



STRATEGIC ASSET MANAGEMENT PLAN (COMBINED) 2023



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1. EXECUTIVE SUMMARY

1.1 Context

Circular Head Council is responsible for the acquisition, operation, maintenance, renewal and disposal of an extensive range of physical assets with a replacement value of \$275 million.

These assets include land, buildings, parks, reserves, recreation facilities, roads, footpaths, drainage systems, bridges, urban stormwater, solid waste disposal facilities, and associated operating assets and provide services essential to our community's quality of life.

This Strategic Asset Management Plan (SAMP) takes the organisational objectives in our Strategic Plan, develops the asset management objectives, principles, framework and strategies required to achieve our organisational objectives. The plan summarises activities and expenditure projections from individual asset management plans to achieve the asset management objectives.

1.2 Current Situation

Now core asset management maturity has been achieved, our aim is to continue to progress toward advanced maturity for asset management activities. Improvement tasks with target dates have been identified and documented in Table 15: Improvement Plan (Section 8.2).

1.3 What Does It Cost?

Operating Outlays (excluding depreciation)

The projected operating outlays necessary to provide the services covered by this SAMP includes operation and maintenance of existing assets over the 10 year planning period and is \$6.4 million on average per year.

Capital Outlays

The projected required capital outlays including renewal/replacement or upgrade of existing assets and acquisition of new assets over the 10 year planning period is \$4.4 million on average per year.

We have balanced the projected expenditures in the SAMP with financial outlays in the Long-Term Financial Plan (LTFP) involving:

- community consultation on desirable and affordable levels of service
- balancing service performance, risk and cost in a trade-off of projects and initiatives
- considering the impact of trade-offs and accepting the service and risk consequences
- borrowings of \$4.4 million to finance high priority capital upgrade/new project in 2023/24 (new waste cell at Port Latta)

1.4 What We Will Do

Our aim is to provide the services needed by the community in a financial sustainable manner. Achieving financial sustainability requires balancing service levels and performance with cost and risk.

It may not be possible to meet all expectations for services within current financial resources. We will continue to engage with our community to ensure that needed services are provided at appropriate levels of service at an affordable cost while managing risks.

1.5 What We Have Deferred

We do **not** have enough funding to provide all services at the desired service levels or provide new services (for example, sealing all unsealed roads). Major initiatives and projects that are not currently funded are detailed in Section 5.6.1 and in Appendix E

1.6 Managing the Risks

At present budget levels there are a number of risks to be considered by Council as either acceptable or not acceptable in the medium term. All known risks for infrastructure are listed in the Infrastructure Risk Register. The critical risks (high or extreme ratings) are shown in Table 1.

Table 1: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (E, H)	Risk Treatment Plan
Buildings			
Council Office Reception, Smithton	Disgruntled member of the public could easily access staff areas and cause harm to staff	H	Expert risk and safety advice required Design costs to be recommended through budget No cash on premises stickers CCTV installation Dealing with difficult customers training No access to staff area from reception Develop lockdown procedure
Council Office 3rd Storey Windows, Smithton	Windows nearing end of life could fall out onto street or leak causing water damage to building	H	Include replacement in 10 Year Works Plan
Council Office Ground Floor Air Conditioning, Smithton	System failure threatening building occupation and/or escalating maintenance costs	H	Expert design advice required Design costs to be recommended through budget
Stanley Recreation Ground Beef Pavilion (Show day use)	Current use on Stanley Show Day exposes public to risk of injury from livestock	H	Consider installation of barriers Consider restricting use
Parks, Reserves and Recreation			
Brickmakers Beach Access	Traffic accident when exiting site with truck & trailer carrying mower	H	Lobby DSG for access upgrades to highway Relocate toilet block Close site Seek speed limit reduction
Montagu Park Old Jetty	Slips, trips, falls, personal injury or death	H	Remove/ demolish Fence off with warning signage

Service or Asset at Risk	What can Happen	Risk Rating (E, H)	Risk Treatment Plan
Montagu Park - Trees	Limbs can fall on campers - personal injury or death	H	Schedule regular inspections by arborist (5 yearly) Close park Remove trees in camping area
Smithton Jetties 1, 2 & 3	Fall causing injury or death	H	Remove/demolish
Smithton Recreation Ground, West Esplanade & Kings Park - Underground Infrastructure	Striking of underground mains causing electrocution	H	Create & maintain 'as constructed' drawings Public education of the process
Solid Waste – No critical risks currently identified			
Transport			
Culvert on Mawbanna Road – just south of Bartletts Road	Shoulder failure – pavement collapse	H	Culvert extension
Mawbanna Road – just before Dough Boys hill where trees have been removed	Shoulder failure – pavement collapse	H	Culvert extension
Urban Stormwater			
Stanley Open Drain - main drain at back of Hale St	Flooding of adjacent properties	H	Install additional outfall and/or new detention basin near recreation ground

1.7 Confidence Levels

This SAMP is based on C (medium) level of confidence information as outlined in Section 7.5.

1.8 The Next Steps

The actions resulting from this asset management plan are:

- implement the improvement plan in Section 8.2
- improve consultation methods to increase awareness of service performance, risk and cost pressures we are facing
- investigate actions to extend the life of assets without affecting performance and risk
- review asset renewal and replacement options to reduce service delivery lifecycle costs

2. ASSET MANAGEMENT STRATEGY

2.1 Asset Management System

Asset management enables an organisation to realise value from assets in the achievement of organisational objectives, while balancing financial, environmental and social costs, risk, quality of service and performance related to assets.¹

An asset management system is a set of interrelated and interacting elements of an organisation to establish the asset management policy and asset management objectives, and the processes, needed to achieve those objectives. An asset management system is more than 'management information system' software. The asset management system provides a means for:

- coordinating contributions from and interactions between functional units within an organisation,² and
- consistent application of the asset management processes to achieve uniform outcomes and objectives.

The asset management system includes:

- The asset management policy
- The asset management objectives
- The strategic asset management plan
- The asset management plans, which are implemented in:
 - operational planning and control
 - supporting activities
 - control activities
 - other relevant processes.³

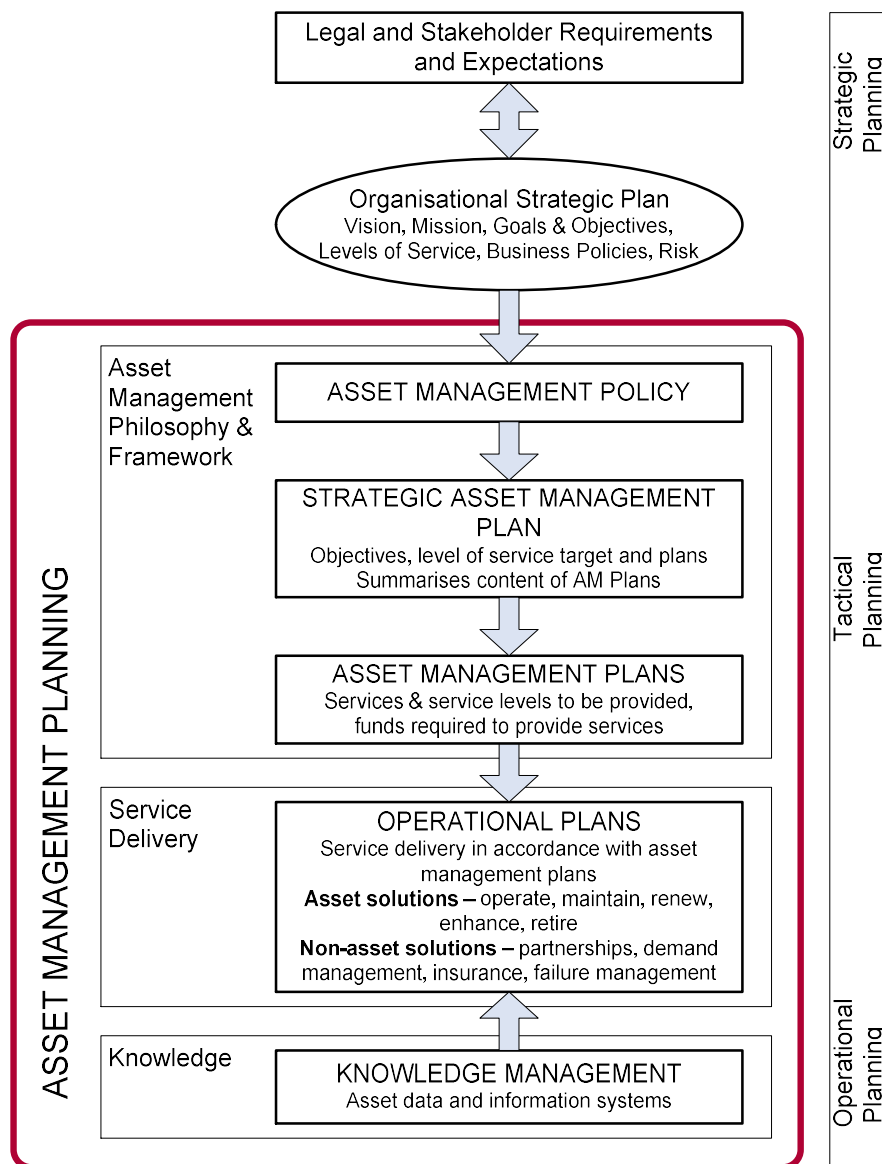
The asset management system fits within the organisation's strategic planning and delivery process as shown in Figure 1.

¹ ISO, 2014, ISO 55000, Sec 2.2, p 2

² ISO, 2014, ISO 55000, Sec 2.5.1, p 5

³ ISO, 2014, ISO 55002, Sec 4.1.1, p 2.

Figure 1: Strategic Asset Management Plan Fit in Planning Process



2.1.1 Asset Management Policy

The asset management policy sets out the principles by which the organisation intends applying asset management to achieve its organisational objectives.⁴ Organisational objectives are the results the organisation plans to achieve, as documented in its Strategic Plan. Our adopted asset management policy is available from our web site <https://www.circularhead.tas.gov.au/our-council/policies>.

2.1.2 Asset Management Objectives

The asset management objectives developed in Section 2.4.3 provide the essential link between the organisational objectives and the asset management plan(s) that describe how those objectives are going to be achieved. The asset management objectives transform the required outcomes (product or service) to be provided by the assets, into

⁴ ISO, 2014, ISO 55002, Sec 5.2, p 7.

activities typically described in the asset management plans. Asset management objectives should be specific, measurable, achievable, realistic and time bound (i.e. SMART objectives).⁵

2.1.3 Strategic Asset Management Plan

This strategic asset management plan is to document the relationship between the organisational objectives set out in the Circular Head Council Corporate Strategic Plan 2017-2027 and the asset management (or service) objectives and define the strategic framework required to achieve the asset management objectives.⁶

The asset management objectives must be aligned with the organisation's strategic objectives set out in its strategic plan.

This strategic asset management plan encompasses the following services:

- Buildings Infrastructure
- Parks, Reserves & Recreation Infrastructure
- Solid Waste Infrastructure
- Transport Infrastructure
- Urban Stormwater Infrastructure

The strategic asset management framework incorporates strategies to achieve the asset management objectives. The strategies are developed in 4 steps:

- What assets do we have?
- Our assets and their management
- Where do we want to be?
- How will we get there?⁷

2.1.4 Asset Management Plans

Supporting the strategic asset management plan are asset management plans for major service/asset categories. The asset management plans document the activities to be implemented and resources to be applied to meet the asset management objectives. The strategic asset management plan summarises the key issues from the following asset management plans:

- Buildings Infrastructure
- Parks, Reserves & Recreation Infrastructure
- Solid Waste Infrastructure
- Transport Infrastructure
- Urban Stormwater Infrastructure

The Strategic Asset Management Plan is part of the organisation's strategic and annual planning and reporting cycle as shown in Table 2.

⁵ ISO, 2014, ISO 55002, Sec 6.2.1, p 9.

⁶ ISO, 2014, ISO 55002, Sec 4.1.1, p 2.

⁷ LGPMC, 2009, Framework 2, Sec 4.2, p 4.

Table 2: Strategic Asset Management Plan Within the Planning and Reporting Cycle

Planning Category	Plan	Planning Cycle	Performance Reporting	Reporting Method
Community Planning	Sustainable Murchison 2040: Community Plan	4 – 10 years	Community Objectives Indicators	Annual Report
Strategic Planning	Circular Head Council Corporate Strategic Plan 2017-2027	4 years	Organisational Objectives	Annual Report
	10 year Long-Term Financial Plan		Financial Indicators	
	Strategic Asset Management Plan Asset Management Plans		Asset Management Objectives	
Operational Planning	4 year Operational Plan	4 years	Operational Objectives incorporated into Annual Plan	Annual Report
Annual Planning & Budget	Annual Plan & Budget	Annual	Annual Objectives Budget Objectives	Annual Report, and Monthly Reports to Council
	Departmental/Directorate Work Plans		Work Plan Objectives	Monthly Reports to Council
	Individual Work Plans		Work Plan Objectives	Performance Reviews

2.2 What Assets Do We Have?

We manage a lot of assets to provide services to our community. The assets provide the foundation for the community to carry out its everyday activities, while contributing to overall quality of life.

Table 3: Assets covered by this Plan

Asset Class/Category	Dimension
Buildings	101 Buildings
Parks, Reserves & Recreation	23 Parks and Reserves 3 Recreation Grounds 1 Gardens/Surrounds of Other Recreation Facilities 3 Walking Tracks 8 Boat Ramps and Jetties 10 Cemeteries and Memorials
Solid Waste	White Hills Port Latta

Asset Class/Category	Dimension
Transport	265.76 km Rural Sealed Road 36.07 km Urban Sealed Road 460.15 km Unsealed Road 216 Bridges & Culverts 52.3 km Kerb & Channel 73,138.95 m ² Footpath 543.75 m Drainage 46 Drainage Headwalls & Pits 4,390,835 m ² Earthworks
Urban Stormwater	44.73 km Reticulated Mains 636 Access Chambers 794 Pits & traps 120 Headwalls 2 Gross Pollutant Traps

2.3 Our Assets and Their Management

2.3.1 Asset Values

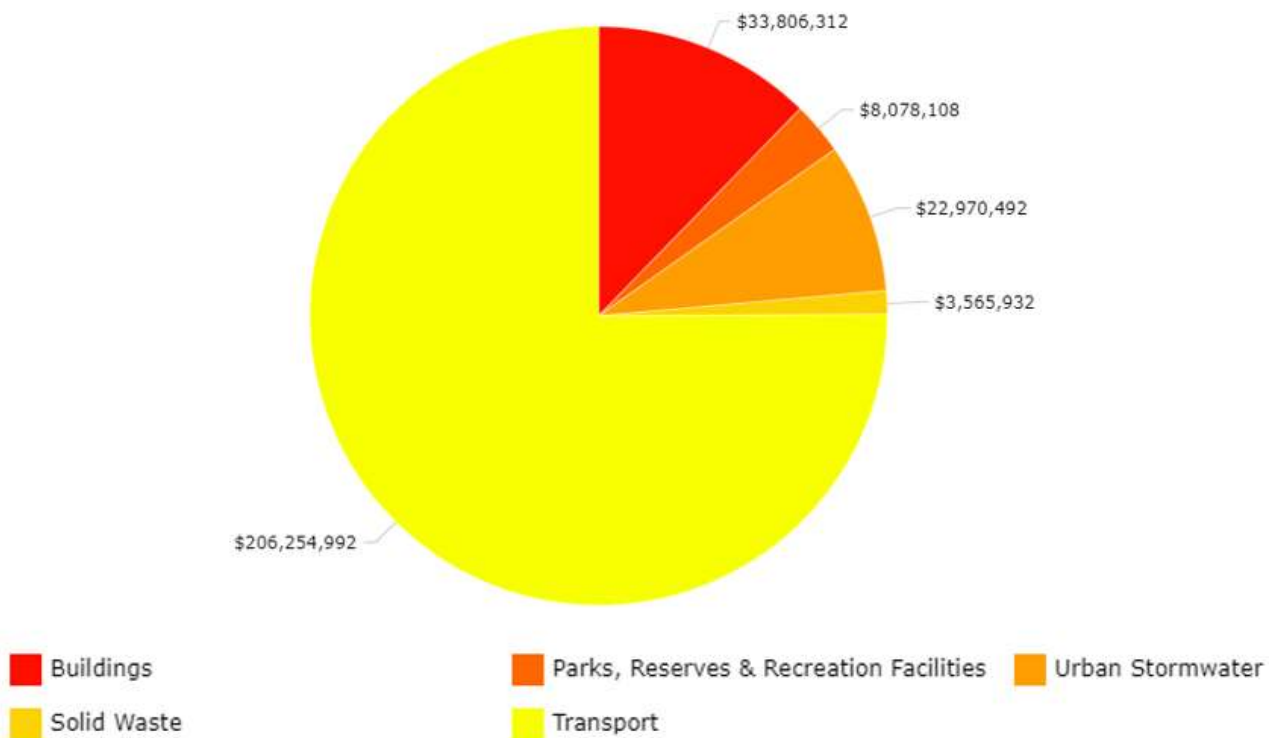
The infrastructure assets covered by this strategic asset management plan are shown in Table 4. These assets are used to provide services to the community.

Table 4: Value of Assets covered by this Plan

Asset Class/Category	Gross Replacement Cost*	Carrying Value	Annual Depreciation
Buildings	33,806,312	22,913,328	497,906
Parks, Reserves & Recreation	8,078,108	4,707,475	261,072
Solid Waste	3,565,932	1,130,667	259,567
Transport	206,254,992	145,259,360	3,339,839
Urban Stormwater	22,970,492	11,366,241	287,131
TOTAL	274,675,836	185,377,071	4,645,515

Figure 2 shows the gross replacement value of our assets.

Figure 2: Asset Replacement Values



Section 2.3 demonstrates the significance of Council's investment in infrastructure. An objective for this SAMP is to demonstrate how value is to be obtained from the \$275 million investments in providing services to the community. The investment in infrastructure is being consumed at \$4.6 million per annum.

