GLENORCHY CITY COUNCIL

September 2022
Version 2.0

Strategic Asset Management Plan 2022-2032

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1.0	September 2019	Strategic Asset Management Plan 2019-2029	NH, FC	TR	Council
2.0	September 2022	Strategic Asset Management Plan 2022-2032	NH, PM, LC	ER	

Contents

Executive summary

CONTEXT

Glenorchy City Council is responsible for the acquisition, operation, maintenance, renewal, and disposal of an extensive range of infrastructure assets with a replacement value of $981,998,955 as of 30/06/2022 (including Assets Held for Sale). Council is also responsible for the management of other assets with a replacement value of $288,082,415 as of 30/06/2022 such as land, land under roads, fleet, plant, ICT assets and office furniture and equipment. This plan will mainly focus on the four major infrastructure asset classes.

The four major infrastructure asset classes include transport, drainage, buildings and parks and recreation assets, which provide services essential to our community's quality of life.

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

CURRENT SITUATION

Our aim is to achieve a 'core' maturity for asset management activities and continue maturity improvement where the benefits exceed the costs. Improvement tasks with costs and target dates have been identified and documented in Table 8.2.

WHAT DOES IT COST?

Operating Outlays (excluding depreciation)

The projected operating outlays necessary to provide the services covered by this SAMP includes operation and maintenance of existing assets over the 10 year planning period is $15,581,194.95 on average per year.

Capital Outlays

The projected required capital outlays including renewal/replacement and upgrade of existing assets and acquisition of new assets over the 10 year planning period is $16,955,068.38 on average per year. We have balanced the projected expenditures in the SAMP with financial outlays in the Long-Term Financial Plan (LTFP) involving:

- community consultation on desirable and affordable levels of service
- balancing service performance, risk and cost in a trade-off of projects and initiatives
- considering the impact of trade-offs and accepting the service and risk consequences.

WHAT WE WILL DO

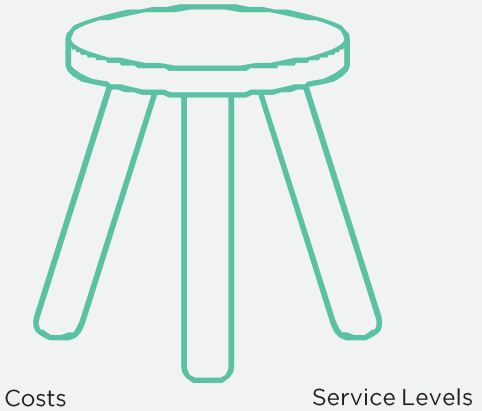
Our aim is to provide the services needed by the community in a financially sustainable manner. Achieving financial sustainability requires balancing service levels and performance with cost and risk.

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

WHAT WE HAVE DEFERRED

We may not have the funding to provide all the services at the levels that are desired by the community. However, it is an important message to the community that Council can only provide a level of service which the community is able to afford and willing to pay for, rather than the level of service that creates a financial burden to the Council and its community.

Council does not include deferred initiatives and projects listed in the capital works program. Any 'backlog' are works that are above the proposed level of service and cannot be accommodated within the current capital works program such as extensive new/upgrade works and therefore should not be funded in the following years unless either the financial position or the level of service is changed.



MANAGING THE RISKS

There are risks associated with providing services and not being able to complete all identified initiatives and projects. We have identified the major risks as:

- Lack of community engagement - The community is not aware that Council can only provide a level of service which the community is willing to pay for through rates
- Insufficient funding for lifecycle costs - Lack of funding for renewal, upgrade, operation, and maintenance will accelerate the deterioration of assets
- Insufficient asset data and systems - Poor asset data and inefficient asset management systems leading to poor decision making
- Inherited substandard assets - Inherited substandard assets from subdivisions and third parties leading to increased maintenance costs and potential liability claims
- Insufficient workforce capacity - Workforce capacity doesn't meet the requirements of the agreed levels of service.

We will endeavour to manage these risks within available funding by:

- Undertake community engagement on the revision of the Strategic AMP
- Ensure LTFP matches the funding required under the Strategic AMP
- Undertake a core technology review to procure new asset information management systems that tie into maintenance and customer service requests
- Work with the planning department and development engineers to ensure adequate compliance inspections are undertaken on gifted assets provided by developers
- Outsource resealing, large concrete, and more complex projects that cannot be accommodated with Council's workforce capacity.

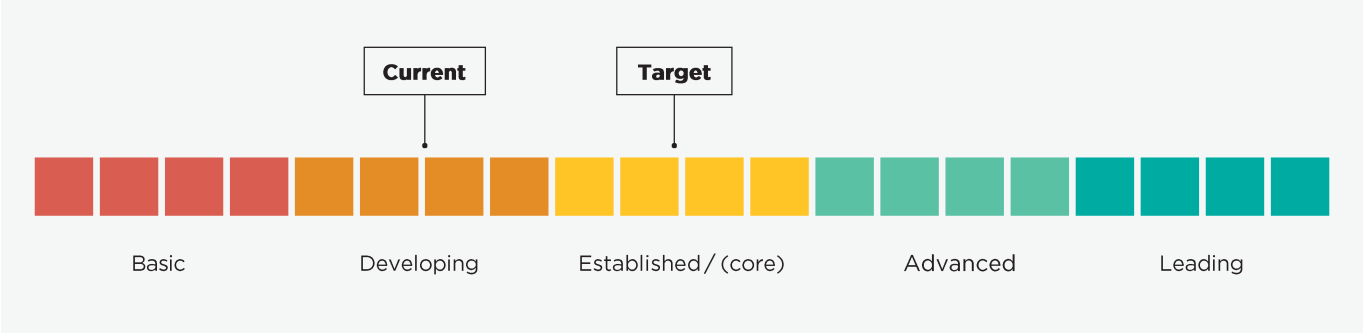
More importantly, by adopting the asset management seven guiding principles and eleven strategies that are mentioned in this SAMP, the risks associated with providing the infrastructure and services can be managed in an effective and sustainable manner.

CONFIDENCE LEVELS

This SAMP is based on medium level of confidence information.

THE NEXT STEPS

An improvement plan has been developed and presented in this SAMP to ensure that Council will be moving towards the core asset management maturity while mitigating the risks mentioned in the previous chapter.



2. Asset Management Strategy

2.1 ASSET MANAGEMENT SYSTEM

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

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

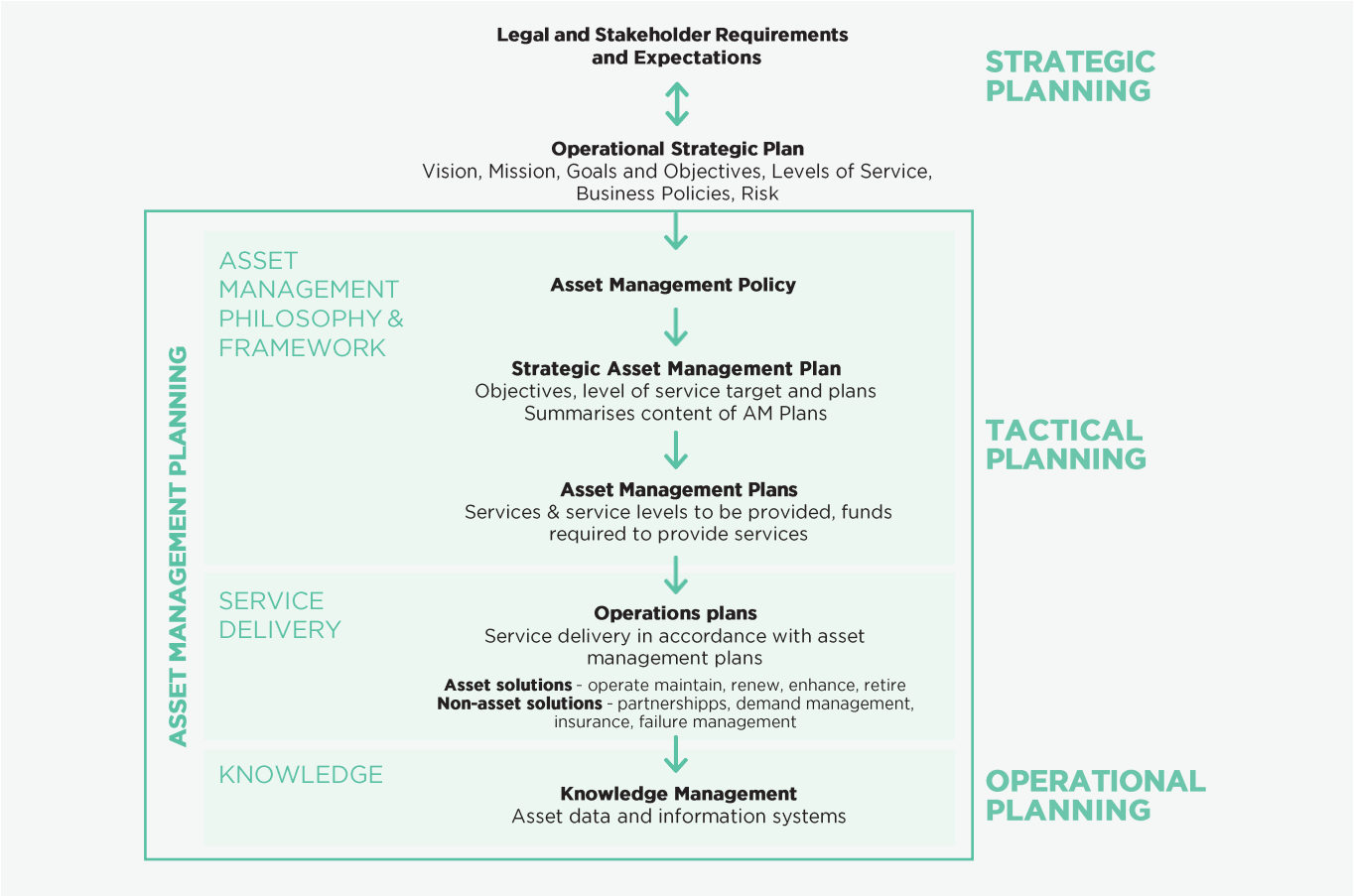
- coordinating contributions from and interactions between functional units within an organisation,[2] and
- consistent application of the asset management processes to achieve uniform outcomes and objectives.

