

ASSET MANAGEMENT STRATEGY, POLICY & PLANS

2023-2032

**REVISED
DRAFT
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STRATEGIC ASSET MANAGEMENT PLAN

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Kempsey Shire Council acknowledges the land of the Thungutti/Dunghutti Nation. We pay respect to Elders past and present. We acknowledge the role of emerging leaders to continue to guide us in the future. We acknowledge the Stolen Generations and the need to change practices to be inclusive. This land always was and always will be Thungutti/Dunghutti land.



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2 Introduction

The Strategic Asset Management Plan (SAMP) is part of our Resourcing Strategy, along with long-term financial planning, and Workforce Management Planning. These three plans ensure we have the assets, people, and money we need to deliver our services.

The Resourcing Strategy explains how we will allocate resources to deliver the objectives under our responsibility. The SAMP explains how we will do this for assets.

Figure 1 Elements of the Resourcing Strategy

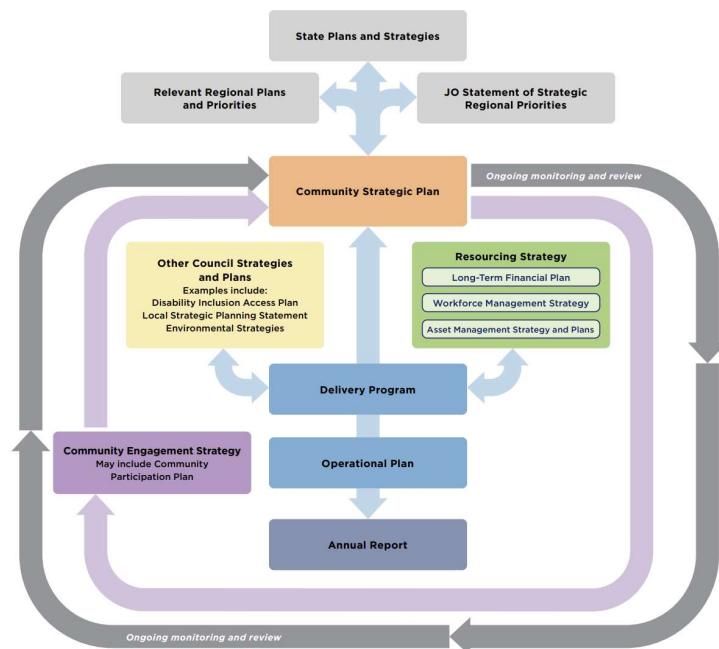


Figure 2 Location in the Resourcing Strategy



We have made the strategy in a format designed to help people understand what we do, and the priorities we place on different activities, assets, and services. This will help the community, elected officials, and our staff, make informed choices about the blend of services council delivers.

Our SAMP is sustainable in the short term and shows how things will change over the next 10 years, in line with our Long-Term Financial Plan (LTFP).

The SAMP will change and evolve in future years as our understanding and expertise improve. These changes will then be reflected in the LTFP and Workforce Management Strategy (WMS).

One of the most significant changes will be how we look at our assets. Currently we focus heavily on maintaining assets. In the future we will look more at the services these assets provide and find ways of delivering the service the community wants and needs, while finding new ways of managing some assets to ensure we live within our means. Our community





will make informed choices on what services are necessary and essential to the health and vitality of the shire.

Over the last three years, we have greatly improved our understanding of how to plan for the future of our assets and service. We have incorporated advanced analytics and modelling into our planning. Our plans aim to ensure we have the funds, people, and skills available at the right time to maintain and plan for the replacement of our assets and services. This will increase our efficiency, and eliminate wasted effort and unnecessary maintenance, allowing us to use our resources to the best advantage for the community.

Our Strategic Asset Management Plan discusses how we achieve our community's goals. We have linked our strategies to our Community Strategic Plan Your Future 2042. This helps show how our community consultation feeds into our planning, and how the community steers our direction.

There are impacts on the SAMP from the actions of other areas of government, and from business. These are also included in our planning.

Our region has many public assets that are essential for our way of life.

Most of our infrastructure is quite old and was built at a time when the main concern was to create the infrastructure people needed so they could live healthy and productive lives. As a country, we gave little thought on

how to make the infrastructure we built sustainable. That was a problem for the future.

The future is now.

Australia's infrastructure is aging. Ours is too. This challenges us to provide quality services within our budget. Managing these assets without increasing our budget, leaves us with work we can't do. We call this "deferred renewals". Some people call this a backlog, but this is not a good description as we optimise the work we defer to reduce the overall amount that needs to be done in the future. We may renew a long stretch of road in the future, rather than a short stretch now. This is a more efficient process, and costs less. We manage the deferred renewals by prioritising the important activities, with an aim that the levels of service, and safety are maintained at acceptable levels.

These deferred works are measured in diverse ways, including the funding gap between the money we have, and what we would need to do everything. We call this planned and forecast capital expenditure. We use long-term capital plans and long-term financial planning to ensure we have sufficient money available to keep our services sustainable, even if the deferred renewals are never eliminated.



Kempsey Shire Council is responsible for acquiring, maintaining, renewing, and removing \$1.5 billion of assets, including infrastructure assets for:

- Transport
- Stormwater & Flood Mitigation
- Buildings
- Commercial Businesses
- Open Space and Recreation
- Water
- Sewer
- Plant and Equipment

When we report numbers like these, we talk about our **depreciable assets**. Most of our assets wear out over time, and we call them **depreciable**. We also have assets that last almost forever, like the earthworks that support our roads, and we call these **non-depreciable**. Our total assets, depreciable and non-depreciable, are presently valued at \$1.9 billion.

Council exists to provide for our community. We do this by providing services, and most of these services need physical things that are complex and expensive. Council owns and manages assets where it is the most cost-effective option for the community.

2.1 Purpose of the Strategic Asset Management Plan

We want accurate information and good planning processes so that our assets are well managed. Our asset-based services should be sustainable, affordable, and meet our community needs.

The Community Strategic Plan highlights the areas of service required by the community. The Strategic Asset Management Plan (SAMP) documents

how our use and management of assets will achieve the service levels in the most cost-effective way. The SAMP also identifies any funding gaps along the way.

The SAMP presents a structured set of activities that will enable council to improve its asset management practices in line with the Community Strategic Plan (CSP), and the Asset Management Policy.

2.1.1 The Community Strategic Plan

The NSW Integrated Planning and Reporting legislation applies to all Councils, and requires us to produce many documents, including this one (the SAMP) and a Community Strategic Plan (CSP). We call our CSP 2042: Your Future. It is our community's plan and vision of what we want Kempsey Shire to be in 20 years. The SAMP shows how our assets support this journey.

Our Shire is a diverse region, comprising mountain and forested areas, open farmlands, urban areas, coastal beaches and seaside towns. The towns and communities of the Shire are equally diverse. — 2042: your future

This diversity poses unique challenges for the way we manage our assets, and plan for their future.

The Macleay River is the artery of our community that meanders through rural and urban areas. Whilst core to the valley's development, the river's serenity is sometimes interrupted and the flood prone nature of parts of the valley largely shape distinctive land use patterns and built form. — 2042: your future



Natural disasters feature strongly in our Community Strategic Plan. We want infrastructure that can withstand natural disasters and support our community in times of trouble.

Our Shire is a single community that represents the coming together over time of many villages, peoples and industries. — 2042: your future

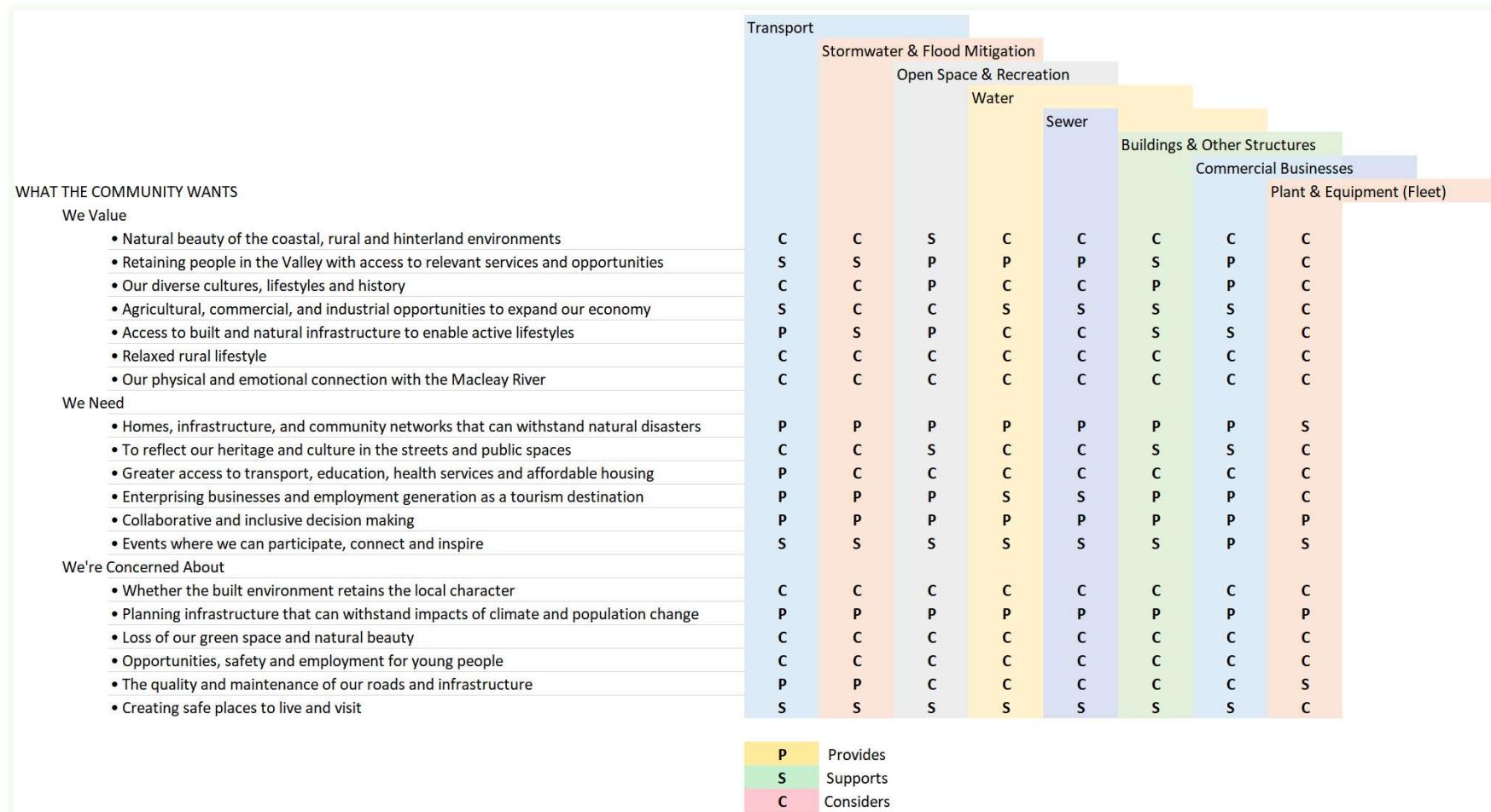
Asset-based services support the coming-together of community. General, and specific places are created and maintained by Council.

The different areas of the CSP tell us about the general things our community wants. Most of these are supported by our assets, and some of the aspirations tell us how the community would like our assets and services to change.

The figure overpage shows the linkages between the CSP and our Service Categories.



Figure 3 Services that Support Our Future



2.2 Objectives of the SAMP

The objectives of the SAMP are to outline an integrated planning framework, within our policies, and this strategy; to continue the improvement in our asset management processes across the organisation:

- Improve governance, stewardship, and accountability for infrastructure assets
- Improve risk management
- Increase efficiencies in the way our assets are used
- Enable council to skilfully deliver services now and sustainably into the future
- Improve the effectiveness of our expenditure
- We plan our works programs to maintained at an acceptable level
- Evolve our practices so they are consistent across the organisation and are continuously improved

2.3 Asset Management Planning

Our asset management planning framework provides the integration between the Asset Management Policy objectives, the Community Strategic Plan, and our operational activities.

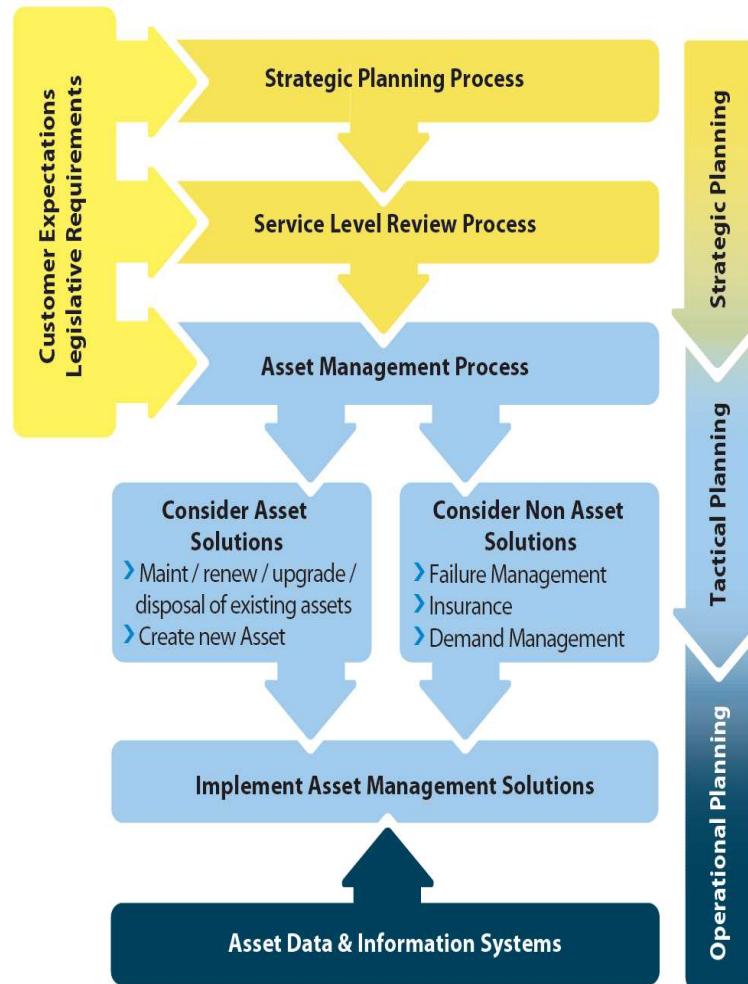
2.3.1 Planning

Our planning comes from modelling and predicting how our assets and finances will change over the next 10 years. This SAMP uses models of our three funds (General, Water, and Sewerage) and for our Major Asset Categories. These breakdowns are useful for planning but are all based on the same data. This gives our elected council, finance officers, and asset professionals, information in a way they can best use to manage our shire. It also helps with our auditing functions, and demonstrates that we are a trustworthy, community focussed organisation.

Our planning framework is shown overpage



Figure 4 Asset Management Planning Framework



2.3.2 Strategies

The strategies below will help us achieve our policy goals. They are directly related to long-term sustainability and achieving CSP goals.

Table 1 Assets Management Strategies

Nº	Strategy	Desired Outcome	Nº	Strategy	Desired Outcome
1	Continue to change financial planning to reflect long-term realities.	The long-term implications of all services are considered in annual budget deliberations.	7	Ensure council decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
2	Continue to develop and annually review strategic asset management plans.	Identification of services needed by the community and required funding to optimise 'whole of life' costs.	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.
3	Develop and maintain a long-term financial plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide our services.	9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.
4	Incorporate Year 1 of long-term financial plan revenue and expenditure projections into annual budgets.	Long-term financial planning drives budget deliberations.	10	Implement an improvement plan to realise 'core' maturity for the financial and asset management competencies within 2 years.	Improved financial and asset management capacity within the organisation.
5	Review and update strategic asset management plans and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	We and the community are aware of changes to service levels and costs arising from budget decisions.	11	Report annually to Executive Leadership Team on implementation of the financial and asset management improvement.	Oversight of resource allocation and performance.
6	Report our financial position at Fair Value 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.			



3 Assets and the Shire

Our Asset Management Policy applies to all Council Activities and all physical infrastructure that is Council's responsibility to operate and/or maintain. The tables below show a breakdown of assets into our service areas.

Non-infrastructure assets such as office equipment, furniture, fittings, library books and technology assets are excluded as their value is immaterial, and they are managed on an operational basis which doesn't represent a future sustainability issue.

3.1 Service Categories and Activities

The following table shows the relationship between the Service Categories, and the Service Activities they provide.

Table 2 Infrastructure Delivery Assets

Service Category	Service Activity
Transport	Sealed Road Unsealed Roads Bridges and Culverts Footpaths Kerb & Gutter
Stormwater & Flood Mitigation	Stormwater Flood Mitigation
Open Space & Recreation	Parks & Reserves Sports Grounds Waterway Facilities

Buildings	Community Buildings Emergency Services Corporate Buildings Sports & Recreation Buildings
Commercial Businesses	Holiday Parks Airport Saleyards Waste Management Swimming Pools Cemetery Facilities
Plant & Equipment	Plant & Equipment
Water	Network/Reticulation (Distribution) Storage, Treatment & Processing Pump Stations
Sewer	Network/Reticulation (Collection) Treatment & Processing Pump Stations



3.2 Asset Values

Our physical assets covered by this SAMP are presented in the following tables and graphs. We group assets by their service category, and show us what they cost to replace, and how much service potential is left to be used.

Table 3 Assets Values

Asset Service Category	Gross Replacement Cost	Accumulated Depreciation	Fair Value	Annual Depreciation
Buildings [†]	\$73,386,724	\$35,668,173	\$37,718,551	\$957,547
Sewerage Network	\$256,872,908	\$128,694,064	\$128,178,845	\$3,999,891
Open Space & Recreation ^{††}	\$37,073,506	\$14,903,400	\$22,170,107	\$699,505
Stormwater & Flood Mitigation	\$156,756,789	\$51,995,578	\$104,761,211	\$1,266,157
Commercial Businesses	\$73,283,077	\$40,127,186	\$33,155,891	\$1,097,625
Transport ^{†††}	\$559,850,002	\$202,008,478	\$357,841,524	\$7,768,392
Plant & Equipment	\$21,604,000	\$8,429,000	\$13,175,000	\$1,370,000
Water Supply Network	\$319,532,088	\$129,978,378	\$189,553,710	\$4,186,877
All Assets	\$1,498,359,094	\$611,804,257	\$886,554,839	\$21,345,994

Values at the 30th of June 2023

[†] Figures exclude Commercial Buildings which are included in Commercial Business (\$39.5M)

^{††} Figures exclude non-depreciable land improvements (\$24.6M)

^{†††} Figures exclude non-depreciable Bulk Earthworks (\$275.6M)



Figure 5 Asset Service Category Values

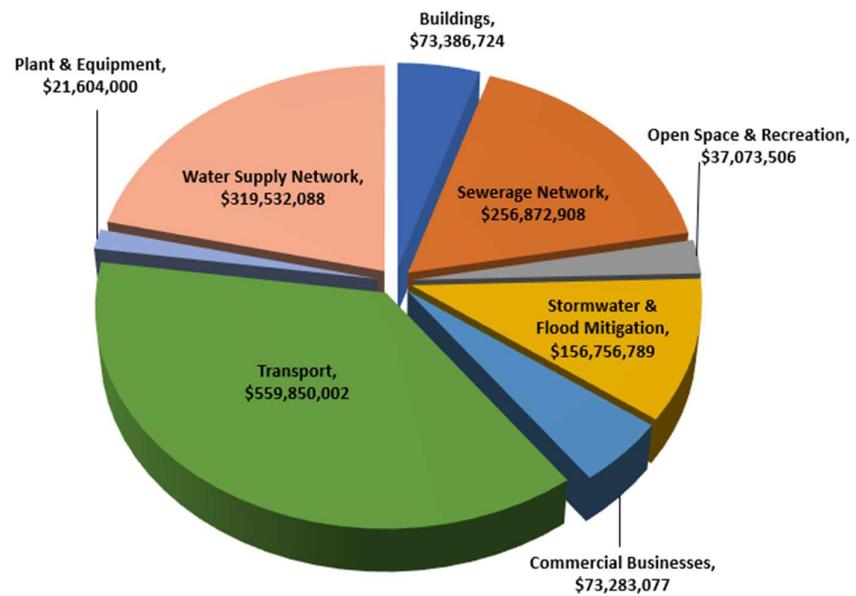
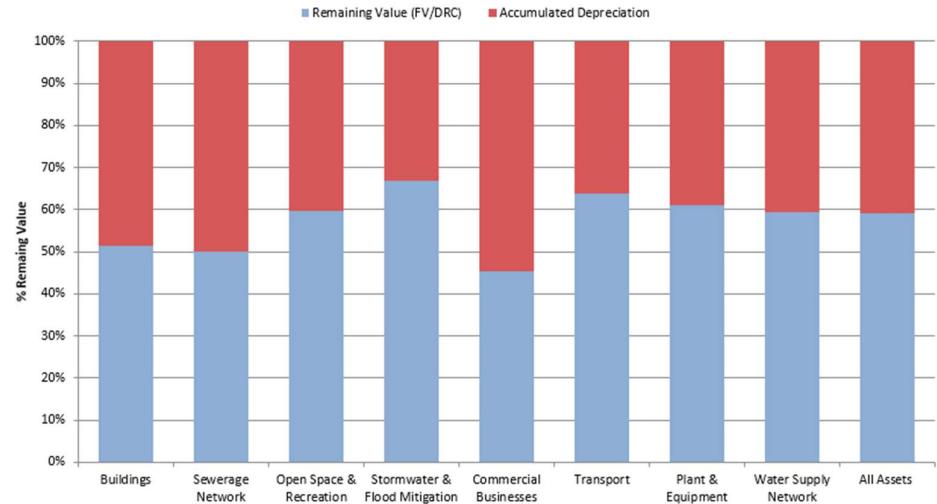


Figure 6 Asset Service Category Remaining Values (Percentage)



3.3 Asset Condition

We have collected information on the condition of our infrastructure assets. This work continues, but we have sufficient information to provide a clear picture. Council has used a consistent rating method to determine the current condition of our assets:

Table 4 Detailed Condition ratings

Rating	Description of condition
1	Very Good: New condition only planned maintenance required
2	Good: Minor defects only requiring minimal maintenance plus planned maintenance (High level of service to community)
3	Fair: Programmed maintenance required to return to accepted level of service (Adequate level of service to community)
4	Poor: Consider rehabilitation/renewal (Low level of service to community)
5	Very Poor: Approaching unserviceable requires renewal (Very low level of service to community - risk managed)

Table 5 Summary Condition Key

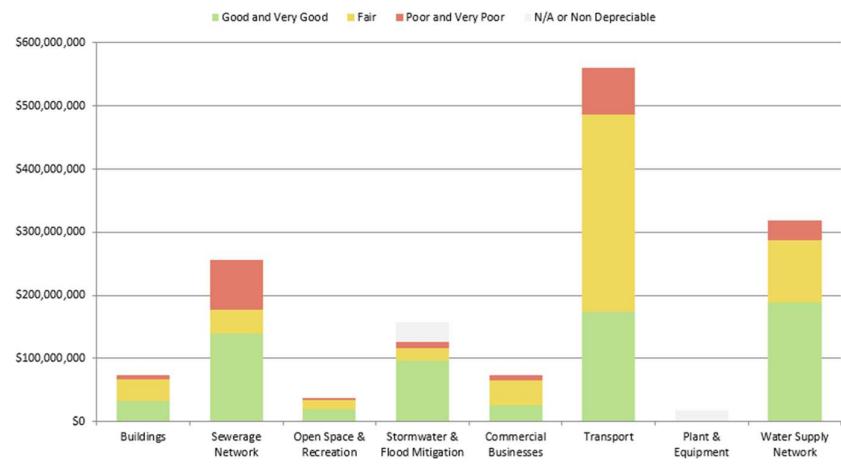
Key	Description of condition
Green	Very Good / Good
Yellow	Fair
Red	Poor / Very Poor

Throughout this SAMP all graphs and percentages are based on value, and not quantity of assets

Figure 7 Asset Service Category Condition (Percentage)



Figure 8 Asset Service Category Condition



4 Assets at a Glance

In this SAMP, we present assets collected under the Service Areas where they are managed. We also break them down by Fund, starting with the General Fund, then Water, and then Sewerage. The individual funds are a requirement of legislation, and control how we can allocate money.

We talk a little about the individual services, the challenges to delivering them, and how we meet those challenges. We also talk about significant risks we face, and how we deal with those.

4.1 Transport

Sealed roads

Unsealed roads

Bridges

Footpaths and cycleways

Kerb & gutter

Our Transport assets are used to support transportation and mobility and are important to the community. The Community Strategic Plan shows that transport directly supports community goals and needs.

Sealed roads cover Regional Roads, Sealed Local Roads, and Urban Sealed Roads. The pavements vary greatly in overall condition and construction materials, from flexible pavements through to reinforced concrete and asphalt surfaces. The sealed road network overall is currently in fair condition. However, there are some very poor local sealed roads and urban sealed roads.

Unsealed roads within the LGA, the asset class varies from unsealed roads that provide access to residents of the lower Macleay Floodplain, through to the upper more mountainous reaches of the LGA. The quality of unsealed roads varies from those constructed on the floodplain (generally susceptible to flood / rain damage) through to higher quality roads that are founded on higher quality material (upriver). The roads in the western portion of the catchment are associated with steeper grades and often have significant cuttings that can cause slips in wet weather and where the roads intersect gullies, creeks, or rivers they are prone to wash out.

The bridge network is in a mixed condition overall with the average being fair to good. Service levels from timber bridges will improve significantly due to a major replacement project. Larger, high value concrete bridges will deteriorate and become of concern in the years to come.

Major pedestrian footbridges will require maintenance as the assets deteriorate, as they are positioned in highly aggressive environments

Footpaths and cycleways are in a mixed condition overall, mostly fair to good. We are currently focused on creating new footpaths to meet various strategies, which needs to be balanced with investment in existing assets where they are in poor condition



Our Kerb and Gutter assets includes concrete kerb generally found in urban areas. They are relatively good for a rural council. 85% of our network is in fair condition. Maintenance will be required during the next 10 years; however significant renewal is not required to maintain the service.

4.1.1 Service Challenges

All road networks degrade with time and prevailing weather conditions can have considerable impact on the rate at which this occurs. We currently have adequate funding to maintain the service levels from our roads with heavy patching, sealing, and profiling programs in the short term only, and largely because of external funding sources. However, the long-term condition of our roads will degrade under the current funding strategy.

Our unsealed roads pose challenges during wet weather, and we have difficulty sourcing quality Council owned construction materials in some locations across the network

Some waterway crossings on the unsealed road network are unconstructed and during wet weather events these can be washed away restricting access to some areas.

Managing resources between timber bridges (heavily funded) and concrete bridges (not heavily funded) is a challenge. The Macleay River and tributaries, have high velocity and this can cause damage in flood events. Marine environment of the lower Macleay leads to challenges with concrete structures.

Assets can be transferred to Council without funding for maintenance. This can happen several ways, but most often from the state government or development. This places significant strain on our budgets, and redirects

funds allocated for other purposes to the maintenance of these transferred assets.

We require grant funding for important projects within the shire. As grant funds are never certain, significant, and important projects may not be delivered.

4.1.2 Service Challenge Mitigation

We address the challenges with a combination of measures:

- Implementation of the road management plan to identify intervention points, appropriate response times, and determine if Council has the appropriate resourcing
- Prioritisation of renewal works based on condition data and strategic network importance
- Seeking grant funding for safety upgrades on the road network
- Identification of routes of strategic importance and ensuring funds are allocated appropriately
- Fund infrastructure maintenance and upgrades through development funds. Ensure the planning for these funds is appropriate
- Implementation of Council's Asset Management Systems
- Integrating our forward capital works program planning into our Long-Term Financial Plan
- In situations where an asset is to be transferred to council, we will negotiate for appropriate funding to offset the maintenance costs. For gifts and bequests, we will not accept unsustainable assets



4.1.3 Risks & Mitigation

Service Risks	Treatment Actions and Strategies
Failure of transport assets resulting from land slips and slope instability	Proactive condition assessment and inspections. Budget remedial works to alleviate high risks.
Risk of decline of overall network condition through under funding renewals	Optimise treatment strategies within budget with a focus on renewal. Report modelling results and funding requirements.
Risk of bridge failure through structural failure or environmental impact.	Documented, proactive inspections. Risk mitigation measures (Load limits). Corrective action regime.

4.2 Stormwater & Flood Mitigation

Stormwater drainage

Levees

Flood mitigation drains

Flood gates and flaps

The Community Strategic Plan shows that we want homes, infrastructure, and community networks that can withstand natural disasters.

Given the location of the Kempsey Shire within the Macleay Valley management of stormwater and flood mitigation assets are of high importance to limiting the consequences of rain and flooding events on the community.

On average our service levels for stormwater are expected to remain of similar standard. Further condition assessment is necessary to better understand prevailing asset condition. Further there are known areas where stormwater provisions are inadequate, and these needs must balance against the renewal or existing stormwater assets.

Much of the flood mitigation infrastructure was installed during the 1960's and 1970's following the major flooding events of 1949 and 1950. Maintenance and rehabilitation of this infrastructure is critical to ensuring flooding events may be managed appropriately minimising the impacts on the community across the floodplain. Our service levels are expected to remain of similar standard into the future.

4.2.1 Service Challenges

The major challenges for the stormwater service are:

- Magnitude and duration of flash flooding events related to undersized drainage network elements, or where no network exists
- Major trunk stormwater main failure
- Parts of network significantly aged
- Replacement / maintenance of assets in wetland and other sensitive environments. Including those covered by the Coastal Wetlands State Environmental Planning Policy (Resilience and Hazards) 2021.



The major challenges for the flood mitigation infrastructure are:

- Infrastructure is aging as the scheme was constructed through the 1960s and 1970s
- Critical service function of flood gates
- Access requirements via private property and land use impacts on levees
- Replacement / maintenance of assets in wetland and other sensitive environments
- A lack of general understanding of how the flood mitigation scheme functions and its intent

4.2.2 Service Challenge Mitigation

We are preparing a Stormwater Prioritisation List to guide our activities.

Future activities will rely more heavily on asset data, rather than reactive maintenance.

We will mitigate these risks through:

- Regular inspections of accessible elements of the network
- Regular CCTV inspections of key lines

We have audited our Levees. The results informing future restoration works. Annual programs target rehabilitation of flood gate structures and associated mechanical components as they are critical to the operation of the flood mitigation scheme in the Lower Macleay. Such works are a challenge because of the scale of the infrastructure and the need for contingencies to be in place whilst rehabilitation works occur in the event of flooding

4.2.3 Risks and Treatments

Service Risks	Treatment Actions and Strategies
Decline of overall network condition.	Optimise treatment strategies within budget. Report modelling results and funding requirements.
Failure of drainage assets through structural failure or environmental impact.	Documented proactive condition assessment and inspections. Risk mitigation measures.
Rapid deterioration of drainage assets through structural failure or environmental impact.	Documented proactive maintenance inspections and reporting mechanisms and referral for engineering investigations.
Reduced network capacity because of climate change impacts.	Development of climate change adaptation strategies and associated trigger levels. Identification of high-risk assets.
Lack of understanding of areas of inadequate capacity or where no stormwater provisions are in place.	Completion of strategies for catchments where there are known stormwater concerns.
Community safety and property impacts of failure of critical flood mitigation infrastructure	Routine maintenance checks for operation of mechanical components. Rehabilitation programs target high importance structures.