2.3.2 Asset Condition, Function and Capacity

Our State of the Assets Report monitors the performance of the assets under three community service indicators:

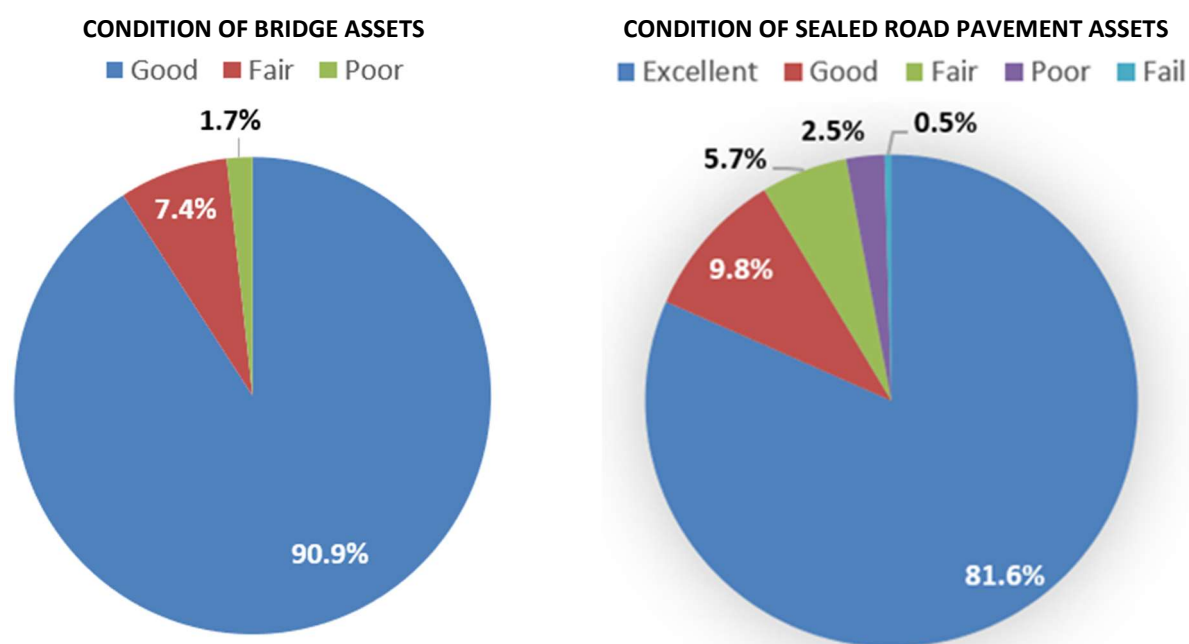
- Condition / Quality – how good is the service?
- Function - does it meet users' needs?
- Capacity / Utilisation – is the service usage appropriate to capacity?

In general, we do not yet have any high confidence, up-to-date data on the condition of all of our assets with the exception of:

- Bridges - monitored using twice-yearly inspections by an independent expert, and
- Sealed Road Pavements, for which a visual condition inspection was carried out in 2019.

The condition of these assets is shown in Figure 3.

Figure 3: State of the Assets



The current strategy is to fund all renewals. If this was to be relaxed in the future, we would expect deteriorating condition of assets.

2.3.3 Lifecycle Costs

Lifecycle costs (or whole of life costs) are the average annual costs that are required to sustain the service levels over the longest asset life. Lifecycle costs include operation and maintenance expenditures plus asset consumption (depreciation). Life cycle costs can be compared to lifecycle expenditure to give a comparison of current expenditures to lifecycle costs of services.

Lifecycle expenditures include operation and maintenance expenditures (excluding depreciation) plus capital renewal expenditure. The capital renewal component of lifecycle expenditure can vary depending on the timing of asset renewals.

The lifecycle costs and expenditures averaged over the 10 year planning period are shown in Table 5.

Table 5: Asset Lifecycle Costs

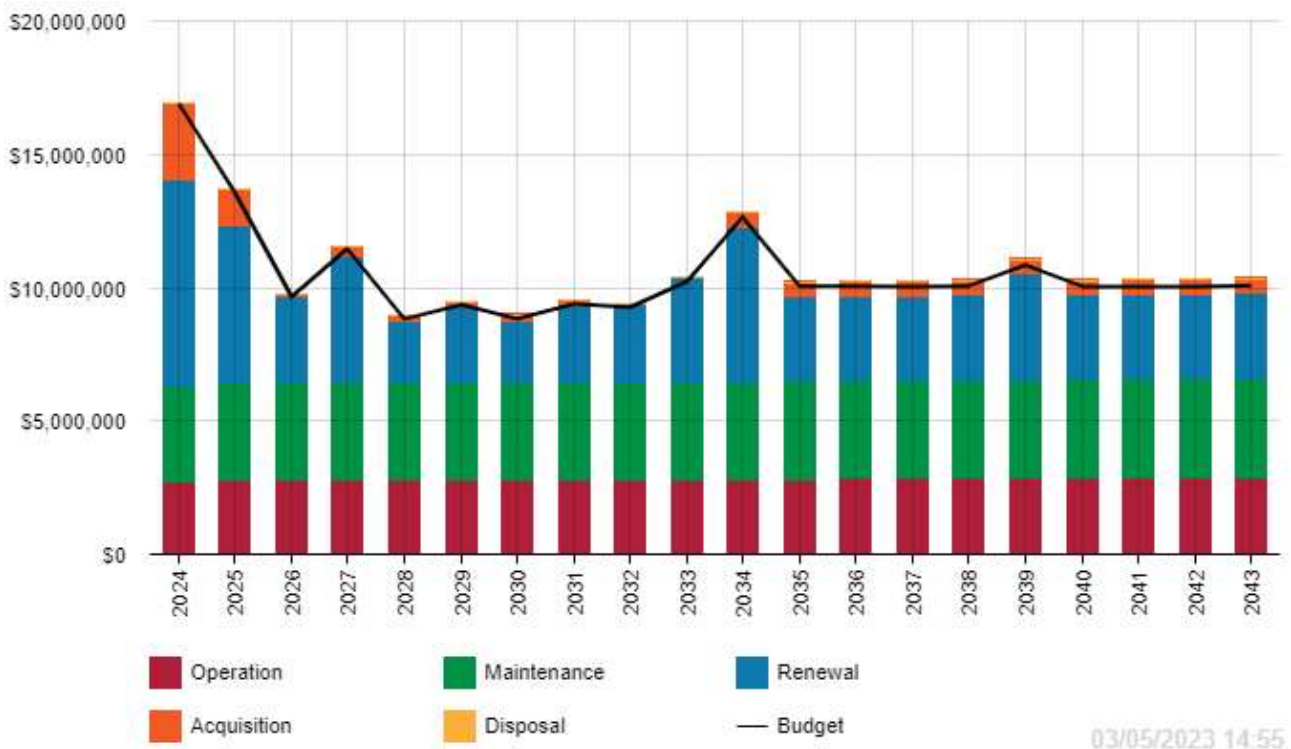
Asset Class/Category	Lifecycle Cost (\$M/yr)	Lifecycle Expenditure (\$M/yr)	Lifecycle Expenditure Indicator
Buildings	1,120,703	680,176	60.69
Parks, Reserves & Recreation	2,748,777	2,684,508	97.66
Solid Waste	1,364,193	1,818,126	133.27
Transport	5,370,592	4,820,002	89.75
Urban Stormwater	490,998	198,218	40.37
TOTAL	11,095,263	10,201,030	91.94

Total lifecycle expenditure may reasonably be higher/lower than lifecycle costs in periods of above/below average asset renewal/replacement activity. The lifecycle indicator is a measure of estimated need over the long-term. It is dependent on the age profile of the assets, with older assets expected to have a higher LC indicator and newer assets a lower LC indicator. Section 5.3 gives a more accurate indicator of renewal/replacement funding needs over the period of the SAMP.

2.3.4 Asset Management Indicators

An asset management objective is to provide the services that the community needs at the optimum lifecycle cost in a financially sustainable manner. Figure 4 shows the projected operation, maintenance, acquisition, renewal expenditure balanced with financial outlays in the 10 year long-term financial plan. Some activities and/or projects have been deferred to subsequent years to allow further consideration of service level needs and financing options.

Figure 4: Circular Head Council Lifecycle Summary



Projected Operating and Capital Expenditure

Buildings, Parks, Reserves & Recreation, Solid Waste, Transport, Urban Stormwater

The purpose of this strategic asset management plan is to develop the strategies to achieve the asset management objectives through balancing of asset service performance, cost and risk.

Figure 4 shows the results of balancing of service performance, risk and cost in the asset management plans and long-term financial plan to achieve an agreed and affordable position on service level and costs. This includes additional borrowings to finance urgent and critical renewal works in 2023/24, deferral of lower priority projects and initiatives for at least 10 years and identification and acceptance of the risks associated with the deferrals.

2.3.5 Opportunities and Risks

We have identified opportunities relevant to the services included in this strategic asset management plan including:

- Potential for reduced operating costs through more effective use of IT (software and hardware);
- Emergence of improved engineering design and construction practices (modern equivalent asset) to provide better value for money for customers;
- Open space and recreation planning

Relevant risks to the strategic asset management plan in the future are:

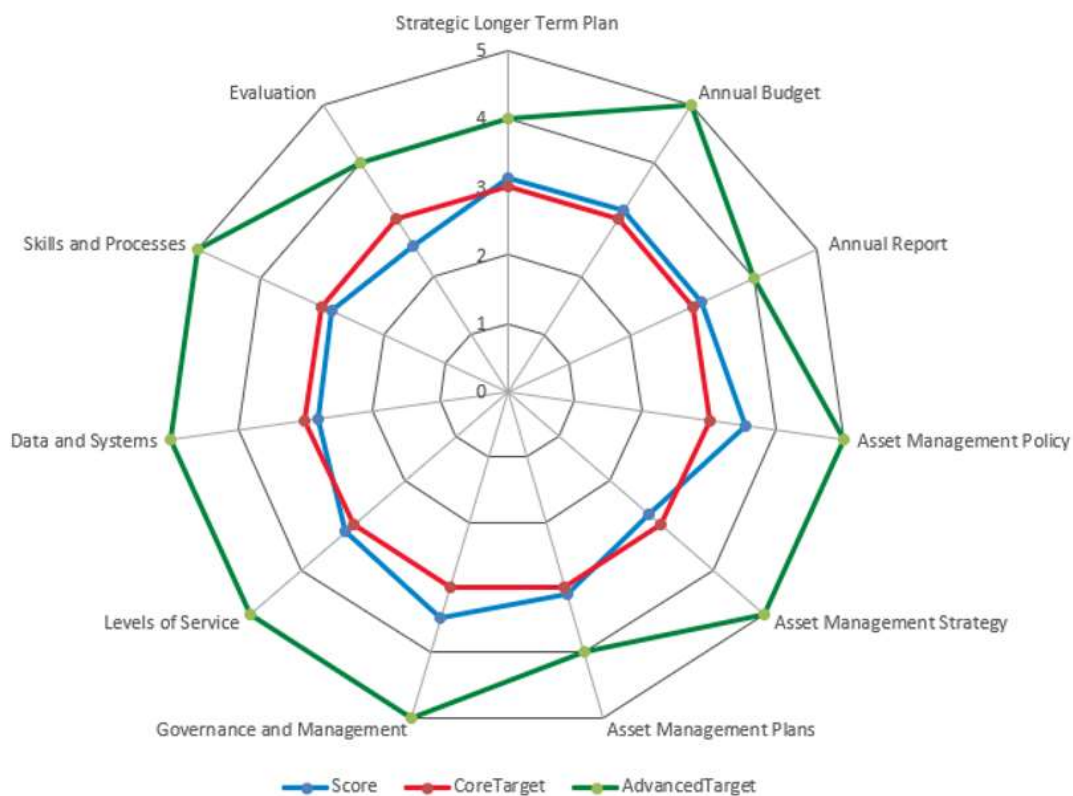
- Reduction of Financial Assistance Grants and/or Roads to Recovery Funding;
- Uninformed community expectations for increased service delivery;
- Ongoing inflationary financial impacts from the COVID-19 pandemic;
- Population decline and aging effecting community's capacity to pay for services; and
- Climate change impacting on development and maintenance of infrastructure in coastal and flood affected areas.

Infrastructure risk management plans for these and other relevant risks are summarised with risk management activities and resource requirements incorporated in the relevant asset management plans.

2.3.6 Asset and Financial Management Maturity

We have taken steps to improve our asset and financial management performance including assessing our asset management maturity against the Three Frameworks of the Local Government Financial Sustainability Nationally Consistent Frameworks. Now core asset management maturity has been achieved, our aim is to continue to progress toward advanced maturity for asset management activities within the Frameworks. Our most recent assessment was undertaken toward the end of 2022 and Figure 5 shows the current and target 'core' and 'advanced' maturity scores for the eleven elements of the National Frameworks for asset and financial management.

Figure 5: Maturity Assessment 2022



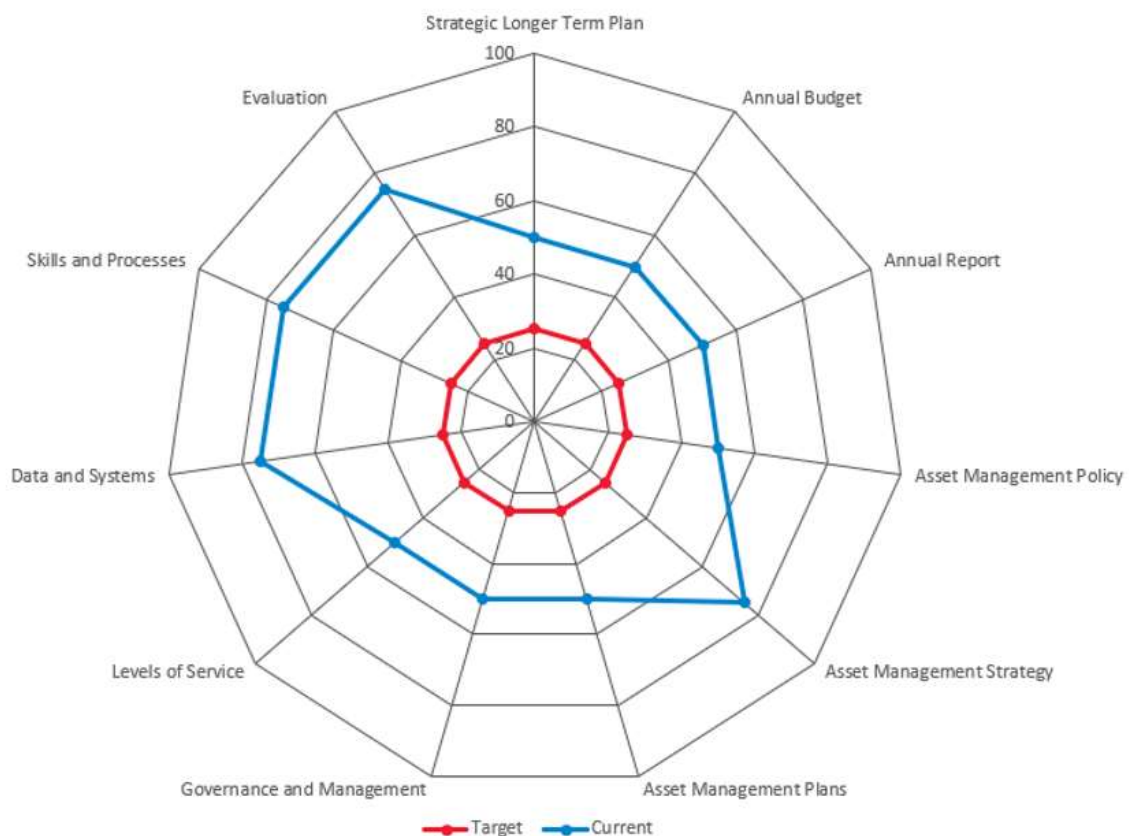
Improvement in 'core' maturity is indicated by movement of the blue ◆ (current maturity) line to the red ■ ('core' maturity) and green line ▲ (desired or aspirational target maturity).

Elements with low maturity scores are:

- Data & Systems
- Skills and Processes
- Asset Management Strategy, and
- Evaluation

The risk to the organisation from the current maturity is shown in Figure 6.

Figure 6: Maturity Risk Assessment



Reduction in risk from current NAF maturity is indicated by movement of the red ◆ (current risk) line to the green line ■ (desired or aspirational target risk).

Elements with high maturity risk to the organisation are:

- Strategic Longer Term Plan
- Annual budget
- Asset Management Policy
- Asset Management Strategy
- Asset Management Plans
- Governance and Management
- Levels of Service
- Data and Systems
- Skills and Processes

Tasks to improve asset and financial management maturity are prioritised and included within the Improvement Plan shown in Section 8.2.

2.3.7 Strategy Outlook

1. We are continuing to review our current levels of service to ensure we can remain financially sustainable over the next 10 years.
2. We are not certain of our ability to fund current infrastructure lifecycle costs at current levels of service and with available revenue for all services.
3. Our current asset and financial management maturity is below 'core' level in some areas and investment is needed to improve information management, lifecycle management, service management and accountability and strategic direction (Refer to Section 8.2 Improvement Plan).

2.4 Where Do We Want To Be?

2.4.1 Community Expectations

It is critical to be able to assess community expectations in respect to service levels. Community engagement is critical to ensure that informed decisions are made on future levels of service and costs and that service and risk consequences are known and accepted by stakeholders.

While the Community Satisfaction Surveys undertaken in 2014, 2016 and 2019 represent definite forward steps in this direction, they only represent a snapshot in time. Further efforts (i.e. more targeted community engagement) are required in this area as our level of community engagement continues to develop.

In the meantime, it is assumed that community expectations for service levels are generally consistent with current levels of service.

2.4.2 Organisational Objectives

The organisation objectives are developed in the *Circular Head Council Corporate Strategic Plan 2017-2027* under Vision, Mission, Values and Thematic Goals as shown below.

COUNCIL'S VISION

To provide leadership excellence focused on strategic objectives through local and regional engagement to deliver value for money and services to meet community needs.

COUNCIL'S MISSION

ENGAGE with our community to lead, plan and advocate
 DEVELOP community resilience through relationships and partnerships
 DELIVER cost effective services where needed

COUNCIL'S VALUES

Integrity	Respect	Unity
Honesty	Transparency	Trust

COUNCIL'S THEMATIC GOALS

GOAL	DESCRIPTION
Leadership and Governance	Circular Head Council will ensure efficient, effective and cohesive leadership through a business excellence framework in which strategy and direction drive evidence-based decision making.

GOAL	DESCRIPTION
Organisational Support	Circular Head Council will support a positive and innovative culture, enabling best practice delivery that is customer focused. Its strong leadership will enable the development and empowerment of its people.
Connected Communities	The Circular Head community will be inclusive and resilient with a strong sense of belonging. People will be connected to one other and the world around them. The Circular Head community will be connected to its past and engaged in its present, creating a vibrant shared future.
Community Recreation and Wellbeing	Circular Head will be a place where services, facilities and open space provide opportunities for individuals and groups of all ages and abilities to participate in recreational activities that encourage health and wellbeing.
Economic Prosperity	Circular Head will benefit from a vibrant and diverse economy built on competitive advantage, resource advantage and evidence-based leadership.
Transport and Access	Circular Head will be a place where a safe, fit-for-purpose and sustainable transport and access network is provided and maintained for present and future community needs.
Environment	The world class environment of Circular Head will be respected and enhanced. Planning for and promoting its sustainable management and use will ensure a safe, healthy and unique lifestyle.

2.4.3 Asset Management Objectives

The AM objectives developed in this SAM Plan provide the essential link between the organisational objectives and the AM plan(s) that describe how those objectives are going to be achieved. The AM objectives are developed from our strategic plan and a range of requirements including corporate goals and stakeholder, regulatory and legislative requirements.

The AM objectives are aligned to the organisational objectives in the strategic plan, with the objective of establishing alignment from the organisational objectives through the AM objectives to AM initiatives, projects and performance measures.

The AM objectives incorporate our desire to ensure that infrastructure assets are managed in an efficient and sustainable manner and asset cost is optimised over the asset's lifecycle. AM objectives transform the required outcomes (product or service) to be provided by the assets, into activities typically described in the asset management plans.

Table 6 shows the AM objectives developed under each organisational objective with a performance target/timeline and responsible officer.

