of Councils Traffic Facilities are classified as being in Poor Condition</p> <p>Refer to Table 4</p>	<p>High risk impact to pedestrian and driver and public safety.</p> <p>Traffic Facilities are identified as of a high risk to the organisation</p>
Fleet Plant, Equipment and IT	<p>0% of Councils Fleet Plant, Equipment and IT</p> <p>Are classified as being in Poor or Very Poor condition</p> <p>Refer to Table 4</p>	<p>High risk impact of interruption to IT systems can impact the performance and output of the Council significantly.</p> <p>Condition of Councils fleet Plant and IT systems are identified as of a moderate risk to the organisation</p>

ASSET CLASS	CONDITION	RISK
Footpaths	<p>0% of Councils Footpaths Are classified as being in Poor or Very Poor condition Refer to Table 4</p>	<p>Adequate capital and operational budgets are required to reduce the risk of unknown deteriorating conditions of the asset network. Slips trips and falls are a high risk to the organisation. Condition of Councils footpaths are identified as of a high risk to the organisation.</p>
Resource Recovery Centres	<p>0% of Councils Resource Recovery Centres Are classified as being in Poor or Very Poor condition Refer to Table 4</p>	<p>The management of generated waste and moving towards zero limits exposure whilst encouraging the health of our environment manages the risk exposure of Council. The interruption of Waste Services is identified as a high risk to Council. Condition of Councils Resource Recovery Centres are identified as of a Low risk to the organisation</p>
Retaining Walls and Earthworks	<p>0% of Councils Retaining walls and Earthworks Are classified as being in Poor or Very Poor condition Refer to Table 4</p>	<p>Councils Asset Inspectors regularly inspects and records the condition of Councils known retaining walls and earthworks. There is limited asset condition data on this asset class in Councils records and a thorough asset condition assessment and investigation into how many of these assets are on Council land is required. Condition of Councils retaining walls and earthworks are identified as of a high risk to the organisation</p>
Roads	<p>0% of Councils Roads Are classified as being in Poor or Very Poor condition Refer to Table 4</p>	<p>Adequate capital budgets ensure the management of risk and condition of the network. High Risk Assets include Tumut Aerodrome and Regional Roads with all assets needing to be managed in line with the Roads Act 1993 (NSW). Council has received a significant amount of grant funding over the last 5 years for its roads from Disaster Recovery Grants and other ongoing annual grant programs like R2R. Condition of Councils Roads are identified as of a moderate risk to the organisation</p>

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ASSET CLASS	CONDITION	RISK
Storm Water Drainage and GPT's	<p>0% of Councils stormwater assets Are classified as being in Poor or Very Poor condition</p> <p>Refer to Table 4</p>	<p>Renewal and management of stormwater infrastructure limits the amount of localised flooding that Council experiences in its urban areas and also the amount of pollution entering the natural environment (Rivers and Streams) both within and outside urban areas. Without intervention and renewal this asset class has an inherently high risk of failure.</p> <p>Condition of Councils Stormwater Assets are identified as of a moderate risk to the organisation</p>
Streetscape Furniture	<p>0% of Councils Streetscape Furniture assets Are classified as being in Poor or Very Poor condition</p> <p>Refer to Table 4</p>	<p>Council must manage the risk of these assets which are used by the public daily. Council has an obligation and there is a community expectation that these assets are maintained and kept in a safe and useable condition at all times.</p> <p>Condition of Councils Streetscape Assets are identified as of a moderate risk to the organisation</p>

IMPROVEMENT PLAN

A whole of organisation approach is essential for asset management practices to continue to improve. Council's assets team has the lead responsibility of implementation, monitoring and reporting against this strategy. This requires collaboration within the organisation and business units to implement the below improvement plan.