4.3 Open Space & Recreation

- *Open space and reserve areas*
- *Playgrounds and shelters*
- *Sports grounds*
- *Netball and tennis courts*
- *Boat ramps, jetties, and wharves*
- *Skate parks and bike tracks*
- *Other recreational assets*

Our Open Space & Recreation assets are providing the community with access to built and natural infrastructure enabling active lifestyles.

Our Open Space and Recreation service includes a variety of assets across the LGA - playgrounds, sporting facilities, shelters, seats, benches, and other recreational assets. Sport in the Macleay is a key part of residents' lives. We have invested heavily in sport infrastructure. Ongoing maintenance and management of these facilities will be a key focus.

Waterway facilities service area includes boat ramps, jetties, and wharves. The service area has a wide variety of assets, some infrequently used, through to heavily used boat ramps and wharfs.

Our recreational assets serve residents and are critical for tourism.

4.3.1 Service Challenges

The major challenges facing this service are:

- Increased use by visitors, tourists, and locals
- Grant funding is focused upon asset expansion without provision for maintenance and replacement
- Investment in new assets reduces available funding for maintenance and replacement of existing assets
- Asset Failure
- Impacts of past land management practices on riparian areas
- Some construction materials perform poorly in the harsh environmental conditions of the coastline

4.3.2 Service Challenge Mitigation

We mitigate these services challenges through:

- Reactive maintenance is the primary mitigation of service interruptions
- Regular inspections, replacement of old assets where budget allows, closure if risk sufficiently high
- Business case analysis for creation of major new assets



4.3.3 Risks and Treatments

Service Risks	Treatment Actions and Strategies
Not sufficient funding to maintain major assets, such as lighting, boat ramps, car parks, seawalls, fire trails and playgrounds.	Apply for Capital works funding on an as needs basis. Apply for CIS funding for projects which meet criteria for program. Apply for grant funding for projects that meet grant criteria. Continually monitor assets as required.
Ageing asset infrastructure.	Maintain current assets with operational budgets as required. Upgrade assets as capital funding becomes available.
Facilities are inadequate in terms of standard and capacity	Plans of Management, planning strategies and masterplans guide future management and development at key locations.

4.4 Buildings – Community and Corporate

Community halls and centres

Sporting facilities and grandstands

Civic centre

Depot, pound, and training facilities

We create and maintain facilities throughout the Shire. These buildings directly support our diverse cultures, lifestyles and history and reflect our heritage and culture in the streets and public spaces, while providing for events where we can participate, connect, and inspire.

Our buildings include community halls, centres, and libraries. The use and condition of our facilities vary, some are infrequently used, and we will review these services to ensure financial sustainability. The Community Infrastructure Strategic Plan highlights opportunity to review our services to best respond to the needs of their local community and achieve sustainability.

Sport and Recreation Buildings condition and use vary significantly. We have invested significantly at the South West Rocks High Performance Centre and further funds will be invested at Central Kempsey for the construction of a multi-purpose pavilion, and netball pavilion. Maintenance of these assets will be a key focus moving forward.



Our corporate buildings include our Civic Centre, Civic Centre Cottage, Depot buildings, and the Companion Animal Pound. Our civic buildings are in good condition. A recent audit of depot buildings shows many require attention.

4.4.1 Service Challenges

As buildings renewals are a significant expense, we shall achieve this through longer-term planning, and regarding other shire-significant projects.

We strive for accessible buildings and spaces. Our new facilities meet these requirements, however some of our older facilities lack accessibility provisions, and where possible are gradually being improved to meet current access standards.

Other areas of compliance are also challenging, but to a lesser extent. The community buildings budget is heavily focused on reactive maintenance, with proactive maintenance and upgrades of community buildings being largely supported by grant funds (where available).

A few community buildings have reached their end of useful life and in some instances will not be replaced given the change in community need or expectations. This presents a funding challenge in being able to replace existing assets with a higher-grade asset.

4.4.2 Service Challenge Mitigation

We will:

- Review the current extent and provision of community halls to ensure that our facilities sustainably meet the needs of their local community

- Upgrade assets over time to achieve compliance with Acts and Codes
- Align Long-Term Financial Plan with asset renewal, reactive and proactive maintenance needs
- Review Section S355 Committee processes to ensure asset maintenance and preservation is achieved
- Gather asset condition data and develop proactive asset maintenance schedules on all corporate buildings
- Update the Macleay Valley Sports Infrastructure Strategy

4.4.2.1 Risks and Treatments

Service Risks	Treatment Actions and Strategies
Maintenance budgets insufficient to maintain contemporary presentation values and meet patron expectations.	Develop a costed long-term maintenance and replacement plan.
Increasing demand for community facilities.	Continue to liaise with community groups regarding alternative options for spaces.
Ageing infrastructure, particularly public halls, and community buildings.	Review the current extent and provision of community buildings to ensure that our facilities best respond to the needs of their local community and to consider the ongoing financial sustainability of this service.



4.5 Buildings - Emergency

Rural Fire Service buildings

State Emergency Service buildings

Council owns and maintains the Rural Fire Service (RFS) and State Emergency Service (SES) buildings within the Shire.

Council maintains emergency facilities for use by the State Emergency Service (SES) and Rural Fire Service (RFS).

In recent years there have been upgrades to the RFS control centre at West Kempsey and a new fire station at Dondingalong.

There are plans for a new South West Rocks RFS station, expected to be funded in 2023-2024, however this is to be determined by NSW Rural Fire Service.

4.5.1 Service Challenges

Council constructs and maintains assets based on the allocated RFS budgets. Like all activities of council, there are always budgetary constraints.

Changing equipment sizes and needs have impacted the functionality of the buildings. New trucks cannot fit within the current building structures thus requiring building modifications or replacements.

4.5.2 Service Challenge Mitigation

RFS requests for improved or new building assets are managed within the RFS budget.

The number & extent of natural disasters could increase the demand and capacity for this infrastructure. In recent years we have seen unprecedented bushfires and floods in the region.

If RFS or SES increase their works program and budget, Council will resource the associated activities as required.

4.5.3 Risks and Treatments

As for risks and treatments in the community and corporate building section.



4.6 Commercial Businesses

Holiday Parks

Airport

Saleyards

Landfill and Waste Transfer Sites

Aquatic Facilities

Cemeteries

Our commercial activities provide significant, and essential services to the community and region. We make an income as well and use this to fund additional services for the community.

Council operates five holiday parks, collectively the Macleay Valley Coast Holiday Park (MVCHP). A management agreement is in place with NRMA to manage the business with Council being responsible for asset renewal and development. Significant aged infrastructure within the parks do not meet industry standards or community expectations. Council is working through a plan to improve and develop MVCHP infrastructure and has recently undertaken a condition assessment of all built structures. This assists us set priority for upgrading and renewing infrastructure.

Kempsey Airport is a high-functioning, well-resourced facility located midway between Brisbane and Sydney, as well as between the NSW regional centres of Port Macquarie and Coffs Harbour. Kempsey Airport is used for a range of commercial and recreational purposes, including medical and emergency services.

Kempsey Regional Saleyards provide a service to the beef cattle farmers of the Macleay Valley to enable them to sell livestock and/or restock their herds. KRS is also a publicly available refuge for stock in times of flood and bushfire. KRS is the sixteenth largest of the forty-one livestock saleyards in New South Wales (NSW) and averages around 30,000 head of cattle sold per annum, equating to livestock sales more than \$30 million per annum. Council has recently transitioned responsibility to Kempsey Stock and Land via a long-term lease agreement. A \$6.33 million grant from the Bushfire Local Economic Recovery Fund will address many condition-based issues.

Kempsey Shire Council operates one major landfill site (Crescent Head Waste Management Centre) and three transfer sites. The Waste Transfer Stations (WTS) are situated in South West Rocks, Stuarts Point and Bellbrook. These WTS facilities are for domestic waste and recyclables only.

Council outsources the operations of four aquatic facilities in the local government area. The Kempsey McElhone Swimming Complex which is owned by Council comprises an Olympic pool, outdoor heated 25m pool, and children's pool. The Crescent Aquatic Centre which is owned by Council a 25m heated pool with six lanes and shaded baby pool. The South West Rocks Swimming Pool which is owned by the South West Rocks Country Club and leased to Council comprises a 22m outdoor lap pool and the Macleay Memorial Pool in Gladstone comprises a 25m outdoor lap pool. Council structured pool management agreements so Council pays for



capital related expenditure and the lessee pays for operational related expenditure.

Kempsey Shire Council maintains eleven cemeteries throughout the local government area. This includes two closed, and nine operational cemeteries.

4.6.1 Service Challenges and Mitigation

Our holiday parks have very high occupancy rates. This makes it difficult to implement an asset replacement/renewal program without impacting revenue and/or customer experience. We will develop a strategy to upgrade assets in a staged approach across all our holiday parks in low season, where possible. Plans include building infrastructure upgrades (i.e. cabins, amenity blocks, camp kitchens, etc) as well as civil infrastructure upgrades of roads, sewer, electrical, fire services, flood mitigation etc. Council has commenced implementing the Macleay Valley Coast Holiday Parks 10-year concept plan works to upgrade assets.

Our airport has significant asset renewal costs. The business runs at a sizeable operating deficit, and recent grant funding requires a 50% co-contribution from council. Airport assets are ageing, and regulatory changes require infrastructure upgrades. We are aligning our asset management processes with the annual technical inspection requirements to streamline our budgeting and planning processes. A major risk to our airport is maintaining compliance with changing legislation, as is meeting financial requirements (affordability). Kempsey Airport is due for a runway overlay at significant cost. Upgrades to any infrastructure may trigger a legal requirement for compliance to new MOS Part 139 standards. These risks can be mitigated by renewing and improving infrastructure to keep compliance with grandfathered legislation, conforming with vegetation

management requirements, as well as seeking funding through grant applications, and changes to our long-term financial planning.

The Kempsey Waste Management Centre (WMC) site has limited landfill development capacity within the current operational footprint. Whilst the WMC site itself is large, the current operational footprint is nearing capacity thereby requiring an expansion of operations within the current site. Activities are strongly regulated, and leachate management is high cost and difficult to manage given the high level of rainfall and low evaporation rates within the region. We are developing a collaborative approach to waste disposal in the region, working wherever possible with our neighbouring councils. Upgraded weighbridge software will enable more accurate and timely EPA reporting. We are developing a Waste Management Strategy and Master Plan for the next 10+ years to provide practical direction. We are also working with private enterprise to support waste related business and industries within the shire to reduce landfill.

Current aquatic facilities are aged and do not meet modern day community expectations/needs. We are developing 5- and 20-year Aquatics Strategies which seek to provide modern day infrastructure and services for Kempsey Shire residents.

Our cemeteries service strives to keep costs to the community affordable but cost neutral to Council. The number of burials and memorisations is currently greatest at the East Kempsey. Careful forward planning around higher use cemeteries with the development and implementation of site Master Plans, will let us deliver this service for the foreseeable future. We expect East Kempsey Cemetery to reach its capacity soon and poses a challenge if expansion or extension is not. Our modelling suggests we have overall capacity for the next 40-50 years.



4.6.2 Risks and Treatments

Service Risks	Treatment Actions and Strategies
Asset Failure leading to increased public risk, potential revenue loss and possible contract breaches.	Optimise treatment strategies based on asset condition, utilisation, risk, and revenue impact measures.
Depletion of landfill space.	Expansion of WMC to meet future demands of waste disposal and enable Council to manage resource recovery and recycling at increased levels.
Changes in legislation that require upgrading of aquatic facilities to meet current day health standards.	Developing a 5-year aquatics strategy focusing on maintaining operations of existing facilities.

4.7 Plant & Equipment

Major Plant, Backhoes, Tractors and Heavy Earthmoving Equipment

Light, Medium and Heavy Commercial Vehicles

Small Plant and Equipment

Fleet Operations manages a variety of plant, vehicles, and small plant equipment on behalf of its internal customers, supporting council operations.

4.7.1 Service Challenges

All plant and equipment are well maintained, and replacement is performed on an age and need basis, ensuring plant and equipment are available to support Council's operations and response to emergency events. Pandemic conditions result in difficulty obtaining new plant and equipment.



4.7.2 Risks and Treatments

Service Risks	Treatment Actions and Strategies
Age. Plant & Equipment is more sensitive than infrastructure assets to the impact of age. Beyond a certain age, plant maintenance costs rise significantly and reliability declines. The tipping point varies between various types of plant & equipment.	Ensure an adequate and timely replacement program is maintained.
Technical obsolescence	Review of needs prior to replacement. Maintaining adequate and timely replacement program.
Excessive breakdowns	Adequate scheduled maintenance program maintained. Maintaining adequate and timely replacement program.
Fit for purpose. Purchased equipment found unfit for intended use.	Purchase check list to include consideration of future use, not just historical use.

4.8 Water

Water Mains

Reservoirs

Water Treatment Plants

Pumping Stations

Steuart McIntyre Dam

We are one of the few shires in the state with a considerable rural water supply. Our water supply directly provides for community needs and supports objectives identified in the Community Strategic Plan.

To provide a potable water supply Council maintains a significant asset base within supply areas. Across the Shire there are eight water supply schemes to support towns, villages, and some rural areas in the Lower Macleay.

Supply networks are aging and renewal is an important focus.

Major infrastructure projects are planned to replace or provide new water treatment plants at Steuart McIntyre Dam, Crescent Head and Willawarrin.

Following a period of significant drought in the 1990's the Steuart McIntyre Dam was constructed to the west of Kempsey to enhance security of supply to the Kempsey Lower Macleay Water Supply area. The Dam has had



ongoing algal bloom issues during its service life, with the proposed water treatment plan to ensure supply from this source is secure and safe.

On average service standards are expected to remain constant into the future, with the provision of the identified new assets improving continuity of supply and safety.

4.8.1 Service Challenges and Mitigation

Our maintenance priorities are reactive. This could lead to service interruptions, and high utilisation of our resources. We address this by improving our planned preventative maintenance activities and basing capital expenditure on a risk approach. We are also improving our asset knowledge so that data accurately records our asset inventory and performance. This will lead us to a more planned approach to maintenance.

Provision of water supply can be impacted in periods of drought or wet weather. Management plans are in place to support operations in such climatic conditions. Construction of the water treatment plant at Steuart McIntyre Dam will assist with security and safety of supply.

4.8.2 Risks and Treatments

Service Risks	Treatment Actions and Strategies
That the water mains do not reach their expected useful life.	Ongoing capital works program focusing on the renewal and replacement prioritised by condition, usage, safety, and importance.
Pump failure. Failure of chemical dosing and disinfection.	Maintain spare components for critical equipment.
Extreme turbidity levels.	Maintain 24hr day online monitoring, daily operator visits, and install power generation at critical sites.
Unexpected failure of control and/or power supply.	Monthly external inspections. internal inspections every 2 years.
Reservoir Failure	
Greenhill reservoir to North Street trunk main	Duplicate and replace old mains.
Periods of drought or wet weather impact continuity of supply	Construction of the water treatment plant at Steuart McIntyre Dam. Management of water supply in accordance with management plans.
Capacity within the network to service	Completion of the Integrated Water Supply Management Plan to inform current and future needs.



4.9 Sewer

Sewer Mains

Sewage Treatment Plants

Pumping Stations

Wastewater Recycling Plant

Dewatering plant

Our sewer operations directly provide for community needs and supports objectives identified in the Community Strategic Plan.

Sewerage services is a major component of Councils asset base. Across the Shire there are nine service areas to support towns and villages, a high number of schemes for a medium sized rural Council.

Collection networks are ageing, and renewal is an important focus.

Major infrastructure projects are planned at Stuarts Point, to provide a new sewerage scheme, and West Kempsey to build a new sewage treatment plant. The Central Kempsey sewage treatment plant will see the

consolidation of the three schemes at West Kempsey, South Kempsey, and Frederickton.

On average service standards will remain constant overall over time, however this is a result of improvement in service level for sewage treatment which is offset by a decline in service level provided by reticulation infrastructure.

4.9.1 Service Challenges and Mitigation

The major service issues we face come from the age of our infrastructure, with heavy rain events posing significant challenges from infiltration into the network/reticulation. Spare parts and obsolescence are also issues. Regulatory compliance is another challenge, as is skill shortages within the water industry.

We manage these challenges through reactive maintenance, and prioritising major works on a risk basis, currently resulting in the replacement of our oldest treatment plants at West Kempsey, South Kempsey, and Frederickton with a modern facility at the cost of around \$50 million dollars. This major project will see these three schemes consolidated into one service area and will address public health, environmental and capacity constraints or concerns that currently exist.

Additionally, for active systems, we make daily operator visits, maintain 24hr day online monitoring and keep spares for critical equipment.



4.9.2 Risks and Treatments

Service Risks	Treatment Actions and Strategies	Service Risks	Treatment Actions and Strategies
<p>That the sewer mains do not reach their expected useful life.</p> <p>Flooding and infiltration.</p> <p>Loss of automated control of treatment plants.</p> <p>Unexpected failure of control and/or power supply.</p> <p>Capacity within the collection network and treatment plants</p>	<p>Ongoing capital works program focusing on the renewal and replacement prioritised by condition, usage, safety, and importance.</p> <p>Improving asset knowledge through CCTV, smoke, and dye testing so that data accurately records the asset inventory and performance.</p> <p>Maintain 24hr day online monitoring and install power generation at critical sites</p> <p>Completion of the Integrated Water Supply Management Plan to inform current and future needs.</p> <p>Modelling of critical capacity areas to support infrastructure planning decision making.</p>	<p>Failure of sewage treatment plants or discharge not in accordance with licence parameters</p>	<p>Sewage treatment plants of older technology at West Kempsey, South Kempsey and Frederickton are being replaced by a new plant.</p> <p>The Sherwood plant loading is also being transferred to the new plant at West Kempsey.</p>



4.11 Critical Assets

Some of our assets we consider critical. These assets are those that are likely to result in a more significant financial, environmental, or social impact on our community if they were to fail. By identifying our critical assets and the ways they may fail, we can adjust our maintenance plans and capital expenditure plans to ensure these assets are preserved.

We are working towards an improved understanding across all service areas, using a risk and consequence approach.

The following assets are our most critical:

Table 6 Critical Assets

Area	Assets
Water	All Water Treatment Plants All pump stations Greenhill reservoir to North Street trunk main
Sewer	All Sewerage Treatment Plants All pump stations
Waste Management	Leachate dam Stormwater Pond Waste Cell
Flood Mitigation	Levees Flood gates
Buildings	Civic Centre Depot Rural Fire Service Buildings State Emergency Service Buildings
Holiday Parks	Essential services
Roads	Regional Roads High Traffic Local Roads All Sealed Road Surfaces



5 Levels of Service

We ask the community for requirements and expectations and use these when we make our strategies and plans. We also ask the community for feedback on how they feel we are performing as we deliver these services, how satisfied the community is with our services. One of the tools that best illustrates our performance is quadrature analysis. This technique shows us the best and worst in our services; what the community feels is the most and least satisfactory; and what is the most and least important. We get this information from surveys. A third-party organisation does the survey and statistics for us to ensure there is no bias in the results. Our latest information comes from the end of 2020, and we compare this information with previous surveys to see how satisfaction in our services changes as we improve, and as the needs of the community change.

Table 7 Top 5 Importance

Top 5 for importance	Score
Bridges	4.53
Waste management (garbage and recycling)	4.52
Sealed roads	4.5
Parks, reserves, and playgrounds	4.35
Sporting facilities	4.2

Table 8 Top 5 Satisfaction

Top 5 for satisfaction	Score
Parks, reserves, and playgrounds	3.92
Sporting facilities	3.89
Sewer services	3.87
Potable water	3.85
Bridges	3.85

Table 9 Bottom 5 Importance

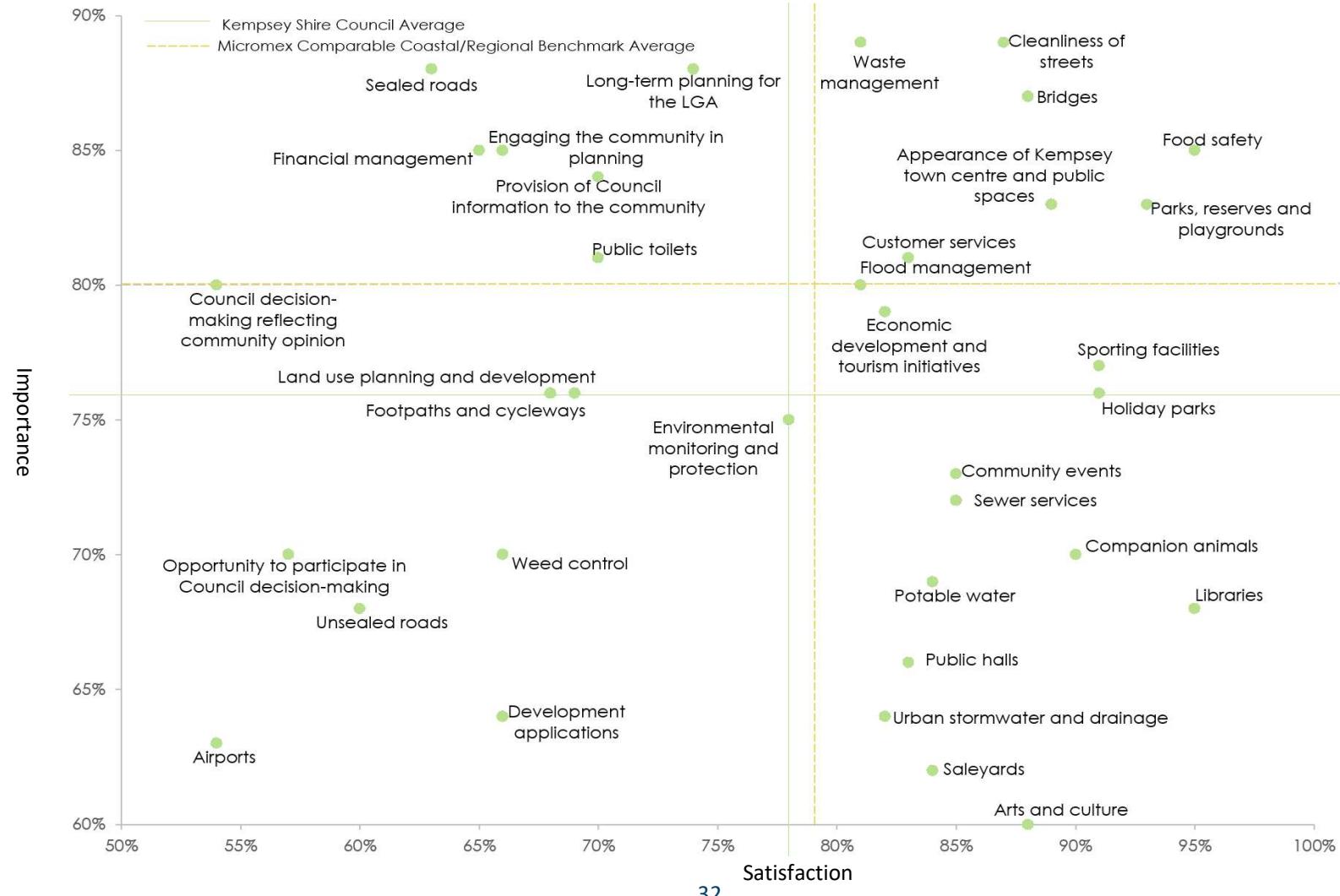
Bottom 5 for importance	Score
Saleyards	3.73
Airports	3.74
Urban stormwater and drainage	3.75
Sewer services	3.84
Public halls	3.87

Table 10 Bottom 5 Satisfaction

Bottom 5 for satisfaction	Score
Airports	2.78
Unsealed roads	2.79
Sealed roads	2.83
Footpaths and cycleways	3.19
Urban stormwater and drainage	3.53



Figure 9 Importance and Satisfaction



5.1 Service Levels Measures

Asset service levels are often defined by two measures, Community, and Technical.

Community Levels of Service measure how we deliver the service, and the degree of value this gives the community. Our community measures are well understood and are based on the quality of the service. We find this value from community consultation.

We are also collecting the data we need for technical measures and developing the necessary models. The next Strategic Asset Management Plan will include technical measures for our asset classes, including capacity and utilisation. These values will show how effective we are at delivering value.

The following sections show community level of service measures using community satisfaction survey data and calculated state of the assets reporting results using the following colour combinations:

Table 11 Summary Condition Key

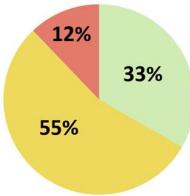
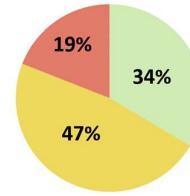
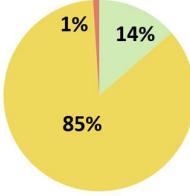
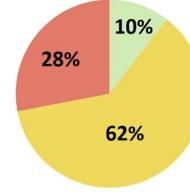
Key	Description of condition
Green	Very Good / Good
Yellow	Fair
Red	Poor / Very Poor



5.1.1 Transport

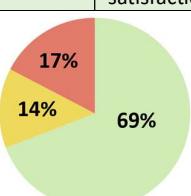
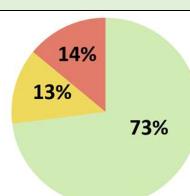
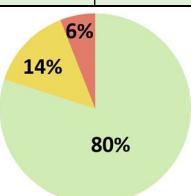
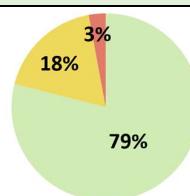
Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result
Transport				
Well maintained roads, bridges, and footpaths	Community Survey Satisfaction (Importance/Satisfaction)	Sealed Road	(4.50/2.83) Importance is High and satisfaction is High	
Condition is fit for intended use				
Road condition and standard provide for a safe network	State of the Assets Reporting Condition <i>Confidence: High</i>		9% 20% 71%	20% 24% 56%
Accessibility provisions are in place in high demand locations and enhancement plans are in place and progressively implemented	Community Survey Satisfaction (Importance/Satisfaction)	Unsealed Roads	(3.91/2.79) Importance is High and satisfaction is Neither high, nor low	
	State of the Assets Reporting Condition <i>Confidence: High</i>		16% 45% 39%	41% 50% 9%
	Community Survey Satisfaction (Importance/Satisfaction)	Bridges	(4.53/3.85) Importance is Very High and satisfaction is High	
	State of the Assets Reporting Condition <i>Confidence: Medium</i>		7% 37% 56%	8% 32% 60%



Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result
	Community Survey Satisfaction (Importance/Satisfaction)	Footpaths	(4.16/3.19) Importance is High and satisfaction is Neither high, nor low	
	State of the Assets Reporting Condition <i>Confidence: High</i>		 55% 33% 12%	 47% 34% 19%
	Community Survey Satisfaction (Importance/Satisfaction)	Kerb & Gutter	Not surveyed	
	State of the Assets Reporting Condition <i>Confidence: High</i>		 85% 14% 1%	 62% 28% 10%

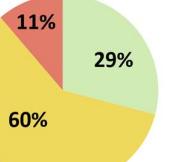
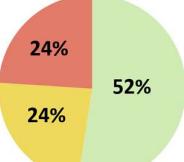
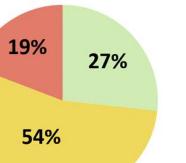
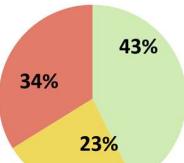
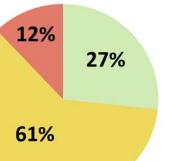
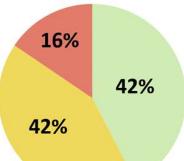


5.1.2 Stormwater & Flood Mitigation

Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result
Stormwater & Flood Mitigation				
Well maintained inlets and outlets	Community Survey Satisfaction (Importance/Satisfaction)		(3.75/3.53) Importance is High and satisfaction is High	
Clear lines		Stormwater Drainage		
Stormwater infrastructure condition functional	State of the Assets Reporting Condition <i>Confidence: Low</i>		 69%	 73%
Levee condition functional	Community Survey Satisfaction (Importance/Satisfaction)		(4.16/3.57) Importance is High and satisfaction is High	
Flood flaps well maintained		Flood Mitigation		
Flood gates well maintained				
Flood mitigation infrastructure operational for response needs and community protection	State of the Assets Reporting Condition <i>Confidence: Low</i>		 80%	 79%



5.1.3 Open Space & Recreation

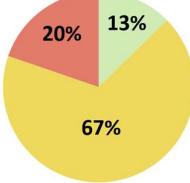
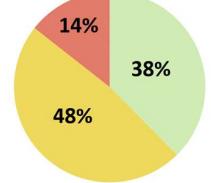
Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result
Open Space and Recreation				
Visually appealing Well maintained and clean Fields have playable surface At a quality or standard suitable for purpose Safe and accessible Erosion within riparian areas is minimised	Community Survey Satisfaction (Importance/Satisfaction)	Parks and Reserves <i>Confidence: High</i>	(4.35/3.92) Importance is High and satisfaction is High	
	State of the Assets Reporting Condition			
	Community Survey Satisfaction (Importance/Satisfaction)	Sports grounds <i>Confidence: High</i>	(4.20 / 3.89) Importance is High and satisfaction is High	
	State of the Assets Reporting Condition			
	Community Survey Satisfaction (Importance/Satisfaction)	Waterway Facilities <i>Confidence: High</i>	Not surveyed	
	State of the Assets Reporting Condition			



5.1.4 Buildings

Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result
Buildings				
Well maintained buildings	Community Survey Satisfaction			
Facilities suitable for use	(Importance/Satisfaction)	Corporate	Not surveyed	
Service the needs of the community	State of the Assets Reporting			
Generate revenue where applicable	Condition			
Offset costs of operation where applicable	<i>Confidence: High</i>			
	Community Survey Satisfaction - Public Halls (Importance/Satisfaction)	Community	(3.87/ 3.59) Importance is High and satisfaction is High	
	State of the Assets Reporting Condition			
	<i>Confidence: High</i>			
	Community Survey Satisfaction (Importance/Satisfaction)	Emergency	Not surveyed	
	State of the Assets Reporting Condition			
	<i>Confidence: High</i>			



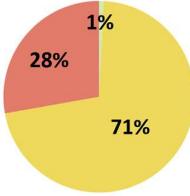
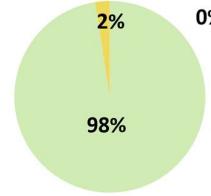
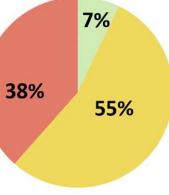
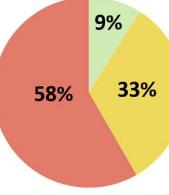
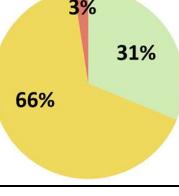
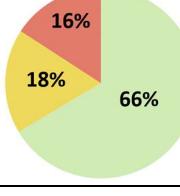
Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result							
	Community Survey Satisfaction - Public Toilets (Importance/Satisfaction)	Sport and Recreation Facilities	(4.32/3.14) Importance is High and satisfaction is Neither high, nor low								
	State of the Assets Reporting Condition <i>Confidence: High</i>		 <table> <tr> <td>20%</td> <td>13%</td> </tr> <tr> <td>67%</td> <td></td> </tr> </table>	20%	13%	67%		 <table> <tr> <td>14%</td> <td>38%</td> </tr> <tr> <td>48%</td> <td></td> </tr> </table>	14%	38%	48%
20%	13%										
67%											
14%	38%										
48%											



5.1.5 Commercial Businesses

Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result
Commercial Businesses				
Well maintained facilities	Community Survey Satisfaction (Importance/Satisfaction) State of the Assets Reporting Condition <i>Confidence: Medium</i>	Airport	(3.74 / 2.78) Importance is High and satisfaction is Neither high, nor low	
Facilities suitable for use				
Service the needs of the community		Cemeteries		
Generate revenue where applicable				
Offset costs of operation where applicable				
Waste managed in a way that minimises adverse impacts on the environment				
Waste used as a resource				
	Community Survey Satisfaction (Importance/Satisfaction) State of the Assets Reporting Condition <i>Confidence: High</i>	Holiday Parks		



Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result
	Community Survey Satisfaction (Importance/Satisfaction)	Saleyards	(3.73/3.71) Importance is High and satisfaction is High	
	State of the Assets Reporting Condition <i>Confidence: Medium</i>		 1% 28% 71%	 98% 2% 0%
	Community Survey Satisfaction (Importance/Satisfaction)	Swimming Pools	Not surveyed	
	State of the Assets Reporting Condition <i>Confidence: Medium</i>		 7% 38% 55%	 58% 33% 9%
	Community Survey Satisfaction (Importance/Satisfaction)	Waste	(4.52/3.76) Importance is Very High and satisfaction is High	
	State of the Assets Reporting Condition <i>Confidence: Medium</i>		 3% 31% 66%	 66% 18% 16%



5.1.6 Water

Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result					
Water									
Safe water supply Reliable water supply	Community Survey Satisfaction (Importance/Satisfaction)	All Water Supply	(3.90/ 3.85) Importance is High and satisfaction is High						
	State of the Assets Reporting Condition <i>Confidence: Medium</i>		<table> <tr> <td>6%</td> <td>33%</td> <td>61%</td> </tr> </table>	6%	33%	61%	<table> <tr> <td>8%</td> <td>32%</td> <td>60%</td> </tr> </table>	8%	32%
6%	33%	61%							
8%	32%	60%							

5.1.7 Sewer

Level of Service Objective	Performance Measure Process	Service Area	Service Level	Current LTFP Result					
Sewer									
Reliable collection, treatment, and sustainable disposal of wastewater No significant impact to environmental and public health	Community Survey Satisfaction (Importance/Satisfaction)	All Sewerage Works	(3.84/ 3.87) Importance is High and satisfaction is High						
	State of the Assets Reporting Condition <i>Confidence: Medium</i>		<table> <tr> <td>15%</td> <td>20%</td> <td>65%</td> </tr> </table>	15%	20%	65%	<table> <tr> <td>11%</td> <td>16%</td> <td>73%</td> </tr> </table>	11%	16%
15%	20%	65%							
11%	16%	73%							



6 Future Demand

Demand forecasts and management techniques.