Note:

Development of Asset Management Objectives is a requirement of ISO 55001. The Asset Management Objectives shown in Table 6 are those to be achieved to deliver the agreed level of service performance while managing risk and cost. The Asset Management Objectives are identified and developed in our Strategic Plan.

All actions and tasks to achieve the asset management objectives are included within operational and capital works plans discussed in Sections 5.3 – 5.6.

Table 6: Asset Management Objectives

Organisational Objective AM Objective	Action	Performance Target /Timeline	Responsible Officer
GOAL 1: Leadership and Governance			
Circular Head Council will ensure efficient, effective and cohesive leadership through a business excellence framework in which strategy and direction drive evidence-based decision making			
<i>Council and management decisions are evidence-based, equitable and transparent.</i>			
Long term financial planning drives budget deliberations.	Incorporate Year 1 of long term financial plan revenue and expenditure projections into annual budgets.	Achieved & Ongoing	GM/EMT/SMT
Sustainable funding model to provide services.	Develop and maintain a long term financial plan covering 10 years incorporating asset management plan expenditure projections with evidence based scenarios for a sustainable funding position outcome.	Achieved & Ongoing	GM/EMT/SMT
Improved decision making and greater value for money.	Ensure Council decisions are made from accurate and current information in asset registers, on service level performance and 'whole of life' costs.	Achieved & Ongoing	GM/EMT/SMT
<i>Our positive organisational culture is driven and inspired by a high performing leadership team.</i>			
Resource allocation aligned to the strategic objectives of Council.	The Strategic Asset Management Plan (SAMP), Asset Management Plans (AMP) & Long Term Financial Plan (LTFP) are regularly updated.	Achieved & Ongoing	GM/EMT/SMT
Ensure resources and operational capabilities are identified and responsibility for asset management is allocated	Annual performance reviews for staff and responsibilities are written into position descriptions	Achieved & Ongoing	GM/EMT/SMT
<i>We provide transparent and sustainable financial management, and deliver consistent and fair decision making to ensure our internal processes enhance external outcomes.</i>			
The long term implications of all services are considered in all Council deliberations.	More frequent referral to long term financial planning rather than just annual budget.	Achieved & Ongoing	GM/EMT/SMT

Organisational Objective AM Objective	Action	Performance Target /Timeline	Responsible Officer
Financial sustainability information is available for Council and the community.	Report our financial position at an appropriate cost basis in accordance with Australian Accounting Standards, financial sustainability and performance against organisational objectives in Annual Reports. All such reports are published and available to the community.	Achieved & Ongoing	GM/EMT/SMT
Transparent and accountable performance against service standards	Report on service delivery performance against service standards in the annual report.	Achieved & Ongoing	GM/EMT/SMT
Council budgeting and reporting are categorised in terms of operational, maintenance, renewal, upgrade and new expenditure classifications	Collaboration across departments to agree upon and improve data handling	Achieved & Ongoing	Asset Services and Finance Departments.
<i>We engage our community in fulfilling State legislative and policy requirements.</i>			
Ensure appropriate risk management processes are considered and implemented	Community consultation undertaken, and Community Satisfaction Surveys completed regularly. All customer complaints investigated	Achieved & Ongoing	GM/EMT/SMT
Meet legislative requirements for asset management	Regular investigation of legislative requirements. Ongoing training.	Achieved & Ongoing	GM/EMT/SMT
<i>We are recognised for proactive and engaged leadership that is inclusive and accountable.</i>			
Identification of services needed by the community and required funding to optimise 'whole of life' costs.	Review asset management plans and strategic asset management plan on a minimum 4 yearly rotation or at a material change event (e.g.: revaluation, service review, or change in assessed risk).	Achieved & Ongoing	GM/EMT/SMT
We and the community are aware of changes to service levels and costs arising from budget decisions	Review and update asset management plans, strategic asset management plan and long term financial plans to inform annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Achieved & Ongoing	GM/EMT/SMT
Oversight of finance and resource allocation and performance.	Report to Council via Audit Panel/GM on development and implementation of Strategic Asset Management Plan, Asset Management Plans and Long Term Financial Plans.	Achieved & Ongoing	GM/EMT/SMT

Organisational Objective AM Objective	Action	Performance Target /Timeline	Responsible Officer
GOAL 2: Organisational Support			
Circular Head Council will support a positive and innovative culture, enabling best practice delivery that is customer focused. Its strong leadership will enable the development and empowerment of its people.			
<i>We understand our customer needs and have the technology and resources to support the organisation's service delivery goals.</i>			
<i>Our people are a professional, innovative and creative workforce, and they foster a resilient, empowered and healthy workplace.</i>			
Responsibility for asset management is defined.	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Achieved & Ongoing	GM/EMT/SMT
Meet the training needs in financial and asset management practices for councillors and staff	Source and engage appropriate training	Achieved & Ongoing	GM/EMT/SMT
<i>We have a learning culture which embraces the development and growth of our people.</i>			
<i>We are future-focussed and value continuous improvement.</i>			
Improved financial and asset management capacity within the organisation.	Implement an improvement plan to realise 'core' maturity at a whole of organisation level for the higher risk financial and asset management competencies.	Achieved & Ongoing	GM/EMT/SMT
Safeguard our assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.	Incorporation of Business Continuity Planning into all long term and strategic planning	Achieved & Ongoing	GM/EMT/SMT
Ensure continuous improvement and seek innovative ways of meeting service delivery requirements.	Ongoing training of staff and encouragement of investigation and innovation	Achieved & Ongoing	GM/EMT/SMT
GOAL3: Connected Communities			
The Circular Head community will be inclusive and resilient with a strong sense of belonging. People will be connected to one other and the world around them. The Circular Head community will be connected to its past and engaged in its present, creating a vibrant shared future.			
<i>Our community works together and values partnerships</i>			
<i>Our community embraces diversity and is welcoming and sharing.</i>			
<i>Our community demonstrates pride in its heritage and achievements.</i>			

Organisational Objective AM Objective	Action	Performance Target /Timeline	Responsible Officer
<i>Our community supports and encourages its members to achieve health, wellbeing and learning outcomes.</i>			
<i>Our community is resilient and supports its members through adversity.</i>			
GOAL 4: Community Recreation and Wellbeing			
Circular Head will be a place where services, facilities and open space provide opportunities for individuals and groups of all ages and abilities to participate in recreational activities that encourage health and wellbeing.			
<i>Our community enjoys improved health and wellbeing.</i>			
<i>Our community values participation in social, physical and cultural recreation.</i>			
<i>Our community enjoys access to affordable and fit-for-purpose recreational facilities, services and programs.</i>			
Council are meeting the recreational needs of the Community	Regular review of SAMP, Parks Reserves and Recreation Infrastructure AMP, LTFP and Service Level Documents, along with evaluation of the Community Satisfaction Survey and community consultation.	Achieved & Ongoing	GM/EMT/SMT
<i>Our community is actively engaged in the identification of their current and future recreational needs.</i>			
<i>Our organisation is a strong advocate for effective partnerships with the public and private sectors for the delivery of recreational services.</i>			
GOAL 5: Economic Prosperity			
Circular Head will benefit from a vibrant and diverse economy built on competitive advantage, resource advantage and evidence-based leadership.			
<i>Liveability is improved through long-term sustainable economic growth in new and existing businesses and markets.</i>			
<i>We use a global lens to identify markets and opportunities.</i>			
<i>Innovation is supported by strong local and regional brand identity, and by skilling, equipping and connecting people.</i>			
GOAL 6: Transport and Access			
Circular Head will be a place where a safe, fit-for-purpose and sustainable transport and access network is provided and maintained for present and future community needs.			
<i>Our transport network is multi-use, fit for purpose, and well maintained through equitable funding arrangements.</i>			
The strategic requirements for providing transport infrastructure assets are kept current	Operation and maintenance of transport assets are considered in the SAMP, AMP's, LTFP and Service Level Documents, and are reviewed on a regular basis.	Achieved & Ongoing	GM/EMT/SMT

Organisational Objective AM Objective	Action	Performance Target /Timeline	Responsible Officer
<i>Our transport network is the product of innovative materials and methods, works undertaken at affordable best practice, partnership funding, and planning for the future.</i>			
New and innovative work practices are considered in renewals and acquisitions	Cost/benefit and business case analysis included in strategic planning	Achieved & Ongoing	GM/EMT/SMT
<i>People in our community enjoy a safe and accessible pathways network.</i>			
Ongoing evaluation of service provisions to ensure Council are meeting the transport needs of the Community	Regular review of SAMP, Transport AMP, LTFP and Service Level Documents.	Achieved & Ongoing	GM/EMT/SMT
<i>We investigate and respond to changing public needs through informed, evidence-based research and consultation.</i>			
Ensure Council continue to meet the needs of the Community	Regular review of SAMP, Transport AMP, LTFP and Service Level Documents, along with evaluation of the results from community surveys.	Achieved & Ongoing	GM/EMT/SMT
GOAL 7: Environment The world class environment of Circular Head will be respected and enhanced. Planning for and promoting its sustainable management and use will ensure a safe, healthy and unique lifestyle.			
<i>Our unique environment and heritage is accessible and sustains a safe, healthy and engaged community.</i>			
<i>Stewardship of our land, water and marine ecosystems respects past, present and future generations.</i>			
Council provides suitable assets into the future	Environmental factors are considered as part of the SAMP and AMP's, and all future developments	Achieved & Ongoing	GM/EMT/SMT
<i>Development is thriving, sustainable and clean with access to appropriate services and infrastructure.</i>			
Our infrastructure services are provided in an economically optimal way, with the appropriate levels of service to residents, visitors and the environment determined by reference to our financial sustainability	Environmental factors are considered as part of the SAMP and AMP's, and all future developments	Achieved & Ongoing	GM/EMT/SMT
<i>The use of land reflects a balance of environmental and community needs.</i>			

2.5 Asset Management Vision

To ensure the long-term financial sustainability of the organisation, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide those services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, we aspire to:

Develop and maintain asset management governance, skills, process, systems and data in order to provide the level of service the community need at present and in the future, in the most cost-effective and fit for purpose manner.

In line with the vision, the objectives of the strategic asset management plan are to:

- ensure that our infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to our financial sustainability
- safeguard our assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets
- adopt the long term financial plan as the basis for all service and budget funding decisions
- meet legislative requirements for all our operations
- ensure resources and operational capabilities are identified and responsibility for asset management is allocated
- ensure operational and service delivery risks are adequately managed
- continually improve our asset, risk and financial management and service delivery performance
- provide high level oversight of financial and asset management responsibilities through Audit Committee/CEO reporting to Council on development and implementation of the Strategic Asset Management Plan, Asset Management Plans and Long Term Financial Plan.

Strategies to achieve this position are outlined in Section 2.6.

2.6 How will we get there?

The strategic asset management plan proposes strategies to enable the organisational objectives and asset management policies to be achieved.

Table 7: Asset Management Strategies

No	Strategy	Desired Outcome	Progress
1	Incorporate Year 1 of long term financial plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations and the long term implications of all services are considered in annual budget deliberations.	Substantially progressed
2	Report our financial position at an appropriate cost basis in accordance with Australian Accounting Standards, financial sustainability and performance against organisational objectives in Annual Reports.	Financial sustainability information is available for Council and the community.	Complete & Ongoing
3	Develop and maintain a Long Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with evidence based scenarios for a sustainable funding position outcome.	Sustainable funding model to provide our services.	Complete

No	Strategy	Desired Outcome	Progress
4	Review asset management plans and strategic asset management plan on a minimum 4 yearly rotation or at a material change event (e.g.: revaluation, service review, or change in assessed risk).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.	Substantially Complete & Ongoing
5	Review and update asset management plans, strategic asset management plan and long term financial plans to inform 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	Substantially Complete
6	Develop and maintain a risk register of operational and service delivery risks showing current risk levels, risk management treatments and report regularly to Council on current high level risks.	Risk management of operational and service delivery risks is an integral part of governance.	Substantially Complete
7	Ensure Council decisions are made from accurate and current information in asset registers, on service level performance and 'whole of life' costs.	Improved decision making and greater value for money.	Substantially Progressed
8	Report on our 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	Commenced
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.	Commenced
10	Implement an improvement plan to realise 'core' maturity for the higher risk financial and asset management competencies.	Improved financial and asset management capacity within the organisation.	Complete
11	Report to Council via Audit Panel and/or General Manager on development and implementation of Strategic Asset Management Plan, Asset Management Plans and Long Term Financial Plans.	Oversight of resource allocation and performance.	Complete
12	The SAMP, AMP & LTFP are developed in order to achieve the organisations strategic objectives, as outlined in Council's Corporate Strategic Plan.	Resource allocation aligned to the strategic objectives of Council.	Substantially progressed
13	More frequent referral to long term financial planning rather than just annual budget.	The long term implications of all services are considered in all Council deliberations	Substantially progressed
14	Report on service delivery performance against service standards in the annual report.	Transparent and accountable performance against service standards.	Commenced

2.7 Asset Management Improvement Plan

The tasks required achieving a 'core' financial and asset management maturity are shown in priority order in the asset management improvement plan in Section 8.2

2.8 Consequences if actions are not completed

There are consequences for the Council if the improvement actions are not completed. These include:

- Inability to achieve strategic and organisational objectives
- Inability to achieve financial sustainability for the organisation's operations
- Current risks to infrastructure service delivery are likely to eventuate and response actions may not be appropriately managed
- We may not be able to accommodate and/or manage changes in demand for infrastructure services.

3. LEVELS OF SERVICE

3.1 Consumer Research and Expectations

Stakeholders include associated service providers, residents, business and industries that directly use our services, the wider community, governments and regulators. Customer expectations are challenging organisations to respond to changing economic conditions and preferences. These can include implementing strategies to improve economic conditions and increase attractiveness in the area while keeping costs down.

The expectations and requirements of various stakeholders were considered in the preparation of asset management plans summarised in this strategic asset management plan.

Table 8 shows current available community satisfaction levels for relevant services identified by the 2019 Community Satisfaction Survey carried out by Insync Surveys as well as comparison with previous surveys. The survey asked respondents to rate the importance of each of the identified service elements as well as their perception of Council's performance in delivering that service element. This allowed calculation of a mean gap score for each element, where a large gap score signifies a perceived poor performance by Council in a service area relative to its importance to the community. Table 8 illustrates current customer expectation challenges.

According to Insync Surveys, the mean gap score can be interpreted as follows:




	Good	Mean gap score <2
	Average	Mean gap score 2 – 3
	Poor	Mean gap score >3

Table 8: Customer Satisfaction Survey Results

Performance Measure	2019 Community Satisfaction Survey			2016 Survey	2014 Survey
	Importance (max score 7)	Performance (max score 7)	Mean Gap Score	Mean Gap Score	Mean Gap Score
Buildings					
Public Toilets/Amenities	6.2	4.6	1.6	1.2	0.8
Public Halls and Facilities	5.5	4.8	0.7	0.6	0.7
Physical Access to Council Buildings	5.8	5.3	0.5	0.0	0.0
Parks, Reserves and Recreation					
Urban Gardens, Flowers and Trees	5.5	4.8	0.7	0.9	0.9
Playground Equipment	5.5	4.7	0.8	0.2	0.2
Parks and Reserves including Foreshore Area	6.0	4.7	1.3	1.0	0.9
Boat Ramps	5.5	4.9	0.6	0.0	0.4
Weed Control	5.9	4.1	1.8	1.8	1.5
Sports Grounds and Facilities	5.7	5.2	0.5	0.4	0.5

Performance Measure	2019 Community Satisfaction Survey			2016 Survey	2014 Survey
	Importance (max score 7)	Performance (max score 7)	Mean Gap Score	Mean Gap Score	Mean Gap Score
Cemeteries	5.9	5.5	0.4	0.2	0.1
Solid Waste					
Waste Transfer Station	6.2	5.6	0.6	0.3	0.4
Kerbside Garbage and Recycling Collection	6.4	5.1	1.3	1.1	0.9
Transport					
Urban Roads	6.2	4.2	2.0	1.7	1.4
Rural Sealed Roads	6.2	3.9	2.3	2.3	1.8
Rural Unsealed Roads	6.0	3.5	2.5	2.5	2.0
Roadside management – rural (e.g. trees, slashing, litter)	6.1	3.9	2.2	2.0	1.8
Street lighting	6.0	4.4	1.6	1.4	0.9
Street signage	6.0	4.8	1.2	1.0	0.9
Footpaths	6.0	4.4	1.6	1.5	1.5
Urban Stormwater					
Stormwater Drainage System	6.1	4.3	1.8	1.27	0.65

3.2 Organisational Objectives

Sections 2.4.2 and 2.4.3 of this strategic asset management plan reported the organisational objectives from the Strategic Plan and asset management objectives developed from the organisational objectives.

The organisational and asset management objectives provide focus for the technical levels of service table in Appendix A.

3.3 Legislative Requirements

We have to meet many legislative requirements including Australian and State legislation and State regulations. These are detailed in the various asset management plans summarised in this strategic asset management plan.

3.4 Levels of Service

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided, and
- the likely trend over time based on the current budget provision

Customer Levels of Service measure how the customer receives the service and whether the organisation is providing value.

Customer levels of service measures used in the asset management plan are:

- **Quality/Condition** How good is the service?
- **Function** Does it meet users' needs?
- **Capacity/Utilisation** Is the service usage appropriate to capacity?

Our current and projected community levels of service for the services covered by this strategic asset management plan are shown in the AM Plans summarised in this strategic asset management plan.

The community level of service measures provide information on our performance on service delivery. They can indicate areas of possible over and over servicing and potential for reallocation of resources to maximise community value.

Technical Levels of Service support the community service levels and are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the organisation undertakes to best achieve the desired community outcomes and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- **Operation** – the regular activities to provide services such as availability, cleansing, mowing, etc.
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g. road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset similar to that which it had originally (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement) or to a lower service level,
- **Acquisition** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).

Service managers plan, implement and control technical service levels to influence the customer service levels.⁸

Together the community and technical levels of service provide detail on service performance, cost and whether service levels are likely to stay the same, get better or worse.

Our current and projected technical levels of service for the services covered by this strategic asset management plan are shown in the AM Plans summarised in this strategic asset management plan.

Tables summarising the current and desired technical levels of service for services are shown in Appendix A.

Note:

The table in Appendix A summarises the agreed sustainable position where trade-offs between service performance, risk and cost have been agreed by the Council following consultation with the community.

⁸ IPWEA, 2011, IIMM, p 2.22

4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include population change, changes in demographics, seasonal factors, climate change, vehicle ownership rates, consumer preferences and expectations, government decisions, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecast

The present position and projections for demand drivers that may impact future service delivery and utilisation of assets were identified and are documented in Table 9.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and utilisation of assets are shown in Table 9.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures⁹. Examples of non-asset solutions include providing joint services from existing infrastructure such as aquatic centres and libraries that may be in another community area or public toilets provided in commercial premises.

Opportunities identified for demand management are shown in Table 9. Further opportunities will be developed in future revisions of this SAM Plan.