The asset management system includes:

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

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

FIGURE 1: STRATEGIC ASSET MANAGEMENT PLAN FIT IN PLANNING PROCESS



1. ISO, 2014, ISO 55000, Sec 2.2, p 2
2. ISO, 2014, ISO 55000, Sec 2.5.1, p 5
3. ISO, 2014, ISO 55002, Sec 4.1.1, p 2.

2.1.1 ASSET MANAGEMENT POLICY

The asset management policy sets out the principles by which the organisation intends applying asset management to achieve its organisational objectives[4]. Organisational objectives are the results the organisation plans to achieve, as documented in its Strategic Plan. Our adopted asset management policy is available from our web site.

https://www.gcc.tas.gov.au/wp-content/uploads/2022/09/Asset-Management-Policy-2022-Final.pdf

2.1.2 ASSET MANAGEMENT OBJECTIVES

The asset management objectives developed in Section 2.4.3 provide the essential link between the organisational objectives and the asset management plan(s) that describe how those objectives are going to be achieved. The asset management objectives transform the required outcomes (product or service) to be provided by the assets, into activities typically described in the asset management plans. Asset management objectives should be specific, measurable, achievable, realistic and time bound (i.e. SMART objectives).[5]

2.1.3 STRATEGIC ASSET MANAGEMENT PLAN

This strategic asset management plan is to document the relationship between the organisational objectives set out in the City of Glenorchy Community Plan 2015-2040 and the asset management (or service) objectives and define the strategic framework required to achieve the asset management objectives.[6]

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

This strategic asset management plan encompasses the following services:

- Transport
- Drainage
- Buildings
- Parks & Recreation.

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

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

2.1.4 ASSET MANAGEMENT PLANS

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

- Glenorchy City Council Transport Asset Management Plan
- Glenorchy City Council Drainage Asset Management Plan
- Glenorchy City Council Buildings Asset Management Plan
- Glenorchy City Council Park & Recreation Asset Management Plan.

The strategic asset management plan is part of the organisation's strategic and annual planning and reporting cycle as shown in Table 2.1.

4. ISO, 2014, ISO 55002, Sec 5.2, p 7.
5. ISO, 2014, ISO 55002, Sec 6.2.1, p 9.
6. ISO, 2014, ISO 55002, Sec 4.1.1, p 2.
7. LGPMC, 2009, Framework 2, Sec 4.2, p 4.

TABLE 2.1: STRATEGIC ASSET MANAGEMENT PLAN WITHIN THE PLANNING AND REPORTING CYCLE

	Plan	Planning Cycle	Performance Reporting	Reporting Method
Community planning	25 year Community Plan	4 – 10 years	Community Objectives Indicators	Annual Report
Strategic planning	10 year Strategic Plan	4 years	Organisational Objectives	Annual Report
	10 year Long-Term Financial Plan		Financial Indicators	
	10 year Strategic Asset Management Plan 10 year Asset Management Plans		Asset Management Objectives	
Operational planning	4 year Operational Plan	4 years	Operational Objectives incorporated into Annual Plan	Annual Report
Annual Planning & Budget	Annual Plan & Budget	Annual	Annual Objectives Budget Objectives	Annual Report Monthly Reports to Council/Board
	Departmental/ Directorate Work Plans		Work Plan Objectives	Monthly Reports to Council/Board
	Individual Work Plans		Work Plan Objectives	Performance Reviews

2.2 WHAT ASSETS DO WE HAVE?

Council manages a vast range of assets to provide services to our community. The assets provide the foundation for the community to carry out its everyday activities, while contributing to overall quality of life.

TABLE 2.2: ASSETS COVERED BY THIS PLAN

Asset Class	Asset Category	Asset Type	Dimension
Transport	Bridges	Bridge	36 (No.)
		Culvert	6 (No.)
		Jetty/pontoon/Boat Ramp	7 (No.)
	Car Parks	Off-Road	84 (104.13 Km2)
	Kerbs	Barrier Kerb & Channel	2443 (435.3 Km)
		Dry Kerb	6 (0.39 Km)
		Mountable Kerb & Channel	236 (32.3 Km)
		Unknown	87 (13.7 Km)
	Pathways	Cycleway	42 (24.1 Km)
		Footpath	2458 (443.3 km)
		Right of Way	85 (6.7Km)
		Walking Track	169 (21.2 Km)
	Roads	Arterial Road	128 (38.1 Km)
		Collector Road	98 (24.7 Km)
		Link Road	774 (180.5 Km)
		Local Access Road	533 (70.0 Km)
		Minor Access Road	45 (8.1 Km)
		Fire Trail	37 (58.1 Km)
	Traffic Management Device	Access Ramp	1490 (No.)
		Bicycle Parking Ramp	1 (No.)
		Bollard	87 (No.)
		Entry Restriction Device	24 (No.)
		Guide Post	2 (No.)
		Intersection Platform	4 (No.)
		Kerb Blister	75 (No.)
		Mirror	7 (No.)
		Roundabout	30 (No.)
		Safety Barrier	141 (No.)
		Speed Cushion	30 (No.)
		Speed Hump	61 (No.)
		Threshold Treatment	23 (No.)
		Traffic Island	498 (No.)
		Traffic Light & Pole	1 (No.)
		Vehicle Barrier	136 (No.)
		Vehicle Wheel Stop	1 (No.)

Asset Class	Asset Category		Asset Type	Dimension
Drainage	Bores & Wells		Pump Well	3 (No.)
	Irrigation		Irrigation	27 (No.)
	Lagoon		STSB (Stormwater Storage Basin)	13 (No.)
	Stormwater Drains		Box Culvert	48 (1.6 Km)
			Creek	94 (27.6 Km)
			Gravity Main	15991 (401 Km)
			Open Drain	437 (25 Km)
			Property Connection	20048 (No.)
			Sub Soil Drain	443 (26.7 Km)
	Stormwater Pits		Inlet Pit	6502 (No.)
			Maintenance Hole	7325 (No.)
			Miscellaneous	1026 (No.)
			Node Point	3888 (No.)
	Stormwater Pump		Pump	3 (No.)
	Water Nodes		Miscellaneous	3 (No.)
	Water Pumps		Water Pump	1 (No.)
	Water Plant and Equipment		Steel Plate	4 (No.)
Buildings	Buildings	Major Building Structure	Art Centre	1 (No.)
			Change Room	2 (No.)
			Child Care Centre	2 (No.)
			Church Building	2 (No.)
			Clubhouse/Change Room	14 (No.)
			Clubhouse/Change Room/ Community Centre	1 (No.)
			Community Centre	5 (No.)
			Grandstand	4 (No.)
			Hall	5 (No.)
			Office Building	6 (No.)
			Pool Structure	3 (No.)
			Public Toilet	23 (No.)
			Residence	2 (No.)
			Shed	1 (No.)
			Shed/Toilet	1 (No.)
			Workshop	1 (No.)
		Minor Building Structure	Bus Shelter	5 (No.)
			Carport	5 (No.)
			Garage	1 (No.)
			Interchange Box	14 (No.)
			Judge Box	1 (No.)
			Kiosk	2 (No.)
			Official's Shelter	2 (No.)
			Pavilion	3 (No.)
			Picnic Shelter	97 (No.)
			Shade Structure	16 (No.)
			Shed	36 (No.)
			Special Feature	6 (No.)
			Ticket Box	2 (No.)