Our future demand comes from both technical, and aspirational sources. The technical comes from changing knowledge about our assets and services, such as when there is new legislation introduced. Changes in population is another significant factor.

Aspirational demand comes from what the community wants, and how this changes. It also includes us getting better at understanding our community. The Community Strategic Plan (CSP) captures aspirational change.

Figure 10 What the Community Wants. -- 2042: your future

We Value

- Natural beauty of the coastal, rural and hinterland environments
- Retaining people in the Valley with access to relevant services and opportunities
- Our diverse cultures, lifestyles and history
- Agricultural, commercial, and industrial opportunities to expand our economy
- Access to built and natural infrastructure to enable active lifestyles
- Relaxed rural lifestyle
- Our physical and emotional connection with the Macleay River

We Need

- Homes, infrastructure, and community networks that can withstand natural disasters
- To reflect our heritage and culture in the streets and public spaces
- Greater access to transport, education, health services and affordable housing
- Enterprising businesses and employment generation as a tourism destination
- Collaborative and inclusive decision making
- Events where we can participate, connect and inspire

We're Concerned About

- Whether the built environment retains the local character
- Planning infrastructure that can withstand impacts of climate and population change
- Loss of our green space and natural beauty
- Opportunities, safety and employment for young people
- The quality and maintenance of our roads and infrastructure
- Creating safe places to live and visit



6.1 Demand Drivers

The impact of demand drivers that affect future service delivery and utilisation of assets are shown below:

Table 12 Demand Driver Summary

Demand Driver	Transport	Stormwater & Flood Mitigation	Open Space & Recreation	Water & Sewerage	Buildings	Commercial Businesses	Plant & Equipment
Population Growth	✓	✓	✓	✓	✓		
Change in Demographics			✓		✓	✓	
Increased Regulation	✓			✓	✓	✓	
Elevated Service Expectations	✓		✓		✓	✓	✓
Aspirational Desire	✓		✓		✓	✓	
Migration from urban to rural areas	✓	✓		✓			
Change in Use - Public	✓		✓				
Change in Use - Industry/Tourism	✓		✓			✓	
Disaster Event Frequency & Severity	✓	✓	✓	✓	✓	✓	✓



6.2 Demand Management

We will manage demand for new services through a combination of asset management practices, the upgrading of existing assets, and through the provision of new assets. Our demand management practices include non-asset solutions, minimising risks and managing failures. The opportunities we have identified during the planning for this SAMP include:

Table 13 Demand Management Strategies

Activity	Demand Management Plan
Tell the community about our ability to fund infrastructure works, and what the options are.	Monitor community expectations and communicate service levels and financial capacity. Use feedback to balance priorities for infrastructure works with what the community is prepared to pay.
Fund priority works.	Link asset management forecasts to long-term financial plans and community strategic plans.
Improve our understanding of costs and our capacity to maintain current service levels.	Continue to analyse the cost of providing service at the current levels.
Plan for increased demand for upgrade and expansion of infrastructure.	Reference Regional Planning Strategies, Local Environment Plans, Development Control Plans, Design & Construction Technical Specifications, Management Plans, and create Policies and Strategies as appropriate.
Adjust to restricted capacity to raise revenue.	Review adopted levels of service to balance community expectations with economic realities.
Respond to increased cost due to legislative changes.	Investigate specific costs associated with legislative changes and incorporate into lifecycle costing.
Embrace new technologies.	Review best practice design, construction, and maintenance for infrastructure assets. Trial applications of new techniques where risk can be managed.



7 Resourcing Strategy

Council calculates the financial requirements of implementing this SAMP with the information we have now. We will adjust our projections as we capture more, and better information on our assets, community service needs, and our infrastructure's ability to deliver service.

7.1 What Does it Cost?

Our objective is to provide the services that the community needs at the best whole of life cost, and to do it sustainably. We make graphs to represent this information, and they show the projected operations, maintenance, capital renewal, capital upgrade/new expenditure, and compare this with the Long-Term Financial Plan. This shows the difference between our planning, and our current projections for the next 10 years. This difference comes about from many factors, including changes in our understanding, and changes to our activities to better meet community needs. Emergencies, disasters, and international events also impact on our projections.

One important impact on our planning is deferred renewals and the impact this has on service levels. A deferred renewal is where an asset would normally be renewed, but this work is put off. This can happen for many reasons; availability of resources is the most common. A deferred renewal can be triggered by many things, as an example if many buildings require significant work in one year, we may not be able to afford to do all of them, and some will be deferred to a future year, when there is less other work to be done. When a deferred renewal is needed, we look at many things to determine which items will have the least impact on the community when they are deferred.

The graphs in this section are produced for our three funds, General, Water, and Sewer. These can be thought of as three separate bank accounts, for three different purposes. We are not allowed to share money between them.

7.2 Financial Indicators and ratios

The Asset Renewal Funding Ratio is the ratio of the net present value of asset renewal and replacement expenditure accommodated over a 10-year period in a long-term financial plan relative to the net present value of projected asset capital renewal and replacement expenditure identified in an asset management plan for the same period.

Life Cycle Indicator is the annual average operations and maintenance expenditure over 10 years and annual depreciation expense. Depreciation expense is used as the measure of asset consumption for the long term.

Rate of Annual Asset Consumption is measured by the ratio of depreciation expense to depreciable amount – how much of the asset stock is being used up each year.

Rate of Annual Asset Renewal is the ratio of capital renewal expenditure in a year to depreciable amount – how much of the asset stock is being replaced/renewed in each year.

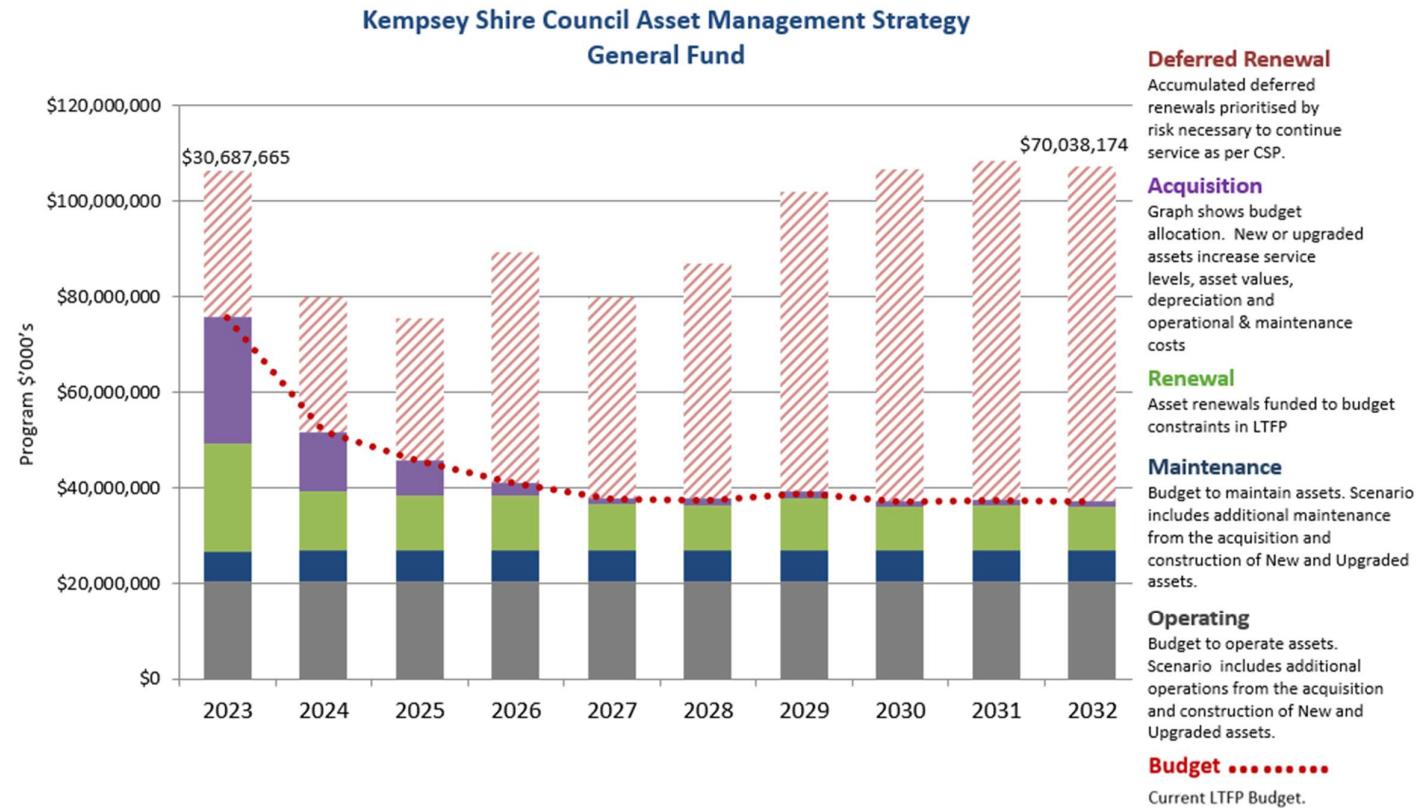
Rate of Annual Asset Upgrade/New is the ratio of capital upgrade/new expenditure in a year to depreciable amount – how much as we adding to the asset stock each year.

Renewal as % of consumption is a summary indicator showing the rate of annual asset renewal as a percentage of annual asset consumption.



7.2.1 General Fund

Figure 11 Projected and Budget Expenditure for General Fund



Resourcing Strategy

Table 14 Resourcing Strategy

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$26,260,200	\$20,443,022	\$6,404,993	\$29,605,930	\$30,687,665	\$75,710,328
2024	\$12,388,750	\$20,523,898	\$6,445,039	\$19,517,254	\$28,192,327	\$51,708,528
2025	\$7,425,000	\$20,520,366	\$6,445,039	\$18,438,628	\$29,576,550	\$45,662,624
2026	\$2,550,000	\$20,516,756	\$6,445,039	\$18,504,248	\$48,287,319	\$40,849,632
2027	\$1,225,000	\$20,513,066	\$6,445,039	\$16,741,861	\$41,806,812	\$37,758,556
2028	\$1,225,000	\$20,509,298	\$6,445,039	\$16,567,687	\$49,322,867	\$37,580,612
2029	\$1,225,000	\$20,505,446	\$6,445,039	\$18,053,082	\$62,813,091	\$39,062,156
2030	\$1,225,000	\$20,501,510	\$6,445,039	\$16,230,357	\$69,172,511	\$37,235,496
2031	\$1,225,000	\$20,499,012	\$6,445,039	\$16,362,505	\$70,889,718	\$37,365,144
2032	\$1,225,000	\$20,499,012	\$6,445,039	\$16,024,565	\$70,038,174	\$37,027,204

Financial Indicators

Table 15 General Fund Financial Indicators

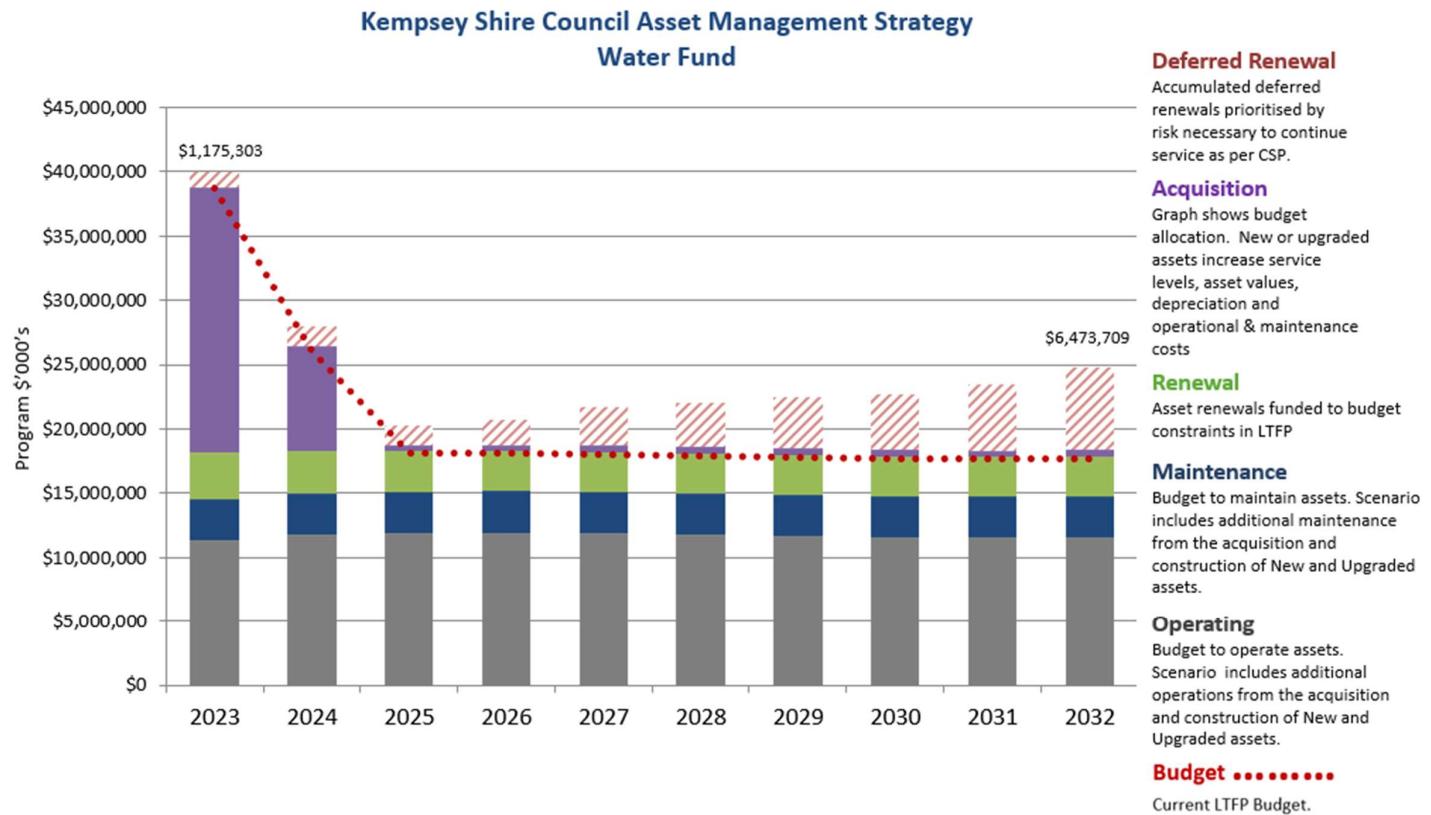
What does it Cost?	
10 Year Total Cost	\$511,461,792
10 Year Average Cost	\$51,146,180
10 Year Total LTFP Budget	\$439,960,256
10 Year average Total LTFP Budget	\$43,996,028
10 Year average funding shortfall	-\$7,150,153
10 Year AM Financial Indicator	86%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	62.3%
Life Cycle Indicator	97.5%
Rate of Annual Asset Consumption	1.5%
Rate of Annual Asset Renewal	1.4%
Rate of Annual Asset Upgrade	0.6%
Renewal as % of consumption	93.4%



7.2.2 Water Fund

Figure 12 Projected and Budget Expenditure for Water Fund



Resourcing Strategy

Table 16 Resourcing Strategy

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$20,589,000	\$11,386,368	\$3,160,483	\$3,636,000	\$1,175,303	\$38,771,852
2024	\$8,234,000	\$11,824,873	\$3,201,093	\$3,226,000	\$1,461,862	\$26,039,260
2025	\$514,000	\$11,925,773	\$3,217,072	\$3,106,000	\$1,549,743	\$18,140,366
2026	\$514,000	\$11,934,215	\$3,217,642	\$3,106,000	\$1,958,621	\$18,143,110
2027	\$514,000	\$11,855,078	\$3,218,211	\$3,106,000	\$2,963,347	\$18,058,278
2028	\$489,000	\$11,750,700	\$3,218,781	\$3,106,000	\$3,446,430	\$17,923,204
2029	\$489,000	\$11,652,464	\$3,219,301	\$3,106,000	\$3,990,254	\$17,819,772
2030	\$489,000	\$11,539,188	\$3,219,820	\$3,106,000	\$4,376,536	\$17,701,300
2031	\$489,000	\$11,524,807	\$3,220,340	\$3,106,000	\$5,075,889	\$17,681,724
2032	\$489,000	\$11,531,347	\$3,220,859	\$3,106,000	\$6,473,709	\$17,683,068

Financial Indicators

Table 17 Water Fund Financial Indicators

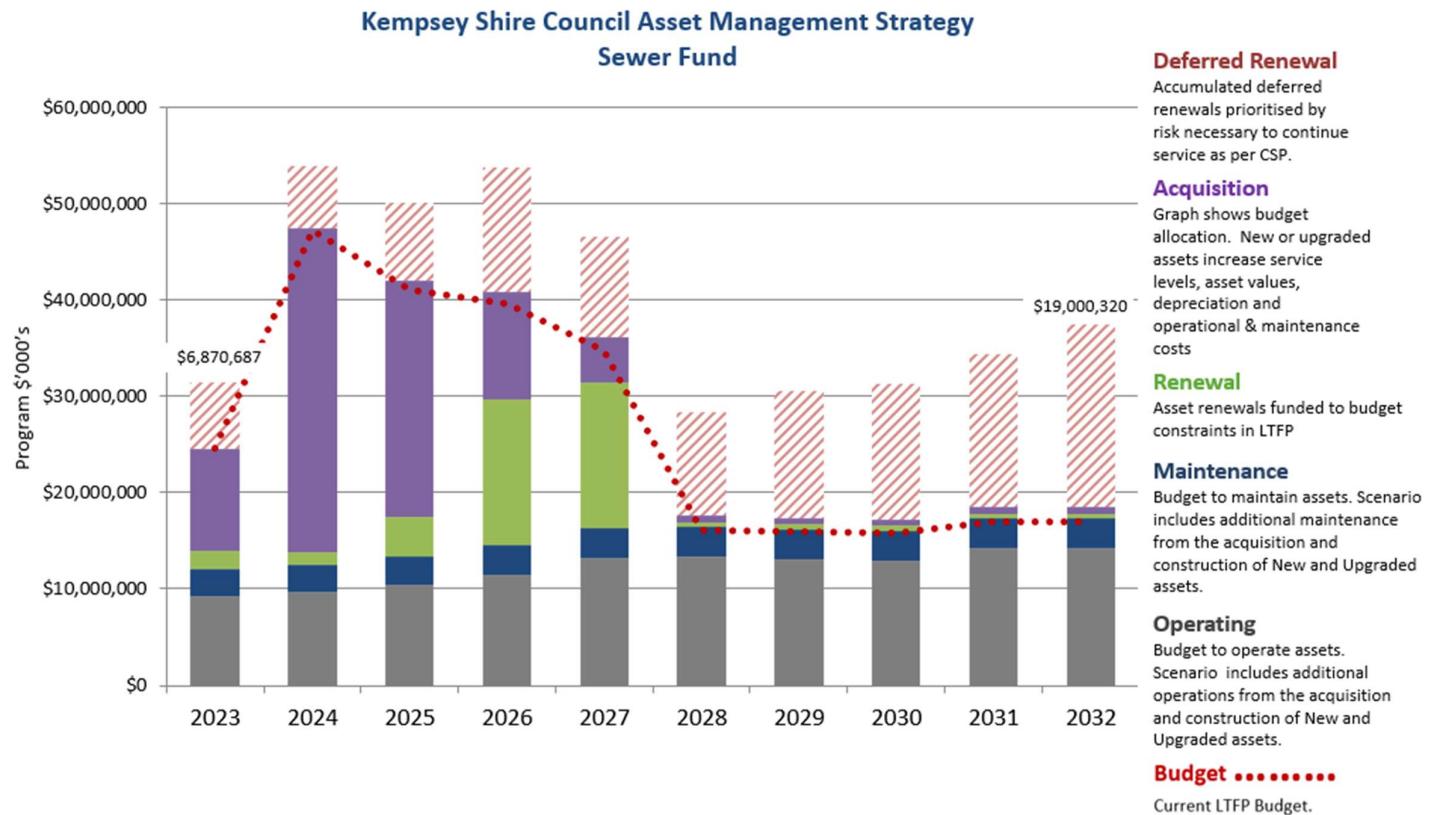
What does it Cost?	
10 Year Total Cost	\$220,032,128
10 Year Average Cost	\$22,003,212
10 Year Total LTFP Budget	\$207,961,936
10 Year average Total LTFP Budget	\$20,796,194
10 Year average funding shortfall	-\$1,207,019
10 Year AM Financial Indicator	95%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	83%
Life Cycle Indicator	85%
Rate of Annual Asset Consumption	1.9%
Rate of Annual Asset Renewal	1.1%
Rate of Annual Asset Upgrade	1.1%
Renewal as % of consumption	56%



7.2.3 Sewer Fund

Figure 13 Projected and Budget Expenditure for Sewer Fund



Resourcing Strategy

Table 18 Resourcing Strategy

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$10,691,000	\$9,319,706	\$2,755,890	\$1,816,500	\$6,870,687	\$24,583,094
2024	\$33,561,456	\$9,707,156	\$2,781,087	\$1,361,500	\$6,478,422	\$47,217,228
2025	\$24,392,500	\$10,441,146	\$2,890,271	\$4,217,500	\$8,193,178	\$41,105,044
2026	\$11,209,481	\$11,523,386	\$3,007,471	\$15,110,519	\$12,846,905	\$39,607,816
2027	\$4,771,428	\$13,173,027	\$3,073,781	\$15,138,572	\$10,445,479	\$34,754,404
2028	\$648,500	\$13,314,269	\$3,084,007	\$521,500	\$10,767,754	\$16,121,787
2029	\$648,500	\$13,140,958	\$3,085,995	\$521,500	\$13,099,502	\$15,935,228
2030	\$648,500	\$12,988,926	\$3,087,983	\$521,500	\$14,003,447	\$15,769,948
2031	\$648,500	\$14,179,616	\$3,089,970	\$521,500	\$15,962,382	\$16,947,388
2032	\$648,500	\$14,192,865	\$3,091,958	\$521,500	\$19,000,320	\$16,947,390

Financial Indicators

Table 19 Sewer Fund Financial Indicators

What does it Cost?	
10 Year Total Cost	\$299,050,240
10 Year Average Cost	\$29,905,024
10 Year Total LTFP Budget	\$268,989,344
10 Year average Total LTFP Budget	\$26,898,932
10 Year average funding shortfall	-\$3,006,091
10 Year AM Financial Indicator	90%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	68%
Life Cycle Indicator	95.6%
Rate of Annual Asset Consumption	1.6%
Rate of Annual Asset Renewal	1.7%
Rate of Annual Asset Upgrade	3.8%
Renewal as % of consumption	107.3%



7.3 Sustainability of Service Delivery

The Asset Renewal Funding Ratio highlighted in Table 15 General Fund Financial Indicators, Table 17 Water Fund Financial Indicators, and Table 19 Sewer Fund Financial Indicators reveals whether projected capital renewal and replacement expenditure can be financed by the long-term financial plan. The funding ratio is the ratio of the net present value of asset renewal and replacement expenditure accommodated over a 10-year period in a long-term financial plan relative to the net present value of projected asset capital renewal and replacement expenditure identified in an asset management plan for the same period.

This Strategic Asset Management Plan is part of the integrated processes we have implemented to ensure our way of life is sustainable.

The graphs in Figure 14 Projected, Planned & Unfunded Renewals – General Fund, Figure 15 Projected, Planned & Unfunded Renewals – Water Fund, and Figure 16 Projected, Planned & Unfunded Renewals – Sewer Fund show the unfunded renewals over the 10-year term of the LTFP. These show the results of the current Asset Renewal Funding Ratios. This key indicator shall help us set the balance of service levels, risks, projected expenditures, and financing that result in sustainable infrastructure-based services.