Table 9: Demand Drivers and Management Plan

Demand Drivers	Present Position	Projection	Impact on Services	Demand Management Plan
Population	Approx. 8,000	Municipal population expected to decline slightly over the next 5-10 years.	May result in slight reduction in capacity of the community to pay for maintenance and renewal.	Continue to investigate alternate renewal treatments and multi-use arrangements to maximise service benefits from existing infrastructure. Optimise maintenance, renewal, and upgrade practices.
Demographics	Aging population	Population continues to age with increased proportion of persons over 60 years of age.	Increased importance on mobility access features and services.	Continue to review and develop service levels and asset management plans to ensure accessibility to all community members in line with changing needs.

⁹ IPWEA, 2015, IIMM, Sec 2.3.6, p 2 | 53.

Demand Drivers	Present Position	Projection	Impact on Services	Demand Management Plan
Sea Change	Popularity of rural living and associated hobby farms has increased in recent times	Increased demand for small coastal residential allotments.	Increased expectation of high 'urban' quality services resulting in higher costs.	<p>Continue to monitor and evaluate community needs.</p> <p>Clearly communicate service levels to the community.</p> <p>Lobby for increased developer contributions.</p> <p>Revise planning controls to increase population density and decrease requirements for expanding infrastructure.</p>
Urban consolidation and infill	Trend to smaller allotments; strata developments, etc.	Expected to increase	Increase in impermeable area resulting in additional loading to stormwater system.	<p>Consider measures to encourage greater level of on-site retention of stormwater (e.g. use of permeable paving, on-site retention systems etc).</p> <p>May require review of service levels and/or capital upgrade</p>
Agricultural Practices	Yield increases through farming efficiencies. Utilisation of wider farm machinery & more general access vehicles used for transport of goods from farm	Increase in localised transport traffic, with requirements for wide roads, and for restricted access vehicles to service farms.	Increasing requirement for improvements in the Transport network.	<p>Prioritisation of network to ease travel to main roads across the municipality.</p> <p>Ensure service levels facilitate the 'directing' of traffic to favoured routes.</p> <p>Where appropriate, institute load limits & traffic control devices to avoid the necessity to upgrade construction.</p>
Timber Industry	Large proportion of municipality devoted to commercial forestry	Localised increases in heavy vehicle movements at harvest time. Expected to remain the same.	Requirement for increased maintenance and/or earlier capital renewal/upgrade in the Transport network.	Investigate partnership and user pays agreements with forestry industry for use of Council transport network.
Industry	Scattered throughout community	Encourage more consolidation through better planning.	Allocate and maintain appropriate freight routes including possible road upgrade requirements.	<p>Encourage industry to be near State controlled roads.</p> <p>Ensure service levels facilitate the 'directing' of traffic to favoured routes.</p> <p>Where appropriate, institute load limits & traffic control devices to avoid the necessity to upgrade construction.</p> <p>Review and implement an approved "B-double" network (in conjunction with DIER).</p>

Demand Drivers	Present Position	Projection	Impact on Services	Demand Management Plan
Tourism	Coach visits, local events	Increase in events and tourism generally.	Increased requirement for provision of Tourist friendly services and facilities	Continue to monitor and evaluate community needs. Maximise on-street parking.
Land Use	Council's planning scheme maintains control of areas of future development	Facilitation of new domestic subdivisions	Increased access to new subdivisions may create pressure to increase existing service levels	Prioritisation of network to allow travel to main roads across municipality.
Planning scheme changes	Tasmanian Planning Scheme	More centralisation of population placing a higher burden on existing facilities	Push to duplicate or modernise urban facilities, increase levels of service, cater for larger seasonal events	Continue to review and develop service levels and asset management plans to ensure community needs are met. Clearly communicate service levels to the community.
Land Subdivision	Land/Property subdivision continues to occur at a modest rate.	Expected to continue	Additional loading to existing infrastructure requiring more frequent maintenance.	Require land developers to assess the impact of developments on the capacity of existing infrastructure. Consider implementation of developer contributions toward upgrade of existing Council infrastructure to cope with increased use from proposed developments. May require review of service levels and/or capital upgrade.
Public health awareness / passive building	Increasing	More diversity in types of activity, greater focus on healthy lifestyle pursuits available all seasons	Broader functionality of current facilities walking tracks, exercise points, indoor facilities	Investigate alternate uses of existing facilities in line with changing community needs.
Decline in committees and volunteer involvement	Many building facilities run by volunteer committee	Greater demand for Council involvement	Rationalisation of assets	Assessment of ongoing requirements, including possible disposal of under-utilised infrastructure.

Demand Drivers	Present Position	Projection	Impact on Services	Demand Management Plan
Safety Standards	Becoming more stringent	Ongoing revision of current safety standards requiring compliance	Some existing assets not in line with updated standards	Continual monitoring of relevant standards. Instigate upgrades with new works where possible. Replace / upgrade existing infrastructure to meet current standards.
Climate Change	Changing weather patterns and increased coastal erosion over recent years	Trending toward increased seasonal extremes – rainfall, tidal, wind, and storm events.	Increasing levels of maintenance work to maintain current standards of service. Erosion and inundation of existing assets. Increasing requirements for flood mitigation to protect vulnerable assets.	Schedule long-term capital works program. Investigate cooperating with adjacent councils to achieve economies of scale and cost savings. Investigate new and innovative methods of construction, operation, maintenance and renewal. Consider retreat/defend strategies for vulnerable assets. Consider methods & costs of erosion mitigation.
Increasing demand for active natural resource management on land managed by Council	Some open spaces and reserves are passively managed by Council and there is increasing expectation and desire for volunteer involvement	Greater demand for Council leadership on natural resource management	Traditional maintenance activities may need to be revised	Review natural resource management models and methods for partnering with community groups. Seeking expressions of interest for formation of a community based environmental advisory panel.
Environmental awareness	Trend amongst public toward greater awareness of environmental issues.	Expected to continue	Increased pressure to improve environmental outcomes. Potential for increased redirection &/or reuse of waste	Increase use of environmentally safe infrastructure and systems. May require review of service levels and/or capital upgrade or increased maintenance costs. Institute recovery of useful materials/resources (e.g.: encourage on-site retention of stormwater for re-use). May require review of service levels and/or capital upgrade.

4.4 Asset Programs to Meet Demand

The new assets required to meet growth will be acquired free of cost from land developments and constructed/acquired by the organisation. New assets constructed/acquired by the organisation are discussed in Section 5.4.

Acquiring these new assets will commit the organisation to fund ongoing operation, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operation, maintenance and renewal costs in Section 7.

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the organisation plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs and managing risks.

5.1 Background Data

5.1.1 Physical Parameters

The assets covered by this strategic asset management plan are shown in Table 3 and Table 4.

5.1.2 Asset Capacity and Performance

The organisation's services are generally provided to meet design standards where these are available.

Asset capacity and performance is monitored for 3 community service measures at the end of the reporting period for condition (quality), function and capacity/utilisation in a *State of the Assets* report. The state of the assets is shown in Figure 3.

5.2 Routine Operation and Maintenance Plan

Operation include regular activities to provide services such as public health, safety and amenity, e.g. cleansing, utility services, street sweeping, grass mowing and street lighting.

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

5.2.1 Operation and Maintenance Plan

Operation activities affect service levels including quality and function, such as cleanliness, appearance, etc., through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal.

Forecast operations and maintenance expenditure levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels without strategic interventions. Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in the respective AM Plan and service risks considered in the Infrastructure Risk Register.

5.2.2 Operation and Maintenance Strategies

We will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

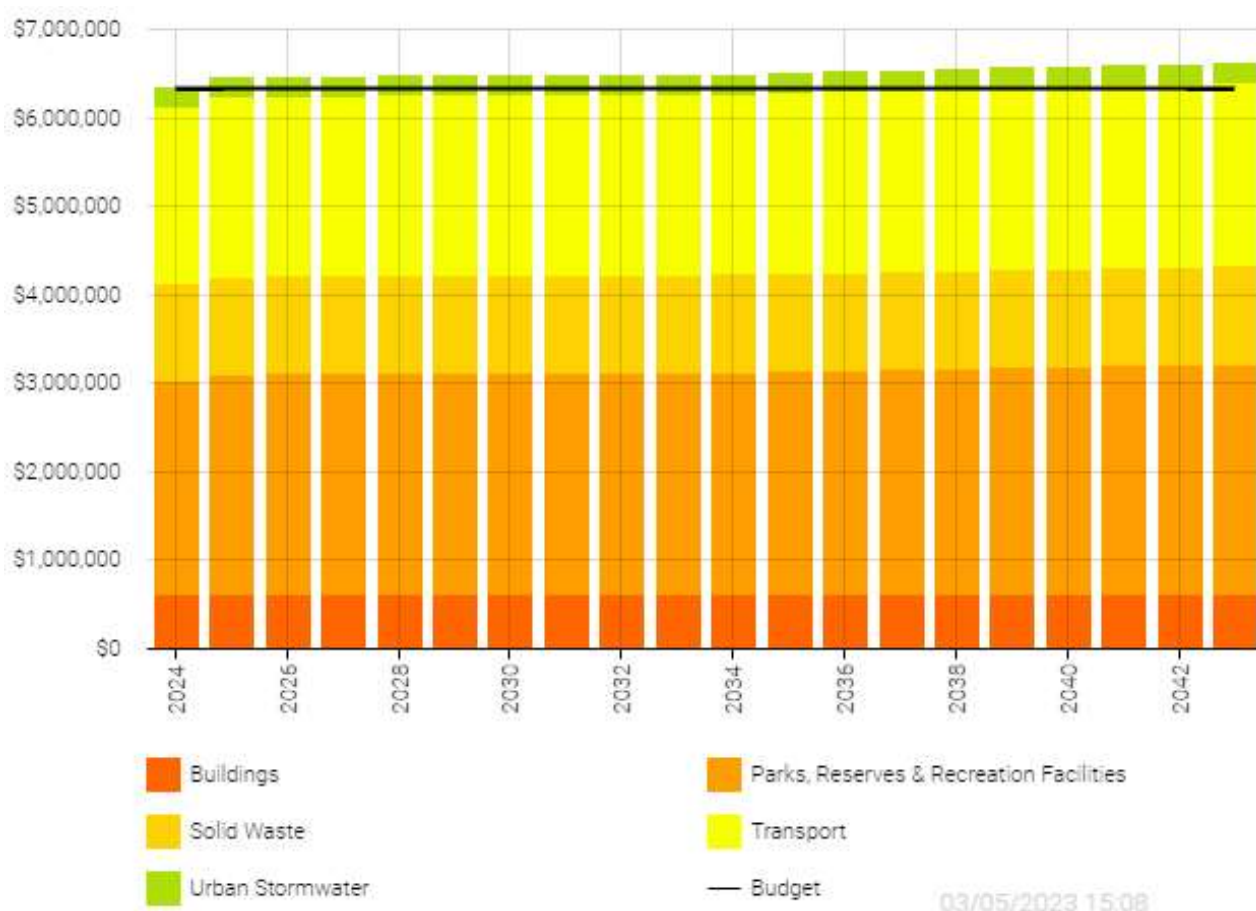
- Scheduling operations activities to deliver the defined level of service in the most efficient manner
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost)
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Council
- Review current and required skills base and implement workforce training and development to meet required operation and maintenance needs

- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options
- Maintain a current hierarchy of critical assets and required operation and maintenance activities
- Develop and regularly review appropriate emergency response capability
- Review management of operation and maintenance activities to ensure we are obtaining best value for resources used.

5.2.3 Summary of Future Operation and Maintenance Expenditures

Future operation and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 7. The forecast expenditures (shown in Appendix B) will be reviewed in the Council's Long-Term Financial Plan. Note that all costs are shown in current dollar values (i.e. real values).

Figure 7: Projected Operation and Maintenance Expenditure and LTFP Outlays



Operating and Maintenance Summary

Buildings, Parks, Reserves & Recreation, Solid Waste, Transport, Urban Stormwater

The consequences of deferred maintenance (i.e. works that are identified for maintenance and unable to be funded) are to be included in the risk assessment and analysis in the infrastructure risk register.

5.3 Renewal/Replacement Plan

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

5.3.1 Renewal and Replacement Strategies

We will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:

- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner
- Undertaking project scoping for all capital renewal and replacement projects to identify
 - the service delivery 'deficiency', present risk and optimum time for renewal/replacement
 - the project objectives to rectify the deficiency
 - the range of options, estimated capital and life cycle costs for each options that could address the service deficiency
 - and evaluate the options against evaluation criteria adopted by Council, and
 - select the best option to be included in capital renewal programs,
- Using *optimal* renewal methods (cost of renewal is less than replacement) wherever possible
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and report Very High and High risks and Residual risks after treatment to management, Audit Committee and Council
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required
- Review management of capital renewal and replacement activities to ensure we are obtaining best value for resources used.

Renewal Ranking Criteria

Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replace a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. roughness of a road).

Capital renewal and replacement priorities are indicated by identifying assets or asset groups that:

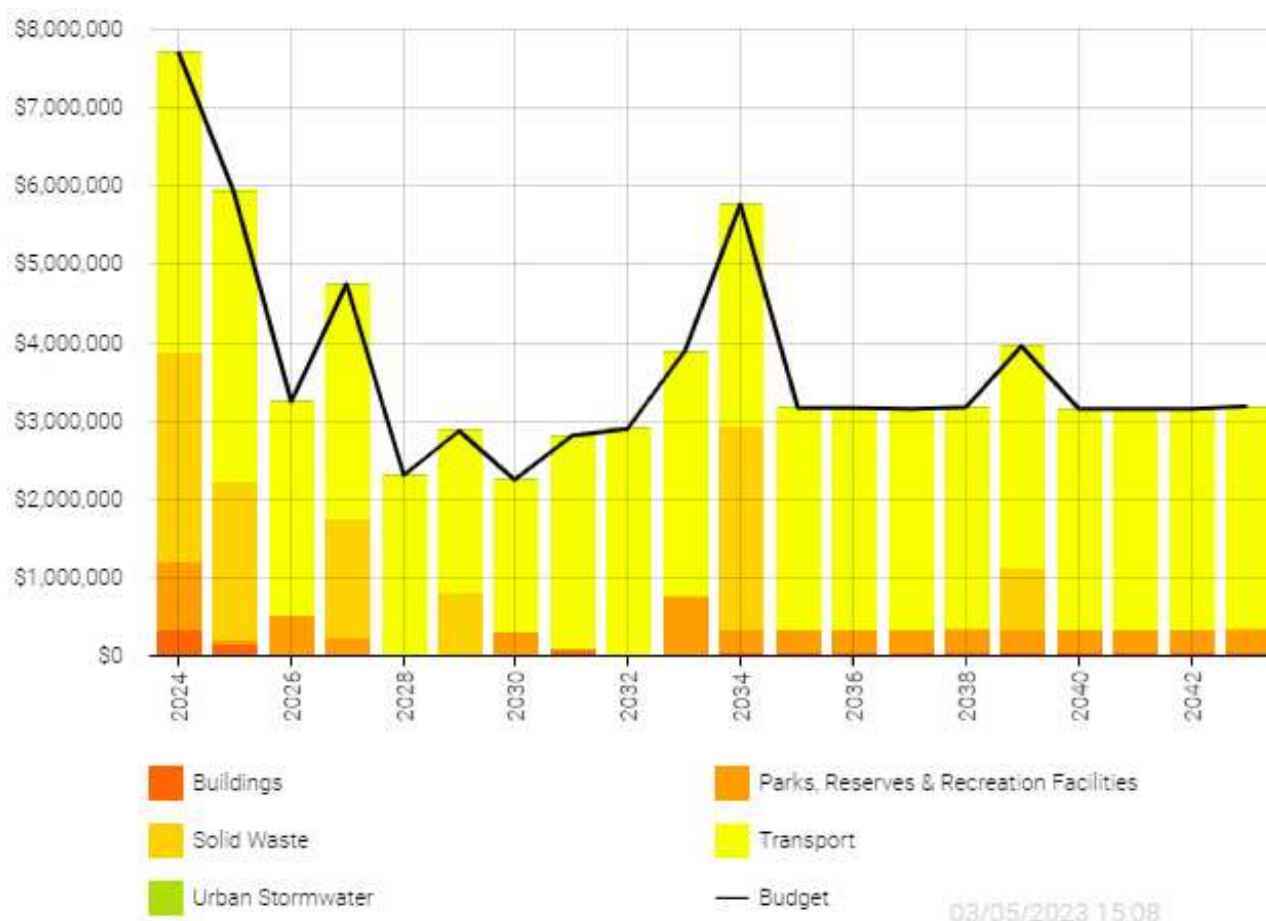
- Have a high consequence of failure
- Have a high utilisation and loss of service would have a significant impact on users
- Have the highest average age relative to their expected lives
- Are identified in the AM Plan as key cost factors
- Have high operational or maintenance costs, and
- Where replacement with modern equivalent assets would yield material savings.

The ranking criteria used to determine priority of identified renewal and replacement proposals is detailed in the respective asset management plans.

5.3.2 Summary of Future Renewal and Replacement Expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock ages. The forecast expenditures have been accommodated in Council's Long-Term Financial Plan as shown in Figure 8. Note that all amounts are shown in real values.

Figure 8: Projected Capital Renewal and Replacement Expenditure and LTFP Outlays



Renewal Summary

Buildings, Parks, Reserves & Recreation, Solid Waste, Transport, Urban Stormwater

Where renewal projections are based on estimates of asset useful lives, the useful lives are documented in the relevant asset management plan(s). Projected capital renewal and replacement programs are shown in Appendix C.

Low priority renewal and replacement projects unable to be accommodated within the 10 year Long Term Financial Plan have been deferred for following years (see Appendix E) to allow further consideration in updates of the Asset Management Plans and Long Term Financial Plan.

5.4 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the organisation from land development.