IMPROVEMENT PLAN		
PRACTICE AREA	TASK	TIMELINE
Data Collection	<p>Condition data has been collected for the following:</p> <ul style="list-style-type: none"> Buildings, Open Space, Land Improvements and Plant & Equipment 2023 Water and Wastewater Treatment 2022 Stormwater 2021 <p>Condition data is currently being collected for the following assets</p> <ul style="list-style-type: none"> Roads 2024/25 Footpaths 2024/25 Traffic Facilities 2024/25 Stormwater 2025/26 Property and Buildings 2025-26 Specialised Building Amenities – 2026-27 Water and Wastewater Treatment 2026/27 Bridges and Culverts 2026-27 Open Space and Playgrounds 2026-27 Fleet Plant & Equipment 2027/28 Resource Recovery Centre 2028-29 Streetscape Furniture – 2028-29 Retaining Walls and Earthworks 2028-29 	2024-2029
Annual Report	Review in line with revised condition data. Continue to develop the Asset Register so that all asset renewals are reported annually.	2025
Asset Management Plans	Continue Develop standardised Asset Management Plans for the thirteen (13) asset classes as identified in this strategy.	2025

IMPROVEMENT PLAN		
PRACTICE AREA	TASK	TIMELINE
Levels of Service	Customer Satisfaction Surveys are periodically conducted, however detailed consultation with the community regarding Levels of Service and the costs of providing these services will better inform this strategy.	Not planned for 2025 or 2026.
Asset Management Systems	Continue to maintain the Corporate Asset Register Continue to develop the Asset Management Plans. Implement any external or internal audit findings within the agreed timeframes. Investigate the transition of Asset Management Plans into a Corporate Asset Management System (CAMS) in the future utilising Councils Tech 1 platform.	Ongoing 2025 As agreed
Evaluation	Review the Asset Management Policy, Asset Management Strategy and Asset Management Plans.	Annually or at least within the first 12 months of each new term of Council.

RESOURCING

The sustainable management of assets is a 'whole of council' responsibility, recognised at all levels within the organisation. Council has undertaken a strategic level review of its asset management practices and systems to provide the future direction and guidance for improving its asset management performance. Implementing the maintenance and improvement actions will have a strategic and corporate significance to Council.

Council's Asset Management Strategy is directly aligned with the vision and desired outcomes of the Community Strategic Plan and Delivery Program. Central to this is forecasting the service delivery needs and the capacity to meet them on a short, medium and long term basis.

The cost of implementing the Asset Management Strategy has been incorporated within Council's Delivery Program (three-year financial estimates) and Long-Term Financial Plan (10-year financial estimates). However, it should be noted that this strategy reflects Council's intentions at the time of publication. As with any plan or budget, the actual results may vary from that forecast.

MONITORING AND EVALUATION

Council must prepare its asset performance reports in accordance with the requirements of the:

- Local Government Act 1993 and Regulation 2021;
- Local Government Code of Accounting Practice and Financial Reporting; and
- Australian Accounting Standards.

Within five months after the end of each financial year, Council must prepare its Annual Report in respect to the implementation of its Operational Plan. This report includes:

- the assets acquired by Council during that year; and
- the assets held by Council at the end of that year, for each of Council's principal activities;
- a report on the condition of infrastructure as at the end of that year, together with an estimate (at current value) of the amount of money required to bring the asset up to a satisfactory standard, an estimate (at current value) of the annual expense of maintaining the asset at that standard

The Report on Infrastructure Assets (contained in the Annual Report) flows directly from the Delivery Program which includes performance indicators for the levels of services provided by infrastructure assets. In addition to the performance measures referred to above, Council will also continually monitor and review the condition of its infrastructure assets, the Levels of Services these assets, as well as any funding gaps. This data will be then used to inform and update Asset Management Plans and the Asset Management Strategy.



ASSET MANAGEMENT POLICY

Policy Title	Asset Management Policy
Policy Category	Public
Number & Version	SVC-ENG-PO-109-024
Policy Owner	Technical Services
Approval by	Council — 18/06/2020
Effective date	30-July-2020
Date for review	January 2029September-2024

1. STRATEGIC PURPOSE

This Asset Management Policy and the Asset Management ~~Strategy Plan contained within the resourcing strategy 2019-2020~~ establish the principles and direction for managing Councils ~~infrastructure physical~~ assets to ensure that they:

- Perform in a way that meets the needs and aspirations of the community, as ~~identified~~expressed in the Community Strategic Plan.
- Are sustainable in that the provision of the services ~~that~~ meet financial, ~~—~~environmental, economic and social sustainability objectives
- Have an acceptable level of risk and resilience attached that balances ~~e~~—expectation with available resources

2. POLICY STATEMENT

This policy confirms Council's commitment to develop an asset management system to;

- manage its assets and
- establish the framework and a means of monitoring performance and driving continuous improvement.
- focus on maintaining the current asset base with target to meet a —renewal ratio of 1:1