Figure 14 Projected, Planned & Unfunded Renewals – General Fund

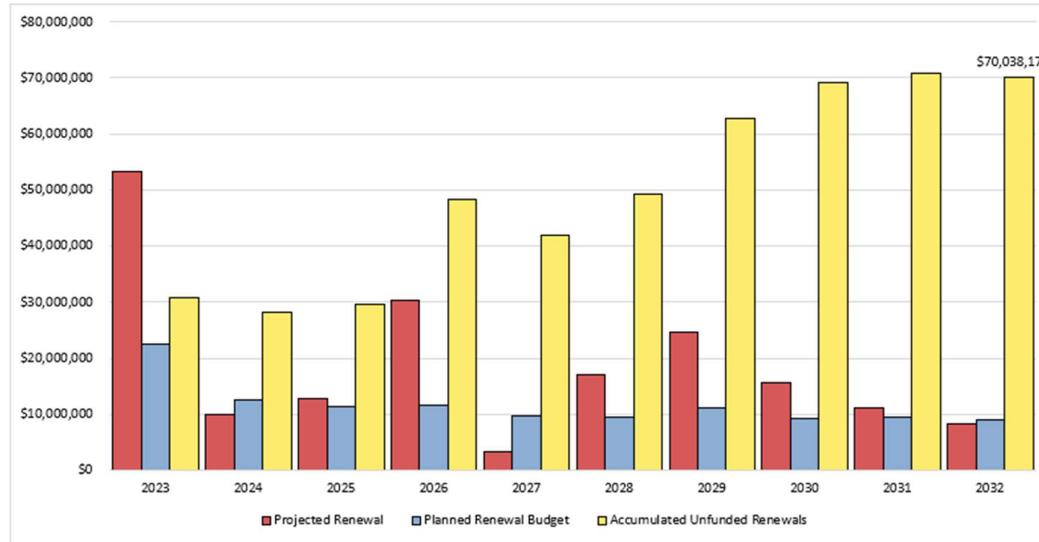


Table 20 Projected, Planned & Unfunded Renewals – General Fund

Year	Projected Renewals	Planned Renewal Budget	Accumulated Unfunded Renewals
2023	\$53,289,777	\$22,602,112	\$30,687,665
2024	\$10,018,100	\$12,513,438	\$28,192,327
2025	\$12,819,035	\$11,434,812	\$29,576,550
2026	\$30,211,202	\$11,500,433	\$48,287,319
2027	\$3,257,538	\$9,738,045	\$41,806,812
2028	\$17,079,926	\$9,563,871	\$49,322,867
2029	\$24,539,490	\$11,049,266	\$62,813,091
2030	\$15,585,961	\$9,226,541	\$69,172,511
2031	\$11,075,897	\$9,358,689	\$70,889,718
2032	\$8,169,205	\$9,020,749	\$70,038,174



Figure 15 Projected, Planned & Unfunded Renewals – Water Fund

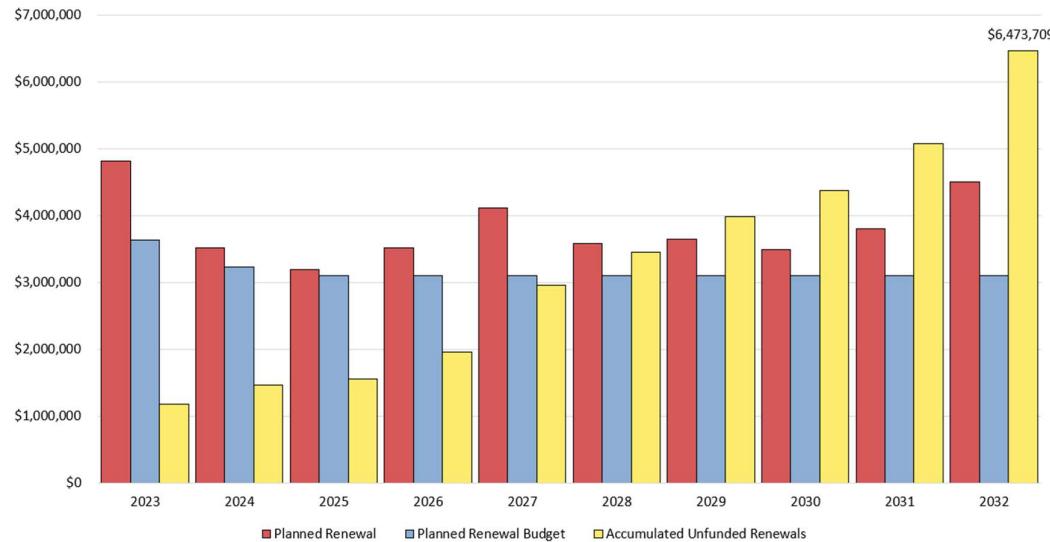


Table 21 Projected, Planned & Unfunded Renewals – Water Fund

Year	Projected Renewals	Planned Renewal Budget	Accumulated Unfunded Renewals
2023	\$4,811,303	\$3,636,000	\$1,175,303
2024	\$3,512,559	\$3,226,000	\$1,461,862
2025	\$3,193,881	\$3,106,000	\$1,549,743
2026	\$3,514,878	\$3,106,000	\$1,958,621
2027	\$4,110,726	\$3,106,000	\$2,963,347
2028	\$3,589,083	\$3,106,000	\$3,446,430
2029	\$3,649,824	\$3,106,000	\$3,990,254
2030	\$3,492,282	\$3,106,000	\$4,376,536
2031	\$3,805,353	\$3,106,000	\$5,075,889
2032	\$4,503,820	\$3,106,000	\$6,473,709



Figure 16 Projected, Planned & Unfunded Renewals – Sewer Fund

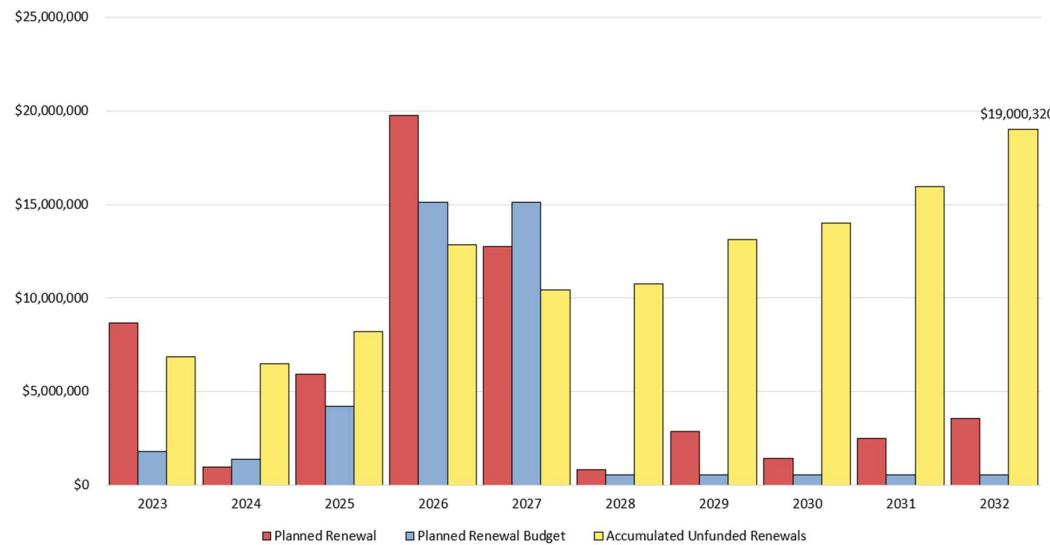


Table 22 Projected, Planned & Unfunded Renewals – Sewer Fund

Year	Projected Renewals	Planned Renewal Budget	Accumulated Unfunded Renewals
2023	\$8,687,187	\$1,816,500	\$6,870,687
2024	\$969,235	\$1,361,500	\$6,478,422
2025	\$5,932,256	\$4,217,500	\$8,193,178
2026	\$19,764,246	\$15,110,519	\$12,846,905
2027	\$12,737,146	\$15,138,572	\$10,445,479
2028	\$843,775	\$521,500	\$10,767,754
2029	\$2,853,248	\$521,500	\$13,099,502
2030	\$1,425,445	\$521,500	\$14,003,447
2031	\$2,480,435	\$521,500	\$15,962,382
2032	\$3,559,438	\$521,500	\$19,000,320



7.3.1 Key Assumptions Made in Financial Forecasts

The production of the Strategic Asset Management Plan required several assumptions. The nature of these assumptions impacts on our confidence in our calculations, results, and predictions.

Table 23 Key Assumptions

Key Assumptions	Risk of Change to Assumptions
Condition data used in the predictive modelling for sealed and unsealed road networks was mechanically collected in November 2020. Two recent flooding events in 2021 and 2022 have significantly impacted both networks. As a result, the condition ratings are very likely showing the condition of the networks as better than they are, resulting in lower renewal forecasts. Comprehensive re-inspection is not planned until the next revaluation in 2026-27.	Moderate - High
Water & Sewer useful lives are presently based on industry standards. Evidence suggests that some lives are much longer, particularly for mechanical and electrical assets. This results in models forecasting renewal earlier than required. An evidence-based useful and remaining life assessment is currently underway as part of this financial year's comprehensive revaluation of the Water and Sewer Systems.	Moderate
Predictive modelling for buildings was performed at an overall Building level. While this does not impact total renewal requirements it does influence timing. A recent level 2 (Component) building audit has just completed. Results will inform future planning but were not available to inform this SAMP.	Low

*Detailed modelling results for each main Service Category are contained in Section 12, **Dashboards**, starting on page 70, below.*



7.3.2 Opportunities

We have identified opportunities relevant to the services in this SAMP:

- Regular engagement with our community will help us understand the level of service the community expects, and will help the community understand what we can deliver
- The information we gather from consultation will help us set priorities and determine resource allocation
- Improving our asset knowledge so our data accurately records inventory, performance and condition will help us provide consistent service levels
- Improving our efficiency in operating, maintaining, renewing, and replacing our existing assets will optimise their life cycle costs, saving the community money
- Identifying and managing risks associated with providing services from assets will help us reduce those risks
- Making trade-offs between service levels and costs will ensure that the community receives the best return from assets
- Identifying assets that we don't need and disposing of them will save us money in the future
- We can develop more partnerships with other bodies to share resources and reduce risk
- We will continue to seek additional funding from governments and other bodies
- We will resist transfer to us of responsibility for unfunded assets
- We will base decisions to create new assets on sound business analysis



8 Asset Management Maturity and Performance

We have adopted a significantly revised Asset Management Policy. This policy is another step in the improvement of our infrastructure asset management, and its effects will steadily change our activities over the council term and beyond.

The previous policy was focused on development of Asset Management practice; Our new policy is about achieving steady improvement and improving the alignment of our service with community needs.

The policy commits us to:

- Community consultation
- System-based management
- The achievement of good practice
- Ongoing improvement

We have acknowledged the difficulty of managing our assets within our financial means. To ensure good governance we will:

- Only acquire extra assets after considering whole of life costs
- Prioritise our plans based on defined service levels, and the effectiveness of our current assets to provide that level of service
- Review assets which are shown to be underutilised at the end of their useful lives
- Only accept donated and contributed assets that meet our quality and design standards, provide defined community service levels, have sustainable whole of life costs, and align with CSP goals

8.1 Asset Management Maturity

Kempsey Shire Council uses techniques and processes to manage our community assets at the best level for our community.

The NSW government shows us that 3 things lead to good practice in asset management:

- 10-year forecasts that are linked to Community Strategic Plans and Long-Term Financial Plans
- A 4-year Delivery Program to guide decision-making
- An Operational Plan with detailed actions over a single year

These requirements are incorporated in the Integrated Planning and Reporting legislation.

We integrate these activities with our corporate Asset Management practices, and within our specific areas of Service - Transport, Stormwater & Flood Mitigation, Open Space & Recreation (Civic), Water, Sewer, Buildings & Other Structures, Commercial Businesses, and Plant & Equipment.

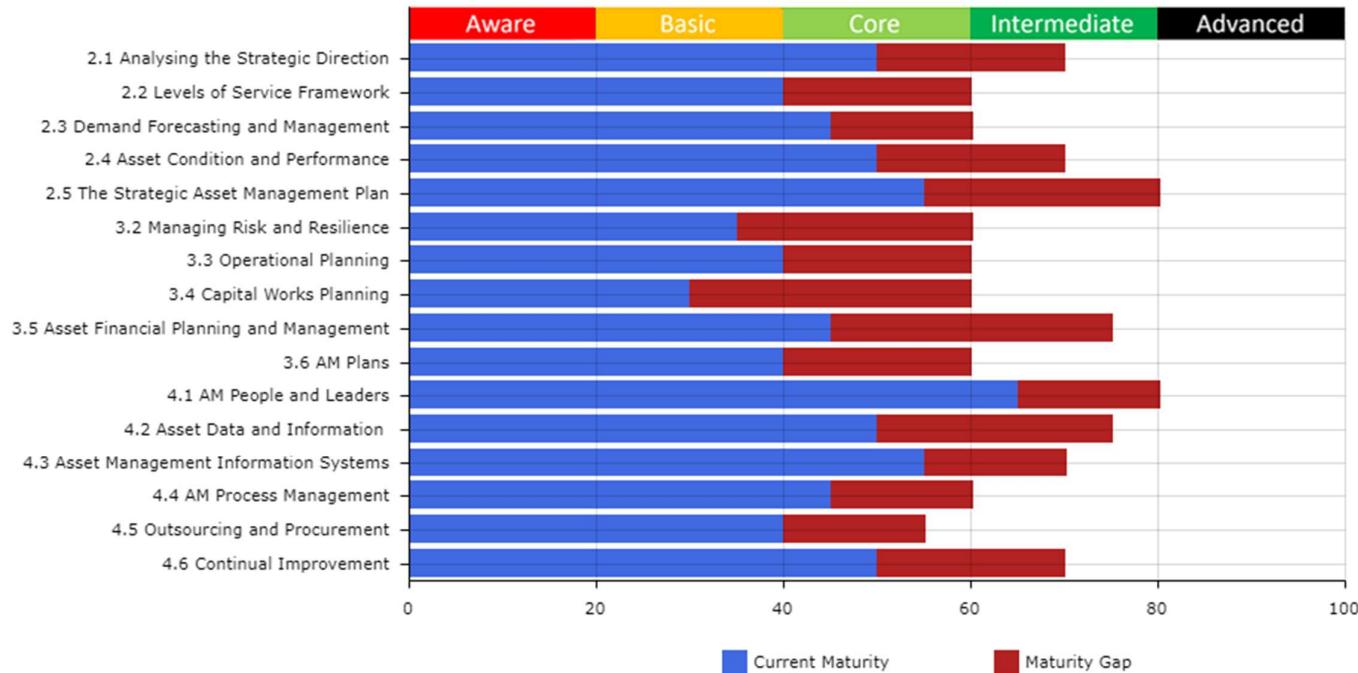
The Integrated Planning and Reporting legislation distinguishes between core and advanced asset management. Kempsey is committed to reaching core level in all areas of practice within 18 to 24 months and is already well-progressed. We use the term 'core' because it is well understood by auditors. It is basically the level we think we need to be at for the future.

8.1.1 Maturity Assessment

There are several acceptable ways to assess the maturity of our Asset Management System. We have selected the model from the International Infrastructure Management Manual's Maturity Assessment Index.



Figure 17 Maturity Assessment



When reading the graph, it is important to understand that it shows where we are, compared to where we want to be. It is not a measure of how good or bad we are doing, but how we will change what we do so we can meet the challenges that are coming in the next 10 years to ensure Kempsey Shire is a safe, and well managed Local Government Area.

As we make future plans, we will set ourselves increasingly higher goals, so we shall always be improving.



8.2 Asset Management Improvement Actions

Top-down, and bottom-up planning sessions are in place to ensure Integrated Planning and Asset Management objectives and outcomes align. This also speeds up improvement by having more people involved at any given time.

We have committed to achieving core level asset management competency within the next 18 to 24 months.

We will conduct regular management reviews of our asset management objectives, asset management framework. This will improve our planning.

We are committed to systematic asset management, including good practice, ongoing improvement in systems and processes, and ensuring Council's priorities for service delivery are met.

Our asset management planning is improving. We are introducing new, and better ways of planning; and of finding ways to get the most from our assets. We have made significant recent advances in these areas.

We have commenced documenting our service level baselines. This will be balanced with the requirements of regulation, and community aspirations, to set service levels. As we achieve these levels, we will be providing services that are neither over- or under-serving the community, providing the best value from our resources.

We have implemented routine use of sophisticated computer modelling for finance and asset condition. This modelling will be informed with information from our asset professionals and staff on the ground, to build up profiles for the lifecycles of our assets in their particular environment.

Studies are in motion on several our more challenged assets, concrete structures in our marine environments for example.

Managing risk is something all council staff do as part of their daily jobs. Minimising risk to the community is one of council's main responsibilities. Improvement in our Asset Management practice has allowed us to examine different types of risks, in different ways. We can see what happens when we change the way we spend, and when we change how we maintain our assets. We use this analysis to ensure that the plans we put in place are safe for our community and will fit in our budgets.

8.3 Tools we Use

Many of our services are strongly regulated, like our water and sewerage services. Other services, such as community places, are less specifically regulated, but are surrounded by legislation, guidelines, practice guides, and standards. For our less regulated services, our main tools are community consultation, and financial modelling. For asset-based services, we make special reference to the following tools we use to determine the appropriate service levels:

- Community consultation
- Reference to legislation
- Professional knowledge about assets, and the materials they are made from



- Sophisticated computer modelling for affordability and asset condition
- Australian, and International Standards
- Best practice guidelines
- National, State, and Local Strategies
- Infrastructure Australia Plans and Strategies
- NSW State Emergency Service Strategic Plan
- Emergency Management Plans

As well as our own Policies, Strategies and Plans, including the:

- Future Macleay Growth and Character Local Strategic Planning Statement
- Your Future Places and Spaces August 2020 Macleay Valley Community Infrastructure Strategy
- Long-term Renewable Energy and Water Strategy
- Macleay Valley Sports Strategy

8.3.1 Community Engagement

Our community surveying process has improved, and we are collecting information on more areas than ever. As we improve our understanding of community needs and desires, we will adjust our planning accordingly.

As our understanding of our assets and the services they provide improves, we will provide this information to the community, so that the community is informed, and can understand the decisions we must jointly make on services and infrastructure.

The way we make trade-offs between service levels and costs will change over time to ensure the community receives the service needed, and we do not under-, or over-cater, but ensure best value is obtained from our

assets. If we find assets that are surplus to our needs or find a better way of delivering services so we don't need the assets, we will dispose of the assets and direct savings in maintenance and operations to other services.

We are improving our asset knowledge so that we can understand how our assets are performing and understand when they will not be able to provide the required service. This information will improve our understanding of when to replace our existing assets, and how to optimise the cost of having them.

The data we are collecting will directly improve our efficiency in operating and maintaining our assets; as well as identifying and minimising risks that come from providing services from our assets.



9 Improvement Plan

Our asset management maturity audit, and the analysis of our asset management systems, identified tasks and actions that we need to do so we can achieve our desired level of skill and understanding. We have added to these the items we identified for improvement during the preparation of this plan. Achieving these tasks and actions is a requirement of our Asset Management Policy.

National Framework	National Framework Element	Key Strategy Number	Task/Action	Responsibility	Timeline	Current Status Comments
AM Planning	AM Policy	KS-1	Ensure that the AM Policy is implemented and communicated to key stakeholders. Annual review of policy implementation by the Asset Management Steering Committee (AMSC). Ensure Council is briefed on their roles and governance responsibilities under the reviewed AM policy.	AMSC	Annual	Policy updated as part of IP&R process.
AM Planning	Governance & Management	KS-2	Implement this asset management development program to improve Council's asset management maturity, particularly around the measurement and reporting of trends in service levels and risk that result from the available funding scenarios in the long-term financial plan.	AMSC	Ongoing	Included as part of this SAMP.
AM Planning	AM Plans	KS-3	Continue to develop and update Strategic Asset Management Plans for the major asset groups.	AMSC	Ongoing	
Financial Planning	Annual Budget	KS-4	Identify infrastructure expenditure by both: - Expenditure Category i.e. the Asset Group it is associated with; for example, road pavement - Expenditure Type – operating, maintenance, capital renewal, capital upgrade or capital expansion	Asset Management & Financial Services	18 months	



National Framework	National Framework Element	Key Strategy Number	Task/Action	Responsibility	Timeline	Current Status Comments
AM Planning	Governance & Management	KS-5	Consider the ongoing ownership costs of new capital works proposals in budget deliberations. This is achieved by identifying the renewal and capital upgrade/expansion components of all capital works projects and providing for the ongoing operational and maintenance requirements.	Asset Management & Corporate Performance	12 months	
AM Planning	Skills & Processes	KS-6	Develop Risk Management Plans for all major asset classes.	AMSC	24 months	
AM Planning	Data & Systems	KS-7	Review the completeness and accuracy of the data for all major infrastructure classes.	Asset Management	Ongoing	
AM Planning	Data & Systems	KS-8	Use a knowledge management strategy to ensure that appropriate and optimal decision support information is available to clearly communicate the cumulative consequences of decisions.	Asset Management	Ongoing	
AM Planning	Data & Systems	KS-9	Develop a corporate asset register meeting both technical and financial reporting requirements.	Asset Management	Ongoing	Asset Management Information System currently being implemented
Financial Planning	Annual Report	KS-10	Develop and adopt an Asset Accounting and Capitalisation Policy that assists in meeting the intention of Fair Value Reporting (AASB116).	Financial Services & Asset Management	6 months	
AM Planning	AM Plans	KS-11	Develop a funding model which addresses the need for sustainable renewal of infrastructure, and which identifies all asset life cycle costs.	Corporate Performance, Asset Management and AMSC	18 months	



National Framework	National Framework Element	Key Strategy Number	Task/Action	Responsibility	Timeline	Current Status Comments
Financial Planning	Strategic Longer-Term Plan	KS-12	The 10-year financial sustainability plan for all Council functions will consider both the future anticipated income projections, and the future expenditure requirements to sustain services. This plan will consider the expenditures identified in the Asset Management Plans and will provide input into the annual Council budget.	AMSC	Ongoing	
AM Planning	Levels of Service	KS-13	Continue to improve the information on the relationship between the service level and cost so that future community consultation will be well informed of the options and costs.	AMSC	Ongoing	
AM Planning	Evaluation	KS-14	Undertake a detailed assessment of the resources required to implement this Asset Management Improvement Plan so that a program of improvement and milestones can be implemented and monitored.	AMSC	12 months	



10 Appendix—Asset Management Policy



ASSET MANAGEMENT POLICY

POLICY GOAL	3	To plan and fund the Shire's infrastructure and service needs
POLICY SUB GROUP	3.4	Infrastructure Services
VERSION	5	
DATE ADOPTED	28 th June 2022	
PLANNED REVIEW DATE	March 2026	



Council's Asset Management Policy was last adopted 28th June 2022.

Purpose

To give guidance on managing our assets so they provide best value to the community over time.

Objectives

To ensure:

- 1 Our spending is responsible and sustainable, and our investments in infrastructure benefits the community.
- 2 Our asset-based services are provided to the community at the required level, and in the most cost-effective way.
- 3 These services provide for present and future community needs, and maintain intergenerational equity.
- 4 Asset management activities comply with legislative requirements.
- 5 Our assets and processes support community health and safety, and are operated and maintained in-line with good practice
- 6 All costs are included in our asset planning.
- 7 We identify and manage all infrastructure risk.
- 8 Integration of our Asset Management Plans with other council planning and strategy.
- 9 Regular review of our planning and information.

Scope

This Policy applies to all Council Activities. For the purpose of this policy assets will include all physical infrastructure and major plant that is Council's responsibility to operate and/or maintain.

Policy

We will consult with the community on the creation and management of assets through the development of the Community Strategic Plan, Delivery Program and Operating Plans.



We are committed to systematic asset management, including good practice, ongoing improvement in systems and processes, and ensuring Council's priorities for service delivery are met.

Regular management reviews of our asset management objectives, asset management framework, and performance will improve our planning.

We shall define the level of asset management we need to provide good services, and make steady progress towards achieving this level. We will report this in our Asset Management Strategy.

We will make our Asset Management Strategy and Plans for a minimum timeframe of 10 years.

Risk management strategies will be created for all assets that are critical to operations. Our Asset Management Strategy will include specific actions to improve our abilities.

Our Asset Management Plans will :

- Identify asset service standards.
- Contain long-term projections of asset maintenance, renewal and replacement.
- Include forecast costs linked to the Long-Term Financial Plan.
- Be informed by community consultation and long-term financial planning.
- Balance cost, risk and asset performance for the best community outcome.

We will report on our assets in our annual financial statements, and include condition assessment, renewal and maintenance expenditure.

We will integrate good asset management principles within our existing planning and operational processes.

Monitoring and assessment will be part of our asset management, and will help us maintain defined service levels. We will also use monitoring to help us set asset renewal priorities.

Our Annual Budgets will change over time to reflect our improved asset management capabilities—budget estimates will come from service levels in Asset Management Plans and Long-Term Financial Plans.

We will include Service and Risk consequences in our budget documentation.

Our asset register will be comprehensive, and include details of all our assets. It will also record their condition, performance and value.

Our community groups are involved in maintaining and operating Council's assets. We will make formal arrangements so the roles and responsibilities of Council and the Community Group are clearly communicated and followed.

To manage our assets within our means we will:

- Only acquire extra assets after considering whole of life costs.
- Prioritise our plans based on defined service levels, and the effectiveness of our current assets to provide that level of service.
- Not replace assets which are determined to be underutilised at the end of their useful lives.
- Only accept donated and contributed assets that meet our standards, provide defined community service levels, and have sustainable whole of life costs.

We will train our councillors and staff so they have the knowledge they need to do their jobs well.

Responsibilities

Councillors are responsible for adopting the policy, allocation of resources, providing high level oversight of the delivery of the organisation's Asset Management Strategy and plan and maintaining accountability mechanisms to ensure that organisational resources are appropriately utilised to address the organisation's strategic plans and priorities.

The General Manager has overall responsibility for developing an Asset Management System.

Policy implementation procedures, guidelines and documents

Reference No. Title

3.4.1	Local Government Act 1993
3.4.2	Local Government (General) Regulation 2021
3.4.3	Integrated Planning & Reporting Guidelines for Local Government in NSW September 2021
3.4.4	Integrated Planning & Reporting Handbook for Local Councils in NSW September 2021
3.4.5	Local Government Code of Accounting Practice and Financial Reporting (as amended)

Related Kempsey Shire Council policies

Policy No. Title



11 Appendix—Checklist Against IPR Guidelines

Asset Management Planning

General requirements for asset management planning

3.14 Each council must account for and plan for all the existing assets under its control, and any new asset solutions proposed in its Community Strategic Plan and Delivery Program.

Systems are in place for all asset classes to capture and account for all existing assets. All new assets are planned for and managed within the planning, budgetary and assets framework as required. This activity is governed by the Asset Management Policy.

3.15 Each council must prepare and adopt an Asset Management Policy, an Asset Management Strategy and Asset Management Plans for each class of assets to support the Community Strategic Plan and Delivery Program.

This Strategic Asset Management Policy contains the policy, strategy and management elements required.

Minimum timeframe for the Asset Management Strategy and Plans

3.16 The Asset Management Strategy and Plans must be for a minimum timeframe of 10 years.

Achieved, the 10 years minimum requirement is in place for all Asset Management Strategy and Plans.

Basic structure of the Asset Management Strategy

3.17 The Asset Management Strategy must include the council-adopted Asset Management Policy.

Included at Appendix—Asset Management Policy 66

3.18 The Asset Management Strategy must identify assets that are critical to the council's operations and outline risk management strategies for these assets.

Risk management strategies are outlined for all assets that are critical to operations. Critical assets are identified in the section titled



Critical Assets on page 30. Service Level Challenges, Risks and Treatments are found in Assets at a Glance on page 15.

3.19 The Asset Management Strategy must include specific actions required to improve the council's asset management capability and projected resource requirements and timeframes.

The Asset Management Strategy includes specific actions to improve asset management capability. The maturity and performance of our asset management and systems is discussed in section 8 Asset Management Maturity and Performance on page 59, and actions are tabulated in section 9 Improvement Plan on page 63

Basic structure of the Asset Management Plans

3.20 The Asset Management Plans must encompass all the assets under a council's control.

The Asset Management Plans encompass all the assets under Kempsey Shire Council's control.

3.21 The Asset Management Plans must identify asset service standards.

Asset Management Plans include current asset service levels, and projected standards.

3.22 The Asset Management Plans must contain long-term projections of asset maintenance, rehabilitation and replacement, including forecast costs (for reflection in the Long-Term Financial Plan).

The SAMP contains long-term projections of asset maintenance, rehabilitation, and replacement, including forecast costs.

The SAMP contains forecast costs and comparison against Long-Term Financial Plan.

Asset Management reporting

3.23 Councils must report on their assets in the annual financial statements, in accordance with the Local Government Code of Accounting Practice and Financial Reporting, including condition assessment, renewal and maintenance expenditure.

Achieved, required under adopted policy.

End of Checklist



12 Dashboards

Dashboard Table of Contents

General Fund Service Categories	71
Water Fund Services Categories	101
Sewer Fund Service Categories.....	107

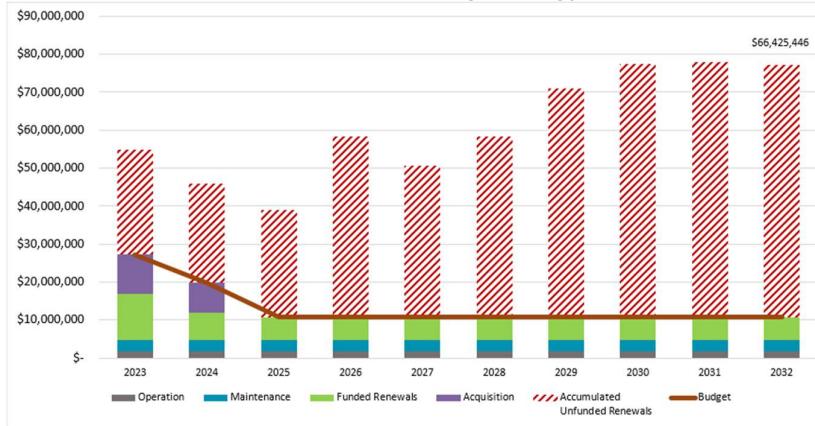


FUND - General

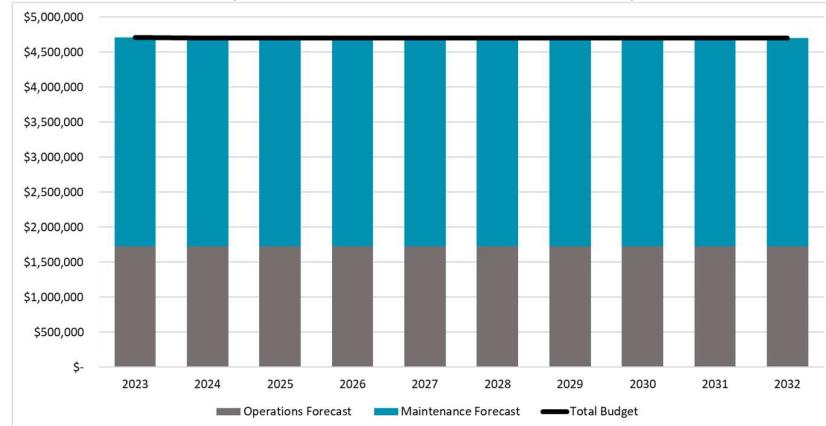
SERVICE CATEGORY - Transport

SERVICE ACTIVITIES – Sealed Roads, Unsealed Roads, Footpaths & Cycleways, Bridges & Culverts, Kerb & Gutter

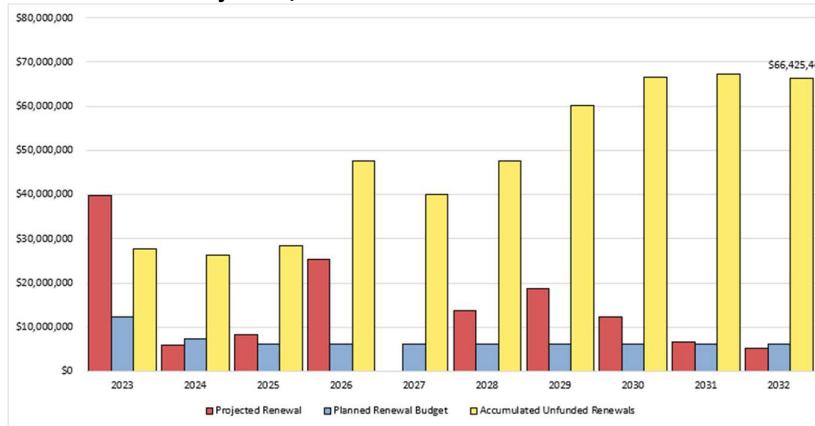
10 Year Resourcing Strategy



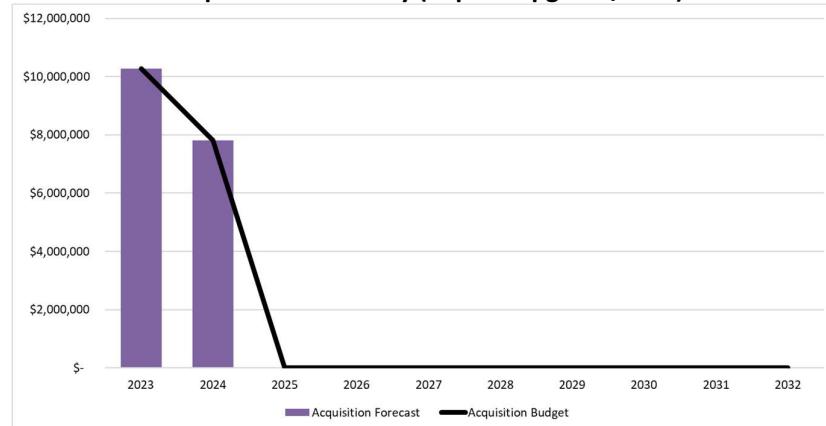
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values (Excluding Non-Depreciable Components)

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Transport	\$559,850,002	\$202,008,478	\$357,841,524	\$7,768,392