5.4.1 Selection Criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in the respective asset management plans.

5.4.2 Capital Investment Strategies

We will plan capital upgrade and new projects to meet level of service objectives by:

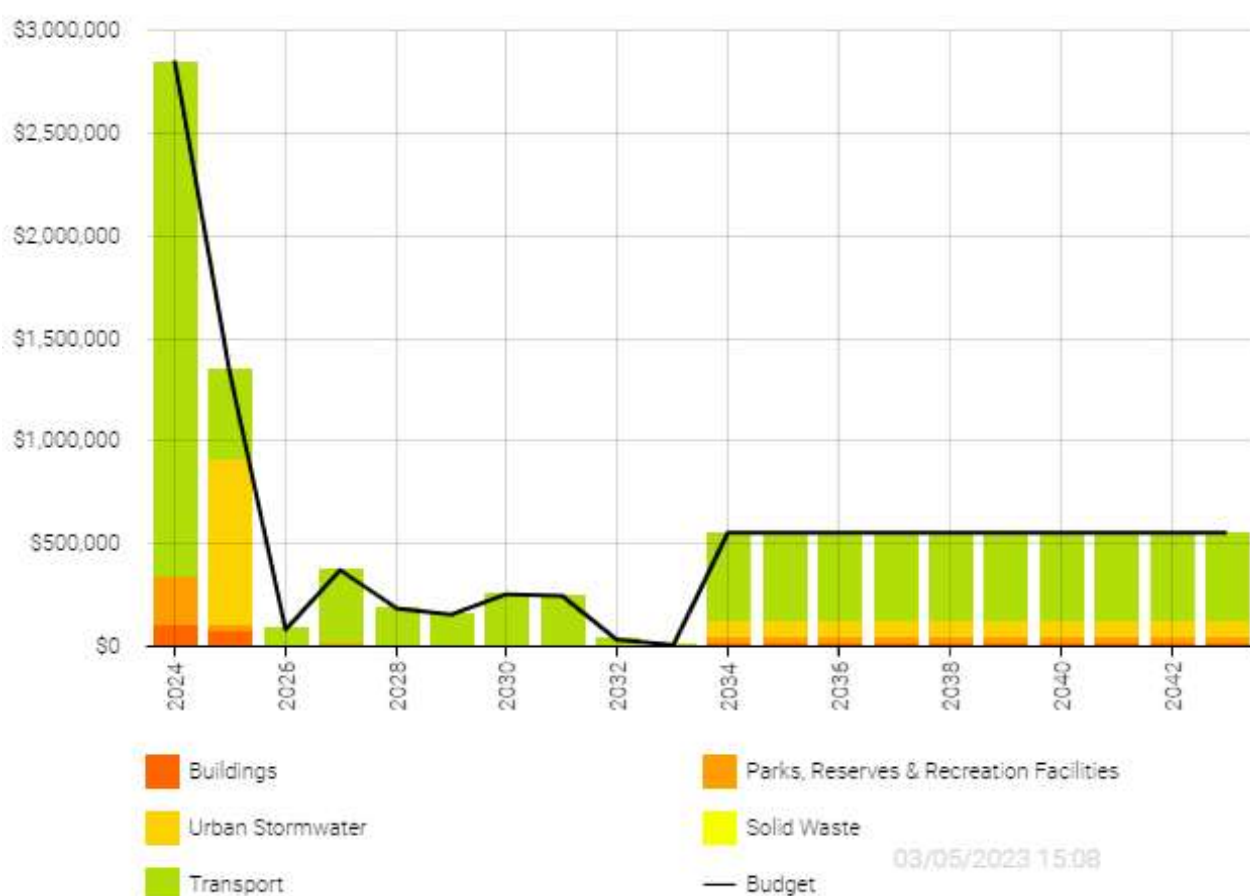
- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
- Undertake project scoping for all Renewal projects to identify
 - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset
 - the project objectives to rectify the deficiency including value management for major projects
 - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
 - management of risks associated with alternative options
 - and evaluate the options against evaluation criteria adopted by Council, and
 - select the best option to be included in renewal programs
- Review current and required skills base and implement training and development to meet required construction and project management needs
- Review management of capital project management activities to ensure we are obtaining best value for resources used.

Standards and specifications for maintenance of existing assets and construction of new assets and upgrade/expansion of existing assets are detailed in relevant asset management plans.

5.4.3 Summary of Future Upgrade/New Assets Expenditure

Projected upgrade/new asset expenditures and estimated long-term financial plan outlays are summarised in Figure 9. The forecast expenditures have been accommodated in the organisation's Long Term Financial Plan. The projected upgrade/new capital works program is shown in Appendix D. All amounts are shown in current dollar values.

Figure 9: Asset Acquisition Expenditure and Budget



Acquisition Summary

Buildings, Parks, Reserves & Recreation, Solid Waste, Transport, Urban Stormwater

Low priority renewal and replacement projects unable to be accommodated within the 10 year Long Term Financial Plan have been deferred for following years (see Appendix E) to allow further consideration of service performance, risks and cost in updates of the AM and financial plans.

5.5 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in the respective asset management plans summarised in this strategic asset management plan.

5.6 Service Consequences and Risks

Outlining service consequences and risks from resourcing decisions forms an important part of an organisation's strategic asset management framework.

The organisation has prioritised decisions made in adopting the asset management plans summarised in this strategic asset management plan to obtain the optimum benefits from its available resources.

The asset management plans are based on balancing service performance, cost and risk to provide an agreed level of service from available resources in our long-term financial plan.

Work to formally document current service levels is continuing. This needs to be done before service consequences and risks can be assessed and this will occur in a future version of this plan.

5.6.1 Deferred initiatives and projects

There are some operation and maintenance initiatives and capital projects that are not currently funded in the next 10 years. These are shown in Appendix E. The major initiatives and projects include:

- 7 Mile Beach – install new public toilet
- Brickmakers Beach – replace public toilet (possible find new location)
- Smithton Recreation Ground Hockey Centre – upgrade security system
- Stanley Recreation Ground – install new female changerooms
- ANZAC Park – reseal King St entrance and car park
- Duck River Boat Ramps – renew concrete
- King Park Playground – equipment renewal & Harrison Terrace fence renewal
- Lawn Cemetery – stage 2 expansion and front fence renewal including trees
- Shell Pit Walking Track
- Smithton Recreation Ground – renew boundary fence, reseal oval road surface
- Tier Hill viewing deck and carpark – replace/upgrade
- Trethewies lookout & HM Lane lookout – replace/upgrade
- Boys Road – upgrade & seal
- Dip Falls Road – upgrade & seal
- Eastern Foreshore Master Plan – road realignment
- Fords Road – upgrade & seal
- Goldie Street – reconstruct section from Smith St intersection to #38 Goldie St
- Hansons Road – upgrade & seal
- Marcus River Road – upgrade & seal
- Kennys Road – upgrade & seal
- Old Port Road – sealing upgrade
- Old Stanley Road – open and seal road through to highway
- Plummers Road – upgrade & seal
- Purdys Road – upgrade & seal
- Reynolds Road – upgrade and seal
- Sampson Avenue/Goldie Street Roundabout - construction
- Spion Kop Road – upgrade & seal
- Tatlow Street – new kerb & footpath from Smith St to King St
- Upper Gibson Street – new kerb & footpath from Sampson Ave to Massey St
- Upper Grant Street to Nelson Street Walking Track – new footpath
- Rupert Lane/Carnac Court, Smithton – formalise stormwater drainage (through private property)
- Church Street, Stanley (near Brown Dog) – upgrade stormwater capacity
- Rougemont Street, Stanley (Greenhills Road to School) – solve overland stormwater flow path
- Fossey & Lette Street, Smithton intersection – investigate and fix tidally effected area
- West Esplanade, Smithton – investigate and fix tidally effected area

The risks identified from deferring the above projects have been included in the infrastructure risk register, summarised in the relevant asset management plan, and expenditures included within projected expenditures.

6. RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2009 Risk management – Principles and guidelines. Risk Management is defined in ISO 31000:2009 as: ‘coordinated activities to direct and control with regard to risk’¹⁰

An assessment of risks¹¹ associated with service delivery will identify critical risks that will result in loss or reduction in service from infrastructure assets or a ‘financial shock’. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluate the risks and develop a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 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. Examples of failure mode could include:

- Physical failure, collapse
- Essential service interruption

Critical assets have been identified and their typical failure mode and the impact on service delivery are summarized in Table 10.

Table 10: Critical Assets

Critical Asset(s)	Failure Mode	Impact
Circular Head Council Office	Building Collapse or Fire	Council day-to-day operations affected Alternate premises required during reconstruction
Circular Head Works Depot Buildings	Fire or Flood	Council day-to-day operations affected Alternate premises required during reconstruction
Drainage Outfalls	Blockage	Risk of flooding to property upstream of blockage during rainfall events

By identifying critical assets and failure modes an organization can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

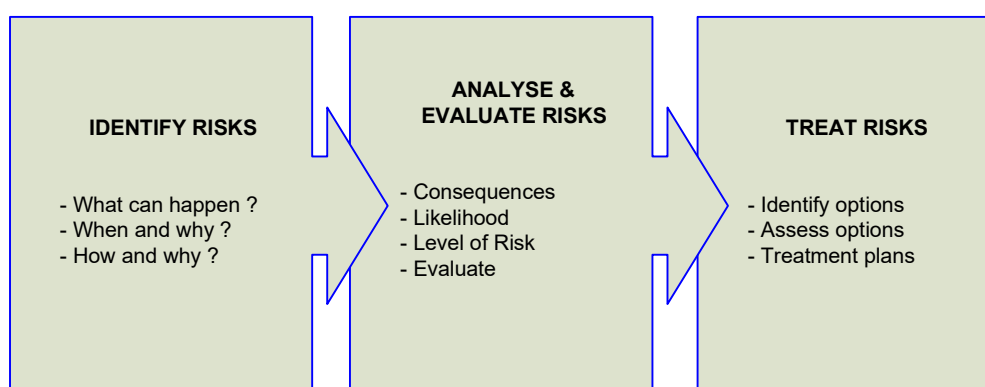
6.2 Risk Assessment

The risk management process used in this project is shown in Figure 1 below. It is an analysis and problem solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks. The process is based on the fundamentals of the ISO risk assessment standard ISO 31000:2009.

¹⁰ ISO 31000:2009, p 2

¹¹ Circular Head Council Infrastructure Risk Register

Figure 10: Risk Management Process – Abridged



The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks. An assessment of risks¹² associated with service delivery from infrastructure assets will identify the critical risks that will result in significant loss, ‘financial shock’ or a reduction in service.

Critical risks are those assessed with risk ratings of ‘Extreme’ – requiring immediate corrective action, and ‘High’ – requiring prioritised corrective action. Critical risks identified in the Infrastructure Risk Register and their possible treatment plans are summarised in Table 11. These risks are included in the Corporate Risk Register and regularly reported to management and Council.

Table 11: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (E, H)	Risk Treatment Plan
Buildings			
Council Office Reception, Smithton	Disgruntled member of the public could easily access staff areas and cause harm to staff	H	Expert risk and safety advice required Design costs to be recommended through budget No cash on premises stickers CCTV installation Dealing with difficult customers training No access to staff area from reception Develop lockdown procedure
Council Office 3rd Storey Windows, Smithton	Windows nearing end of life could fall out onto street or leak causing water damage to building	H	Include replacement in 10 Year Works Plan
Council Office Ground Floor Air Conditioning, Smithton	System failure threatening building occupation and/or escalating maintenance costs	H	Expert design advice required Design costs to be recommended through budget

¹² Circular Head Council Infrastructure Risk Register

ⁱ IPWEA, 20015, IIMM, Sec 3, p9.

Service or Asset at Risk	What can Happen	Risk Rating (E, H)	Risk Treatment Plan
Stanley Recreation Ground Beef Pavilion (Show day use)	Current use on Stanley Show Day exposes public to risk of injury from livestock	H	Consider installation of barriers Consider restricting use
Parks, Reserves and Recreation			
Brickmakers Beach Access	Traffic accident when exiting site with truck & trailer carrying mower	H	Lobby DSG for access upgrades to highway Relocate toilet block Close site Seek speed limit reduction
Montagu Park Old Jetty	Slips, trips, falls, personal injury or death	H	Remove/ demolish Fence off with warning signage
Montagu Park - Trees	Limbs can fall on campers - personal injury or death	H	Schedule regular inspections by arborist (5 yearly) Close park Remove trees in camping area
Smithton Jetties 1, 2 & 3	Fall causing injury or death	H	Remove/demolish
Smithton Recreation Ground, West Esplanade & Kings Park - Underground Infrastructure	Striking of underground mains causing electrocution	H	Create & maintain 'as constructed' drawings Public education of the process
Solid Waste – No critical risks currently identified			
Transport			
Culvert on Mawbanna Road – just south of Bartletts Road	Shoulder failure – pavement collapse	H	Culvert extension
Mawbanna Road – just before Dough Boys hill where trees have been removed	Shoulder failure – pavement collapse	H	Culvert extension
Urban Stormwater			
Stanley Open Drain - main drain at back of Hale St	Flooding of adjacent properties	H	Install additional outfall and/or new detention basin near recreation ground

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to “withstand and given level of stress or demand” and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as robustness, response and recover planning, financial capacity and crisis leadership.

While Council’s Business Continuity Plan addresses this to some degree, we do not currently formally measure our resilience in service delivery. This will be included in future iterations of the SAM Plan.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What We Cannot Do

There are some operation and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Create walking track to the shell pits
- Ensure zero risk of flooding in extraordinary rain events
- Formalise stormwater drainage for Rupert Lane/Carnac Court, Smithton (through private property)
- Upgrade stormwater capacity on Church Street, Stanley (near Brown Dog)
- Solve overland stormwater flow path in Rougemont Street, Stanley (Greenhills Road to School)
- Investigate and fix tidally effected area at Fossey & Lette Street, Smithton intersection
- Investigate and fix tidally effected area at West Esplanade, Smithton
- Build new public toilet at 7 Mile Beach
- Replace public toilet at Brickmakers Beach
- Convert all unsealed roads to sealed roadway
- Upgrade all identified functional deficiencies
- Maintain service standards in circumstances such as unforeseen extraordinary heavy vehicle road usage or during extreme weather events

6.4.2 Service Trade-Off

If there is forecast work (Operation, maintenance, capital renewal, upgrade / new) that cannot be undertaken due to available resources, then this will result in service consequences for users. These include:

- Lower standards of service in some areas
- Some roads will continue to exhibit functional deficiencies
- Disruption of service provision
- Increased maintenance costs to keep assets in service that are overdue for renewal

6.4.3 Risk Trade-Off

The operation and maintenance activities and capital projects that cannot be undertaken may maintain or create risk consequences. These include:

- Potentially dissatisfied customers
- Periodic increased maintenance requirements on affected assets
- Lower travelling speeds and/or greater risk of road accidents through driver inattention on road sections with identified functional deficiencies
- Risk of asset failure and/or loss of service

- Increased risk to asset users

These actions and expenditures are considered and included in the forecast costs. Where applicable, these items are included in the Infrastructure Risk Register.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this strategic asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

7.1 Financial Indicators and Projections

Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio indicates whether projected capital renewal and replacement expenditure are able to be financed in the long-term financial plan. It is calculated by dividing the projected capital renewal expenditure shown in the AM Plans by the estimated capital renewal budget provided in the long-term financial plan. Over the next 10 years, we are forecasting that we will have 100% of the funds required for the optimal renewal and replacement of assets.

7.2 Funding Strategy

The funding strategy to provide the services covered by this strategic asset management plan and supporting asset management plans is contained within the organisation's 10 year long term financial plan.

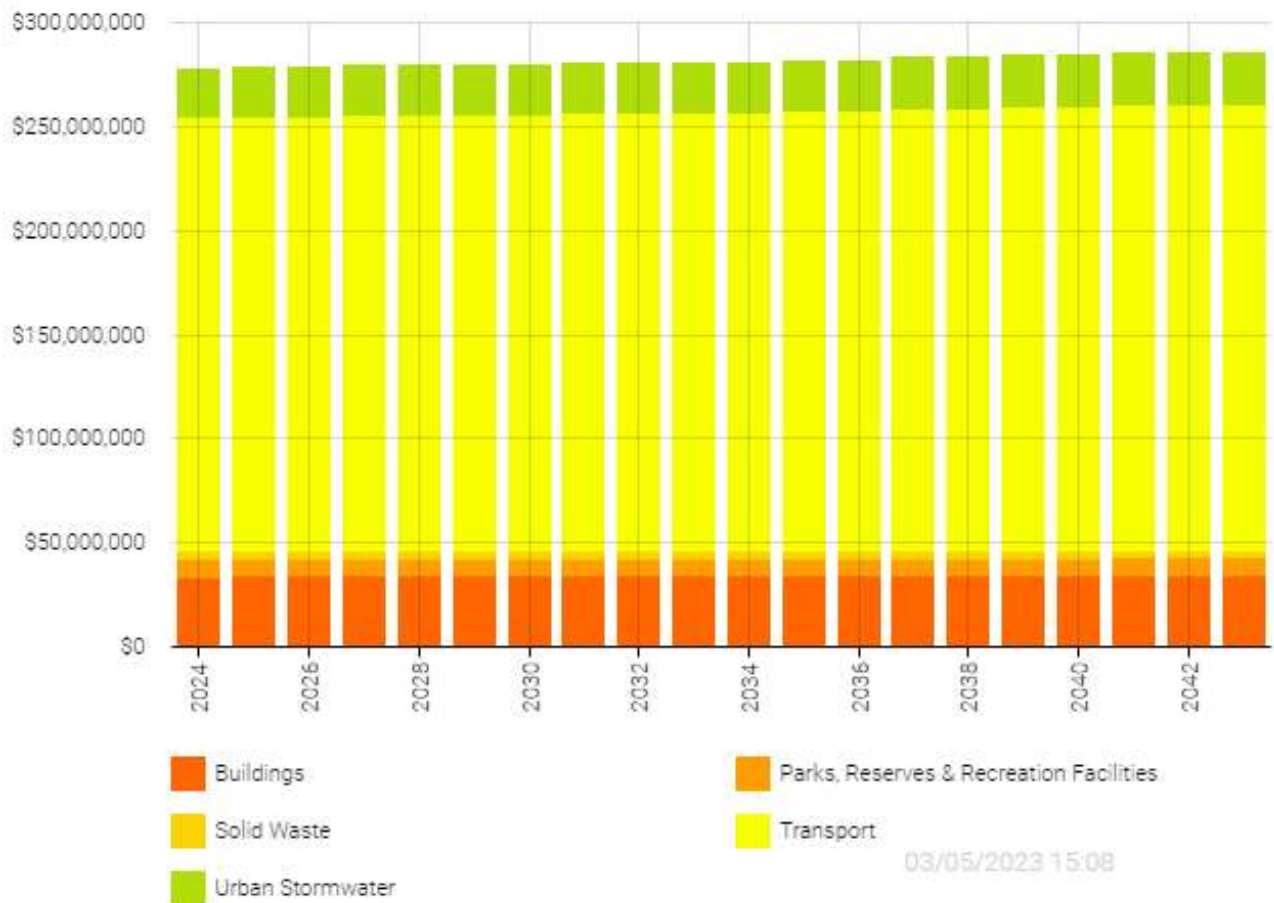
The funding strategy was developed in conjunction with the AM Plans and Long-Term Financial Plan. We recognise that we are unable to meet all service demands, have reviewed all service needs and demands, and agreed on a trade-off of projects and initiatives to balance service performance, risk and costs. The funding strategy includes borrowings of \$4.4 million to finance critical and high priority capital upgrade/new projects and initiatives in 2023/24. Servicing of the borrowings is accommodated within the Long-Term Financial Plan.

7.3 Valuation Forecasts

7.3.1 Asset Values

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by the organisation and from assets constructed by land developers and others and donated to the organisation. Figure 11 shows the projected replacement cost asset values over the planning period in real values.