Asset Class	Asset Category	Asset Type	Dimension
Park and Recreation	Artworks (depreciating)	Memorials	71 (No.)
		Public Art	35 (No.)
	Electrical	Perimeter Beam	1 (No.)
		Conduits & Cabling	1 (No.)
		Power Supply	8 (No.)
		Switchboard	3 (No.)
	Outdoor Equipment & Furniture	Barbeque	45 (No.)
		Bicycle Rack	7 (No.)
		Drinking Fountain	9 (No.)
		Fence	475 (No.)
		Flagpole	6 (No.)
		Gate	199 (No.)
		Handrail	16 (No.)
		Paving	5 (No.)
		Picnic Table	180 (No.)
		Retaining Wall	70 (No.)
		Rubbish Bin	315 (No.)
		Safety Net	1 (No.)
		Seat	395 (No.)
		Shade Structure	3 (No.)
		Special Feature	6 (No.)
		Storage Equipment	15 (No.)
		Tree Guard	19 (No.)
		Water Tank	1 (No.)
		Weighbridge	1 (No.)
	Lighting Fittings & Brackets	Lighting Fitting & Bracket	2828 (No.)
	Lighting Poles Street Light Pole	Park Light Pole	189 (No.)
		Street Light Pole	780 (No.)
	Marine Structure	Sea Wall	8 (No.)
	Play and Sports Equipment	Play Equipment	160 (No.)
		Sports Equipment	88 (No.)
		Under surfacing	11 (No.)
	Signs	Park Sign	1003 (No.)
		Street Sign	1436 (No.)
	Trees (No valuation)	Park Tree	3214 (No.)
		Street Tree	5038 (No.)
		Unknown	37 (No.)
	Playground and Sporting (Valuation was recorded by child assets)	Playground	65 (No.)
		Sports Ground	40 (No.)
	Council Property (Valuation was recorded by child assets)	Facility Complex	52 (No.)
		Park & Reserve	289 (No.)

2.3 OUR ASSETS AND THEIR MANAGEMENT

2.3.1 ASSET VALUES

The infrastructure assets covered by this strategic asset management plan are shown in Table 2.3.1. These assets are used to provide services to the community.

TABLE 2.3.1: ASSETS COVERED BY THIS PLAN AS 30/06/2022

Financial Class	Gross Replacement Cost	Carrying Value	Annual Depreciation
Transport	$554,237,865	$282,345,959	$8,520,558
Drainage	$317,166,255	$200,343,677	$2,672,277
Buildings	$65,496,652	$33,913,490	$959,559
Park and Recreation	$39,397,870	$16,989,350	$1,037,430
TOTAL	**$976,298,642**	**$517,397,303**	**$13,189,824**

Note* Not including Asset Held for Sale

From a sustainability measure, the Remaining Service Potential Index is calculated at 53% for the asset classes covered by this Plan. This ratio is calculated as the Fair Value (Carrying Value) divided by the Gross Replacement Cost. The Remaining Service Potential Index ratio represents the overall health of the asset stock in terms of measuring past asset consumption, via the amount of accumulated depreciation.

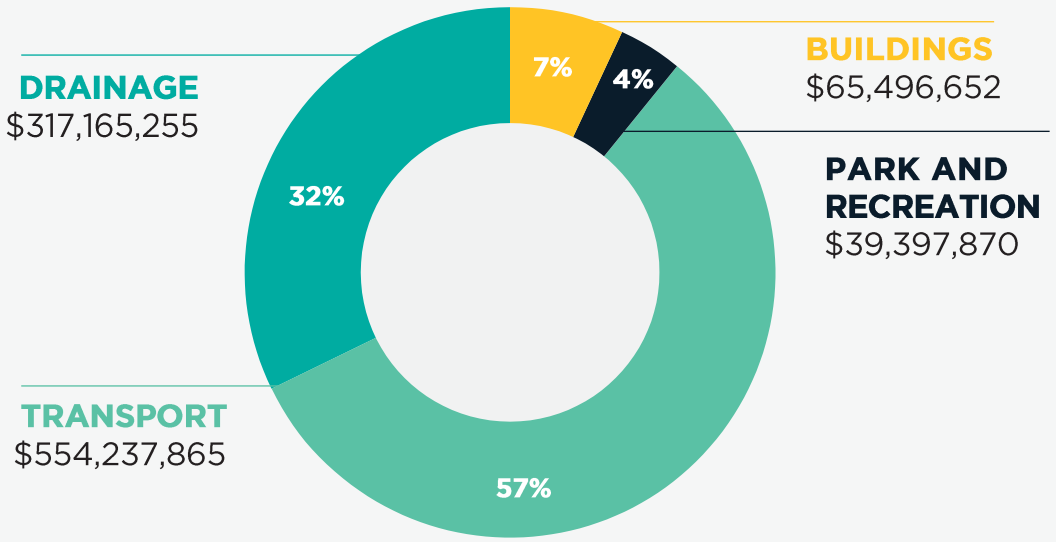
The industry target for this ratio is that it should be at 70% or higher. The lower the ratio, the more the asset stock has been consumed, which typically indicates that historically, not enough capital expenditure has been allocated to the asset.

TABLE 2.3.2: OTHER ASSETS NOT COVERED BY THIS PLAN

Financial Class	Gross Replacement Cost	Carrying Value	Annual Depreciation
Fleet and Plant	$4,557,032	$2,361,966	$380,537
Office Equipment & Furniture (incl. ICT assets)	$11,586,234	$4,993,324	$1,101,007
Land under Property	$117,583,015	$117,583,015	$0
Land under Roads	$150,894,133	$150,894,133	$0
Landfill Restoration	$3,462,000	$3,461,802	$30,654
Total	**$288,082,415**	**$279,294,241**	**$1,512,198**

Figure 2 shows the gross replacement value of our four infrastructure assets

FIGURE 2: ASSET REPLACEMENT VALUES FOR FOUR INFRASTRUCTURE ASSETS



Section 2.3 demonstrates the significance of Glenorchy City Council's investment in infrastructure. An objective for this SAMP is to demonstrate how value is to be obtained from the 976 million investments in providing services to the community. The investment in infrastructure is being consumed at 13 million per annum.

The annual depreciation (asset consumption) is considered a measure of the wearing out or other loss of value of the asset that arises from its use, passing of time or obsolescence through environmental changes. However, the annual depreciation is not an ideal measure and is seldom recommended now in a modern practice with the focus more on sustainability-based analysis of asset service level (Long Term Financial Plan based on strategic lifecycle modelling and planning) as documented in Section 7.

2.3.2 ASSET CONDITION, FUNCTION AND CAPACITY

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

- condition/quality – how good is the service?
- function - does it meet users' needs?
- capacity/utilisation – is the service usage appropriate to capacity?

Figure 3 shows the state of the assets as a percentage of their replacement value.