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$10,280,305	\$1,723,633	\$2,989,152	\$18,893,656	\$27,603,806	\$27,244,202
2024	\$7,800,000	\$1,723,505	\$2,977,681	\$13,887,082	\$26,186,206	\$19,745,724
2025	\$0	\$1,723,505	\$2,977,681	\$12,687,082	\$28,308,840	\$10,745,725
2026	\$0	\$1,723,505	\$2,977,681	\$12,687,082	\$47,544,383	\$10,745,725
2027	\$0	\$1,723,505	\$2,977,681	\$12,687,082	\$39,918,694	\$10,745,725
2028	\$0	\$1,723,505	\$2,977,681	\$12,687,082	\$47,600,726	\$10,745,725
2029	\$0	\$1,723,505	\$2,977,681	\$12,687,082	\$60,233,555	\$10,745,725
2030	\$0	\$1,723,505	\$2,977,681	\$12,687,082	\$66,592,975	\$10,745,725
2031	\$0	\$1,723,505	\$2,977,681	\$12,687,082	\$67,276,990	\$10,745,725
2032	\$0	\$1,723,505	\$2,977,681	\$12,687,082	\$66,425,446	\$10,745,725

Summary Asset Costs and Financial Indicators

What does it Cost?	
10 Year Total Cost	\$199,381,152
10 Year Average Cost	\$19,938,116
10 Year Total LTFP Budget	\$132,955,720
10 Year average Total LTFP Budget	\$13,295,572
10 Year average funding shortfall	-\$6,642,544
10 Year AM Financial Indicator	66.7%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	50.5%
Life Cycle Indicator	94.61%
Rate of Annual Asset Consumption	1.4%
Rate of Annual Asset Renewal	1.2%
Rate of Annual Asset Upgrade	0.3%
Renewal as % of consumption	91.2%



10-year Service Level Projections – Sealed Roads

Replacement Cost \$286,785,821



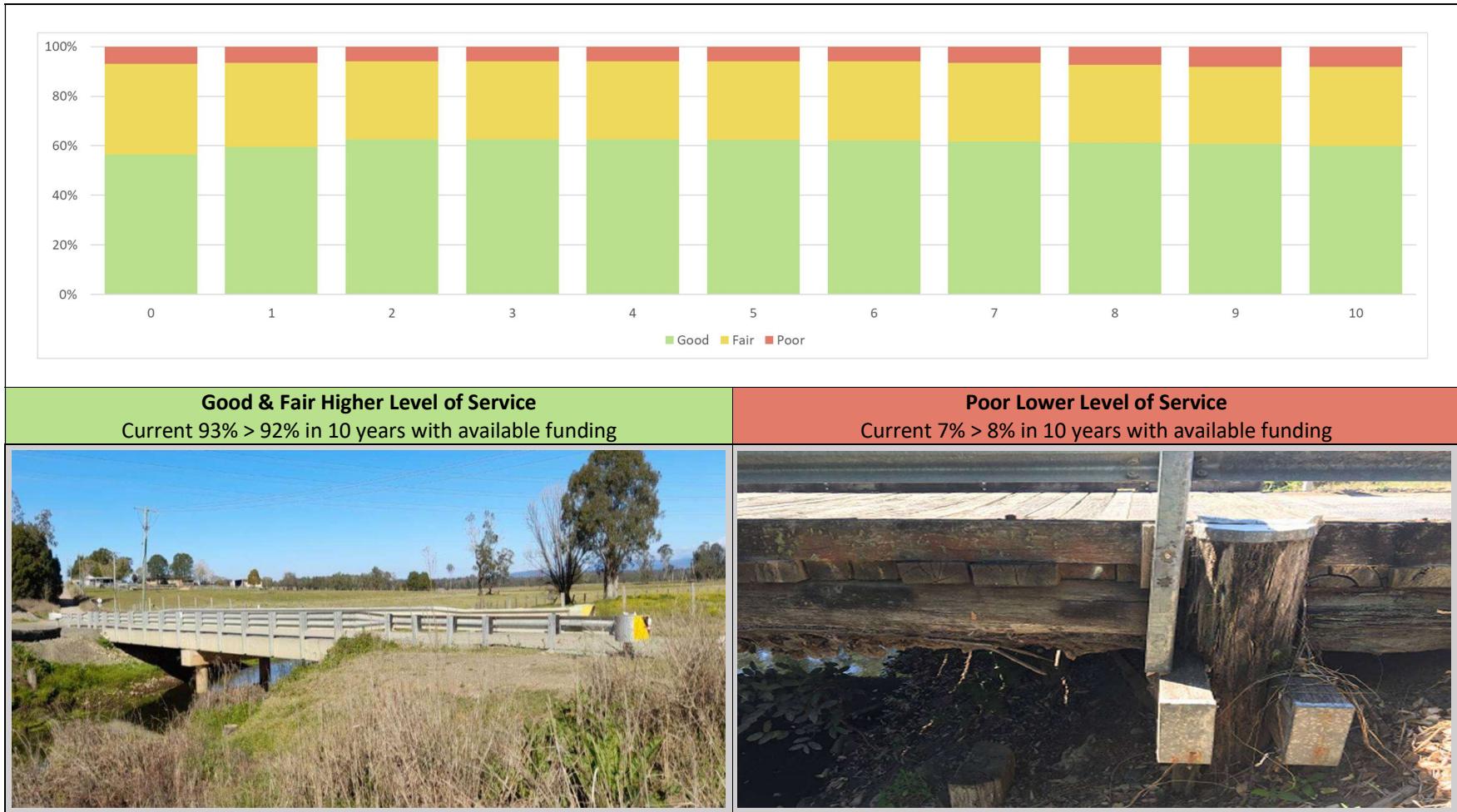
10-year Service Level Projections – Unsealed Roads

Replacement Cost \$30,741,426



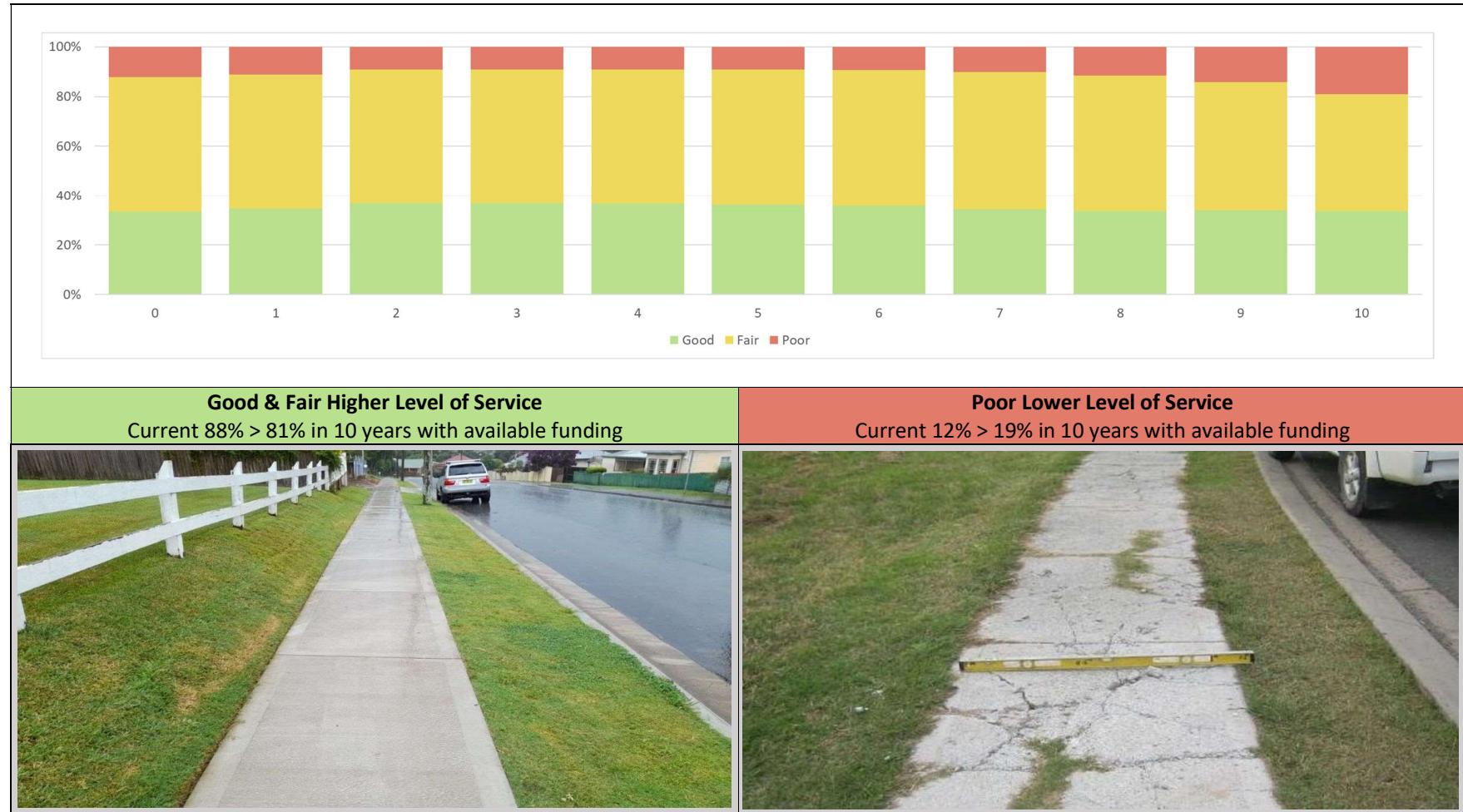
10-year Service Level Projections – Bridges & Culverts

Replacement Cost \$140,193,995



10-year Service Level Projections – Footpaths

Replacement Cost \$29,986,771



10-year Service Level Projections – Kerb & Gutter

Replacement Cost \$58,154,757.84

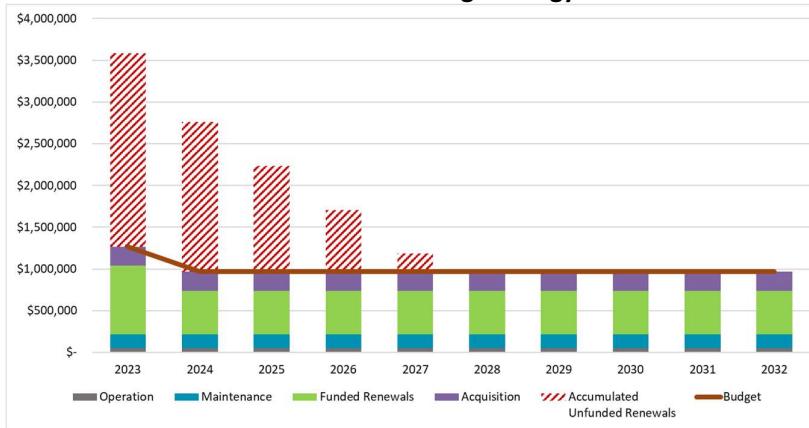


FUND - General

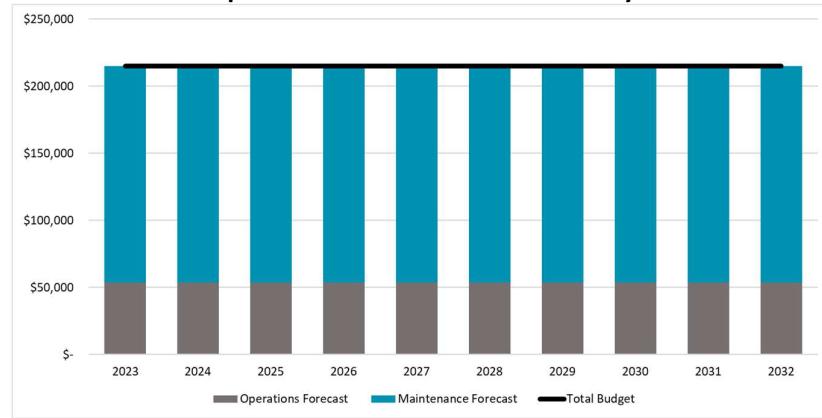
SERVICE CATEGORY – Stormwater & Flood Mitigation

SERVICE ACTIVITIES – Stormwater Drainage, Flood Mitigation

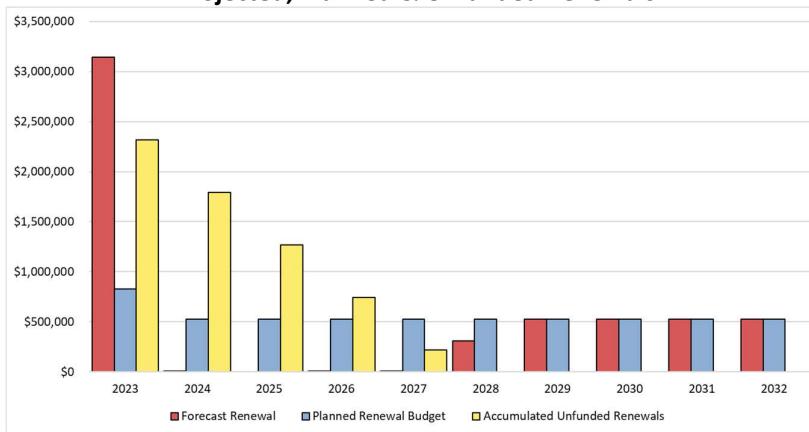
10 Year Resourcing Strategy



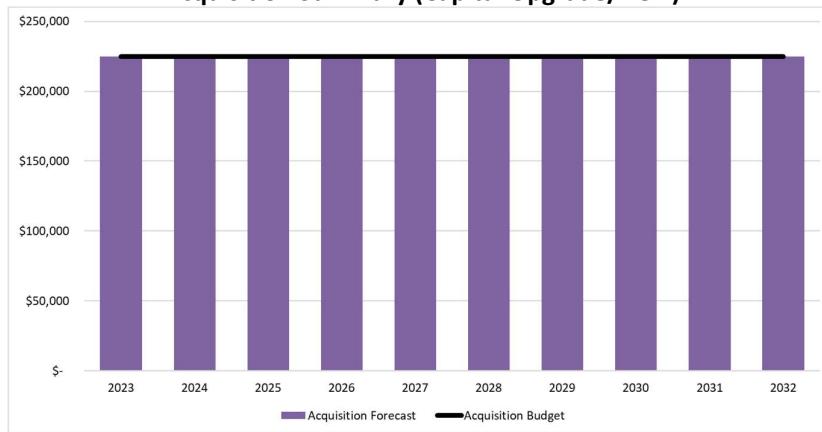
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Stormwater	\$156,756,789	\$51,995,578	\$104,761,211	\$1,266,157

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$225,000	\$53,788	\$161,365	\$825,000	\$2,317,866	\$1,265,153
2024	\$225,000	\$53,788	\$161,365	\$525,000	\$1,793,037	\$965,153
2025	\$225,000	\$53,788	\$161,365	\$525,000	\$1,267,710	\$965,153
2026	\$225,000	\$53,788	\$161,365	\$525,000	\$742,936	\$965,153
2027	\$225,000	\$53,788	\$161,365	\$525,000	\$218,476	\$965,153
2028	\$225,000	\$53,788	\$161,365	\$525,000	\$0	\$965,153
2029	\$225,000	\$53,788	\$161,365	\$525,000	\$0	\$965,153
2030	\$225,000	\$53,788	\$161,365	\$525,000	\$0	\$965,153
2031	\$225,000	\$53,788	\$161,365	\$525,000	\$0	\$965,153
2032	\$225,000	\$53,788	\$161,365	\$525,000	\$0	\$965,153

Summary Asset Costs and Financial Indicators

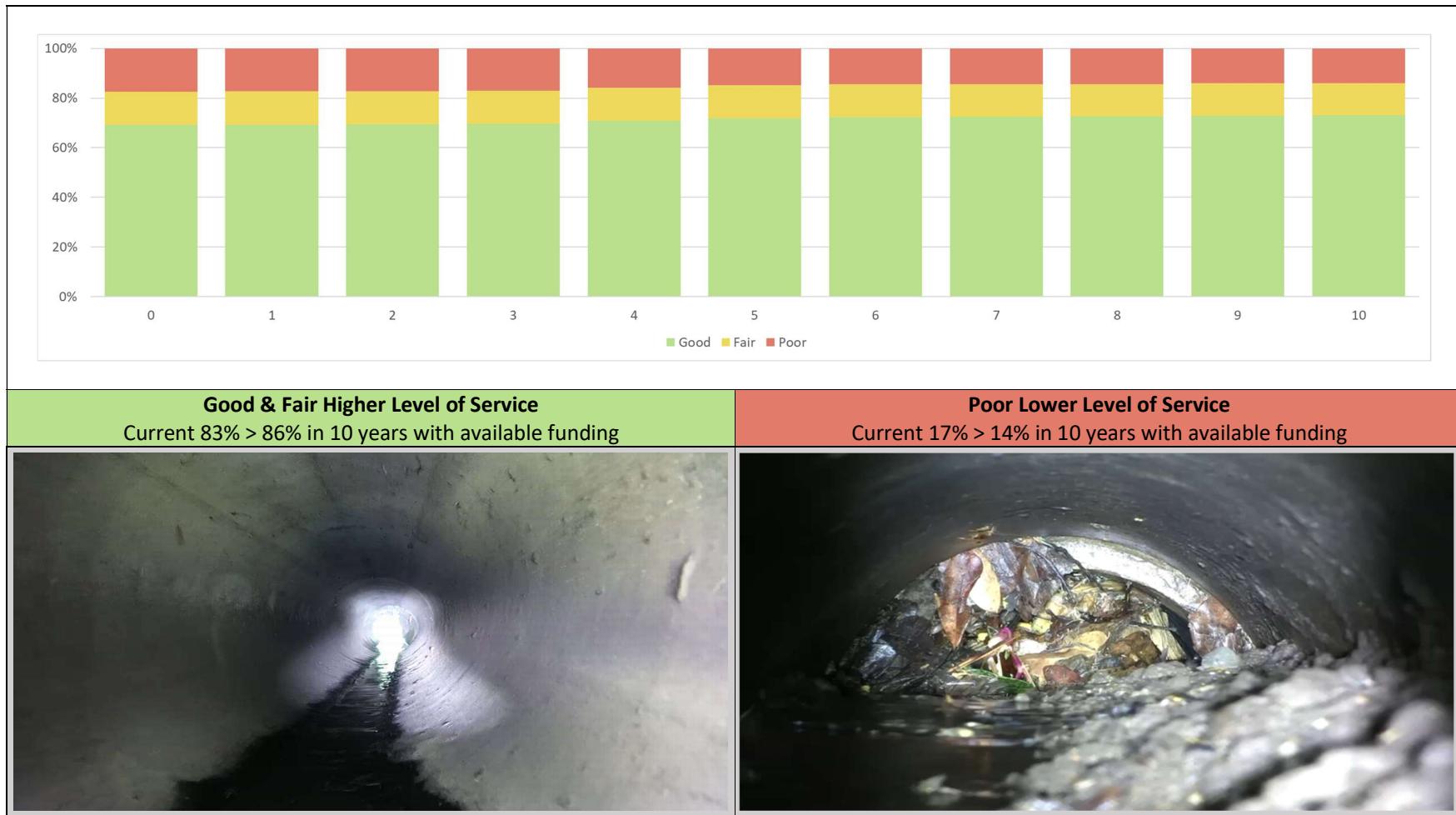
What does it Cost?	
10 Year Total Cost	\$9,951,530
10 Year Average Cost	\$995,153
10 Year Total LTFP Budget	\$9,951,530
10 Year average Total LTFP Budget	\$995,153
10 Year average funding shortfall	\$-
10 Year AM Financial Indicator	100%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	100%
Life Cycle Indicator	55%
Rate of Annual Asset Consumption	0.9%
Rate of Annual Asset Renewal	0.4%
Rate of Annual Asset Upgrade	0.2%
Renewal as % of consumption	46.9%



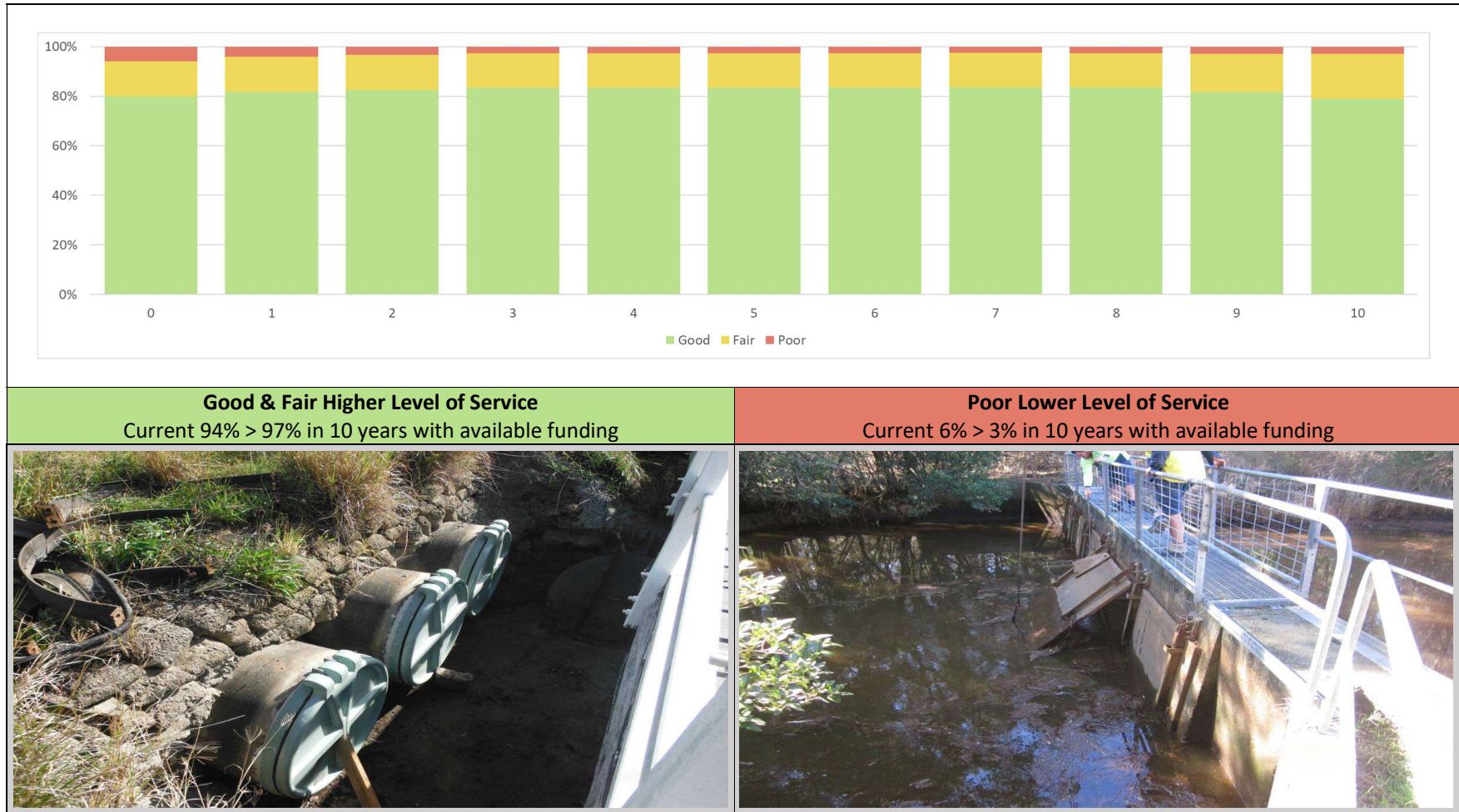
10-year Service Level Projections – Stormwater Drainage

Replacement Cost \$62,709,208



10-year Service Level Projections – Flood Mitigation

Replacement Cost \$94,047,580

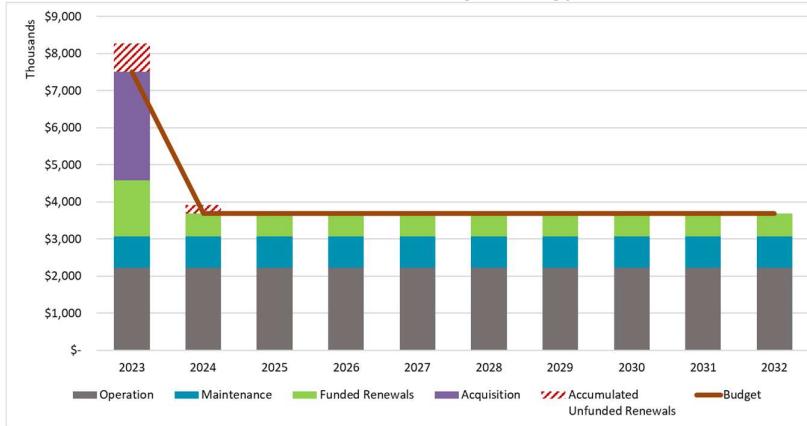


FUND - General

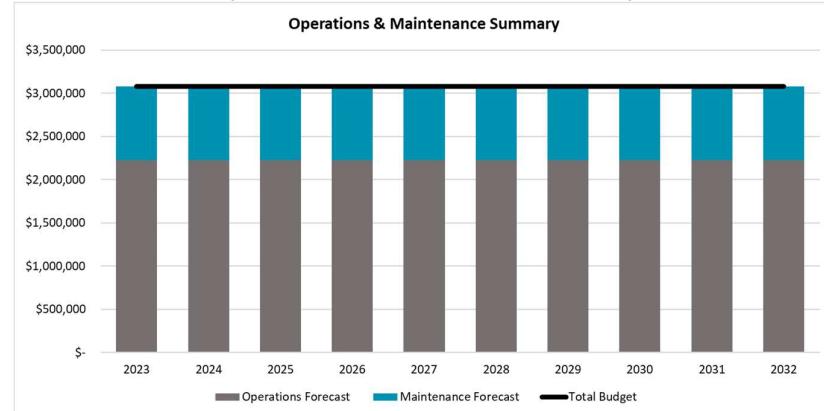
SERVICE CATEGORY – Open Space & Recreation

SERVICE ACTIVITIES – Parks & Reserves, Sports Grounds, Waterway Facilities

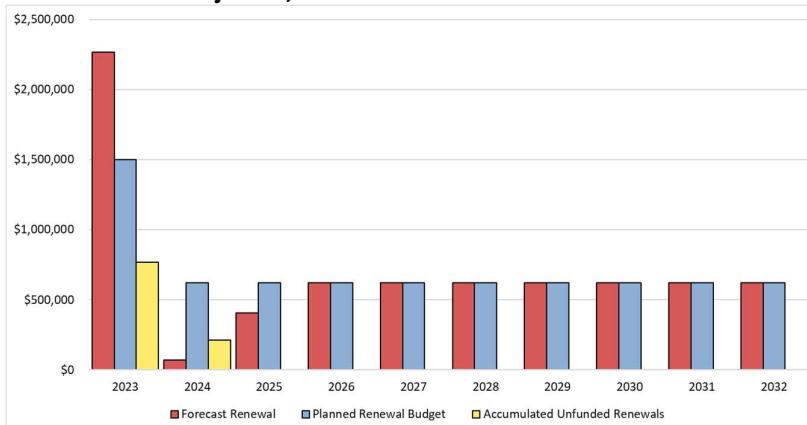
10 Year Resourcing Strategy



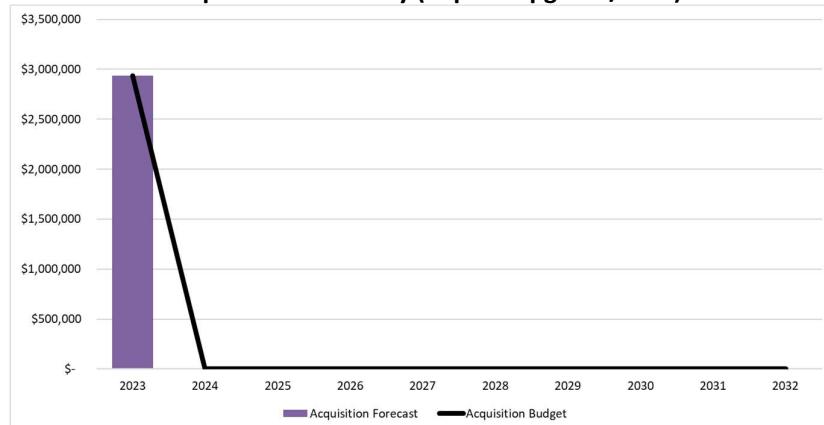
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values (Excluding Non-Depreciable Components)

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Open Space & Recreation	\$37,073,506	\$14,903,400	\$22,170,107	\$699,505

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$2,934,320	\$2,222,444	\$854,686	\$1,500,855	\$765,993	\$7,512,305
2024	\$0	\$2,222,444	\$854,686	\$620,000	\$213,084	\$3,697,130
2025	\$0	\$2,222,444	\$854,686	\$620,000	\$0	\$3,697,130
2026	\$0	\$2,222,444	\$854,686	\$620,000	\$0	\$3,697,130
2027	\$0	\$2,222,444	\$854,686	\$620,000	\$0	\$3,697,130
2028	\$0	\$2,222,444	\$854,686	\$620,000	\$0	\$3,697,130
2029	\$0	\$2,222,444	\$854,686	\$620,000	\$0	\$3,697,130
2030	\$0	\$2,222,444	\$854,686	\$620,000	\$0	\$3,697,130
2031	\$0	\$2,222,444	\$854,686	\$620,000	\$0	\$3,697,130
2032	\$0	\$2,222,444	\$854,686	\$620,000	\$0	\$3,697,130

Summary Asset Costs and Financial Indicators

What does it Cost?	
10 Year Total Cost	\$40,786,476
10 Year Average Cost	\$4,078,648
10 Year Total LTFP Budget	\$40,786,476
10 Year average Total LTFP Budget	\$4,078,648
10 Year average funding shortfall	\$0
10 Year AM Financial Indicator	100%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	100%
Life Cycle Indicator	107%
Rate of Annual Asset Consumption	1.8%
Rate of Annual Asset Renewal	2.9%
Rate of Annual Asset Upgrade	1.2%
Renewal as % of consumption	161%