Figure 11: Projected Asset Values



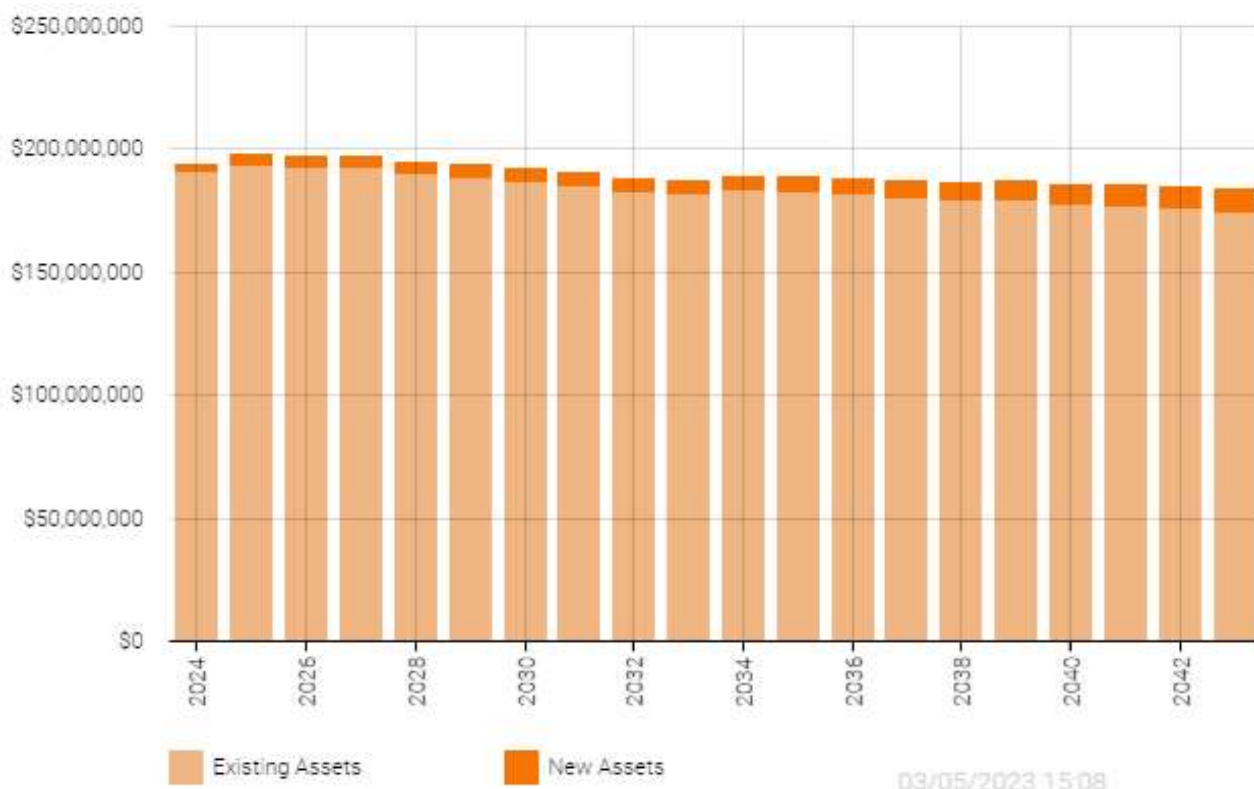
Asset Values

Buildings, Parks, Reserves & Recreation, Solid Waste, Transport, Urban Stormwater

7.3.2 Depreciated Replacement Cost

The depreciated replacement cost will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown in Figure 12. The depreciated replacement cost of contributed and new assets is shown in the darker colour and in the lighter colour for existing assets.¹³

Figure 12: Projected Depreciated Replacement Cost



Depreciated Replacement Cost

Buildings, Parks, Reserves & Recreation, Solid Waste, Transport, Urban Stormwater

An increase in the projected depreciated replacement cost (carrying value) of infrastructure assets indicates that the organisation is maintaining/increasing its infrastructure capital in aggregate. The projection for new and contributed assets is shown by the darker colour. A decrease indicates that aggregate infrastructure capital is being eroded.

Figure 12 indicates that we are not maintaining our infrastructure capital over the 10 year period.

This is largely due to the relatively young age profile of infrastructure and is in accordance with our Asset Management Plans and Long Term Financial Plan. At some time in the future, we will need to consider increasing capital renewal funding as the assets age and service performance is expected to decline.

7.4 Key Assumptions Made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this strategic asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

¹³ Note; Fair Value for buildings valued at market value is shown as DRC

Key assumptions made in this asset management plan and risks that these may change are shown in Table 12.

Table 12: Key Assumptions made in Strategic Asset Management Plan and Risks of Change

Key Assumptions	Risks of Change to Assumptions
Current estimates of replacement cost and useful life of infrastructure assets are accurate.	May affect future depreciation and renewal costs.
Operating budget expenditure levels as at year 1 remain unchanged over life of plan (in real dollar terms)	Increases or decreases will impact revenue projections and other Long Term Financial Plan considerations accordingly.
There will be no external market fluctuations to cost inputs over the life of the plan.	May affect future operational and capital costs of service delivery.
Current service levels will remain constant for the life of the plan	Raising or lowering service levels (e.g. maintenance intervention levels) are likely to increase or decrease operating and maintenance expenditure projections accordingly.
Legislative compliance requirements will remain constant over the life of the plan	Changes in legislation and regulations may increase operating and maintenance expenditure projections

7.5 Forecast Reliability and Confidence

The expenditure and valuations projections in this strategic asset management plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management.

The estimated confidence level for and reliability of data used in this strategic asset management plan is shown in Table 13 and Table 14.

Table 13: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

Table 14: Data Confidence Assessment for AM Plans summarised in Strategic AM Plan

AM Plan	Confidence Assessment	Comment
Buildings Infrastructure Asset Management Plan	C – Medium	Primarily based on expert opinion/judgement supported by ad-hoc site inspections
Parks, Reserves and Recreation Infrastructure Asset Management Plan	D – Low	Primarily based on expert opinion/judgement supported by ad-hoc site inspections. Asset data incomplete.
Solid Waste Infrastructure Asset Management Plan	C – Medium	Primarily based on expert opinion/judgement supported by ad-hoc site inspections
Transport Infrastructure Asset Management Plan	C – Medium	Primarily based on expert opinion/judgement of roads assets. Bridge assets have a 6-month inspection cycle by independent expert.
Urban Stormwater Infrastructure Asset Management Plan	C – Medium	Primarily based on expert opinion/judgement and ad-hoc camera inspections as required

Over all data sources, the data confidence is assessed as C (Medium) confidence level for data used in the preparation of this strategic asset management plan.

Actions to mitigate the adverse effects of data quality are included within Table 15: Improvement Plan.

8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices

Circular Head Council is committed to sustainable service delivery into the future. To this end Council has made very real and significant progress in recent times towards improving the maturity level of its asset management practices. In order to be able to demonstrate long term financial sustainability, we must progress beyond the 'core' level of maturity for some of the performance elements relating to asset and financial management.

A strategic and coordinated, organisation-wide approach to asset management and service delivery is critical. This is achieved through the development of an asset management framework where the organisation's Long Term Financial Plan (LTFP) is meaningfully integrated with its Strategic Asset Management Plan (SAMP) to inform Council's strategic planning framework, including ongoing resourcing decisions via the annual plan and budget process.

In this way Council can provide a transparent, accountable and evidence-based approach to the provision of value-for money services while at the same time communicating the service level and risk consequences of various funding scenarios as it engages with the community to identify agreed levels of service.

8.2 Improvement Plan

8.2.1 Improvement Plan

The asset management improvement tasks identified from an asset management maturity assessment and preparation of this strategic asset management plan are shown in Table 15.

Table 15: Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1	AMMA* 5 Annual Budget items should be expressed in terms of life cycle cost increase/decrease to Council as a percentage increase/decrease of the general rate.	ELT	Staff Time	2024/25
2	AMMA* 10 Review the strategy to fit with the council strategic plans and improve inputs and interface with FMS.	DIDS and Asset Services	Staff Time	2024/25
3	AMMA* 15 Continue to improve the formal process for corporate risk reporting for any residual high risks from AMPs to Audit Committee and Council.	Asset Services and Risk Officer	Staff Time	2024/25
4	AMMA* 16 AM improvement should continue to be driven by ELT by improving role clarity and responsibility to manage assets to meet service delivery needs.	ELT	Staff Time	2024/25
5	AMMA* 18 In future reviews of technical LOS for each of the AMPs ensure that service level targets for the next ten years are achievable and make clear what Council can and cannot do for the likely budget and LTFP.	ELT, Asset Services and Financial Services	Staff Time	2024/25

Task No	Task	Responsibility	Resources Required	Timeline
6	AMMA* 19 Ensure technical LOS are incorporated, monitored and reported at an operational level.	Asset Services and Works & Services	Staff Time	2024/25
7	AMMA* 20 Link community and technical service levels in AMPs to the community strategic plan and corporate plan informed by formal community engagement.	Asset Services	Staff Time	2024/25
8	AMMA* 24 Prepare or complete inspection manuals for all major asset classes as each AMP is reviewed/updated.	Asset Services and Works & Services	Staff Time	2024/25
9	AMMA* 25 Progress mobile field technology implementation for more efficient data capture and maintenance.	IT and Works & Services	Staff Time	2024/25
10	AMMA* 30 Service level reporting needs to be implemented using “state of the assets” metrics, reporting on trends for quality, function and capacity for strategic service levels. Continue regular reporting on current maturity and status of AM Improvement Plan implementation.	Asset Services	Staff Time	2024/25

Note: * AMMA refers to the Asset Management Maturity Assessment (2022) – see full AMMA list in Appendix F

8.2.2 Status of Previous Improvement Plan Tasks

The status of improvement plan tasks from previous SAMP's are shown below in Table 16.

Table 16: Status of Improvement Plan Tasks from Previous SAMP's

Task No	Task	Responsibility	Timeline	Status
1	Revision of Asset Management Plans	Whole of Council AMP	Perpetual	4 of 5 Complete
2	Prepare or complete inspection manuals for all major asset classes.	Infrastructure and Development	TBC	Commenced
3	Include explanation in Annual Report on variations between budget and actual results.	Organisational Performance	TBC	Complete
4	Items from the 2019 Maturity Assessment improvement plan (as per Appendix E)	GM/EMT/SMT	TBC	Complete
5	Migration of asset data to an integrated asset management system	Infrastructure & Corporate Services	Research in progress	3 of 5 Complete

Task No	Task	Responsibility	Timeline	Status
6	Document asset valuation methodologies including external benchmarking across all asset classes	Infrastructure & Corporate Services	Transport, Stormwater & Buildings complete	4 of 5 Complete
7	AMMA* 1 - Review the Community Strategic Plan so that it includes community consultation and reflects community needs	GM/ELT/SMT	2022/23	Ongoing
8	AMMA* 2 - Ensure Community Strategic Plan priorities and performance measures are linked to community and technical service levels in AMPs	GM/ELT/SMT	2022/23	Ongoing
9	AMMA* 3 - Continue to review and improve SAMP and LTFP - Align timing of updates to lead budget rather than the other way around	Asset Services, Finance, Engineering and Works	2022/23	Complete & Ongoing
10	AMMA* 4 - Consider including commentary in the next update of the Community Strategic Plan on the important role infrastructure plays in achieving strategic objectives and the future outlook for this infrastructure (any challenges/risks)	GM/ELT/SMT	2022/23	Ongoing
11	AMMA* 5 - Review the commentary in the 2022/23 Annual Plan following the completion of the LTFP to provide a statement of whether the budget will achieve the strategic plan objectives – 1 st Cut Objective	Corporate Services	2022/23	Complete & Ongoing
12	AMMA* 7 - Include “state of the assets” reporting in annual report to show service level trends e.g. percentage of assets at Poor/Fair/Good condition, function and capacity. This will provide an annual snapshot of service level trends – 1 st Cut Objective (extraction from SAMP)	Corporate Services / Asset Services	2022/23	Commenced
13	AMMA* 9 -Review Asset Policy (May 2022)	Asset Services / ELT/SLT	2021/22	Complete
14	AMMA* 10 - Ensure that the AM Policy is implemented and communicated to key stakeholders, and compliance measures are more fully embedded in business processes – Continue to look for opportunities to increase AM and associated service delivery awareness and training	ELT/SLT	2021/22	Complete & Ongoing
15	AMMA* 11 – Training needs for councillors and staff to be integrated into corporate training objectives – (e.g. NAMS training refresher etc) ahead of 2023/24 budget	GM / Asset Services	Post Oct 2022	Ongoing
16	AMMA* 13 – Review the strategy (SAMP) to fit with the Council and Community Strategic Plans – concurrent with Community Strategic Plan review	Asset Services / Engineering and Works	2022/23	Ongoing

Task No	Task	Responsibility	Timeline	Status
17	AMMA* 17 – Develop and progress 2022/23 annual work plan for Strategic Asset Management Steering Committee	SAM Steering Committee	2022/23	Commenced
18	AMMA* 22 – Commence auditing of Service Level compliance for areas covered by Service Level documents (e.g. Roads, Footpaths)	Asset Services / Engineering and Works	2022/23	Commenced
19	AMMA* 23 – Review of Urban Stormwater and Parks, Reserves and Recreation Asset Management Plan and Service Level	Asset Services / Community / Engineering and Works	2022/23	Complete
20	AMMA* 24 – Trial NAMS3 funding scenario tool for Parks, Reserves and Recreation Asset Management Plan	Asset Services	2022/23	Deferred
21	AMMA* 29 – Inspection manuals created/revised as part of rolling Asset Management Plan review process – Stormwater gully pits	Asset Services / Works	2022/23	Commenced

Note: * AMMA refers to the Asset Management Maturity Assessment (2019/20) – see full AMMA list in Appendix F

8.3 Monitoring and Review Procedures

The strategic asset management plan has a life of 4 years (Council election cycle) but is typically updated every 12 months.

8.4 Performance Measures

The effectiveness of the strategic asset management plan can be measured in the following ways:

- The degree to which the required projected expenditures identified in this strategic asset management plan are incorporated into the organisation's long term financial plan
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the summarised asset management plans
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the organisation's Strategic Plan and associated plans
- The Asset Renewal Funding Ratio achieving the target of 90 - 100%.

9. REFERENCES

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- Circular Head Council Long Term Financial Plan/s
- Circular Head Council Asset Management Plans
- Circular Head Council Service Level Documents
- Final Valuation of Circular Head Council Building Assets Report, APV Valuers & Asset Management
- Circular Head Council Stormwater System Management Plan (2019)
- Circular Head Council Asset Management Maturity Assessment 2022
- Circular Head Council 10 Year Works Plan/s

10. APPENDICES

Appendix A	Summary Technical Levels of Services
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APPENDIX A Summary Technical Levels of Service

Current technical service levels for all asset classes are summarised in the table below.

Table 17: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance	Recommended Performance
Acquisition (New/Upgrade)	Service Aim	Drawn from master plans and significant developments	Currently all identified upgrade works from major developments and Council-initiated master plans are scheduled to be funded	All identified upgrade works from major developments and Council-initiated master plans are funded
		Unplanned acquisitions	Not funded	May increase current lifecycle cost without furthering the service aim
Operation	Service Aim	Annual Budget	Current budget funds estimated operation costs	All operation costs are met
Maintenance	Service Aim	Annual Budget	Current budget funds stated maintenance intervention levels	Stated maintenance intervention levels are met
Renewal	Service Aim	Annual Budget	Asset Renewal Funding Ratio of 100%	Service Aim
Disposal	Service Aim	Annual Budget	Annual Budget	Service Aim

APPENDIX B Projected Operation and Maintenance Expenditure

Projected operation and maintenance expenditures included in the Long-Term Financial Plan are listed in the table below.

Table 18: Operation and Maintenance Expenditure

Year	Buildings \$	Parks, Reserves & Recreation \$	Solid Waste \$	Transport \$	Urban Stormwater \$
2024	619,893	2,409,296	1,104,626	2,000,342	198,218
2025	621,851	2,481,043	1,104,626	2,024,624	198,218
2026	623,279	2,489,467	1,104,626	2,028,787	205,279
2027	623,279	2,491,331	1,104,626	2,029,515	205,279
2028	623,279	2,496,326	1,104,626	2,032,953	205,279
2029	623,279	2,498,190	1,104,626	2,034,691	205,279
2030	623,279	2,500,053	1,104,626	2,036,127	205,279
2031	623,279	2,501,917	1,104,626	2,038,526	205,279
2032	623,279	2,503,781	1,104,626	2,040,859	205,279
2033	623,279	2,505,645	1,104,626	2,041,102	205,279
2034	623,279	2,507,508	1,104,626	2,041,102	205,279
2035	623,617	2,517,330	1,104,626	2,045,178	205,985
2036	623,956	2,527,151	1,104,626	2,049,254	206,691
2037	624,294	2,536,972	1,104,626	2,053,330	207,397
2038	624,633	2,546,793	1,104,626	2,057,406	208,103
2039	624,971	2,556,614	1,104,626	2,061,482	208,809
2040	625,310	2,566,436	1,104,626	2,065,558	209,515
2041	625,648	2,576,257	1,104,626	2,069,634	210,222
2042	625,987	2,586,078	1,104,626	2,073,710	210,928
2043	626,326	2,595,899	1,104,626	2,077,786	211,634

APPENDIX C Projected Capital Renewal/Replacement Program

Projected 10 Year Capital Renewal and Replacement Works Programs are listed in the tables below.