FIGURE 3: STATE OF THE ASSETS

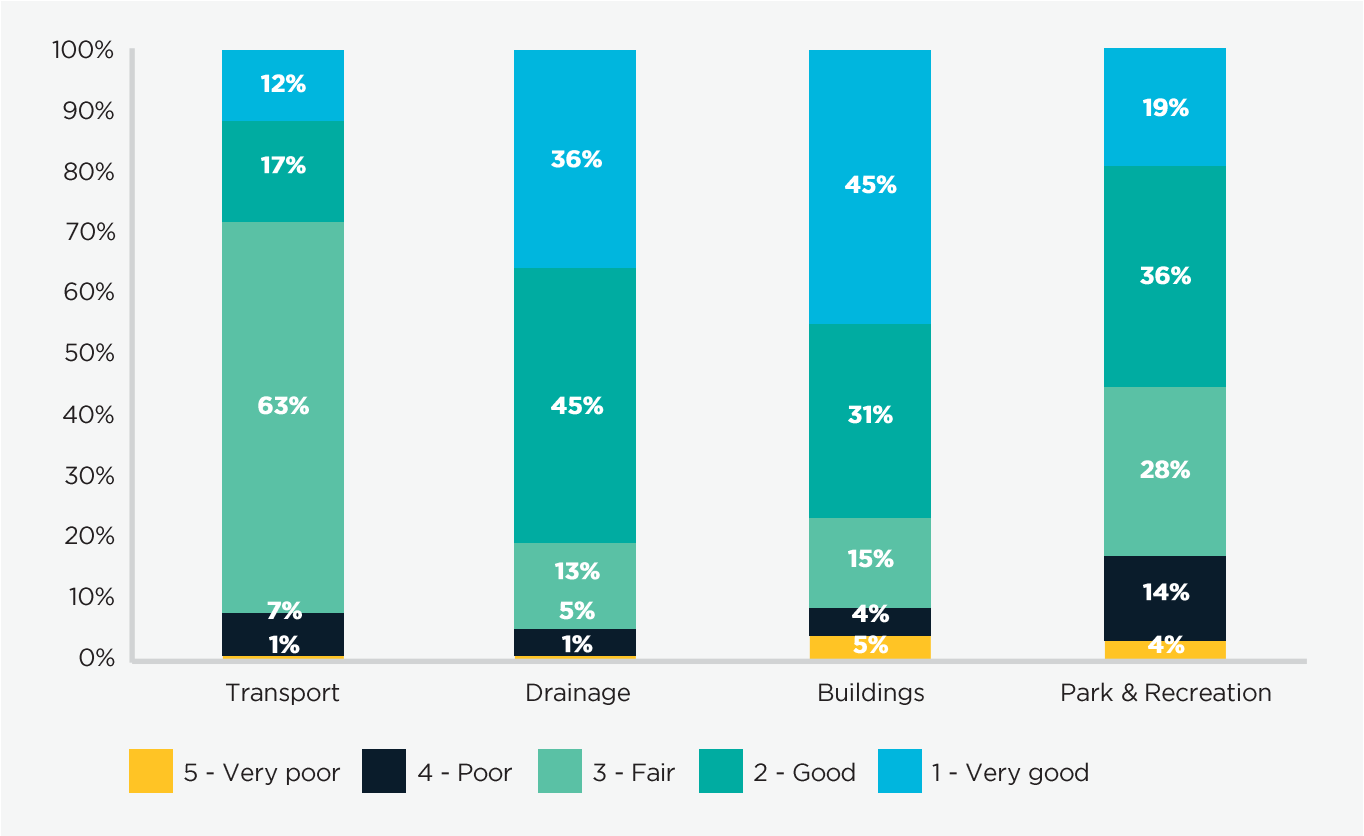


Figure 3 shows the assessment of performance of assets under condition (quality) indicators. Very Good/Good performance is shown by the blue and dark green bars. Very Poor/Poor performance is shown by the yellow and black bars. The green bars show the assets with Fair condition. We will need to improve our understanding of the effect of the Very Poor/Poor condition ratings for Glenorchy City Council of all the infrastructure assets and the subsequent impact on service performance of these assets.

2.3.3 LIFECYCLE COSTS

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

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

The lifecycle costs and expenditures averaged over the 10-year planning period are shown in Table 2.3.3.

TABLE 2.3.3: ASSET LIFECYCLE COSTS

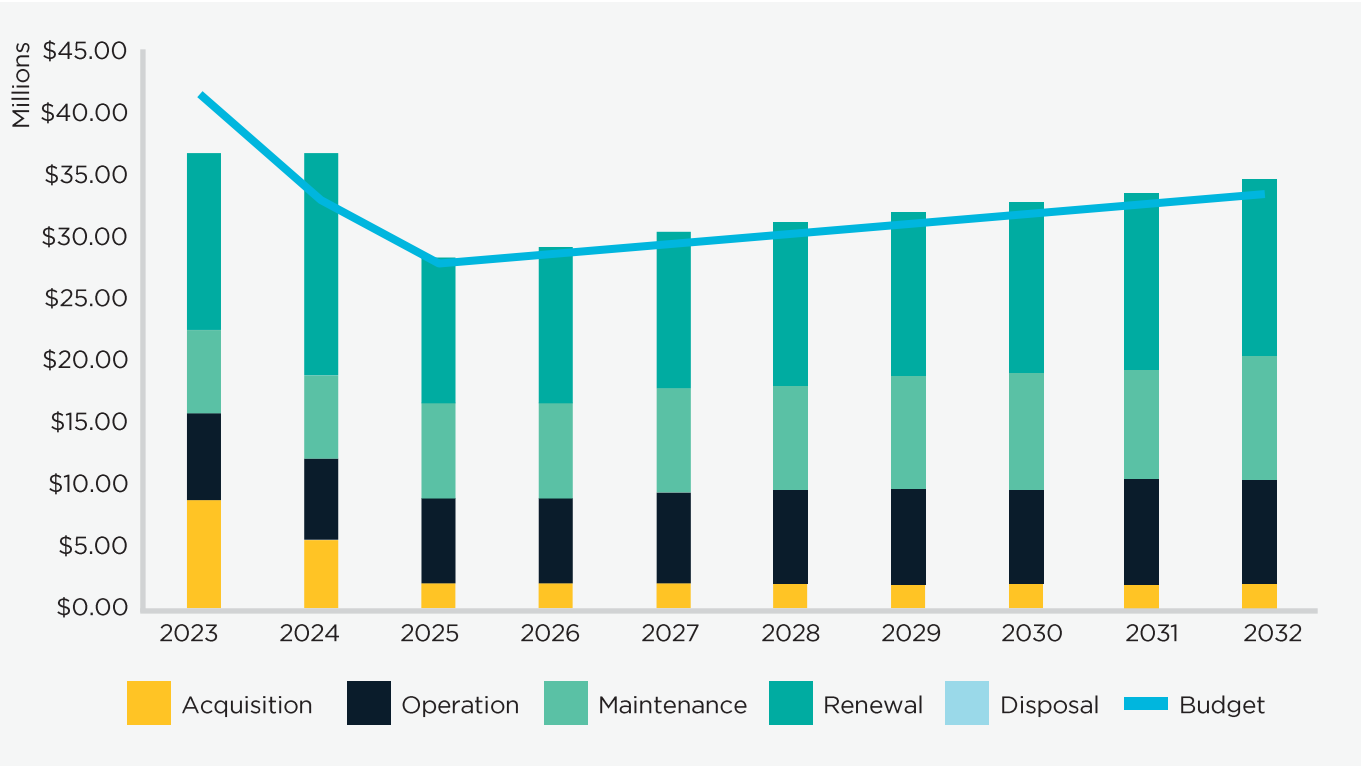
Asset Class/ Category	Lifecycle Cost ($M/yr)	Lifecycle Expenditure ($M/yr)	Lifecycle Expenditure Indicator	Backlog at Year 10 ($M)	Target of Average Condition at Year 10 with current Level of Service
Transport	$15.91	$15.63	98.29%	$2.80	<=3.0
Drainage	$2.70	$2.55	94.62%	$1.50	<=3.0
Buildings	$6.51	$6.34	97.43%	$1.70	<=3.0
Park & Recreation	$7.43	$7.40	99.66%	$0.30	<=3.0
TOTAL	**$32.54**	**$31.93**	**98.12%**	**$6.10**	**<=3.0**

Total lifecycle expenditure may reasonably be lower than lifecycle costs in periods of below average asset renewal/replacement activity. The lifecycle indicator is a measure of estimated need over the long-term. It is dependent on the age profile of the assets, with older assets expected to have a higher LC indicator and newer assets a lower LC indicator. Section 5.4 gives a more accurate indicator of renewal/replacement funding needs over the period of the SAMP.

2.3.4 ASSET MANAGEMENT INDICATORS

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

FIGURE 4: PROJECTED OPERATING AND CAPITAL EXPENDITURE



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

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

2.3.5 OPPORTUNITIES AND RISKS

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

- the growing trend of healthy lifestyles will create a demand for active transportation networks (foot traffic and bicycles) and more park and recreation facilities.
- new technologies could potentially allow for more cost savings and promote sustainable and environmentally friendly design and practice.