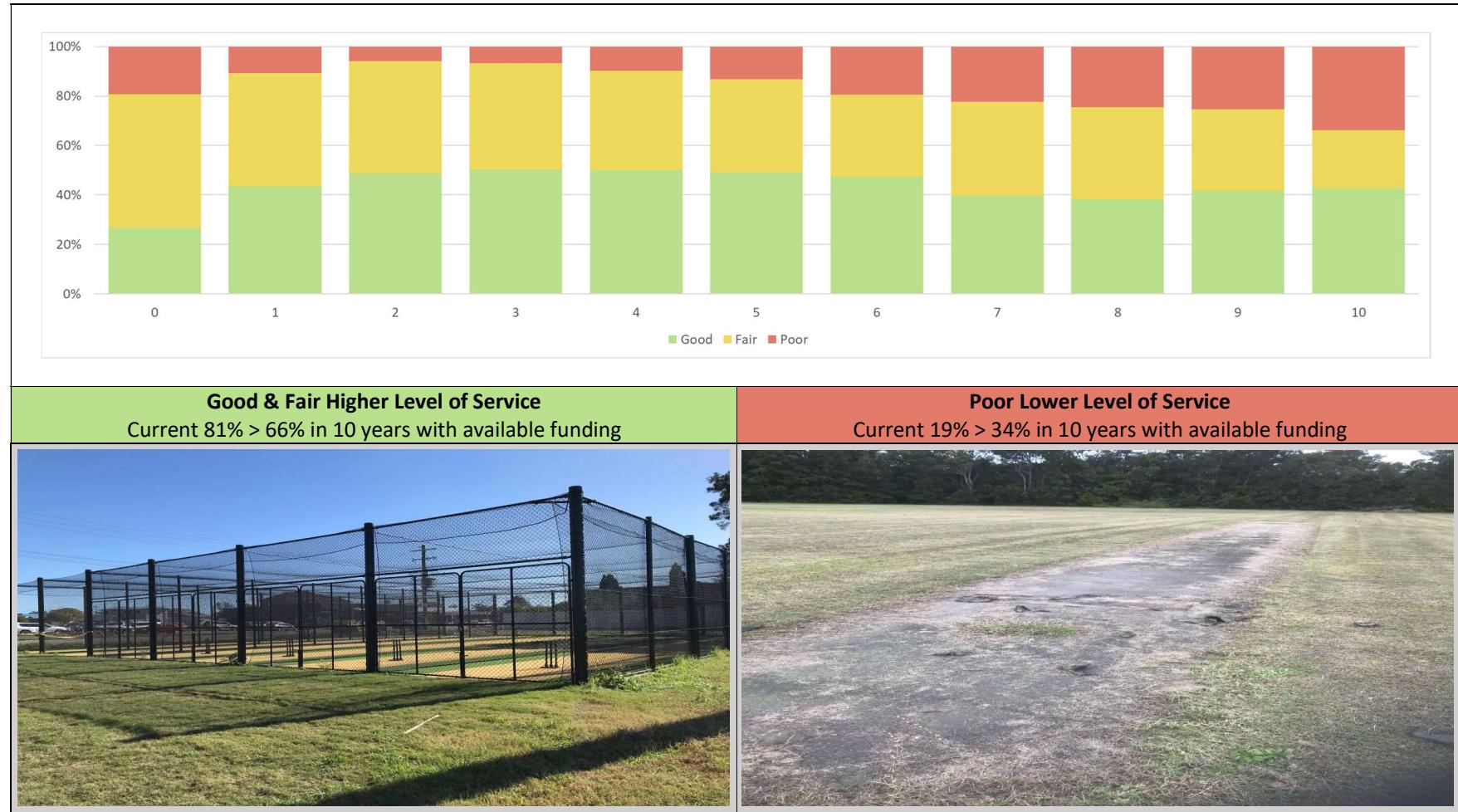
10-year Service Level Projections – Parks & Recreation

Replacement Cost \$14,239,556



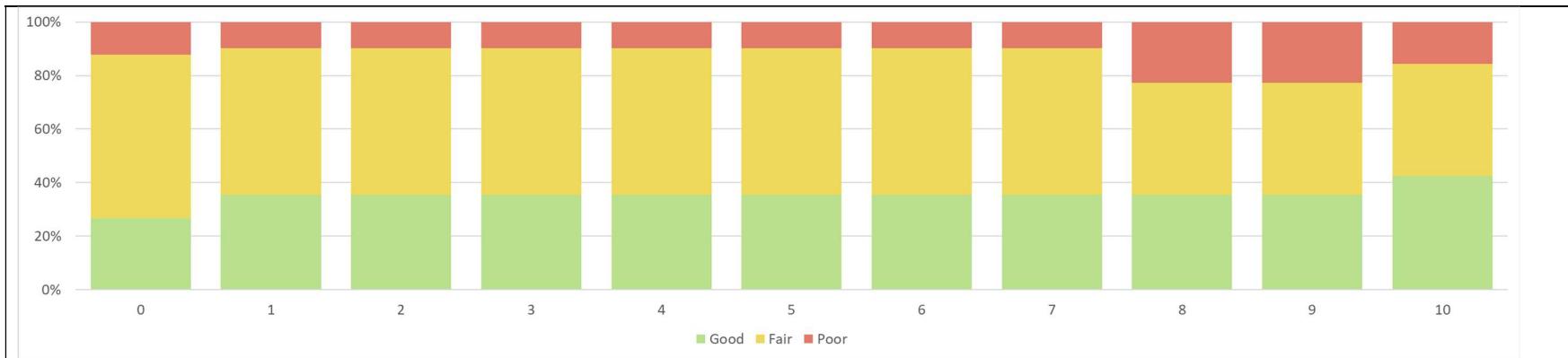
10-year Service Level Projections – Sports Grounds

Replacement Cost \$18,483,813



10-year Service Level Projections – Waterway Facilities

Replacement Cost \$4,350,137



Good & Fair Higher Level of Service

Current 88% > 84% in 10 years with available funding



Poor Lower Level of Service

Current 12% > 16% in 10 years with available funding

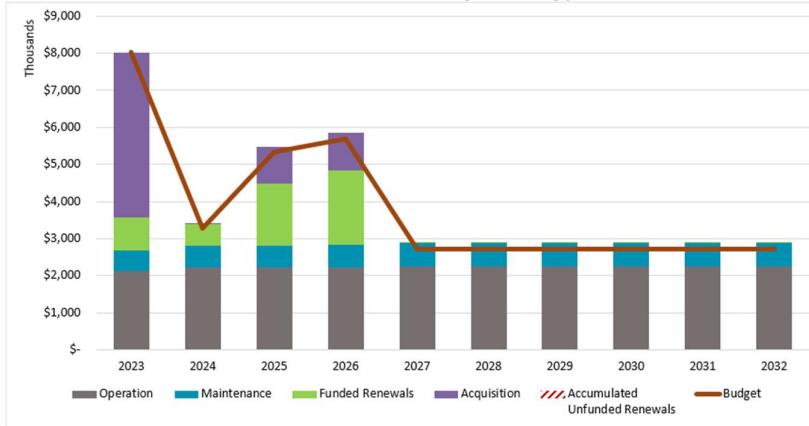


FUND - General

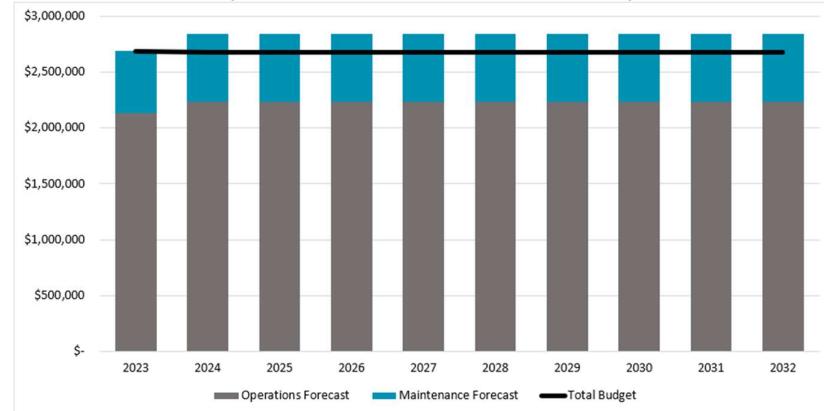
SERVICE CATEGORY – Buildings

SERVICE ACTIVITIES – Community, Emergency Services, Corporate, Sports & Recreation

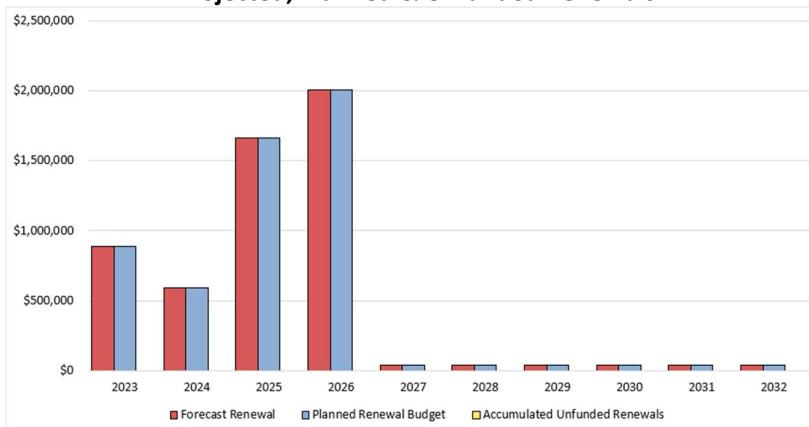
10 Year Resourcing Strategy



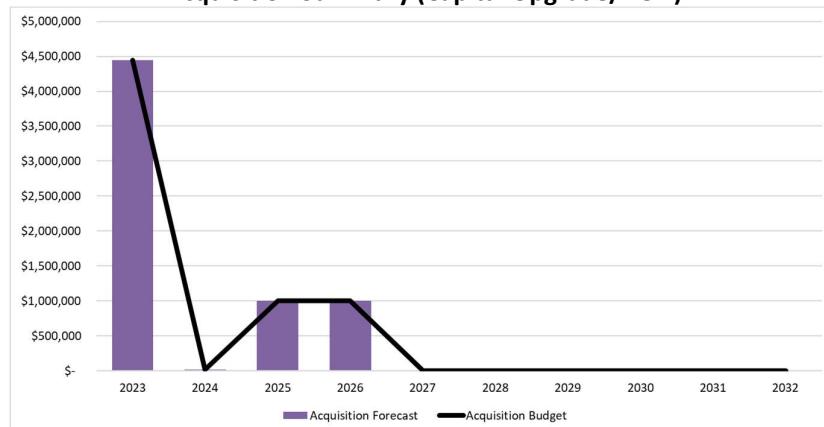
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Buildings	\$73,386,724	\$35,668,173	\$37,718,551	\$957,547

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$4,446,153	\$2,132,817	\$552,912	\$890,000	\$0	\$8,021,882
2024	\$20,000	\$2,214,622	\$597,374	\$590,000	\$0	\$3,288,611
2025	\$1,000,000	\$2,215,022	\$597,574	\$1,660,000	\$0	\$5,338,611
2026	\$1,000,000	\$2,235,022	\$607,574	\$2,005,000	\$0	\$5,683,611
2027	\$0	\$2,255,022	\$617,574	\$40,000	\$0	\$2,718,611
2028	\$0	\$2,255,022	\$617,574	\$40,000	\$0	\$2,718,611
2029	\$0	\$2,255,022	\$617,574	\$40,000	\$0	\$2,718,611
2030	\$0	\$2,255,022	\$617,574	\$40,000	\$0	\$2,718,611
2031	\$0	\$2,255,022	\$617,574	\$40,000	\$0	\$2,718,611
2032	\$0	\$2,255,022	\$617,574	\$40,000	\$0	\$2,718,611

Summary Asset Costs and Financial Indicators

What does it Cost?	
10 Year Total Cost	\$40,107,744
10 Year Average Cost	\$4,010,774
10 Year Total LTFP Budget	\$38,644,380
10 Year average Total LTFP Budget	\$3,864,438
10 Year average funding shortfall	-\$146,336
10 Year AM Financial Indicator	96.3%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	100%
Life Cycle Indicator	85%
Rate of Annual Asset Consumption	1.3%
Rate of Annual Asset Renewal	0.73%
Rate of Annual Asset Upgrade	.88%
Renewal as % of consumption	56%



10-year Service Level Projections – Community Buildings

Replacement Cost \$28,364,046



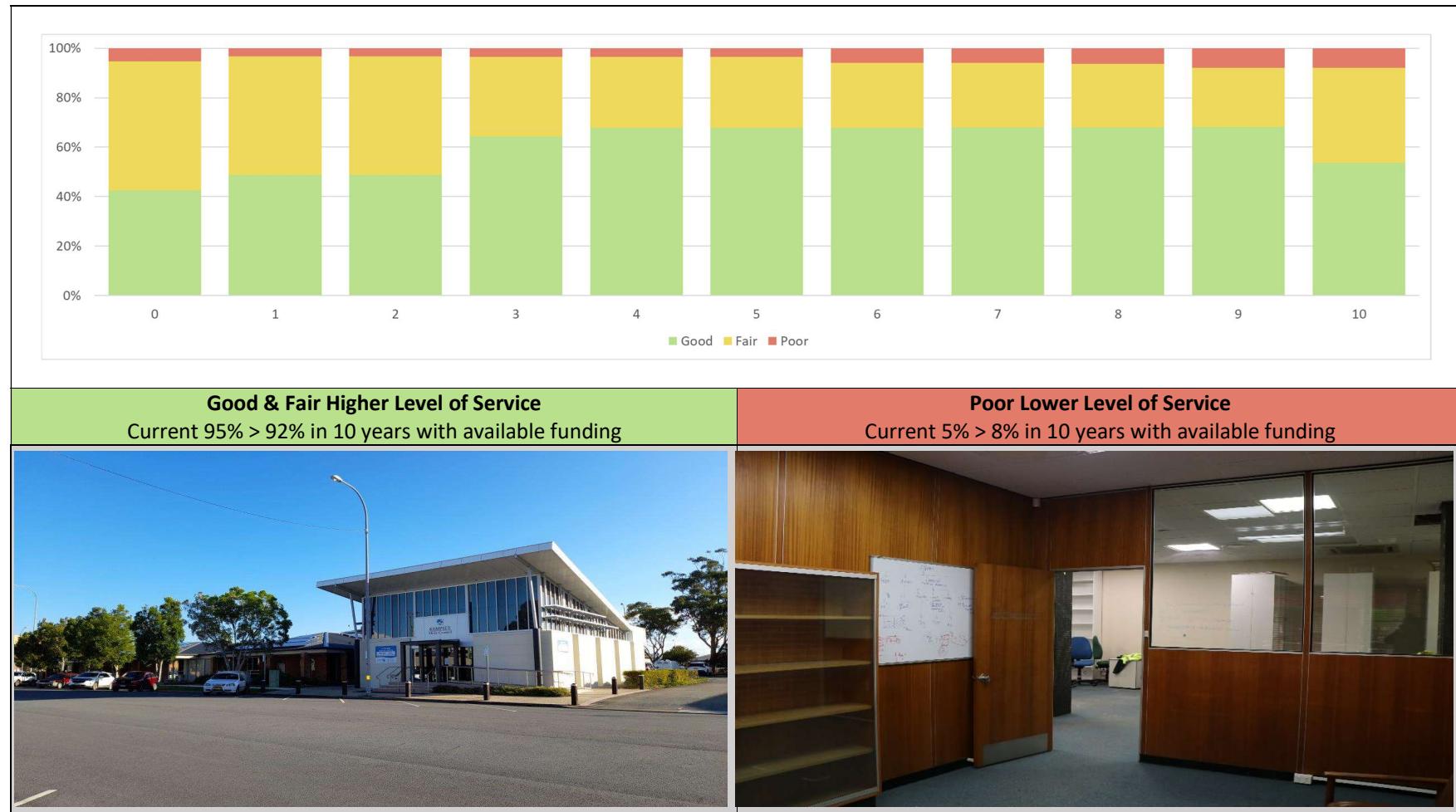
10-year Service Level Projections – Emergency Services Buildings

Replacement Cost \$7,895,121



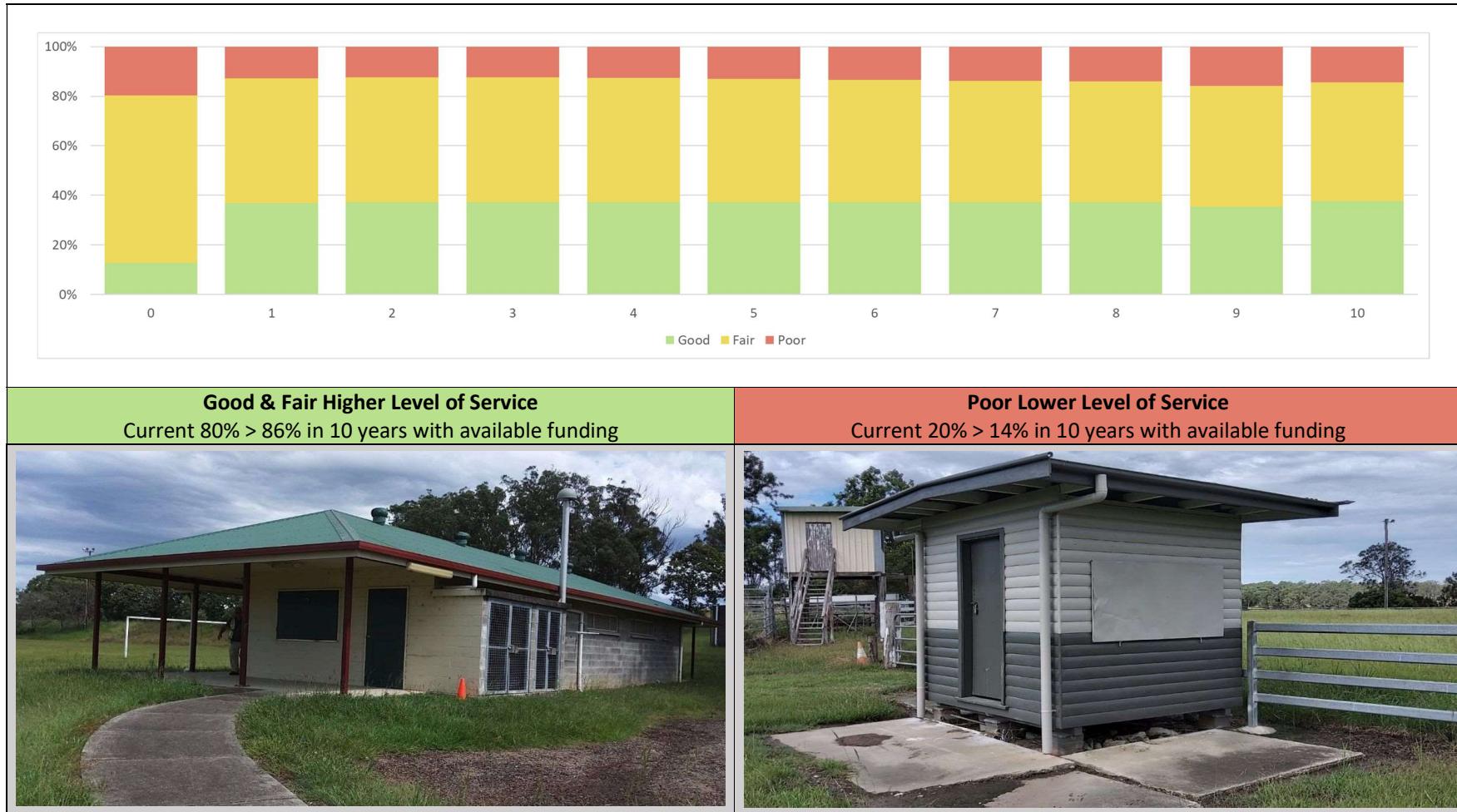
10-year Service Level Projections – Corporate Buildings

Replacement Cost \$15,247,215



10-year Service Level Projections – Sports & Recreation Buildings

Replacement Cost \$21,880,340

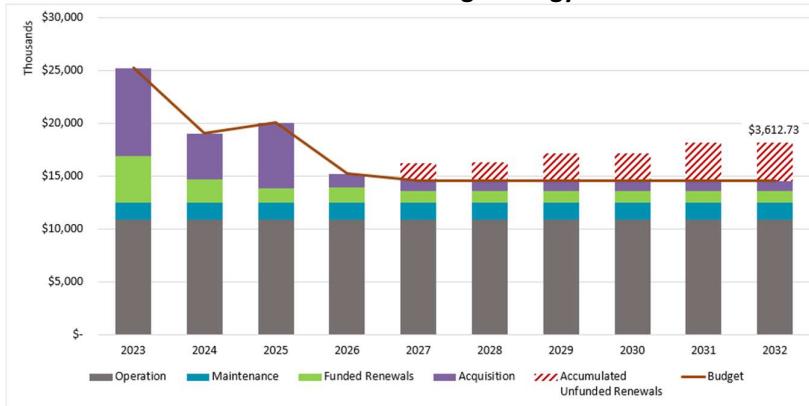


FUND - General

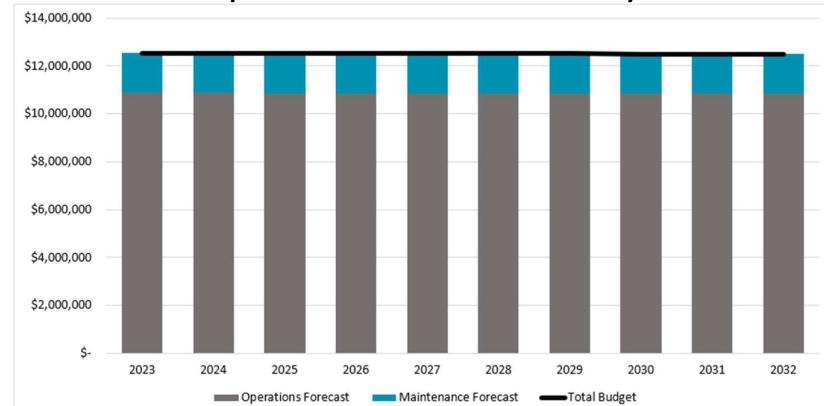
SERVICE CATEGORY – Commercial Businesses

SERVICE ACTIVITIES – Holiday Parks, Airport, Saleyards, Waste Management, Swimming Pools, Cemetery Facilities

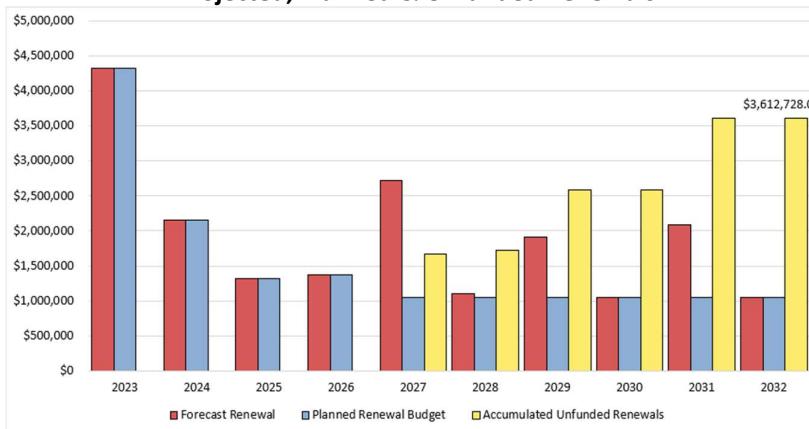
10 Year Resourcing Strategy



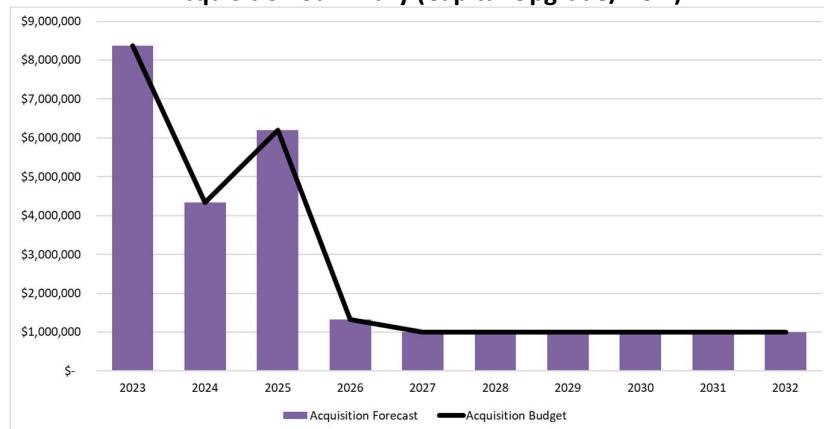
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Commercial Business	\$73,283,077	\$40,127,186	\$33,155,891	\$1,097,625

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$8,374,423	\$10,880,854	\$1,652,744	\$4,683,889	\$0	\$25,230,636
2024	\$4,343,750	\$10,877,396	\$1,652,744	\$2,517,522	\$0	\$19,030,140
2025	\$6,200,000	\$10,873,864	\$1,652,744	\$1,681,272	\$0	\$20,046,608
2026	\$1,325,000	\$10,870,254	\$1,652,744	\$1,736,272	\$0	\$15,222,998
2027	\$1,000,000	\$10,866,564	\$1,652,744	\$1,411,272	\$1,669,642	\$14,569,308
2028	\$1,000,000	\$10,862,796	\$1,652,744	\$1,411,272	\$1,722,141	\$14,565,540
2029	\$1,000,000	\$10,858,944	\$1,652,744	\$1,411,272	\$2,579,536	\$14,561,688
2030	\$1,000,000	\$10,855,008	\$1,652,744	\$1,411,272	\$2,579,536	\$14,557,752
2031	\$1,000,000	\$10,852,510	\$1,652,744	\$1,411,272	\$3,612,728	\$14,555,254
2032	\$1,000,000	\$10,852,510	\$1,652,744	\$1,411,272	\$3,612,728	\$14,555,254

Summary Asset Costs and Financial Indicators

What does it Cost?	
10 Year Total Cost	\$170,507,888
10 Year Average Cost	\$17,050,790
10 Year Total LTFP Budget	\$166,895,168
10 Year average Total LTFP Budget	\$16,689,517
10 Year average funding shortfall	-\$361,272
10 Year AM Financial Indicator	97.8%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	81%
Life Cycle Indicator	103.3%
Rate of Annual Asset Consumption	1.5%
Rate of Annual Asset Renewal	2.6%
Rate of Annual Asset Upgrade	3.58%
Renewal as % of consumption	141%



10-year Service Level Projections – Holiday Parks

Replacement Cost \$26,694,111



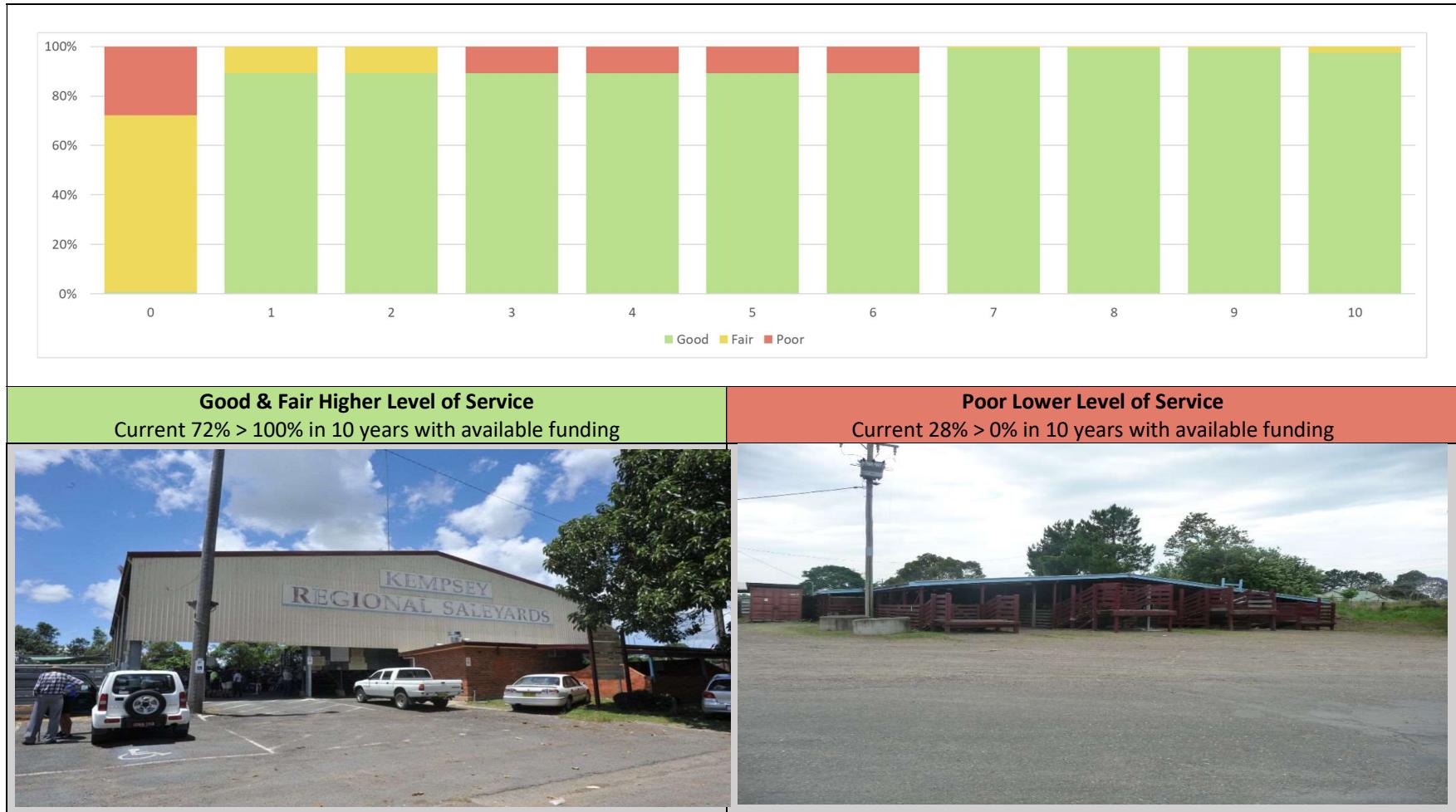
10-year Service Level Projections – Airport

Replacement Cost \$12,900,600



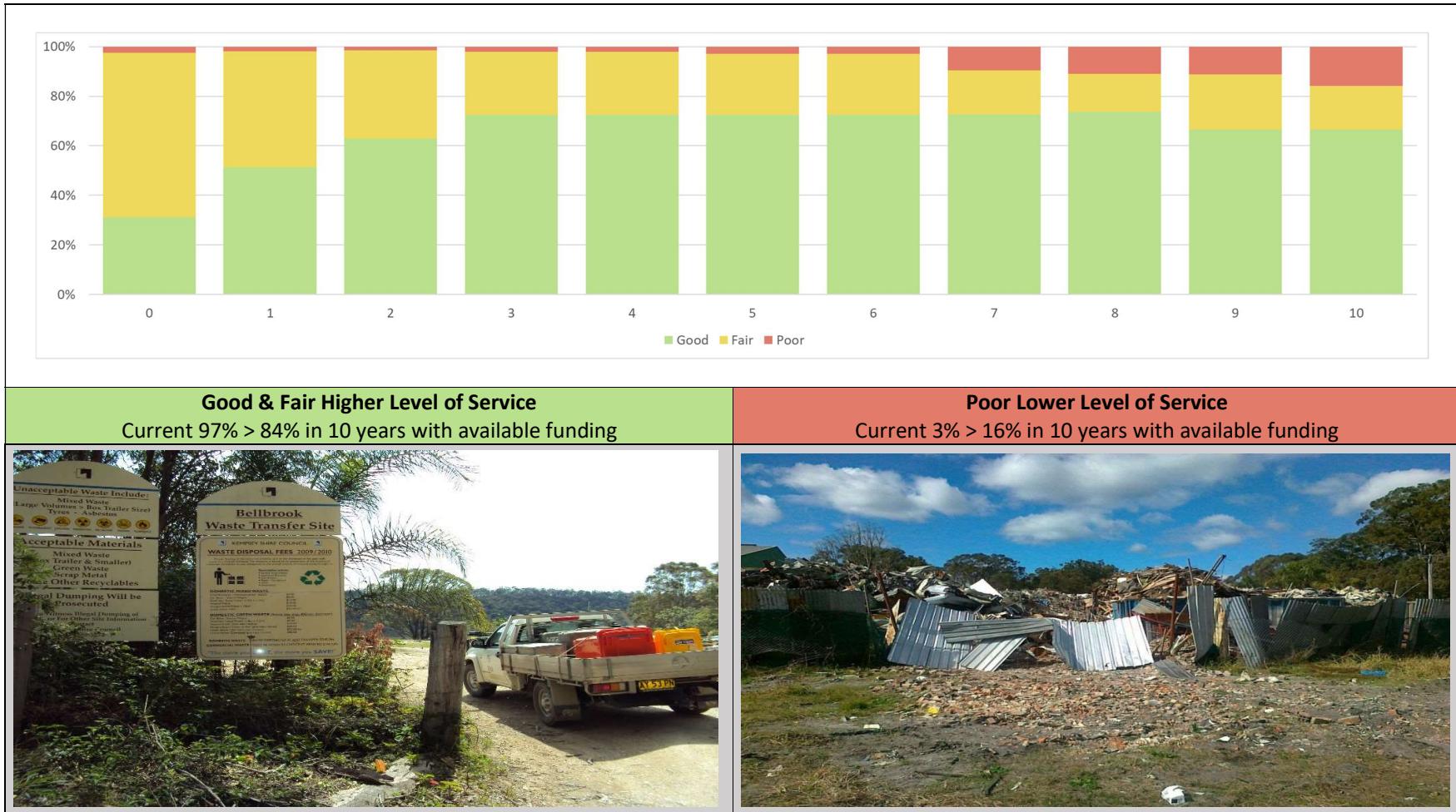
10-year Service Level Projections – Saleyards