This policy applies to all buildings and infrastructure assets either owned by or under Council's control (e.g. where Council is trustee), grouped into the following classes:

- Bridges and Culverts
- Fleet, Plant, Equipment and IT
- Footpaths
- Open Space and Playgrounds
- Property and Buildings
- Resource Recovery Centres
- Retaining Walls and Earthworks
- Roads
- Specialised Buildings - Amenities
- Stormwater
- Streetscape Furniture
- Traffic Facilities
- Water and Wastewater Treatment

- | | |
|---------------------------------|---|
| • Transport | • Buildings and facilities |
| • Water supply | • Open space and Recreation |
| • Waste and sewerage | • Waste management services |
| • Stormwater | • Plant, vehicle and equipment fleet |

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- Information Technology
- Public Art

Council will realise benefits from these asset classes through the adoption of asset management fundamentals as outlined in ISO 55000:2014 - *Overview, principles and terminology*.

Value: Assets exist to provide value to the organisation and its stakeholders

Alignment: Asset management translates the organisational objectives into technical and financial decisions, plans and activities

Leadership: Leadership and workplace culture are determinants of realisation of value

Assurance: Asset management gives assurance that assets will fulfil their required purpose

Council will take a systematic approach to managing its infrastructure assets that is based on best practice as defined in ISO 55001:2014–Asset management–Management systems–Requirements; and legislative requirements for Integrated Planning and Reporting by councils.

3. DEFINITIONS

Asset - A physical item or facility that enables Council to provide a service to the community and has an economic life of greater than 12 months. For the purpose of this policy, financial and intangible assets are excluded.

Asset Management - The process applied to assets from their planning, acquisition, operation, maintenance, renewal and disposal, to ensure that the assets meet Council's and the communities' priorities for service delivery in the most cost effective manner.

Asset Management Plans – The plans per identified asset class that outline actions and resources to provide a defined service level in a cost effective way

Asset Management System - interrelated elements of an organisation (stakeholder engagement, leadership, organisational structure, planning, resourcing, process control, performance review and improvement) to establish policies and objectives and processes to achieve those objectives.

Asset Management Strategy - The development and implementation of plans and programmes for asset creation, operation, maintenance, rehabilitation/replacement, disposal and performance monitoring to ensure the desired level of service is accomplished in the most cost effective manner.

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

Lifecycle - stages involved in managing an asset through planning, design, construction, operation, maintenance, rehabilitation and disposal.

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Service-Management Plan – a document equivalent to a conventional 'Asset-Management Plan', but applied to all Council services

4. CONTENT

4.1 Value

- Council will continue community engagement to understand the needs and aspirations of our community
- All infrastructure will be regularly reviewed to ascertain its compliance with the community's needs and aspirations and provide a measure for service delivery performance
- Council will utilise life cycle cost analysis for the management of infrastructure assets
- Proposals for new capital infrastructure, including upgrades, will be ~~—~~ considered against community need, technical need and lifecycle costing
- Maintenance and operations plans will be developed to ensure assets are maintained to a level of service that meets the community's needs, within the resources available and priority of service against other service areas
- Council will review its assets ~~every two years to~~ identify opportunities for asset rationalisation, considered against criteria of community need, technical need and lifecycle costing

4.2 Alignment

- Council will maintain asset management plans developed for each asset class
- Asset management plans and associated procedures will ~~be reviewed~~ annually or at least every four years in alignment with the Integrated Planning and Reporting Cycle, every two years to reflect best practice
- Council ~~s will prepare a strategic Asset Management Strategy plan to~~ will assist in the ~~—~~ continuous improvement of its services to the community and the linking document into the Integrated Planning and Reporting framework ~~k for — infrastructure services~~
- Council will ~~develop~~ maintain its ~~central asset systems to maintain detailed~~ asset registers of all owned assets
- Financial management of all assets will be undertaken in accordance with applicable accounting standards, legislative reporting requirements and best practice asset financial management

4.3 Leadership

- Council will promote the process of sound asset management practices ~~in the provision of infrastructure services~~

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Adopted: 18/06/2020
Reviewed:

- Council will prepare and set benchmarks to continually report on the success of the organisation in delivery of asset related services to the community, ~~in particular the areas of performance, sustainability and risk/resilience.~~