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

- the population increase, demographical changes and social evolution may demand a different level of service, which can't be afforded by Council
- higher community expectations for the level of service provided will require additional funding
- the increase of construction costs and aging infrastructure will require additional funding to cover the increased costs associated with maintenance and capital works
- climate change with more extreme weather will create damage to the existing assets and reduce the level of service
- legislative reform leads to changes in compliance to existing codes and standards which may have a substantial cost implication on asset owners
- further freezing or reduction of financial assistance grants from both the State and Federal levels (e.g. reduced Roads to Recovery Funding) may increase the funding gap.

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

2.3.6 ASSET AND FINANCIAL MANAGEMENT MATURITY

Council has taken steps to improve its asset and financial management performance including assessing asset management maturity against the 3 Frameworks of the Local Government Financial Sustainability Nationally Consistent Frameworks. The target is to achieve 'core' maturity with the Frameworks. Figure 5 shows the current and target 'core' and 'advanced' maturity scores for the eleven elements of the National Frameworks for asset and financial management. These core competencies are:

Financial Planning and Reporting

- Strategic Longer-Term Plan
- Annual Budget
- Annual report

Asset Planning and Management

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plan
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

In terms of undertaking asset management and implementation within the organisation, Asset Management Maturity (AMM) is the indicator in determining how good the asset management practice is within an organisation.

The web chart in Figure 5 shows the result of a maturity assessment of Council's Asset Management Practice in September 2022 by internal assessment.

FIGURE 5: MATURITY ASSESSMENT

The maturity score web chart shows the current maturity for each maturity elements as assessed by the organisation compared to the 'core' competencies (Level 3) required under the Australian National Assessment Framework (NAF) and the Target maturity competency desired and set by the organisation.

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

Improvement in maturity is indicated by movement of the blue (current maturity) line to the red (target maturity) and green line (desired maturity).

Elements with low maturity scores comparing to the desired core level maturity are:

- Evaluation
- Governance and Management.

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

FIGURE 6: MATURITY RISK ASSESSMENT

Reduction in risk from current NAF maturity is indicated by movement of the blue (current risk) line to the green line (desired or aspirational target risk). Elements with high maturity risk to the organisation are:

- Evaluation
- Governance and Management.

Tasks to improve asset and financial management maturity are prioritised and included within the Improvement Plan shown in Section 7.2.

2.3.7 STRATEGY OUTLOOK

We can maintain current levels of service (The condition of all the assets to be maintained above 'Fair' condition) for the next ten years based on current knowledge and projections in AM Plans and Long-Term Financial Plan.

Funding of current infrastructure lifecycle costs is considered adequate for the next 10 years but below long-term needs. Review of services, service levels and costs will need to be carried out over the next 10 years to identify and monitor changes in demand for services and affordability over the longer-term.

Our current asset and financial management maturity are below 'core' level and investment is needed to improve information management, lifecycle management, service management and accountability and strategic direction.

2.4 WHERE DO WE WANT TO BE?

2.4.1 COMMUNITY EXPECTATIONS

We have identified community expectations for service levels to be generally consistent with current levels of service. We engage with the community through the Community Customer Satisfaction Service. Community engagement is necessary to ensure that informed decisions are made on future levels of service and costs and that service and risk consequences are known and accepted by stakeholders.

2.4.2 ORGANISATIONAL OBJECTIVES

The organisation objectives are developed in the Council's Strategic Plan 2023-2032 under Vision, Mission, Values and Priority Areas as shown below.

OUR VISION

We are a proud City; a City of arts; of opportunity; of partnerships; a City that makes exciting things happen.

OUR MISSION

To deliver the community's vision, goals and priorities from the City of Glenorchy Community Plan 2015-2040.

OUR VALUES

PEOPLE

We value our diverse and welcoming community. We believe that each person is equal and has a positive contribution to make, with their rights respected and their opinions heard and valued.

PLACE

We work together to future proof our City so we can enjoy a good quality of life and a safe, sustainable and healthy environment. We respect our heritage and have pride in our City.

OPPOTUNITY

We value innovation, flexibility and imagination in building a better and sustainable community.

TOGETHER

We commit to work as a united Council team to build relationships and partnerships within and outside our community to make a difference in Glenorchy.

ACCOUNTABLE

We are accountable to each other and the Glenorchy community for the difference we make to the life of our City.

OUR GOALS

MAKING LIVES BETTER

Our community faces a range of social and economic challenges. Council's role is to advocate for, and work with others to, improve the daily lives of people in our City.

BUILDING IMAGES AND PRIDES

Our community values a strong sense of connectedness and positive City image and Council strives to promote these.

OPEN FOR BUNINESS

Council seeks to be a City which is 'easy to do business with' while managing our City's growth responsibly.

LEADING OUR COMMUNITY

Council exists to represent the best interests of the people of Glenorchy, working together to manage community resources and further community priorities.

VALUING OUR ENVIRONMENT

Our community values the facilities provided in our City to improve its quality of life and protection of our natural environment and special places now and for the future.

Council's Strategic Plan sets goals and objectives to be achieved in the planning period. The goals set out where the organisation wants to be. The objectives are the steps needed to get there. Goals and objectives relating to the delivery of services from infrastructure assets are shown in Table 2.4.2.

TABLE 2.4.2: STRATEGIC PRIORITY AREAS AND ORGANISATIONAL OBJECTIVES

Community Visions	Strategic Plan Objectives
Making Lives Better	1.1 We deliver services to meet our community's needs 1.1.1-Deliver services to our community at defined service levels. 1.1.2-Identify and engage in partnerships that provide services effectively to our community.
Building Image and Pride	2.1 We work for a safe, clean and vibrant City 2.1.2- Maintain our roads, footpaths, trails, parks, playgrounds, open spaces, stormwater and building assets so they are functional, safe and clean.
Leading our community	4.1 We are a leader and partner that acts with integrity and upholds our community's best interests. 4.1.1-Listen to our community to understand their needs and priorities. 4.1.2-Champion and work together to address our community's needs and priorities. 4.1.3-Make informed decisions that are open and transparent and in the best interests of our community. 4.1.5-Ensure our City is well planned and prepared to minimise the impact of emergency events and is resilient in responding to and recovering from them. 4.2 We responsibly manage our community's resources to deliver what matters most. 4.2.1-Manage the City's assets responsibly for the long-term benefit and growth of the community 4.2.2-Deploy the Council's resources effectively to deliver value while being financially responsible. 4.2.3-manage compliance and risk in Council and the community through effective systems and processes 4.2.4-Be a healthy, proactive and forward-looking organisation with a strong safety culture and a skilled and adaptable workforce.
Valuing our environment	5.1 We protect and manage our City's natural environment and special places now and for the future 5.1.1-Identiy and protect our natural values and special places including Wellington Park and the River Derwent foreshore. 5.1.2-Encourage access to and appreciation of natural area. 5.1.3-Work to reduce our resource use and carbon emissions and prepare the City for the impacts of a changing climate 5.2-We improve the quality of our urban and rural area as places to live, work and play 5.2.1-Deliver new and existing services and infrastructure to improve the City's livability. 5.2.2-Improve our parks and public spaces for the wellbeing and enjoyment of our community. 5.2.3-Manage the City's transport infrastructure sustainably in collaboration with transport infrastructure owners. 5.2.4-Engage proactively with transport service providers to secure accessible, safe and reliable transport options for everyone.

2.4.3 ASSET MANAGEMENT OBJECTIVES

The asset management objectives (or strategies) translate the organisational objectives into the required service outcomes to be provided by infrastructure assets and activities described in the asset management plans. Actions to achieve the asset management objectives with performance targets and timelines are shown in Tables 2.4.3 and included in operational and capital works plans.

TABLE 2.4.3: ASSET MANAGEMENT OBJECTIVES – ALL ASSET CLASSES

Asset Management Objective	Action	Performance Target & Timeline
Organisational Objective 1.1 We deliver services to meet our community's needs		
Provide agreed level of service	Provide the infrastructure services to an agreed service levels from the Asset Management Plans (AMPs) and within the budget	Achieve agreed Level of Service (LoS) targets for operation/ maintenance, and Capital Works Projects (CWPs) with the annual budget compliance
Organisational Objective 2.1 We work for a safe, clean and vibrant City Organisational Objective 5.1 We protect and manage our City's natural environment and special places now and for the future Organisational Objective 5.2_We improve the quality of our urban and rural area as places to live, work and play		
Provide services to an affordable standard and cater for the future	Review, update and link the AMPs with the Long-Term Management Plan (LTFMP)	AMPs are updated and linked with LTFMP
Organisational Objective 4.1 We are a leader and partner that acts with integrity and upholds our community's best interests.		
Engage with community for the adoption of the Asset Management Policy and AMPs	Engage with community for the adoption of the Asset Management Policy and AMPs with GCC's community engagement tool	Asset Management Policy and AMPs are adopted with community engagement

2.5 ASSET MANAGEMENT VISION

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

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

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

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

Strategies to achieve this position are outlined in Section 2.6.