Replacement Cost \$4,343,008



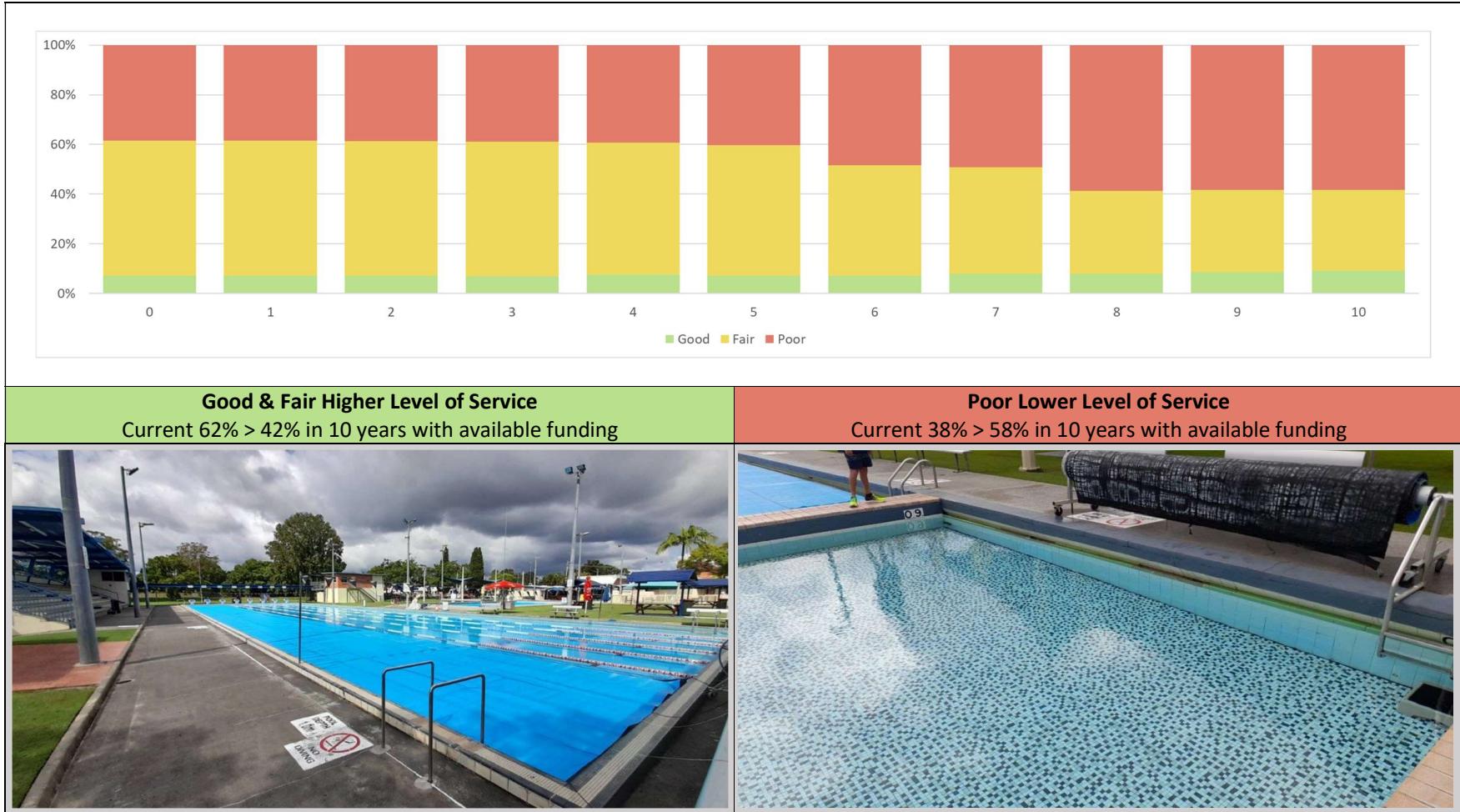
10-year Service Level Projections – Waste Management

Replacement Cost \$6,242,095



10-year Service Level Projections – Swimming Pools

Replacement Cost \$12,231,248



10-year Service Level Projections – Cemetery Facilities

Replacement Cost \$666,472

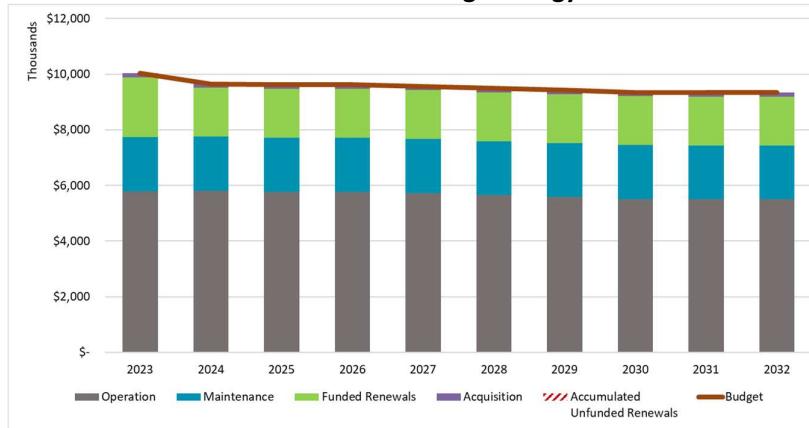


FUND - WATER

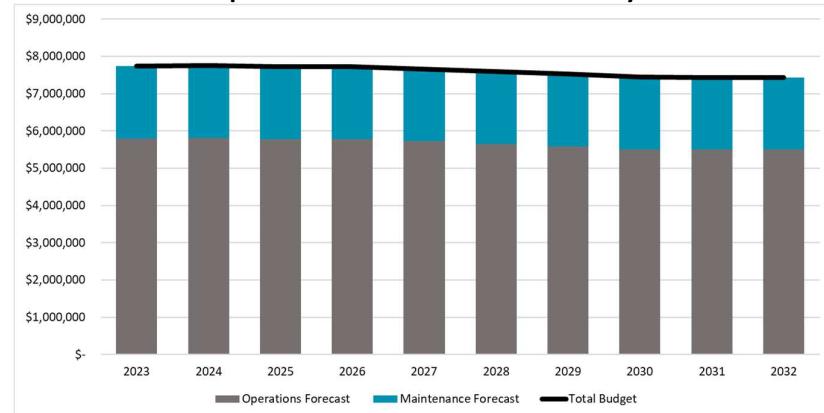
SERVICE CATEGORY - Water

SERVICE ACTIVITIES – Water Network/Reticulation

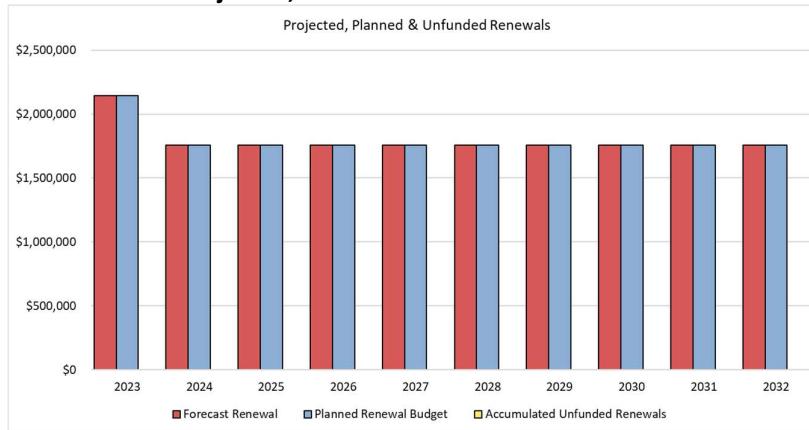
10 Year Resourcing Strategy



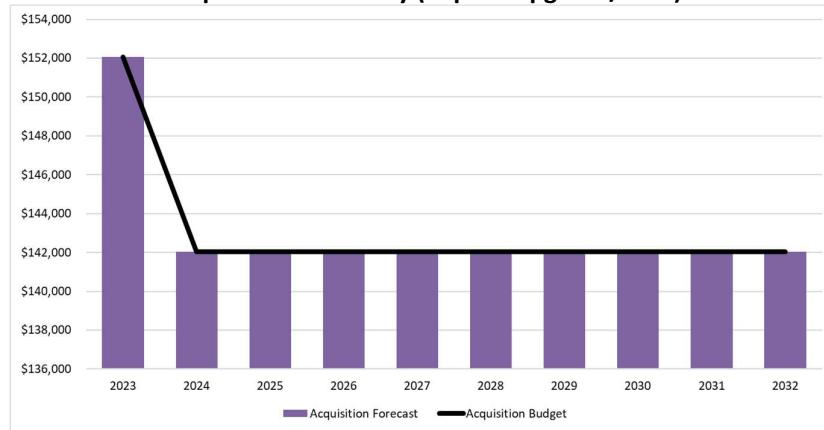
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Water Network	\$201,541,468	\$79,902,143	\$121,639,325	\$2,231,970

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$152,046	\$5,791,106	\$1,941,532	\$2,144,488	\$0	\$10,029,172
2024	\$142,046	\$5,811,984	\$1,941,532	\$1,759,488	\$0	\$9,655,050
2025	\$142,046	\$5,774,045	\$1,941,532	\$1,759,488	\$0	\$9,617,111
2026	\$142,046	\$5,775,813	\$1,941,532	\$1,759,488	\$0	\$9,618,879
2027	\$142,046	\$5,721,166	\$1,941,532	\$1,759,488	\$0	\$9,564,232
2028	\$142,046	\$5,650,259	\$1,941,532	\$1,759,488	\$0	\$9,493,325
2029	\$142,046	\$5,583,631	\$1,941,532	\$1,759,488	\$0	\$9,426,697
2030	\$142,046	\$5,507,314	\$1,941,532	\$1,759,488	\$0	\$9,350,380
2031	\$142,046	\$5,494,703	\$1,941,532	\$1,759,488	\$0	\$9,337,769
2032	\$142,046	\$5,495,568	\$1,941,532	\$1,759,488	\$0	\$9,338,634

Summary Asset Costs and Financial Indicators

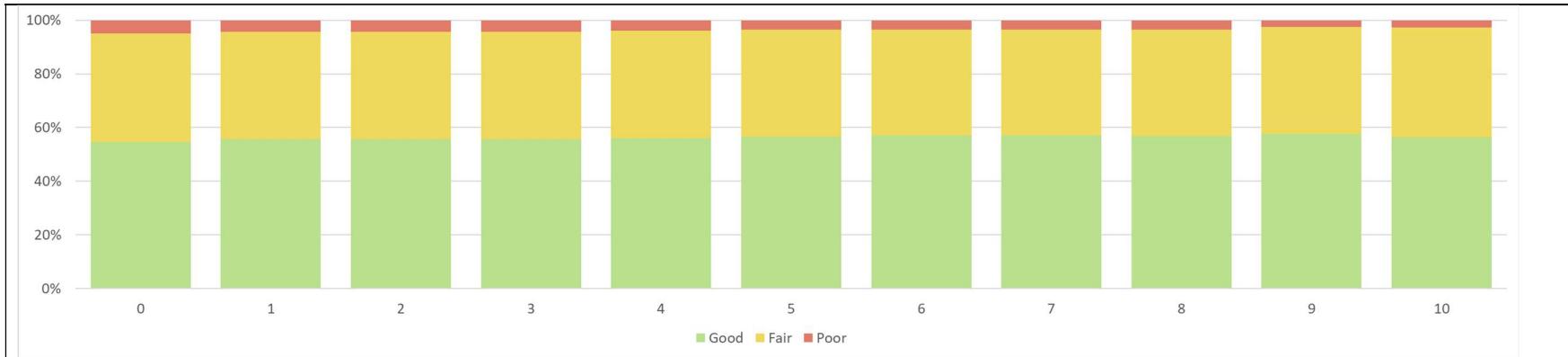
What does it Cost?	
10 Year Total Cost	\$95,431,248
10 Year Average Cost	\$9,543,125
10 Year Total LTFP Budget	\$95,431,248
10 Year average Total LTFP Budget	\$9,543,125
10 Year average funding shortfall	\$-
10 Year AM Financial Indicator	100%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	100%
Life Cycle Indicator	90%
Rate of Annual Asset Consumption	1.5%
Rate of Annual Asset Renewal	0.9%
Rate of Annual Asset Upgrade	0.1%
Renewal as % of consumption	60%



10-year Service Level Projections – Water Network/Reticulation

Replacement Cost \$201,541,468



Good & Fair Higher Level of Service

Current 95% > 97% in 10 years with available funding



Poor Lower Level of Service

Current 5% > 3% in 10 years with available funding

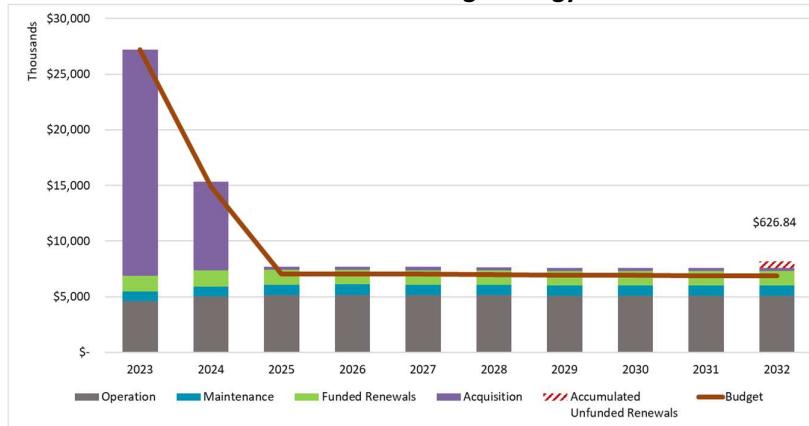


FUND - WATER

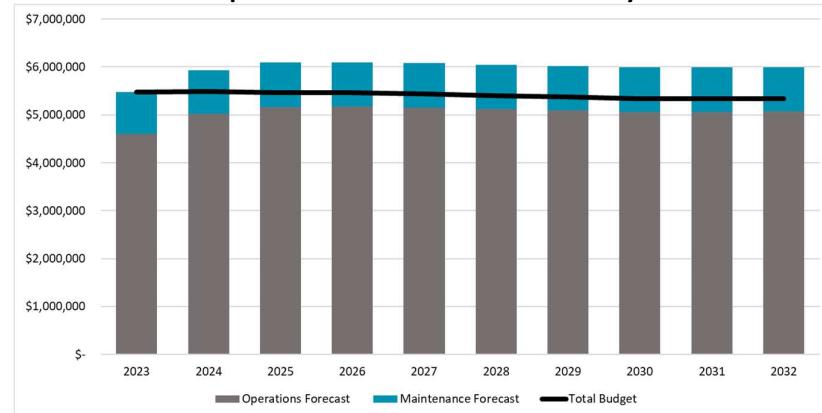
SERVICE CATEGORY - Water

SERVICE ACTIVITIES – Water Storage, Treatment & Processing

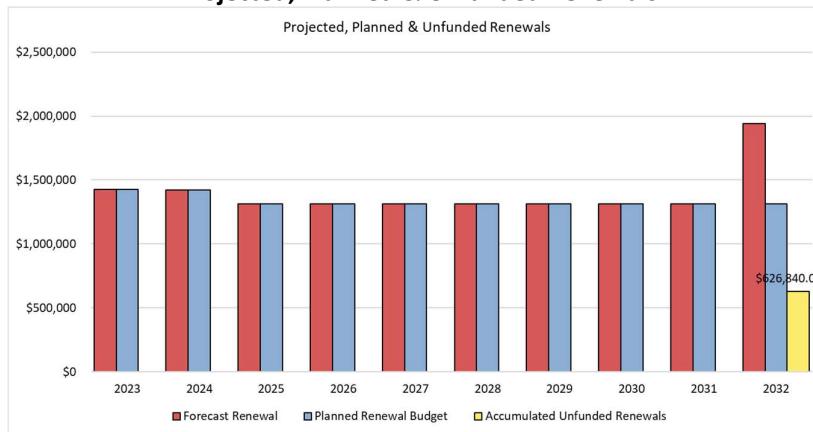
10 Year Resourcing Strategy



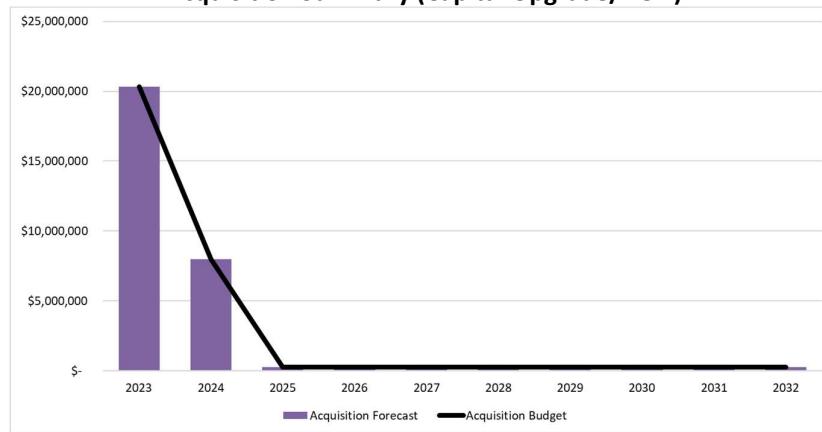
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Water Storage & Treatment	\$100,668,356	\$39,725,597	\$60,942,759	\$1,619,668

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$20,304,792	\$4,608,976	\$865,348	\$1,490,060	\$0	\$27,206,492
2024	\$7,989,793	\$5,025,066	\$905,958	\$1,485,060	\$0	\$14,896,486
2025	\$284,792	\$5,166,700	\$921,938	\$1,375,060	\$0	\$7,063,326
2026	\$284,792	\$5,173,243	\$922,507	\$1,375,060	\$0	\$7,064,172
2027	\$284,792	\$5,152,780	\$923,077	\$1,375,060	\$0	\$7,038,014
2028	\$259,792	\$5,124,534	\$923,646	\$1,375,060	\$0	\$6,979,072
2029	\$259,792	\$5,097,836	\$924,166	\$1,375,060	\$0	\$6,947,178
2030	\$259,792	\$5,066,500	\$924,686	\$1,375,060	\$0	\$6,910,646
2031	\$259,792	\$5,065,660	\$925,205	\$1,375,060	\$0	\$6,904,610
2032	\$259,792	\$5,071,270	\$925,725	\$1,375,060	\$626,840	\$6,905,024

Summary Asset Costs and Financial Indicators

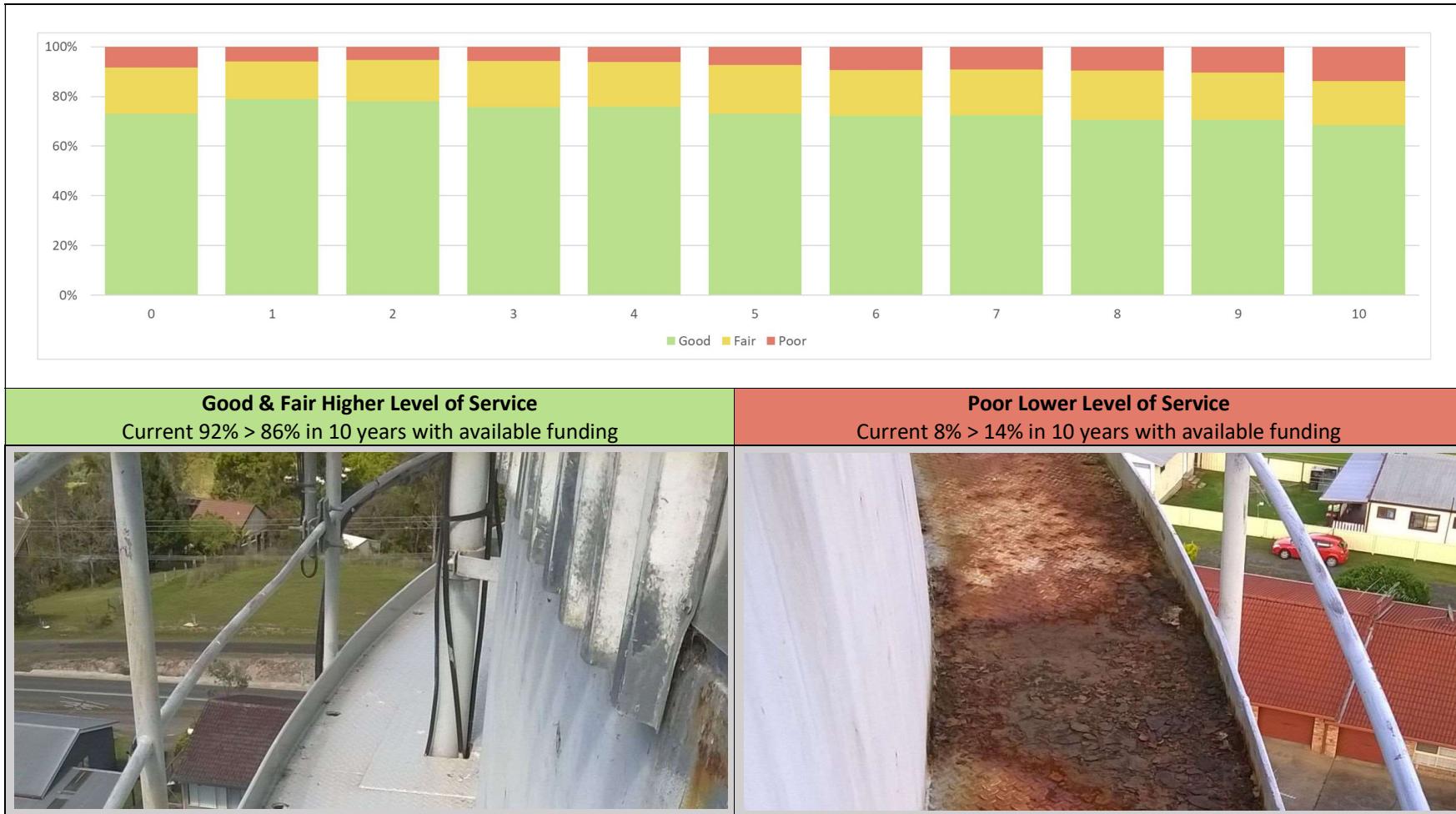
What does it Cost?	
10 Year Total Cost	\$104,138,344
10 Year Average Cost	\$10,413,834
10 Year Total LTFP Budget	\$97,915,016
10 Year average Total LTFP Budget	\$9,791,502
10 Year average funding shortfall	-\$622,332
10 Year AM Financial Indicator	94%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	95.5%
Life Cycle Indicator	81%
Rate of Annual Asset Consumption	2.6%
Rate of Annual Asset Renewal	1.5%
Rate of Annual Asset Upgrade	3.3%
Renewal as % of consumption	58%



10-year Service Level Projections – Water Storage, Treatment & Processing

Replacement Cost \$100,668,356

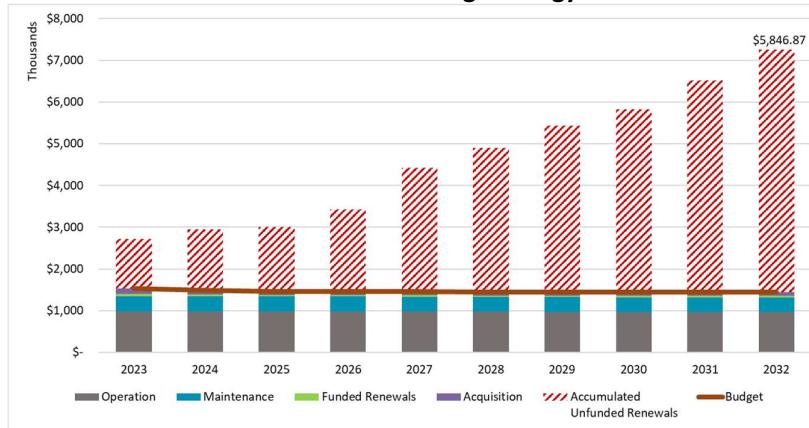


FUND - WATER

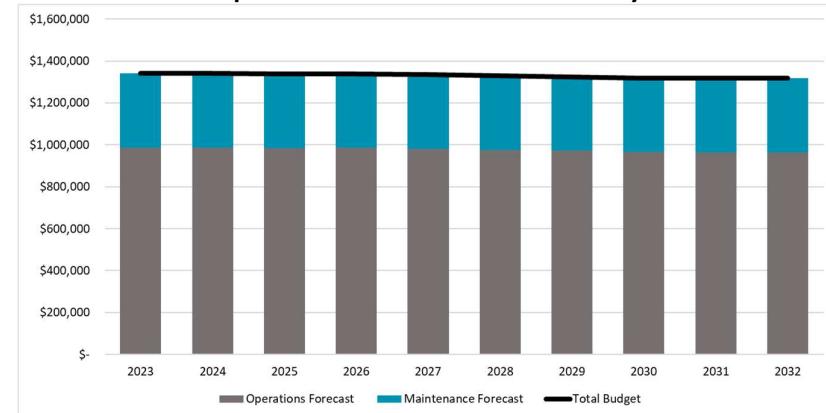
SERVICE CATEGORY - Water

SERVICE ACTIVITIES – Water Pump Stations

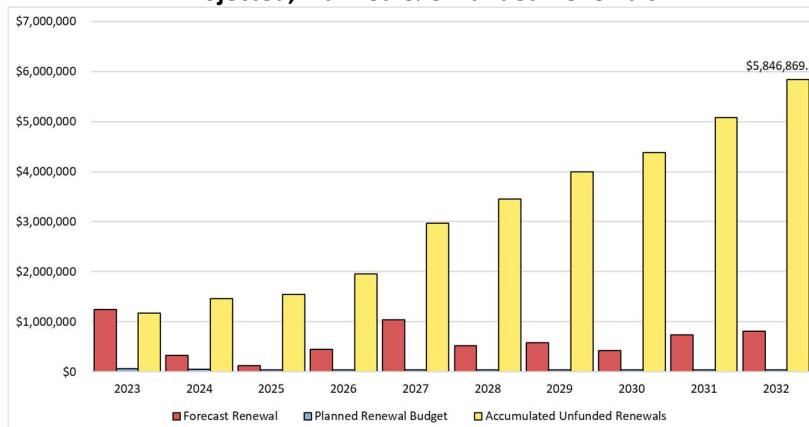
10 Year Resourcing Strategy



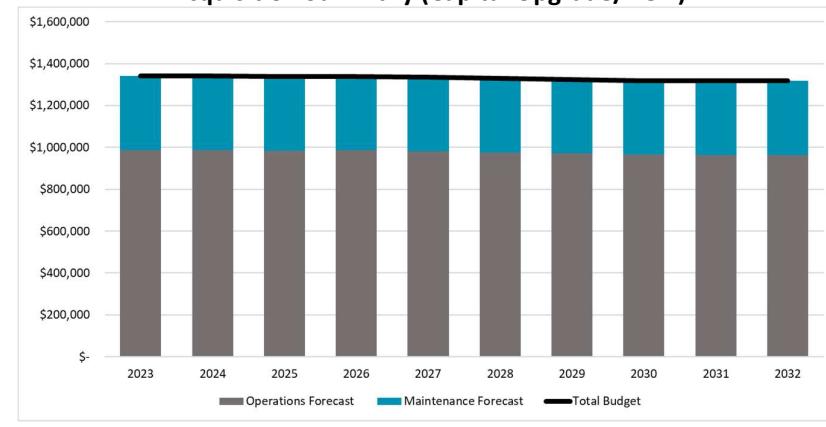
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Water Pump Stations	\$17,322,262	\$10,350,636	\$6,971,625	\$335,238

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$132,161	\$986,286	\$353,603	\$648,823	\$1,175,303	\$1,175,303
2024	\$102,161	\$987,824	\$353,603	\$628,823	\$1,461,862	\$1,461,862
2025	\$87,161	\$985,029	\$353,603	\$618,823	\$1,549,743	\$1,549,743
2026	\$87,161	\$985,159	\$353,603	\$618,823	\$1,958,621	\$1,958,621
2027	\$87,161	\$981,132	\$353,603	\$618,823	\$2,963,347	\$2,963,347
2028	\$87,161	\$975,908	\$353,603	\$618,823	\$3,446,430	\$3,446,430
2029	\$87,161	\$970,998	\$353,603	\$618,823	\$3,990,254	\$3,990,254
2030	\$87,161	\$965,375	\$353,603	\$618,823	\$4,376,536	\$4,376,536
2031	\$87,161	\$964,445	\$353,603	\$618,823	\$5,075,889	\$5,075,889
2032	\$87,161	\$964,509	\$353,603	\$618,823	\$5,846,869	\$5,846,869