Table 19: Renewal Works Program – BUILDINGS

Year	Renewal Project	Estimate
2024	Anglican Church Public Toilets Stanley - Exterior works	6,000
2024	ANZAC Park Play Centre - Replace 1 aircon unit	6,000
2024	ANZAC Park Play Centre - Roof replacement	7,000
2024	CH Community Recreation Centre - Painting & Lighting	20,000
2024	Smithton Recreation Ground - Hockey Centre - repairs and painting	20,000
2024	Stanley Caravan Park - replace sewer systems	30,000
2024	Stanley Recreation Ground - Clubrooms - heating upgrade	6,500
2024	Stanley Recreation Ground - Clubrooms - renew hot water cylinders	7,000
2024	Stanley Recreation Ground - Clubrooms - roof renewal	30,000
2024	Stanley Recreation Ground - Clubrooms - Upgrade lighting and repair ceiling in Bar area	18,000
2024	Stanley Recreation Ground - Clubrooms - window replacement	25,000
2024	Stanley Recreation Ground - External Toilet Block (Grant Funding)	132,330
2024	Stanley Town Hall - fire exit	35,000
2025	9 Police Lane - carpet & flooring	20,000
2025	9 Police Lane - cladding	50,000
2025	9 Police Lane - roof & fascia	15,000
2025	9 Police Lane - toilet & plumbing	15,000
2025	9 Police Lane - window & doors	20,000
2025	ANZAC Park Play Centre - Internal Painting	25,000
2025	Stanley Recreation Ground - external painting of buildings	25,000
2031	CH Community Recreation Centre - carpet & flooring	25,000
2031	CH Council Chambers - air conditioner	35,000
2031	Redpa Recreation Ground - renew clubroom windows and doors	30,000

Table 20: Renewal Works Program – PARKS, RESERVES & RECREATION

Year	Renewal Project	Estimate
2024	ANZAC Park - seating	5,000
2024	General Urban Parks Bins - renewal & upgrade program	10,000
2024	Green Point Reserve - renewal & upgrade	6,000
2024	Hellyer St Playground - renew or remove	75,000
2024	Nelson St - Rotaract Park Playground - renew or remove	60,000
2024	Off Billing Street - Walking Track #239	90,000
2024	Redpa Recreation Ground - ground seating	12,000
2024	Redpa Recreation Ground - resheet around oval	5,400
2024	Smithton Rec Ground Playground - renew or remove	35,000
2024	Smithton Recreation Ground - Oval - renew subsoil drainage	400,000
2024	Smithton Recreation Ground - Perimeter Fencing - renewal (Bugg St)	48,750

Year	Renewal Project	Estimate
2024	Smithton Recreation Ground - Skate Park - surface renewal & repairs	22,130
2024	Smithton Recreation Ground - Tennis/Netball - Internal Fence	9,000
2024	Stanley Recreation Ground - renew fencing (Marine Esplanade)	11,000
2024	Wedge St Playground - renewal	50,000
2024	West Esplanade (at toilet block) - lighting	5,000
2024	West Esplanade Dump Point - relocation construction	20,000
2025	General Urban Parks Bins - renewal & upgrade program	6,250
2025	Smithton Recreation Ground - Perimeter Fencing - renewal (Havelock St)	31,800
2026	General Urban Parks Bins - renewal & upgrade program	6,250
2026	Greenhills Road - HM Lanes Lookout - #220	326,222
2026	Smithton Jetty No 1 - Duck River - #221	67,268
2026	Smithton Jetty No 2 - Duck River - #222	75,677
2026	Smithton Recreation Ground - Perimeter Fencing - renewal (Nelson St)	40,500
2027	Duck River Jetties - replace with floating pontoons	150,000
2027	General Urban Parks Bins - renewal & upgrade program	6,250
2027	West Esplanade Playground - renewal	80,000
2028	General Urban Parks Bins - renewal & upgrade program	6,250
2029	General Urban Parks Bins - renewal & upgrade program	6,250
2030	Boat Ramp No-1 - Duck River - #225	173,079
2030	Boat Ramp No-2 - Duck River - #226	137,903
2030	General Urban Parks Bins - renewal & upgrade program	6,250
2031	General Urban Parks Bins - renewal & upgrade program	6,250
2032	General Urban Parks Bins - renewal & upgrade program	6,250
2033	General Urban Parks Bins - renewal & upgrade program	6,250
2033	Off Billing Street - Walking Track #239	646,587
2033	Smithton Walking Track - Drain - #218	102,554
2031	Council Depot – renew air conditioning system	10,500

Table 21: Renewal Works Program – SOLID WASTE

Year	Renewal Project	Estimate
2024	Port Latta Cell 6/3-4 construction	2,600,000
2024	Port Latta Leachate management plan review and Update	35,000
2024	Port Latta Final Cap Design -decommissioned cells (1-5) + Cell 6/ 1&2	25,000
2024	Port Latta Ecological Risk Assessment	15,000
2024	Port Latta Annual Survey	10,000
2025	Port Latta final capping of decommissioned cells (1-5)	2,000,000
2025	Port Latta Annual Survey	10,000
2026	Port Latta Master plan 5 yearly review - GHD master plan recommendation	20,000
2027	Port Latta final capping of decommissioned cells (6 1&2)	1,500,000
2027	Port Latta Annual Survey	10,000
2028	Port Latta Cell 6/4 design	20,000
2028	Port Latta Annual Survey	10,000
2029	Port Latta Cell 6/4 construction	800,000

Year	Renewal Project	Estimate
2029	Port Latta Annual Survey	10,000
2030	Port Latta Annual Survey	10,000
2031	Port Latta Annual Survey	10,000
2032	Port Latta Annual Survey	10,000
2033	Port Latta Cell 6/5-6 design	30,000
2033	Port Latta Annual Survey	10,000
2034	Port Latta Cell 6/5-6 construction	2,600,000
2034	Port Latta Annual Survey	10,000
2035	Port Latta Annual Survey	10,000
2036	Port Latta Annual Survey	10,000
2038	Port Latta Cell 6/6 design	20,000
2039	Port Latta Cell 6/6 construction	800,000
2043	Port Latta Cell 6/7-8 design	30,000

Table 22: Renewal Works Program – TRANSPORT

Year	Renewal Project	Estimate
2024	Bridge	258,750
2024	Footpath	326,993
2024	Pavement Renewal	620,000
2024	Resheet	1,350,000
2024	Rural Reseal	1,212,757
2024	Strategic	10,000
2024	Urban Reseal	43,677
2025	Bridge	11,875
2025	Footpath	199,480
2025	Pavement Renewal	751,098
2025	Resheet	1,350,000
2025	Rural Reseal	488,952
2025	Strategic	10,000
2025	Urban Reseal	903,663
2026	Footpath	87,737
2026	Pavement Renewal	950,000
2026	Resheet	1,350,000
2026	Rural Reseal	266,198
2026	Urban Reseal	60,517
2027	Bridge	403,835
2027	Footpath	291,977
2027	Resheet	1,350,000
2027	Rural Reseal	759,836
2027	Urban Reseal	197,295
2028	Bridge	170,782
2028	Footpath	58,090
2028	Resheet	1,350,000

Year	Renewal Project	Estimate
2028	Rural Reseal	610,668
2028	Urban Reseal	83,009
2029	Footpath	75,480
2029	Resheet	1,350,000
2029	Rural Reseal	398,502
2029	Urban Reseal	232,690
2030	Bridge	286,884
2030	Footpath	114,584
2030	Resheet	1,350,000
2030	Rural Reseal	136,154
2030	Urban Reseal	37,283
2031	Bridge	837,022
2031	Footpath	20,453
2031	Resheet	1,350,000
2031	Rural Reseal	349,086
2031	Urban Reseal	148,665
2032	Bridge	234,656
2032	Bridge - Culvert	107,675
2032	Footpath	1,894
2032	Resheet	1,350,000
2032	Rural Reseal	980,148
2032	Urban Reseal	208,457
2033	Footpath	4,290
2033	Pavement Renewal	19,927
2033	Resheet	1,350,000
2033	Rural Reseal	1,392,439
2033	Urban Reseal	333,114

Table 23: Renewal Works Program – URBAN STORMWATER

Year	Renewal Project	Estimate
	No assets are identified for renewal in this planning period due to the long lifecycle of assets in this infrastructure class	

APPENDIX D Projected Acquisition Works Program

Projected 10 Year Capital Acquisition (upgrade/new) Works Programs are listed in the tables below.

Table 24: Acquisition Works Program – BUILDINGS

Year	Acquisition Project	Estimate
2024	CH Council Chambers - Air Conditioner	3,500
2024	CH Council Chambers - Fire Panel	3,500
2024	CH Council Chambers - Security	8,000
2024	Stanley Recreation Ground - Clubrooms - roof renewal	5,000
2024	Stanley Town Hall - external works	25,000
2024	Stanley Town Hall - fire exit	10,000
2024	Stanley Town Hall - New motorised Projector Screen	15,000
2024	SWIRL - New roof safety equipment	10,000
2024	SWIRL - Plant room and storage room	6,000
2024	SWIRL (Indoor Centre) - Basketball - Design for backboards and infrastructure	6,000
2024	SWIRL (Indoor Centre) - Internal Entrance upgrade	15,000

Table 25: Acquisition Works Program – PARKS, RESERVES & RECREATION

Year	Acquisition Project	Estimate
2024	General Urban Parks Bins - renewal & upgrade program	10,000
2024	Green Point Reserve - renewal & upgrade	4,000
2024	Redpa Recreation Ground - resheet around oval	36,600
2024	Smith Street (top of the Grunter) - lighting	5,000
2024	Smithton Recreation Ground - Hall of Fame Car Park - seal	45,000
2024	Stanley Boat Ramp Car Park - sealing	140,000
2025	General Urban Parks Bins - renewal & upgrade program	6,250
2025	Smithton Dog Park - shelter installation	22,000
2026	General Urban Parks Bins - renewal & upgrade program	6,250
2027	General Urban Parks Bins - renewal & upgrade program	6,250
2027	Green Point Reserve - beach ramp decking	10,500
2028	General Urban Parks Bins - renewal & upgrade program	6,250
2029	General Urban Parks Bins - renewal & upgrade program	6,250
2030	General Urban Parks Bins - renewal & upgrade program	6,250
2031	General Urban Parks Bins - renewal & upgrade program	6,250
2032	General Urban Parks Bins - renewal & upgrade program	6,250
2033	General Urban Parks Bins - renewal & upgrade program	6,250

Table 26: Acquisition Works Program – SOLID WASTE

Year	Acquisition Project	Estimate
	No assets are identified for acquisition in this planning period	

Table 27: Acquisition Works Program – TRANSPORT

Year	Acquisition Project	Estimate
2024	Bridges	20,000
2024	Footpath	474,234
2024	Road Safety	107,040
2024	Rural Roads Major Maintenance	40,000
2024	Upgrade - Strategic	1,862,000
2025	Footpath	364,247
2025	Rural Roads Major Maintenance	25,000
2025	Unsealed Shoulder support	40,000
2026	Pavement Renewal	50,000
2026	Rural Roads Major Maintenance	25,000
2027	Footpath	329,440
2027	Rural Roads Major Maintenance	25,000
2028	Footpath	154,148
2028	Rural Roads Major Maintenance	25,000
2029	Footpath	123,100
2029	Rural Roads Major Maintenance	25,000
2030	Footpath	128,138
2030	Footpath & Kerb	94,103
2030	Rural Roads Major Maintenance	25,000
2031	Footpath	161,704
2031	Footpath & Kerb	53,893
2031	Rural Roads Major Maintenance	25,000
2032	Rural Roads Major Maintenance	25,000

Table 28: Acquisition Works Program – URBAN STORMWATER

Year	Acquisition Project	Estimate
2025	Main Road, Stanley – kerb & channel installation between Cripps Street & Edwardes Street	100,000
2025	Alexander Terrace, Stanley – Install new stormwater system	711,600

APPENDIX E Deferred Initiatives and Capital Works Proposals

Currently Unfunded Initiatives and Capital Works Proposals are listed in the tables below.

Table 29: Deferred Capital Works – BUILDINGS

Project	Description	Estimate (if available)
CH Community Recreation Centre - changerooms flooring	Renew flooring in changerooms (Possible Grant Funding)	
SWIRL (Indoor Centre) - Basketball - backboards and infrastructure	New backboards and infrastructure	
Stanley Recreation Ground - Staining & Storage	Fit storage cupboards to Southern Foyer	
7 Mile Beach - public toilet	Construct new public toilet facility	200,000
Eastern Area Toilet Block - renew/relocate	Replacement of Brickmakers Beach toilet - possibly needs new location	150,000
Smithton Recreation Ground - Hockey Centre - security system renewal	Upgrade security system	20,000
Stanley Recreation Ground - female changerooms	Consider new female changeroom facilities	
Stanley Town Hall - lighting	Upgrade stage lighting to LED	
Works and Services Depot - windows	Renew windows	20,000

Table 30: Deferred Capital Works – PARKS, RESERVES & RECREATION

Project	Description	Estimate (if available)
ANZAC Park Reseal - King St entrance & car park	Seal entrance and car park	
Harrison Terrace - fence	Post and rail fencing West from new pedestrian entry to replace existing and failing Mirror Bush	
Smithton Recreation Ground - Cricket - net replacement	Assess condition and budget for design & replacement of cricket nets	
Smithton Recreation Ground - Oval - replace fence	Assess condition and budget for replacement of Oval fencing	
Smithton Recreation Ground - Oval - reseal oval surrounds	Renewal of oval ring-road sealed surface	
Stanley Recreation Ground - tennis court fence	Boundary Fence Contribution Tennis Court	
Tatloes Beach Walkway & Boat Ramp Carpark - lighting (Design required)	Replace lamps and poles	
CH Lawn Cemetery - front fence east of entry (include remove trees)	Front fence along Bass Highway old and unsightly	
CH Lawn Cemetery - Stage 2 expansion	Extension to road network, stormwater, additional plots (concrete plinths)	150,000

Project	Description	Estimate (if available)
Montagu Park Boat Ramp Car Park	Car parking extension	6,000
Tier Hill - Viewing Deck		420,000
Tier Hill Car parking		198,000
Trethewies Lookout Renewal	Is this still required?	65,000
Walking Track to the Shell Pits		0
West Esplanade Park - lighting	Replace existing lighting	0
Duck River Boat Ramps - renewal	Renew concrete boat ramps	0
King Park Playground - renewal	Playground equipment replacement	100,000

Table 31: Deferred Capital Works – SOLID WASTE

Project	Description	Estimate (if available)
White Hills transfer station Site Amenities - renew airc con & kitchen	Renew air conditioning & kitchenette 2023/24	4,000
Port Latta Site Amenities - renew aircon & kitchen	Renew air conditioning & kitchenette	6,000
FOGO feasibility	Food and organic waste feasibility	

Table 32: Deferred Capital Works – TRANSPORT

Project	Description	Estimate (if available)
Sampson Av/Goldie St roundabout	Construction	840,000
Municipal Urban area Street Lighting Audit	Conduct an audit on street lighting aligned to Footpath Hierarchy	10,000
Eastern foreshore masterplan	Road realignment	450,000
Gibson Street (upper)	Urban Street Sealing	49,840
Goldie Street Segment 4 (+ half segment 3) - Smith St to #38 Goldie St	Reconstruction	870,000
Old Port Road	Sealing Upgrade $\$650,000 \times 4.16 \times 20\% = 1,996,800$	3,244,800
Old Stanley Road	"Construction and sealing upgrade 1.78km including opening road through to highway?"	6,700,000
Dip Falls Road	- current resolution on record"	1,614,600
Reynolds Road	Upgrade and seal. $\$650,000 \times 2.07\text{km} \times 20\%$	2,285,400
Fords Road	Upgrade and seal. $\$650,000 \times 2.93\text{km} \times 20\%$	1,560,000
Spion Kop Road	Upgrade and seal. $\$650,000 \times 2\text{km} \times 20\% = \$840,000$.	1,638,000
Plummers Road	Upgrade and seal. $\$650,000 \times 2.1\text{km} \times 20\%$	1,029,600
Boys Road	Upgrade and seal. $\$650,000 \times 1.32\text{km} \times 20\% = \$554,400$.	1,108,800
Hansons Road	Upgrade and seal. $\$650,000 \times 2.64\text{km} \times 20\%$	608,400

Project	Description	Estimate (if available)
Kennys Road	Upgrade and seal past rural living zone to crest . \$650,000*0.78km*20%	631,800
Harcus River Road	Upgrade and seal - \$650,000*0.81km*20%	15,180,000
Purdys Road	Upgrade and seal - \$550,000*23km*20% = Design and Construct - subject to external funding being available.	507,000
White Hills Quarry	Upgrade & seal 650m \$650000*0.65*20%	
Upper Gibson Street kerb and footpath construction	Safety Improvements - Worksafe Requirements - No issues here of cost implication at present	81,071
Tatlow Street kerb and footpath construction	Construct new footpath on south side of Upper Gibson Street between Sampson Avenue and Massey Street Offset to allow for future road width of 8.9m (FOK). 105m * \$600 (Priority and project year derived from algorithm factoring hierarchy and number of properties captured per \$)	198,000
Upper Grant St to Nelson St Walking Track	Construct new kerb and footpath and car parking between Smith Street and King Street 225m	180,000
Church Street DDA car parking (19 Church Street)	New concrete footpath 360m * \$500	40,000
Church Street Footpath ramp (19 Church street)	Construct DDA car parking space adjacent to 19 church Street design 90% complete. Subject to VRUP funding. To take priority over footpath ramp (below) - Defer until masterplan complete	35,000
Gibson Street Sec - 4 Footpath Right	Footpath - Asphalt - 30mm	15,703

Table 33: Deferred Capital Works – URBAN STORMWATER

Project	Description	Estimate (if available)
Church St, Stanley (right along past Brown Dog)	Suspected under capacity	
Fossey & Lette Street intersection, Smithton	Tidally effected area - not related to storm events - Investigation required	
Rougemont St, Stanley (Green Hills Rd to the school)	Needs investigation to find solution to overland flow path into property - need more information	
Rupert Lane/Carnac Court, Smithton	Formalise drainage through private property	
West Esplanade, Smithton	Tidally effected area - not related to storm events - Investigation required	

APPENDIX F Asset Management Maturity Assessment Recommendations

Improvement Plan Recommendations from Strategic Asset Management Maturity Assessments are listed in the tables below.

Table 34: Asset Management Maturity Assessment 2022

Task No	Element	Task	Current Score	Core Target Score	Advanced Target Score	Current Risk	Target Risk
1	Strategic Longer Term Plan	Ensure Strategic Plan priorities and performance measures are linked to community and technical service levels in AMPs.	3.14	3	4	Medium	Low
2	Strategic Longer Term Plan	Continue to review and improve SAMP and LTFP.	3.14	3	4	Medium	Low
3	Strategic Longer Term Plan	The strategic plan outcomes and strategies should be consulted and agreed with the community.	3.14	3	4	Medium	Low
4	Annual Budgeting	Continue to improve the confidence levels of life cycle costing and other budget inputs for all master plans, strategies and service level plans in the SAMP/LTFP framework. All community engagement for master plans, strategies and service level plans should be informed by this information prior to adoption.	3.16	3	5	Medium	Low
5	Annual Budgeting	Annual Budget items should be expressed in terms of life cycle cost increase/decrease to Council as a percentage increase/decrease of the general rate.	3.16	3	5	Medium	Low
6	Annual Budgeting	Include in the Annual Budget a statement of how Council will meet the goals and objectives of its Strategic Longer Term Plan	3.16	3	5	Medium	Low
7	Annual Report	Include "state of the assets" reporting in annual report to show service level trends e.g. percentage of assets at Poor/Fair/Good condition, function and capacity. This will provide an annual snapshot of service level trends.	3.14	3	4	Medium	Low
8	Asset Management Policy	Ensure that the AM Policy is continually communicated to key stakeholders, and compliance measures are more fully embedded in business processes.	3.54	3	5	Medium	Low

Task No	Element	Task	Current Score	Core Target Score	Advanced Target Score	Current Risk	Target Risk
9	Asset Management Strategy	Ensure that this maturity improvement plan forms part of the ongoing strategy based on cost, benefit and risk.	2.77	3	5	High	Low
10	Asset Management Strategy	Review the strategy to fit with the council strategic plans and improve inputs and interface with FMS.	2.77	3	5	High	Low
11	Asset Management Strategy	Ensure that Council's Asset Management Strategy shows how the asset portfolio can meet the service delivery needs of the community and defines the future vision of asset management practices within Council.	2.77	3	5	High	Low
12	Asset Management Plans	Updated AMPs include "state of the assets" metrics such as quality/condition, function and capacity to at least "low confidence", expert judgement level.	3.1	3	4	Medium	Low
13	Asset Management Plans	Continue to ensure risk assessments and criticality profiles are reviewed as each AMP is updated and/or individual risks are treated.	3.1	3	4	Medium	Low
14	Asset Management Plans	Ensure an asset consolidation and disposal program informed by internal stakeholder and community engagement is included as each AMP is updated.	3.1	3	4	Medium	Low
15	Governance and Management	Continue to improve the formal process for corporate risk reporting for any residual high risks from AMPs to Audit Committee and Council.	3.47	3	4	Medium	Low
16	Governance and Management	AM improvement should continue to be driven by ELT by improving role clarity and responsibility to manage assets to meet service delivery needs.	3.47	3	4	Medium	Low
17	Governance and Management	Establish monitoring, reporting and internal auditing of strategic and technical levels of service to ELT and other stakeholders.	3.47	3	4	Medium	Low
18	Levels of Service	In future reviews of technical LOS for each of the AMPs ensure that service level targets for the next ten years are achievable and make clear what Council can and cannot do for the likely budget and LTFP.	3.14	3	5	Medium	Low