2.6. HOW WILL WE GET THERE?

2.6.1 GUIDING PRINCIPLES

The following guiding principles were developed to provide clear objectives for Council's asset management, focus of the asset management strategy and establish priorities to guide future practice.

Council will:

- invest in high use areas - develop a differentiated approach to service delivery by recognising that greater investment is required in high use areas (e.g. wider footpaths in CBD areas)
- engage with the community - continue to understand the needs of the community through engagement e.g.GCC Future Direction and Budget Survey, customer service requests and project consultation
- provide services to an affordable standard - focus on asset renewals and alternative methods of providing affordable levels of service to meet the needs of the community e.g. relining of stormwater pipes, use of recycled asphalt, increase spending on bituminous resurfacing
- cater for future demand - assess the requirement of new services to cater for future demand of our city. In assessing new services, Council will consider the whole of life cycle costs and the ability to fund. e.g. access external funding to build new destination playgrounds, upgrade public toilets, business case development for the upgrade of sports grounds and facilities and building new footpaths that focus on high traffic areas
- best practice asset management - continue to invest in asset management to achieve a 'core level' of maturity e.g. ensure alignment of asset management plans with the long-term financial plan, training and investment in our people and benchmark our performance
- dispose of surplus assets - dispose of surplus assets to achieve long term sustainability e.g. repurposing of underutilised land, closure/demolition of unused facilities and consolidation of playgrounds
- shared facilities and services - explore the opportunities to work together with other service providers for non-asset methods of providing sustainable service delivery

e.g. delivery of road works on the border with adjoining Councils, working with the Education Department to access sports grounds, developing shared facilities for sport and community users.

2.6.2 STRATEGY

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

TABLE 2.6: ASSET MANAGEMENT STRATEGIES

No	Strategy	Desired Outcome
1	Incorporate Year 1 of long term financial plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations and the long term implications of all services are considered in annual budget deliberations.
2	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/Board and the community.
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.
4	Develop and annually review asset management plans and strategic asset management plan covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.
5	Review and update asset management plans, strategic asset management plan 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.
6	Develop and maintain a risk register of operational and service delivery risks showing current risk levels, risk management treatments and report regularly to Council/ Board on current high level risks.	Risk management of operational and service delivery risks is an integral part of governance.
7	Ensure Council/Board 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.
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.
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.
10	Implement an improvement plan to realise 'core' maturity for the financial and asset management competencies within 4 years.	Improved financial and asset management capacity within the organisation.
11	Report six monthly to Council/Board by Audit Committee/ CEO on development and implementation of strategic asset management plan, AM Plans and long term financial plans.	Oversight of resource allocation and performance.

2.7 ASSET MANAGEMENT IMPROVEMENT PLAN

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

2.8. CONSEQUENCES IF ACTIONS ARE NOT COMPLETED

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

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

3. Levels of Service

3.1 CONSUMER RESEARCH AND EXPECTATIONS

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

In the past, The Council Service Satisfaction Survey based on research conducted by LGAT was used to measure the satisfaction residents have with local Councils across Tasmania, and to produce a state-wide benchmark against which Councils may wish to measure the satisfaction of their residents with respect to the services they each provide. Unfortunately, this survey is no longer available.

In order to continuously gain a better understanding of the future direction and community satisfaction standard for Glenorchy. Council has decided to undertake an individual survey for Glenorchy specific satisfaction levels annually to help GCC to develop the performance targets of LoS. Table 3.1 shows available satisfaction levels for these services based on the survey that was conducted in 2023. It showed that the community has lower satisfaction levels with GCC's transport, park and recreation services compared to other services. Community also suggested that Council need to invest these services as the top priorities when preparing budget in the future.

TABLE 3.1: COMMUNITY SATISFACTION LEVELS

		GCC Individual Satisfaction Survey Results					
Asset Management Plan	**Level of Service**	**Very Happy**	**Happy**	**Neutral**	**Fairly Happy**	**Not Happy**	**Average Score**
Transport	Roads	6.98%	9.30%	27.91%	27.91%	27.91%	3.61
	Footpaths and cycleways	9.30%	18.60%	23.26%	30.23%	18.60%	3.30
Drainage	Stormwater and drainage (including flood mitigation)	0	25.58%	32.56%	23.26%	18.60%	2.84
Buildings	Sporting facilities and community halls	4.88%	14.63%	46.34%	26.83%	12.20%	2.88
Other Infrastructure (Park & Recreation)	Parks, playgrounds, and open spaces	4.65%	23.26%	9.30%	34.88%	27.91%	3.58
	Landfill and waste management facilities	9.30%	23.26%	32.56%	23.56%	11.63%	3.06

Source: Future Direction and Budget Survey 2023/2024: Survey Report 15/12/2022 to 28/02/2023
Very Happy (5 scores); Happy (4 scores); Neutral (3 scores); Fairly Happy (2 scores); Not Happy (1 score)

3.2 ORGANISATIONAL OBJECTIVES

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

The organisational and asset management objectives provide focus for the community and technical level of service tables in Section 3.4.

3.3 LEGISLATIVE REQUIREMENTS

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

TABLE 3.3: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Local Government Act 1993	An Act to set out the role, purpose, responsibilities and powers of local governments including the preparation of a long-term financial plan supported by asset management plans for sustainable service delivery.
Local Government (Highways) Act 1982	An Act to consolidate with amendments certain enactments concerning the functions of the corporations of municipalities with respect to highways and certain other ways and places open to the public.
Roads & Jetties Act 1935	An Act to consolidate and amend certain enactments relating to roads and jetties and to make provision for the establishment and maintenance of aerodromes.
Urban Drainage Act 2013	• Obligations of Stormwater Service Providers • Powers of Stormwater Service Providers
Building Act 2016 **Building Regulation 2016**	An Act to regulate the construction and maintenance of buildings and building and plumbing matters and to provide for permits, enforcement matters and resolution of disputes.
National Construction Code (NCC)	The National Construction Code (NCC) is an initiative of the Council of Australian Governments (COAG) developed to incorporate all on-site construction requirements into a single code. The NCC comprises the Building Code of Australia (BCA), Volume One and Two; and the Plumbing Code of Australia (PCA), as Volume Three.
Boundary Fences Act 1908	An Act to consolidate and amend the law relating to boundary fences.
Civil Liability Act 2002	An Act to effect civil liability reforms.
Crown Lands Act 1976	An Act to make fresh provisions with respect to the management, sale, and disposal of the lands of the Crown.
Disability Discrimination Act 1992	An Act relating to the funding of the provision of specialist disability services, and other goods or services, in relation to persons with disability, the regulation of the use of restrictive interventions in relation to such persons, the repeal of the *Disability Services Act 1992*, the consequential amendment of certain legislation, and for related purposes.
Land Use Planning and Approvals Act 1993	An Act to make provision for land use planning and approvals.
Local Government (Building and Miscellaneous Provisions) Act 1993	An Act to provide for matters relating to building and for miscellaneous matters relating to local government.

Legislation	Requirement
Nature Conservation Act 2002	An Act to make provision with respect to the conservation and protection of the fauna, flora and geological diversity of the State, to provide for the declaration of national parks and other reserved land and for related purposes.
Public Health Act 1997	An Act to protect and promote the health of communities in the State and reduce the incidence of preventable illness.
Threatened Species Protection Act 1995	An Act to provide for the protection and management of threatened native flora and fauna and to enable and promote the conservation of native flora and fauna.
Weed Management Act 1999	An Act to provide for the control and eradication of declared weeds and to promote a strategic and sustainable approach to weed management.
Workplace Health and Safety Act 2012	An Act to provide for a balanced and nationally consistent framework to secure the health and safety of workers and workplaces.
Australian Accounting Standards as relevant to assets	Accounting standards to provide guidance for preparing and maintaining all accounting records, accounts and financial statements as relevant to assets.
All other relevant Australian Standards, Codes of Practice, Acts, Regulations, and relevant policies of the Organization	Australian Road Rules, Australian Standards, Codes of Practices, Acts, Regulations, and relevant policies of Organization. For example: • Telecommunication, Electricity and Gas Acts • Dangerous Goods (Road Transport) Act 2010 • Historic Cultural Heritage Act 1995.