Summary Asset Costs and Financial Indicators

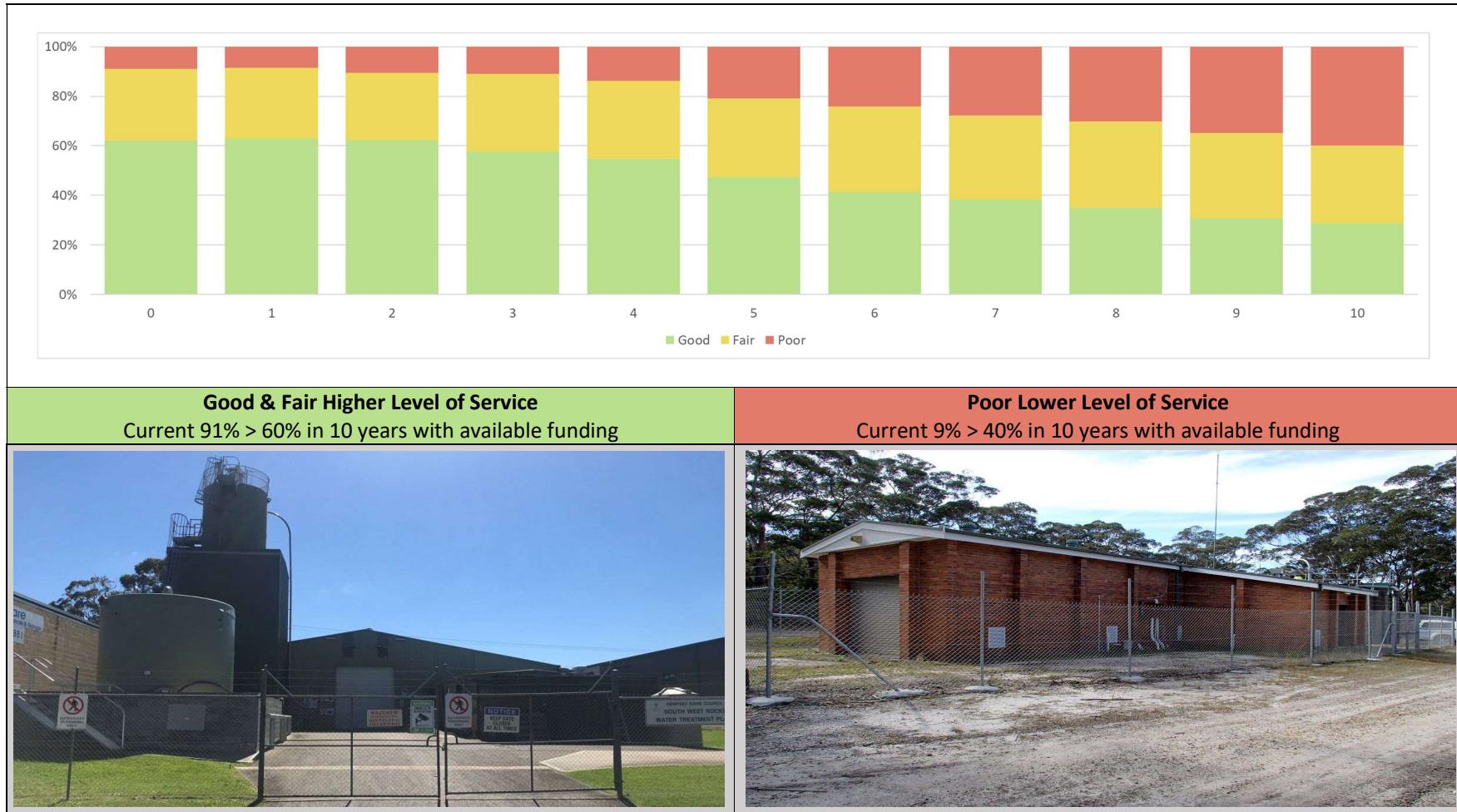
What does it Cost?	
10 Year Total Cost	\$20,462,536
10 Year Average Cost	\$2,046,254
10 Year Total LTFP Budget	\$14,615,667
10 Year average Total LTFP Budget	\$1,461,567
10 Year average funding shortfall	-\$584,687
10 Year AM Financial Indicator	71.4%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	6.12%
Life Cycle Indicator	79%
Rate of Annual Asset Consumption	2.9%
Rate of Annual Asset Renewal	4.5%
Rate of Annual Asset Upgrade	0.7%
Renewal as % of consumption	155%



10-year Service Level Projections – Water Pump Stations

Replacement Cost \$17,322,262

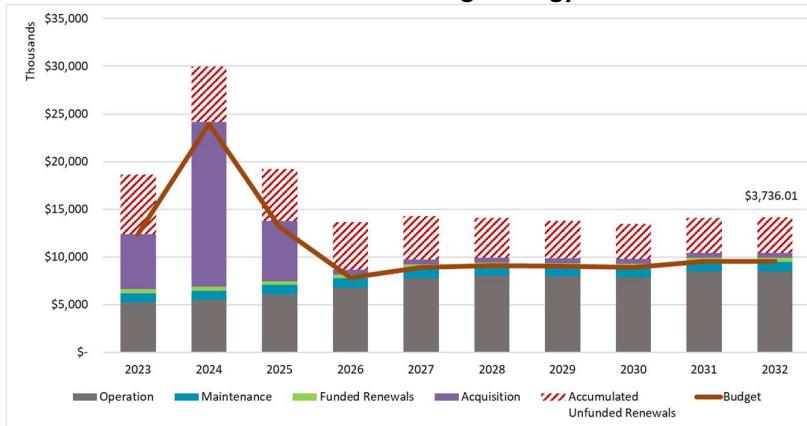


FUND - SEWER

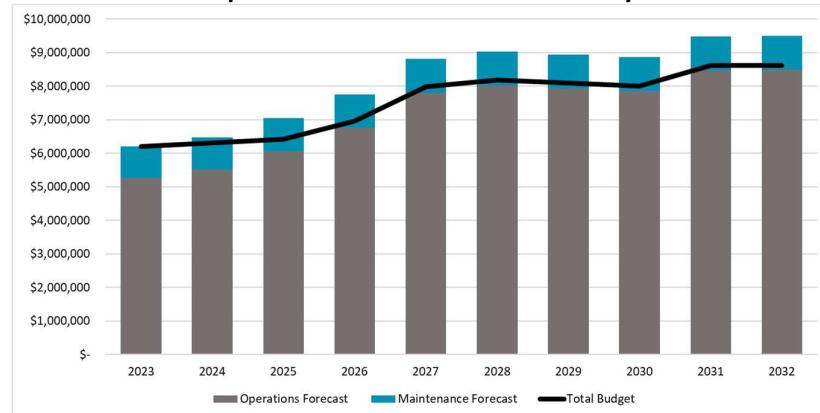
SERVICE CATEGORY - Sewer

SERVICE ACTIVITIES – Sewer Network/Reticulation

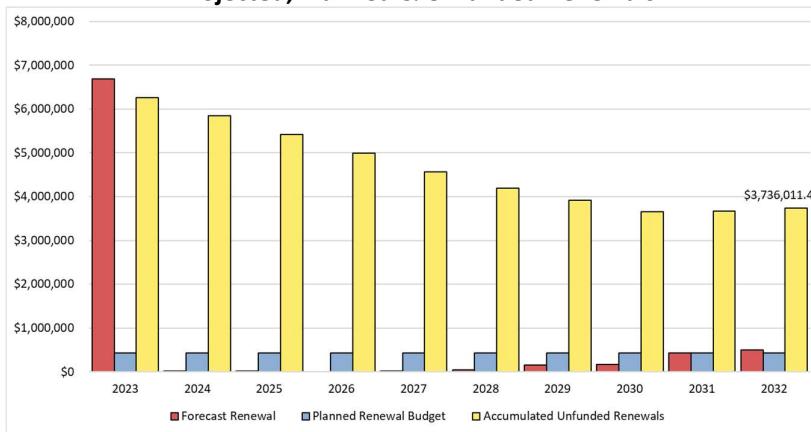
10 Year Resourcing Strategy



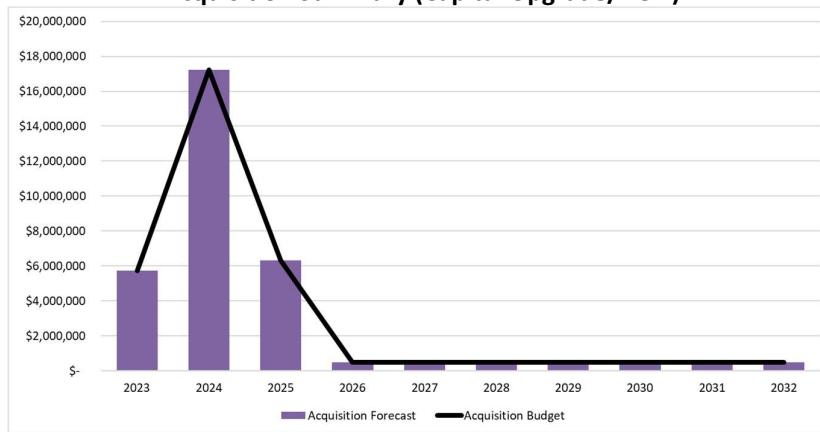
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Sewer Network	\$130,358,593	\$53,863,267	\$76,495,326	\$1,378,756

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$5,736,304	\$5,265,230	\$931,043	\$798,995	\$6,267,663	\$12,357,970
2024	\$17,225,282	\$5,526,072	\$945,384	\$798,995	\$5,842,292	\$23,964,384
2025	\$6,336,304	\$6,060,385	\$988,447	\$798,995	\$5,416,975	\$13,179,086
2026	\$486,304	\$6,754,222	\$1,004,288	\$798,995	\$4,991,484	\$7,864,515
2027	\$486,304	\$7,803,698	\$1,005,504	\$798,995	\$4,566,241	\$8,901,833
2028	\$486,304	\$8,017,092	\$1,006,720	\$798,995	\$4,186,521	\$9,103,070
2029	\$486,304	\$7,933,786	\$1,007,935	\$798,995	\$3,915,912	\$9,007,606
2030	\$486,304	\$7,861,420	\$1,009,151	\$798,995	\$3,660,630	\$8,923,083
2031	\$486,304	\$8,479,408	\$1,010,367	\$798,995	\$3,668,064	\$9,528,913
2032	\$486,304	\$8,491,566	\$1,011,583	\$798,995	\$3,736,011	\$9,528,914

Summary Asset Costs and Financial Indicators

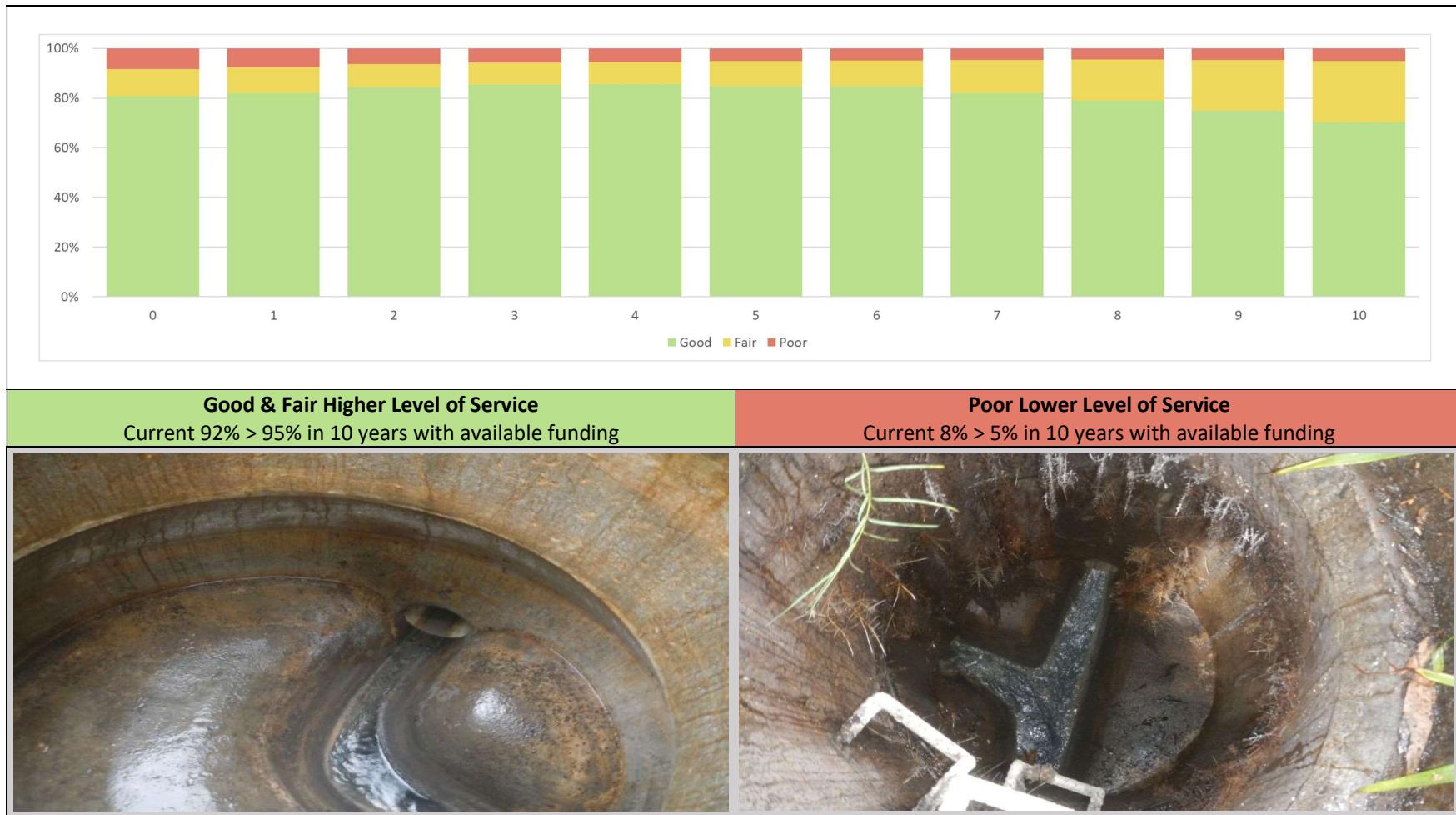
What does it Cost?	
10 Year Total Cost	\$122,805,264
10 Year Average Cost	\$12,280,526
10 Year Total LTFP Budget	\$112,359,376
10 Year average Total LTFP Budget	\$11,235,937
10 Year average funding shortfall	-\$1,044,589
10 Year AM Financial Indicator	91.5%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	53%
Life Cycle Indicator	80.6%
Rate of Annual Asset Consumption	1.4%
Rate of Annual Asset Renewal	0.7%
Rate of Annual Asset Upgrade	2.7%
Renewal as % of consumption	50%



10-year Service Level Projections – Sewer Network/Reticulation

Replacement Cost \$130,358,593

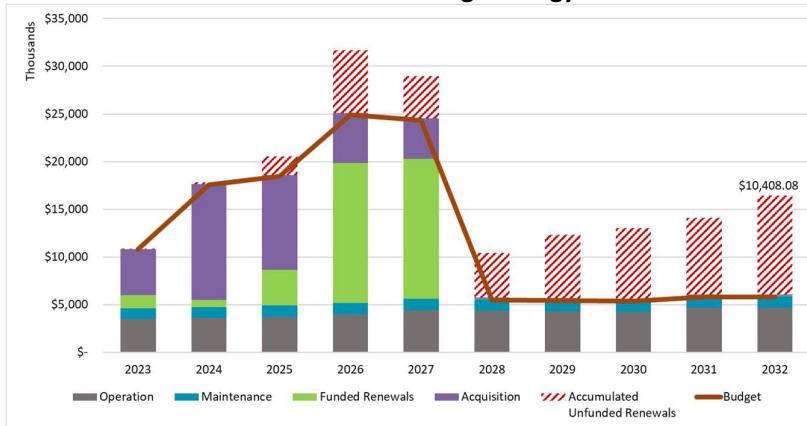


FUND - SEWER

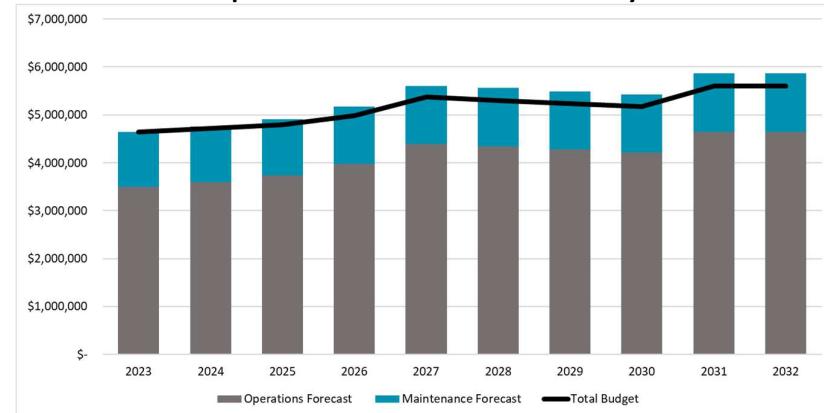
SERVICE CATEGORY - Sewer

SERVICE ACTIVITIES – Sewer Storage, Treatment & Processing

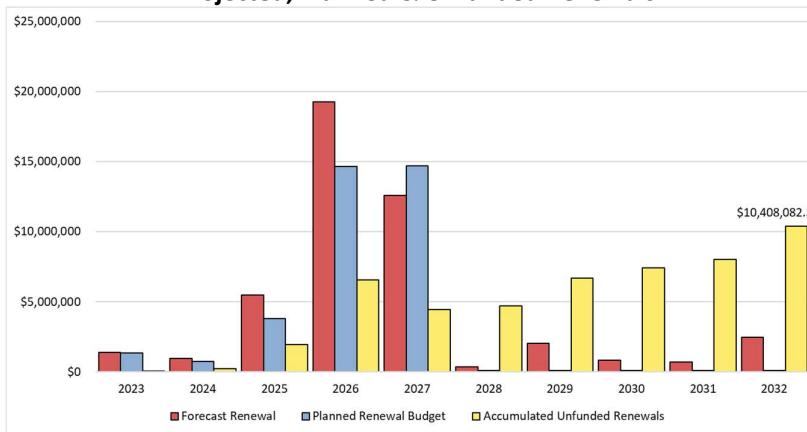
10 Year Resourcing Strategy



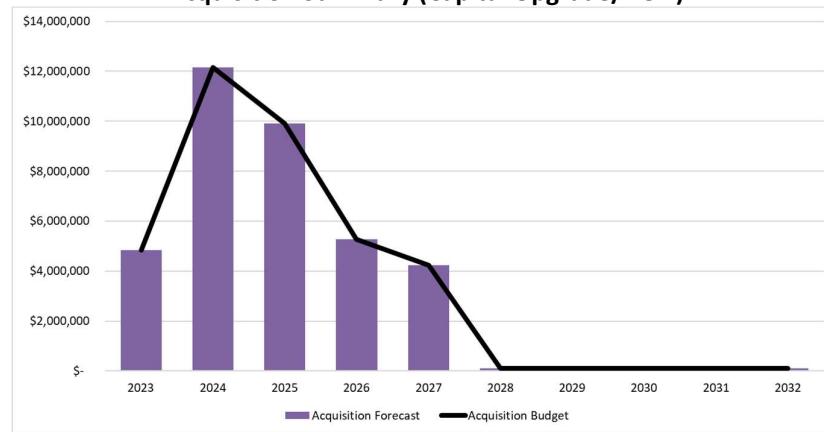
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Sewer Treatment & Processing	\$93,441,708	\$60,331,650	\$33,110,057	\$1,993,010

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$4,836,237	\$3,502,140	\$1,139,522	\$2,393,443	\$8,373	\$10,830,534
2024	\$12,155,215	\$3,602,505	\$1,149,194	\$1,763,443	\$224,812	\$17,595,694
2025	\$9,900,237	\$3,736,340	\$1,173,505	\$4,819,443	\$1,929,947	\$18,469,776
2026	\$5,267,218	\$3,979,489	\$1,193,305	\$15,712,462	\$6,536,403	\$24,923,424
2027	\$4,230,165	\$4,396,567	\$1,203,840	\$15,744,515	\$4,425,252	\$24,309,166
2028	\$106,237	\$4,347,095	\$1,212,300	\$1,123,443	\$4,710,668	\$5,493,543
2029	\$106,237	\$4,279,078	\$1,212,512	\$1,123,443	\$6,664,443	\$5,424,995
2030	\$106,237	\$4,218,841	\$1,212,725	\$1,123,443	\$7,407,250	\$5,364,227
2031	\$106,237	\$4,649,501	\$1,212,937	\$1,123,443	\$8,035,542	\$5,794,356
2032	\$106,237	\$4,650,032	\$1,213,150	\$1,123,443	\$10,408,082	\$5,794,356

Summary Asset Costs and Financial Indicators

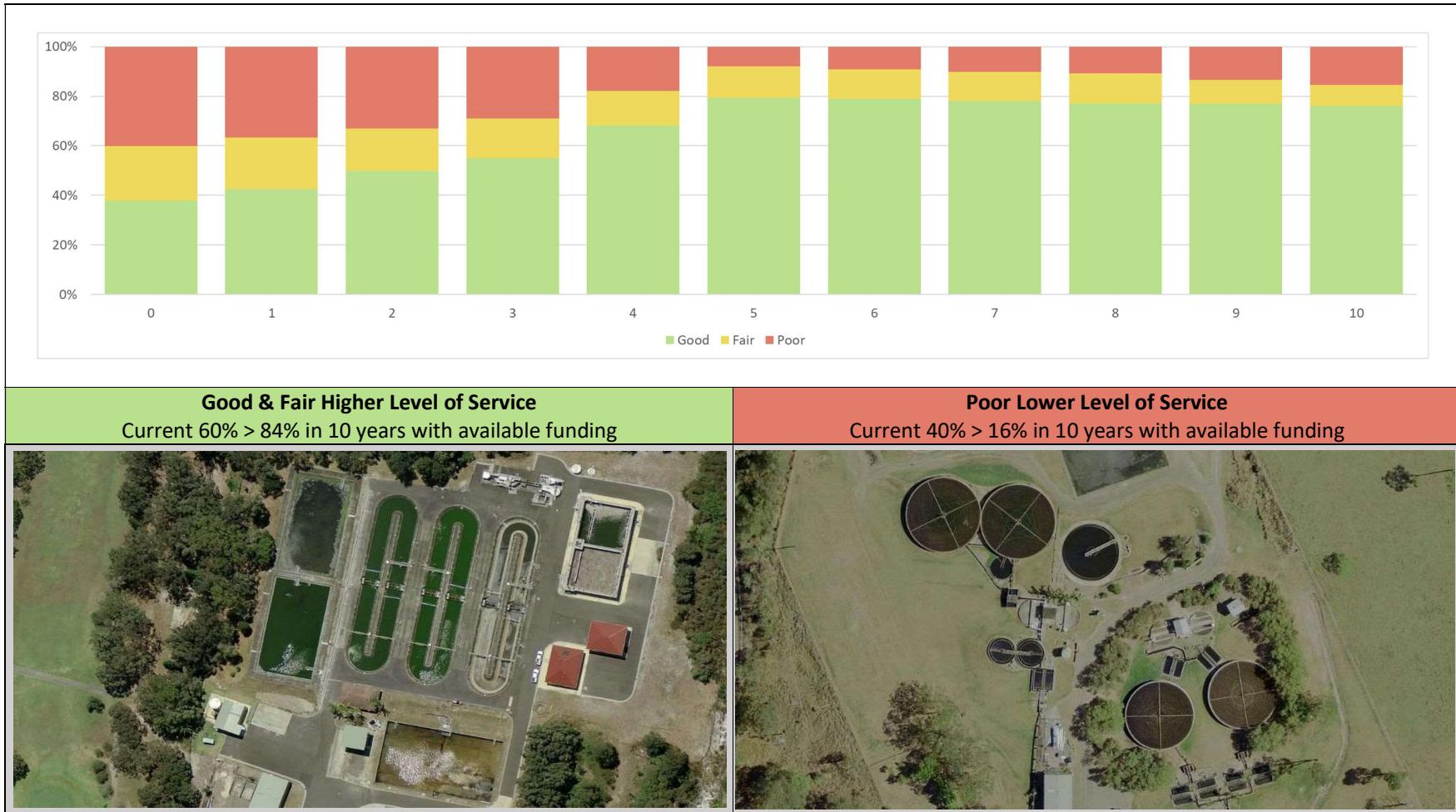
What does it Cost?	
10 Year Total Cost	\$136,255,360
10 Year Average Cost	\$13,625,535
10 Year Total LTFP Budget	\$124,000,072
10 Year average Total LTFP Budget	\$12,400,007
10 Year average funding shortfall	-\$1,225,528
10 Year AM Financial Indicator	91%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	77%
Life Cycle Indicator	130%
Rate of Annual Asset Consumption	1.6%
Rate of Annual Asset Renewal	5.4%
Rate of Annual Asset Upgrade	4.3%
Renewal as % of consumption	337.5%



10-year Service Level Projections – Sewer Storage, Treatment & Processing

Replacement Cost \$93,441,708

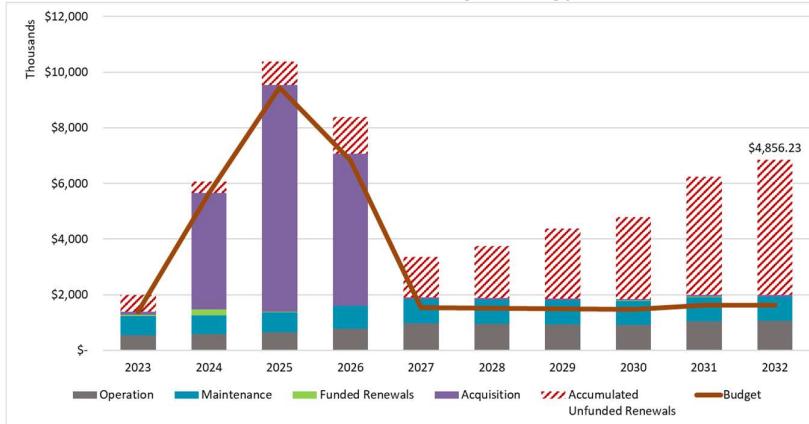


FUND - SEWER

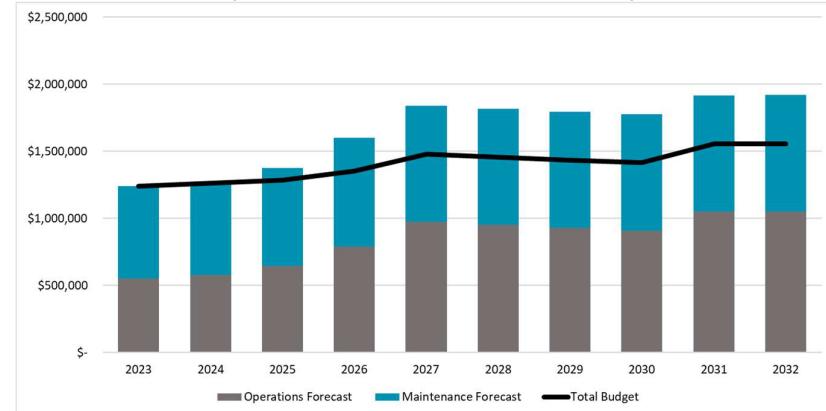
SERVICE CATEGORY - Sewer

SERVICE ACTIVITIES – Sewer Pump Stations

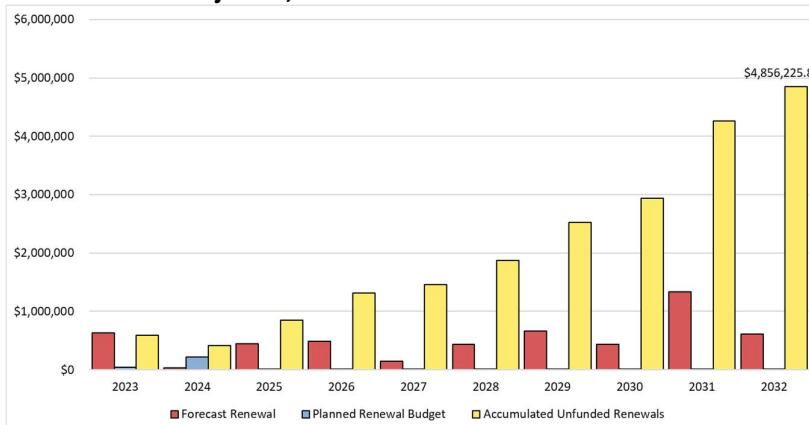
10 Year Resourcing Strategy



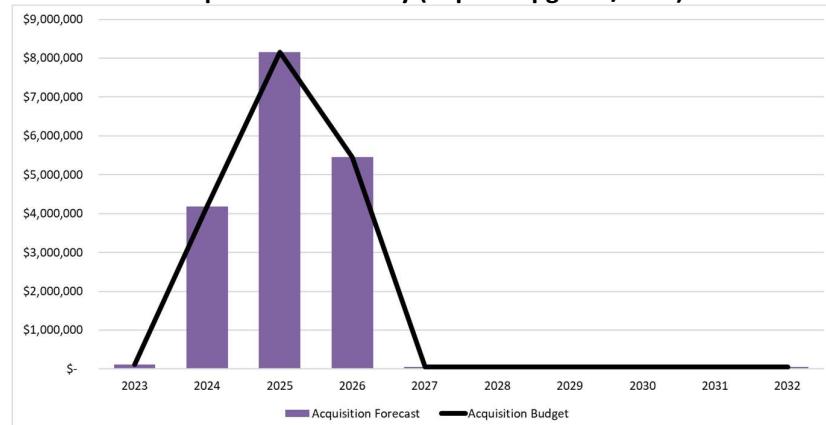
Operations & Maintenance Summary



Projected, Planned & Unfunded Renewals



Acquisition Summary (Capital Upgrade/New)



Asset Values

Asset Category	Gross Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	Annual Depreciation
Sewer Pump Stations	\$32,824,873	\$14,296,053	\$18,528,819	\$621,716

10 Year Resourcing Strategy Figures

Year	Acquisition	Operation	Maintenance	Funded Renewals	Unfunded Renewals	Total Budget
2023	\$118,459	\$552,336	\$685,324	\$524,094	\$594,652	\$1,394,591
2024	\$4,180,959	\$578,579	\$686,509	\$699,094	\$411,318	\$5,657,150
2025	\$8,155,959	\$644,420	\$728,319	\$499,094	\$846,256	\$9,456,181
2026	\$5,455,959	\$789,676	\$809,878	\$499,094	\$1,319,017	\$6,819,878
2027	\$54,959	\$972,762	\$864,438	\$495,094	\$1,453,986	\$1,543,404
2028	\$55,959	\$950,082	\$864,987	\$499,094	\$1,870,565	\$1,525,174
2029	\$55,959	\$928,094	\$865,547	\$499,094	\$2,519,148	\$1,502,627
2030	\$55,959	\$908,665	\$866,106	\$499,094	\$2,935,566	\$1,482,638
2031	\$55,959	\$1,050,707	\$866,666	\$499,094	\$4,258,776	\$1,624,120
2032	\$55,959	\$1,051,267	\$867,226	\$499,094	\$4,856,226	\$1,624,120

Summary Asset Costs and Financial Indicators

What does it Cost?	
10 Year Total Cost	\$39,989,620
10 Year Average Cost	\$3,998,962
10 Year Total LTFP Budget	\$32,629,882
10 Year average Total LTFP Budget	\$3,262,988
10 Year average funding shortfall	-\$735,974
10 Year AM Financial Indicator	81.6%

10-Year Financial Indicators	
Asset Renewal Funding Ratio	6.8%
Life Cycle Indicator	60%
Rate of Annual Asset Consumption	2.6%
Rate of Annual Asset Renewal	1.9%
Rate of Annual Asset Upgrade	6.5%
Renewal as % of consumption	73%



10-year Service Level Projections – Sewer Pump Stations

Replacement Cost \$32,824,873