4.4 Assurance

- Council will routinely schedule inspections of assets under its control to minimise risk to the community
- Council will maintain a workplace health and safety system for its employees and contractors working on and with Council assets
- ~~Assessment of risk associated with assets will be undertaken in accordance with Councils risk management policy and associated framework~~
-

Group/Officer	Responsibility/Accountability
Mayor	To lead councillors in the understanding of this policy and the overall asset management framework To communicate the policy to the community To receive regular updates on its implementation
CEO General Manager	To lead staff in their understanding of this policy and to monitor its relationships with other areas of council activity
Executive Directors	To communicate, implements and comply with this policy and the overall asset management framework
Managers	To implement this policy and related procedures
All Council Officials	To comply with this policy and consider its implications for related projects and programs

4.5 Council Resourcing Strategy

Council will implement a systematic approach to managing its assets based on best practice as defined ISO 55001:2014 (international standard for asset management systems), the *Integrated Planning and Reporting (IP&R) Framework* and other relevant requirements.

Council's approach will be applied consistently across all its services/functions as far as possible, even though it is focused on 'asset intensive' services like transport and water supply.

The Executive Director Infrastructure will ensure a ~~Strategic Asset Management Strategy Plan~~ is prepared as part of Council's *Resourcing Strategy* and reviewed as required to explain how Council:

- establishes objectives for its services / functional areas
- prepares ~~Service Asset Management Plans~~ that specify the activities, resources and timescales required to achieve those objectives
- utilises its asset management system to support the achievement of those objectives.

~~An Asset Management Steering Group, comprising employees across Council with a lead role in asset management, will be established to:~~

- ~~• ensure that Council's asset management system supports the achievement of its objectives, particularly in relation to 'asset intensive' service areas~~
- ~~• identify improvement projects, coordinate actions across functional areas and monitor and review progress~~
- ~~• report on Council's asset management performance to the Executive Leadership Team and also to Council as part of the IP&R process.~~

~~Asset Service~~ Management Plans will be prepared for all Council ~~services assets~~ that detail the activities, resources and timescales to achieve Council's objectives. Key asset management principles applied via these Plans include:

- assets exist only to provide value to stakeholders (primarily, services to the community): the justification for Council to build and maintain assets is driven by Council's service priorities determined via community engagement
- objectives are set having regard to the strategic objectives in the Community Strategic Plan, legislation/regulations, industry standards, community engagement about the services Council provides and an analysis of what is achievable within the financial resources available ~~and defined in a way that is SMART (specific, measurable, achievable, realistic and time-based)~~
- a lifecycle approach: asset management activities are planned having regard to the stage of the asset in its lifecycle (e.g. increasing maintenance costs as it ages); costs of an asset over its entire lifecycle are considered in capital decisions (renewal, new assets and/or disposal)
- a risk-based approach: while Council's focus is providing assets that meet its performance objectives ('levels of service'), Council underpins this by identifying and assessing risks associated with assets in poor condition and/or in need of additional maintenance; ~~where such issues give rise to an unacceptable level of risk, the cost to address this risk is reported in an annual 'state of the assets' reports in terms of 'backlog' and 'required maintenance'~~
- renewals over new assets: while Council acknowledges that new or upgraded assets are sometimes warranted to meet community needs and expectations, it is committed to prioritising the appropriate management of its existing assets over building new ones if there are insufficient resources to do both

5. ASSOCIATED LEGISLATION

Local Government Act 1993
Civil Liability Act 2002
Australian Accounting Standards

6. ASSOCIATED COUNCIL DOCUMENTS

Asset Management ~~Strategy Plan~~ (Strategic)
~~Asset Service~~ Management Plans
Council Risk Framework

7. HISTORY

Date	Action	Name	Policy Number	Resolution Date	Resolution Number
	Supersede	Asset Management Policy (Former Tumut Shire Council)	Info.02		
	Supersede	Asset Management Policy (Former Tumbarumba Shire Council)	TSC-ENG-PO-113		
18/06/2020	For Public Exhibition	Asset Management Policy	SVC-ENG-PO-109-01	18/06/2020	M128/20
30/07/2020	Adopted No Submissions	Asset Management Policy	SVC-ENG-PO-109-01	n/a	
<u>10/04/2025</u>	<u>DRAFT</u>	<u>Asset Management Policy</u>	<u>SVC-ENG-PO-109-02</u>		