3.4 LEVELS OF SERVICE

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

Customer Values indicate:

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

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

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

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

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

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

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

Technical service measures are linked to annual budgets covering:

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

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

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

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

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

Note: Council is planned to make sure our infrastructure assets to be maintained as an average score of 3 (Fair condition) in 30 years' time. The Tables in Appendix A summarise the agreed sustainable position where trade-offs between service performance, risk and cost have been agreed by the Council.

8 IPWEA, 2011, IIMM, p 2.22

4. Future Demand

4.1 DEMAND DRIVERS

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

4.2 DEMAND FORECAST

The present position and projections for demand drivers that may impact future service delivery and utilisation of assets were identified and are documented in Table 4.3.

4.3 DEMAND IMPACT ON ASSETS

The impact of demand drivers that may affect future service delivery and utilisation of assets are shown in Table 4.3.

TABLE 4.3: DEMAND DRIVERS, PROJECTIONS AND IMPACT ON SERVICES

Projection	Impact on services
Population growth	
The population is 51,233 in 2021. Average about 1.3% per annual growth rate from 2011 to 2021.	Population growth will accelerate the wear and tear rate of the infrastructure assets.
Aging population	
People aged 60 years and over made up 23.2% of the total population. About 1.5% per annual aging population increase from 2011 to 2021.	The aging population will have Less tolerance on the infrastructure asset defects and increasing the demand on access-related facilities (e.g. access ramps).
Increasement of construction costs	
The increase in construction costs is anticipated to continue and will likely be at a higher rate than CPI.	The increase in construction costs will require additional funding to cover the increased costs for maintenance and capital works.
Higher community expectation	
Community expectations will continue to increase.	Higher community expectations will require more funding to renew/upgrade the existing infrastructure assets and create the additional assets.
Urban and economic development	
The demand from urban and economic development will continue to increase.	The urban and economic development will create significant load on the existing aged infrastructure assets and demand higher or additional services. Also, donated assets from development will require additional funding and affect the future level of service.
Trend for healthy lifestyle	
The promotion of community and sporting activities will be increased.	The growing trend for healthier lifestyles will create demand for the green transportation networks (foot traffic and bicycles) and more park and recreation facilities.

Projection	Impact on services
Changes in technology	
The promotion of energy efficient, environmentally friendly, and sustainable design and practices will increase.	The changes in technology may allow for cost savings and protect the environment.
Legislation reform and changes in relevant standards	
The existing legislations and standards will be changed.	The legislation reform and changes in relevant standards may require Council to adjust the current practice.
Climate Changes	
High-intensity rainfall events and bushfires will occur more often due to climate change.	Climate change with more extreme weather will create damage to the existing assets and reduce the level of service.

4.4 DEMAND MANAGEMENT PLAN

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures.[9] Examples of non-asset solutions include providing joint services from existing infrastructure such as aquatic centres and libraries that may be in another community area or public toilets provided in commercial premises.

Opportunities identified for demand management are shown in Table 4.4.

TABLE 4.4: DEMAND MANAGEMENT PLAN SUMMARY

Service Impact	Demand Management Plan
Population growth will accelerate the wear and tear rate of infrastructure assets.	• Continue to conduct condition assessments on infrastructure assets. • Consider and build the facilities for an ageing population in capital projects.
An aging population will have Less tolerance of infrastructure asset defects and increase the demand on access-related facilities (e.g. access ramps).	
The increase of construction costs will require additional funding to cover the increased costs for maintenance and capital works.	• Continue to fund high priority projects. Investigate new and cost-efficient technologies and seek external funding. • Integrate infrastructure network with land use planning – encourage increased density to deliver sustainable services. • Identify community needs through consultation when developing the Open Space Strategy. • Develop partnerships with stakeholders to increase the community engagement. • Consider non-asset solutions.
Higher community expectations will require more funding to renew/upgrade the existing infrastructure assets and create additional assets.	
Urban and economic development will create significant load on the existing aged infrastructure assets and demand higher or additional services. Also, the donated assets from development will require additional funding and affect the future level of service.	

9 IPWEA, 2015, IIMM, Sec2.3.6, p2|53.

Service Impact	Demand Management Plan
Changes in technology may allow for cost savings and protect the environment.	• Increase the usage of low energy and sustainable practises in infrastructure project design. • Promote the usage of environmentally friendly and cost-effective materials and rehabilitation techniques. • Adopt the smart city concept. • Promote the use of the most effective technologies to improve the efficiency and accuracy of asset data capture and condition assessment in line with the industrial best practice and guidelines.
The growing trend for healthier lifestyle will create demand for the green transportation networks (walking and bicycles) and more park and recreation facilities.	• Recognise walking as the most fundamental mode of transport and supporting more people to ride bicycles or use public transport by improving the reliability, accessibility, and connectivity of transport networks. • Strategically improve and add park and recreation facilities.
The existing legislations and standards will be changed.	• Provide the information and training to make sure relevant staff to understand and comply the reformed Legislation and changed standards.
Climate change with more extreme weather will create damage to the existing assets and reduce the level of service.	• Identify high-risk areas and develop relevant corresponding plans to deal with the emergency situations.

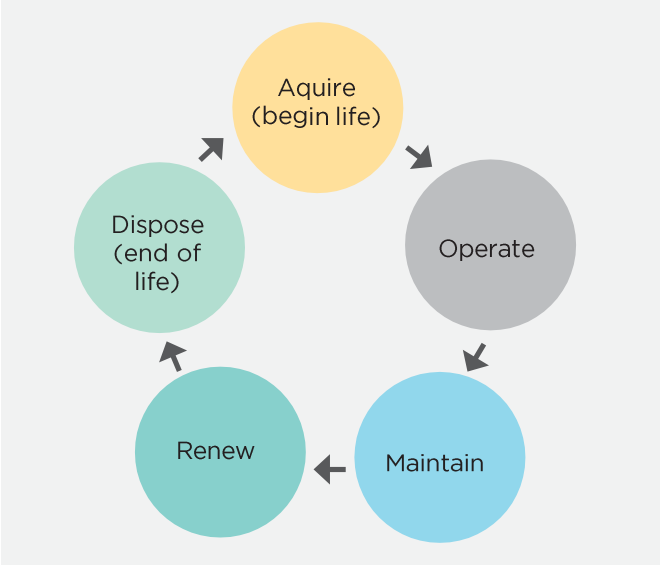
4.5 ASSET PROGRAMS TO MEET DEMAND

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

Acquiring these new assets will commit the organisation to fund ongoing operation, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operation, maintenance and renewal costs in Section 6.

5. Lifecycle Management Plan

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



5.1 BACKGROUND DATA

5.1.1 PHYSICAL PARAMETERS

The assets covered by this strategic asset management plan are shown in Tables 2.2 and 2.3.1.

5.1.2 ASSET CAPACITY AND PERFORMANCE

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

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

5.2 ROUTINE OPERATION AND MAINTENANCE PLAN

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

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

5.2.1 OPERATION AND MAINTENANCE PLAN

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

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

Maintenance expenditure levels are considered to be inadequate to meet projected service levels, which may be less than current service levels. Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in the respective AM Plan and service risks considered in the Infrastructure Risk Management Plan.