Task No	Element	Task	Current Score	Core Target Score	Advanced Target Score	Current Risk	Target Risk
19	Levels of Service	Ensure technical LOS are incorporated, monitored and reported at an operational level.	3.14	3	5	Medium	Low
20	Levels of Service	Link community and technical service levels in AMPs to the community strategic plan and corporate plan informed by formal community engagement.	3.14	3	5	Medium	Low
21	Levels of Service	Develop additional AMP scenarios as required to align with the LTFP and show service outcomes and risk consequences of LTFP resourcing levels.	3.14	3	5	Medium	Low
22	Data and Systems	Ensure that the current register is kept up to date and asset condition is monitored and validated by field staff as part of the annual review of the works program.	2.81	3	5	High	Low
23	Data and Systems	Continue data improvement program as part of the asset management improvement program based on benefit/cost/risk.	2.81	3	5	High	Low
24	Data and Systems	Prepare or complete inspection manuals for all major asset classes as each AMP is reviewed/updated.	2.81	3	5	High	Low
25	Data and Systems	Progress mobile field technology implementation for more efficient data capture and maintenance.	2.81	3	5	High	Low
26	Data and Systems	Move Parks, Reserves, and Recreation assets to Conquest to realise field technology advances.	2.81	3	5	High	Low
27	Skills and Processes	Continue to review business processes and document them to ensure audit trail for financial transactions, asset register updates and annual reporting.	2.85	3	5	High	Low
28	Skills and Processes	ELT and SLT charged with responsibility for assessing AM skills and knowledge within their teams and determining training needs.	2.85	3	5	High	Low
29	Evaluation	Use this maturity report and AM Improvement Plan to monitor and review national framework implementation.	2.55	3	4	High	Low

Task No	Element	Task	Current Score	Core Target Score	Advanced Target Score	Current Risk	Target Risk
30	Evaluation	Service level reporting needs to be implemented using “state of the assets” metrics, reporting on trends for quality, function and capacity for strategic service levels. Continue regular reporting on current maturity and status of AM Improvement Plan implementation.	2.55	3	4	High	Low
31	Evaluation	Annual sample-based reporting to be introduced for technical levels of service and community levels of service once established.	2.55	3	4	High	Low

Table 35: Asset Management Maturity Assessment 2019/20

Task No	Element	Task	Current Score	Target Score	Current Risk	Target Risk
1	Strategic Longer Term Plan	Review the Strategic Plan so that it includes community consultation and reflects community needs.	2.1	4.5	High	Low
2	Strategic Longer Term Plan	Ensure Strategic Plan priorities and performance measures are linked to community and technical service levels in AMPs.	2.1	4.5	High	Low
3	Strategic Longer Term Plan	Continue to review and improve SAMP and LTFP.	2.1	4.5	High	Low
4	Strategic Longer Term Plan	Consider including commentary in the next update of the Strategic Plan on the important role infrastructure plays in achieving strategic objectives and the future outlook for this infrastructure (any challenges/risks).	2.1	4.5	High	Low
5	Annual Budget	Review the commentary in the budget following the completion of the LTFP to provide a statement of whether the budget will achieve the strategic plan objectives.	2.7	5	Medium	Low
6	Annual Budget	Amend the Annual Budget process to include formal community consultation.	2.7	5	Medium	Low
7	Annual Report	Include “state of the assets” reporting in annual report to show service level trends e.g. percentage of assets at Poor/Fair/Good condition, function and capacity. This will provide an annual snapshot of service level trends.	2.9	3.8	Medium	Low
8	Annual Report	Include explanation on variations between budget and actual results	2.9	3.8	Medium	Low

Task No	Element	Task	Current Score	Target Score	Current Risk	Target Risk
9	AM Policy	Review AM Policy	3	4.5	High	Low
10	AM Policy	Ensure that the AM Policy is implemented and communicated to key stakeholders, and compliance measures are more fully embedded in business processes.	3	4.5	High	Low
11	AM Policy	Training needs for councillors and staff to be integrated into corporate training objectives.	3	4.5	High	Low
12	AM Strategy	Ensure that this maturity improvement plan forms part of the ongoing strategy based on cost, benefit and risk.	1.5	5	High	Low
13	AM Strategy	Review the strategy to fit with the council strategic plans	1.5	5	High	Low
14	AM Strategy	Ensure that Council's Asset Management Strategy shows how the asset portfolio can meet the service delivery needs of the community and defines the future vision of asset management practices within Council.	1.5	5	High	Low
15	AM Plans	Updated AMPs include "state of the assets" metrics such as quality/condition, function and capacity to at least "low confidence", expert judgement level.	2.5	4.5	High	Low
16	AM Plans	Ensure risk assessments and criticality profiles are created as each AMP is updated.	2.5	4.5	High	Low
17	Governance and Management	Establish an Asset Management Steering Committee that has full EMT participation with adopted terms of reference.	1.6	4.5	High	Low
18	Governance and Management	Ensure whole of life costing impacts from all capital upgrade/expansion projects have a feedback loop into AMPs and Budget/Long Term Financial Strategy.	1.6	4.5	High	Low
19	Governance and Management	Develop a formal process for corporate risk reporting for any residual high risks from AMPs to Audit Committee and Council.	1.6	4.5	High	Low
20	Governance and Management	AM improvement to be driven by EMT.	1.6	4.5	High	Low
21	Levels of Service	In developing future LOS for each of the AMPs ensure that service level targets for the next ten years are achievable and make clear what Council can and cannot do for the likely budget/LTFP.	2.2	4.5	High	Low
22	Levels of Service	Ensure technical LOS are incorporated, monitored and reported at an operational level.	2.2	4.5	High	Low

Task No	Element	Task	Current Score	Target Score	Current Risk	Target Risk
23	Levels of Service	Link community and technical service levels in AMPs to the community strategic plan and corporate plan.	2.2	4.5	High	Low
24	Levels of Service	Develop additional AMP scenarios as required to align with the LTFP and show service outcomes and risk consequences of LTFP resourcing levels.	2.2	4.5	High	Low
25	Data and Systems	Ensure that the current register is kept up to date and asset condition is monitored and validated by field staff as part of the annual review of the works program.	1.1	4.5	High	Low
26	Data and Systems	Continue data improvement program as part of the asset management improvement program based on benefit/cost/risk.	1.1	4.5	High	Low
27	Data and Systems	Provide a knowledge management strategy to continue to identify skills and knowledge needed for the technology/data options and audit trail, security etc.	1.1	4.5	High	Low
28	Data and Systems	Annual update of unit rates based on completed works program for comparison with replacement and renewal cost rates.	1.1	4.5	High	Low
29	Data and Systems	Prepare or complete inspection manuals for all major asset classes.	1.1	4.5	High	Low
30	Skills and Processes	Continue to review business processes and document them to ensure audit trail for financial transactions, asset register updates and annual reporting.	1.5	3.8	High	Low
31	Skills and Processes	Ensure any highest risks in each AMP be included in the corporate risk register and reported to executive/council/audit committee for acceptance of residual risk.	1.5	3.8	High	Low
32	Evaluation	Use this maturity report and AM Improvement Plan to monitor and review national framework implementation.	1	3.6	High	Low
33	Evaluation	Service level reporting needs to be implemented using "state of the assets" metrics, reporting on trends for quality, function and capacity. Continue regular reporting on current maturity and status of AM Improvement Plan implementation.	1	3.6	High	Low
34	Evaluation	Annual sample-based reporting to be introduced for established community and technical levels of service.	1	3.6	High	Low

APPENDIX G Improvement Plan Tasks from Previous SAMP's

Table 36: Improvement Plan Tasks from SAMP 2022

Task No	Task	Responsibility	Timeline	Status
1	AMMA* 1 - Review the Community Strategic Plan so that it includes community consultation and reflects community needs	GM/ELT/SMT	2022/23	Ongoing
2	AMMA* 2 - Ensure Community Strategic Plan priorities and performance measures are linked to community and technical service levels in AMPs	GM/ELT/SMT	2022/23	Ongoing
3	AMMA* 3 - Continue to review and improve SAMP and LTFP - Align timing of updates to lead budget rather than the other way around	Asset Services, Finance, Engineering and Works	2022/23	Complete & Ongoing
4	AMMA* 4 - Consider including commentary in the next update of the Community Strategic Plan on the important role infrastructure plays in achieving strategic objectives and the future outlook for this infrastructure (any challenges/risks)	GM/ELT/SMT	2022/23	Ongoing
5	AMMA* 5 - Review the commentary in the 2022/23 Annual Plan following the completion of the LTFP to provide a statement of whether the budget will achieve the strategic plan objectives – 1 st Cut Objective	Corporate Services	2022/23	Complete & Ongoing
6	AMMA* 7 - Include “state of the assets” reporting in annual report to show service level trends e.g. percentage of assets at Poor/Fair/Good condition, function and capacity. This will provide an annual snapshot of service level trends – 1 st Cut Objective (extraction from SAMP)	Corporate Services / Asset Services	2022/23	Commenced
7	AMMA* 9 -Review Asset Policy (May 2022)	Asset Services / ELT/SLT	2021/22	Complete
8	AMMA* 10 - Ensure that the AM Policy is implemented and communicated to key stakeholders, and compliance measures are more fully embedded in business processes – Continue to look for opportunities to increase AM and associated service delivery awareness and training	ELT/SLT	2021/22	Complete & Ongoing
9	AMMA* 11 – Training needs for councillors and staff to be integrated into corporate training objectives – (eg NAMS training refresher etc) ahead of 2023/24 budget	GM / Asset Services	Post Oct 2022	Ongoing
10	AMMA* 13 – Review the strategy (SAMP) to fit with the Council and Community Strategic Plans – concurrent with Community Strategic Plan review	Asset Services / Engineering and Works	2022/23	Ongoing

Task No	Task	Responsibility	Timeline	Status
11	AMMA* 17 – Develop and progress 2022/23 annual work plan for Strategic Asset Management Steering Committee	SAM Steering Committee	2022/23	Commenced
12	AMMA* 22 – Commence auditing of SL compliance for areas covered by SL docs (e.g. Roads, Footpaths)	Asset Services / Engineering and Works	2022/23	Commenced
13	AMMA* 23 – Review of SW + Parks, Reserves and Sporting Grounds AMP and SL	Asset Services / Community/ Engineering and Works	2022/23	Complete
14	AMMA* 24 – Trial NAMS3 funding scenario tool for Parks, Reserves and Sporting Grounds AMP	Asset Services	2022/23	Deferred
15	AMMA* 29 – Inspection manuals created/revised as part of rolling AMP review process – SW gully pits	Asset Services / Works	2022/23	Commenced

Table 37: Improvement Plan Tasks from SAMP 2021

Task No	Task	Responsibility	Timeline	Status
1	Improve confidence of capital works forecasting (10 year works plan) with particular focus on years 1-3.	Whole of Council	2022/23	Complete & Ongoing
2	Continue development of formal service levels	Whole of Council	2022/23	Complete & Ongoing
3	Develop and progress annual work plan for Asset Management Steering Committee	AM Steering Committee	2022/23	Complete & Ongoing

Table 38: Improvement Plan Tasks from SAMP 2020

Task No	Task	Responsibility	Timeline	Status
1	Revision of Asset Management Plans	Whole of Council AMP	Perpetual	4 of 5 Complete
2	Establish an Asset Management Steering Committee that has full EMT participation with adopted terms of reference.	EMT	2020/21	Complete
3	Develop a formal process for corporate risk reporting for any residual high risks from AMPs to Audit Committee and Council.	EMT + SMT	2020/21	Complete & Ongoing

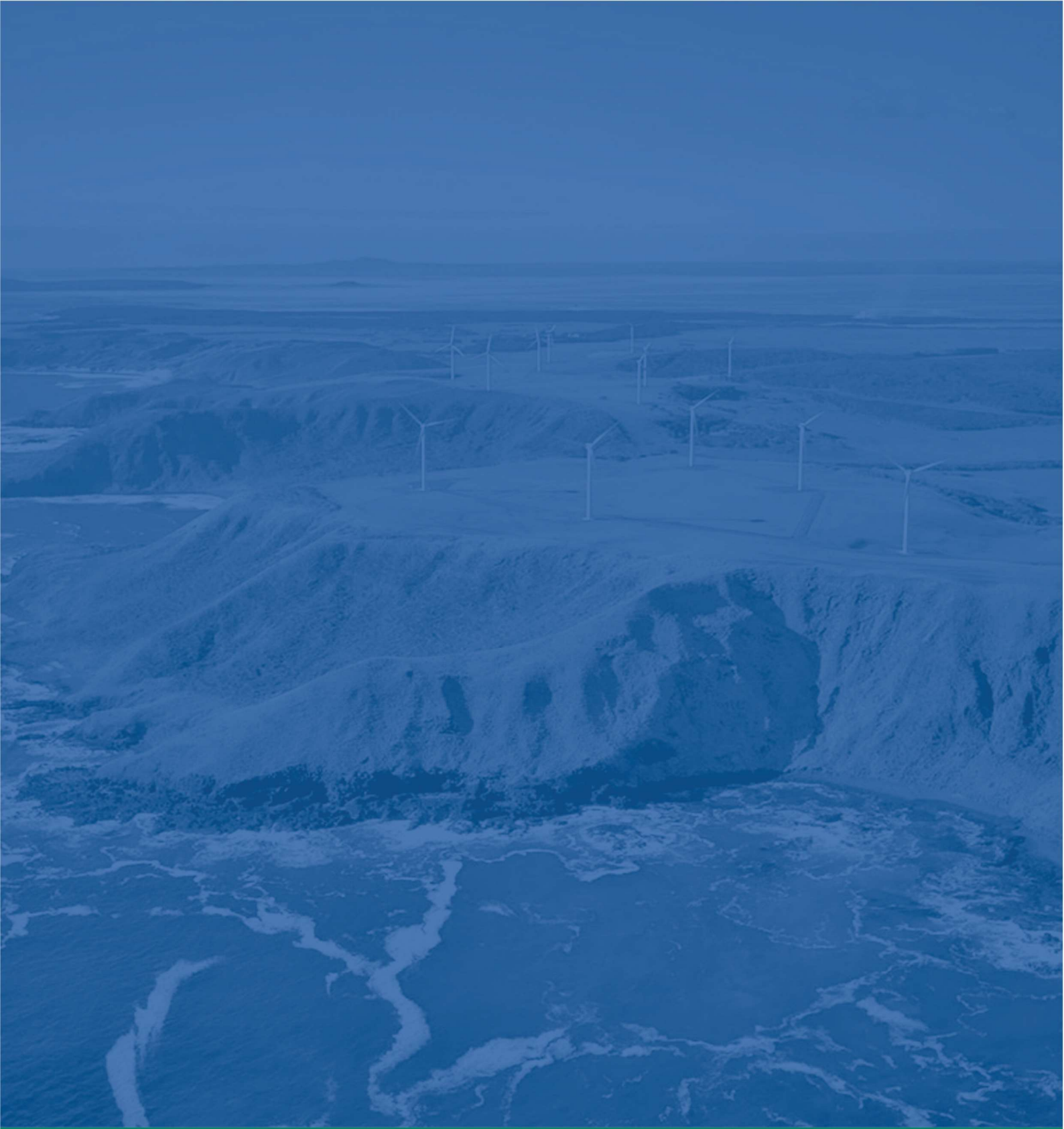
Task No	Task	Responsibility	Timeline	Status
4	Review the commentary in the budget following the completion of the LTFP to provide a statement of whether the budget will achieve the strategic plan objectives.	Organisational Performance	TBC	Complete
5	Annual update of unit rates based on completed works program for comparison with replacement and renewal cost rates.	Infrastructure and Development	2020/21	Superseded by annual asset review process
6	Prepare or complete inspection manuals for all major asset classes.	Infrastructure and Development	TBC	Commenced
7	Include explanation in Annual Report on variations between budget and actual results.	Organisational Performance	TBC	Complete
8	Items from the 2019 Maturity Assessment improvement plan (as per Appendix E)	GM/EMT/SMT	TBC	Complete

Table 39: Improvement Plan Tasks from SAMP 2018

Task No	Task	Responsibility	Timeline	Status
1	Migration of asset data to an integrated asset management system	Infrastructure & Corporate Services	2018/19 implementation	3 of 5 Complete
2	Implementation of stormwater drainage service plan	Infrastructure & Corporate Services	Dec 2019	Complete
3	Production of 1 st cut Service Level Dashboards	Whole of Council	2019/20	No longer required
4	Review of sealed road pavement useful lives	Infrastructure	2017/18	Complete
5	Review documented road service levels	Infrastructure	2018/19	Complete
6	Develop and adopt an Open Space and Recreation Plan	Strategic Governance	2017/18	Complete
7	Revision of Asset Management Plans	Whole of Council AMP custodians	perpetual	4 of 5 Complete
8	Review of organisational Asset Management maturity assessment	GM & EMT	Oct 2018	Complete
9	Document asset valuation methodologies including external benchmarking across all asset classes	Infrastructure & Corporate Services	2018/19	4 of 5 Complete
10	Develop Council's Corporate Risk Register to incorporate asset & service related risks identified in asset management and service plans.	EMT + SMT	2018/19	Complete

Table 40: Improvement Plan Tasks from SAMP 2016 & 2015

Task No	Task	Responsibility	Timeline	Status
1	Review of stormwater drainage valuation methodology	Engineering Services	2016/17	Complete
2	Production of 1 st cut Service Level Dashboards	Engineering Services	2016/17	No longer required
3	Review of sealed road pavement useful lives	Engineering Services	2016/17	Complete
4	Review and document road service levels	Engineering Services	2016/17	Complete
5	Develop and adopt an Open Space and Recreation Plan	General Manager	2016/17	Complete
6	Revision of Asset Management Plans	Engineering Services	2018/19	4 of 5 Complete
7	Review of organisational AM maturity assessment	EMT + Finance, Assets, Risk and Governance	2016/17	Complete
8	Defining Organisational List of Services, completion of dashboards with 10-year funding scenarios and integration of risk considerations with forward funding scenarios	Director Infrastructure and Development	2016/17	Commenced
9	Further priorities to be identified as improvement plan progresses	EMT	2016/17	Complete
10	Review of asset valuation methodologies including external benchmarking across all asset classes	Engineering Services & Finance Services	1-4 years	Complete
11	An Infrastructure Risk Management Plan needs to be developed to provide a framework within which 'critical' risks are identified and risk treatment plans, actions and funding for required works are included within future maintenance and capital works programs. The review of risks is an on-going, iterative process and the framework will need to be refined as the maturity of Council's assets management practices increases over time.	EMT	1-4 years	Complete & Ongoing
12	As the maturity of our approach to asset management increases, the process of refining Council's Levels of Service (LOS) should involve consultation with the community (e.g. "we require this LOS <u>and</u> recognise the cost of having it")	EMT	1-4 years	Commenced



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