5.2.2 OPERATION AND MAINTENANCE STRATEGIES

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

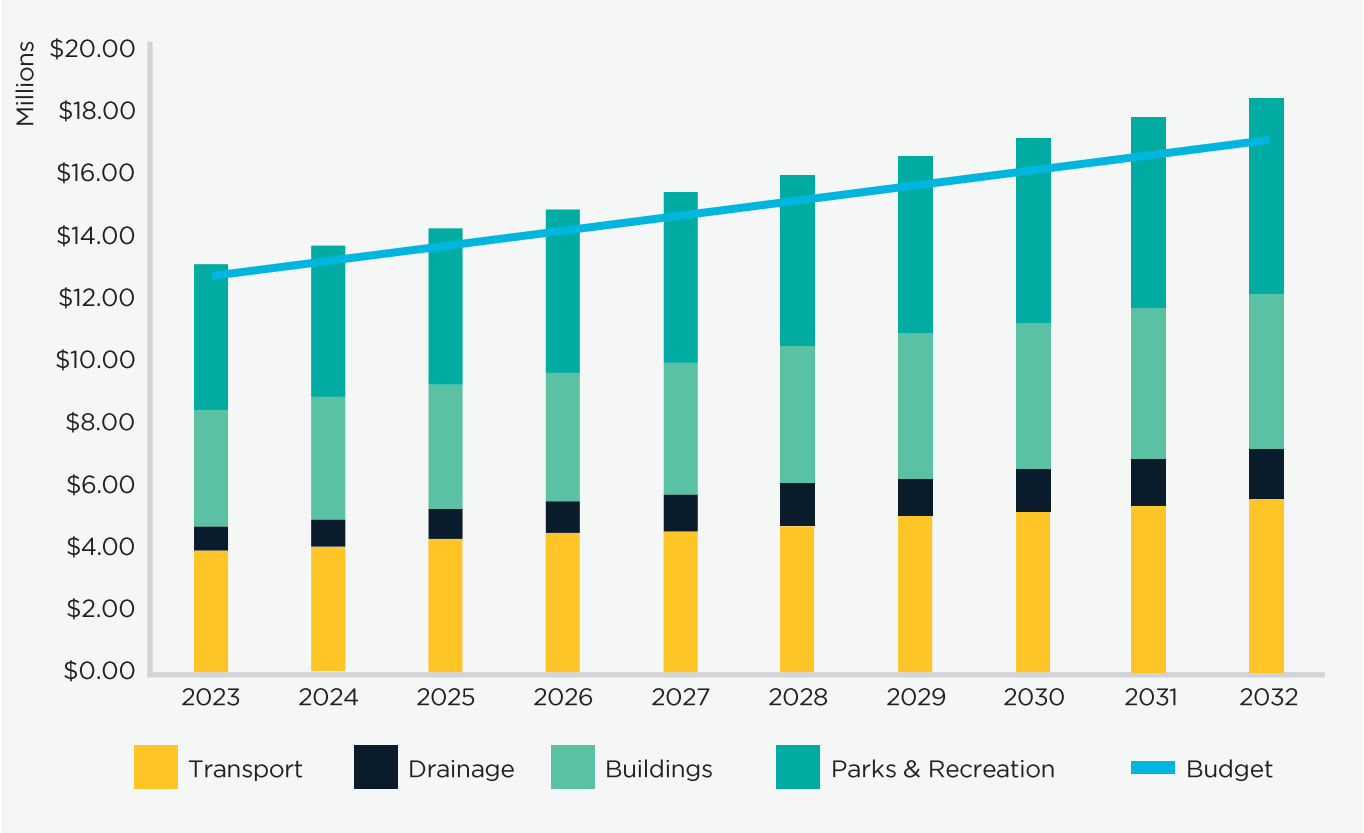
- Scheduling operations activities to deliver the defined level of service in the most efficient manner
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective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

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

5.2.3 SUMMARY OF FUTURE OPERATION AND MAINTENANCE EXPENDITURES

Future operation and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 7. The forecast expenditures (shown in Appendix B) have been accommodated in the organisation's long-term financial plan. Note that all costs are shown in current dollar values (i.e. real values).

FIGURE 7: PROJECTED OPERATION AND MAINTENANCE EXPENDITURE AND LTFP OUTLAYS



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

5.3 RENEWAL/REPLACEMENT PLAN

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

5.3.1 RENEWAL AND REPLACEMENT STRATEGIES

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

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

Renewal ranking criteria

Asset renewal and replacement is typically undertaken to either:

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

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

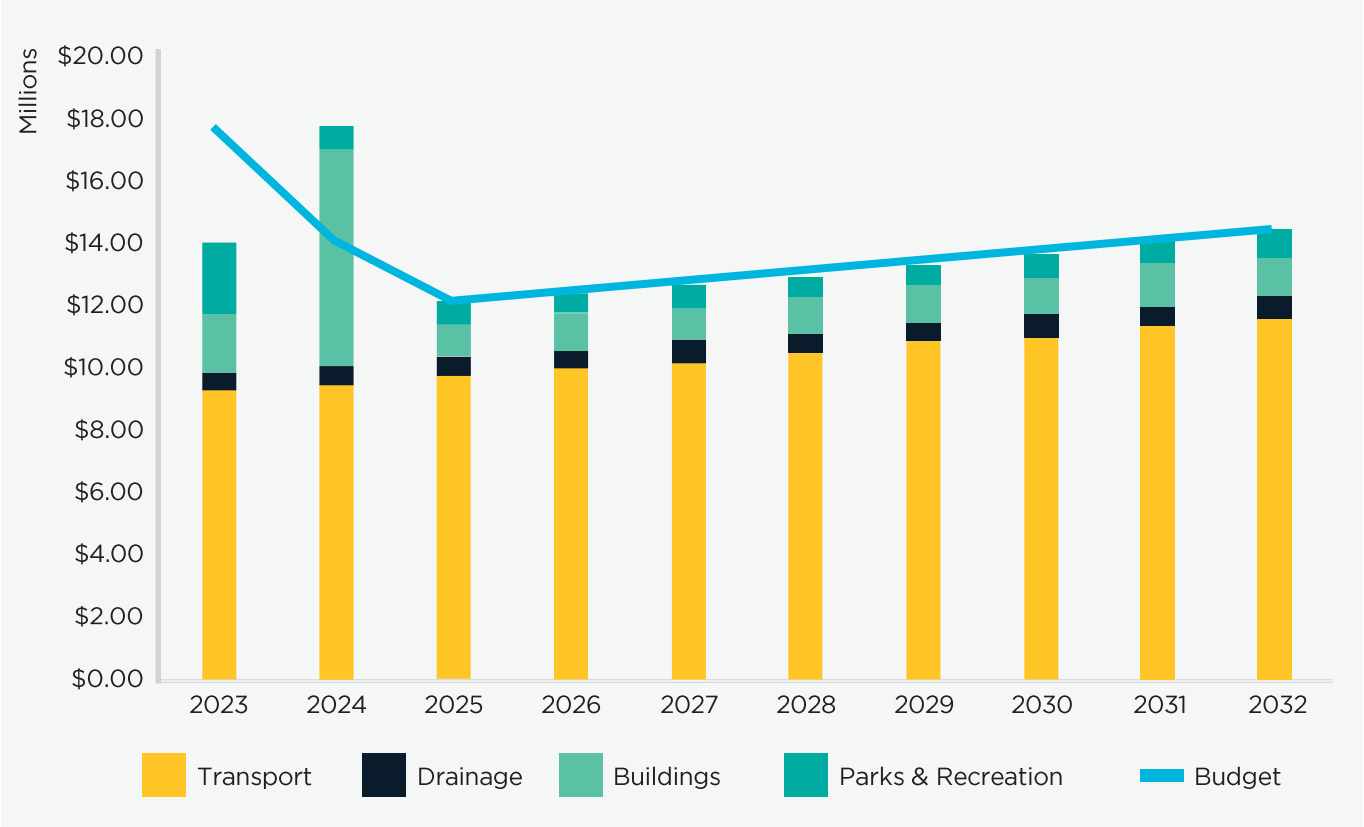
- Have a high consequence of failure
- Have a high utilisation and loss of service would have a significant impact on users
- Have the highest average age relative to their expected lives
- Are identified in the AM Plan as key cost factors
- Have high operational or maintenance costs, and
- Where replacement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

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

5.3.2 SUMMARY OF FUTURE RENEWAL AND REPLACEMENT EXPENDITURE

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock ages. The forecast expenditures have been accommodated in the organisation's long-term financial plan as shown in Fig 8. Note that all amounts are shown in real values.

FIG 8: PROJECTED CAPITAL RENEWAL AND REPLACEMENT EXPENDITURE AND LTFP OUTLAYS



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

The projected renewal and replacement program. Low priority renewal and replacement projects unable to be accommodated within the 10 year long-term financial plan have been deferred for following years (see Figure 4) to allow further consideration in updates of the AM and financial plans.

5.4 CREATION/ACQUISITION/UPGRADE PLAN

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the organisation from land development. These assets from growth are discussed in Section 4.5.

5.4.1 SELECTION CRITERIA

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

5.4.2 CAPITAL INVESTMENT STRATEGIES

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

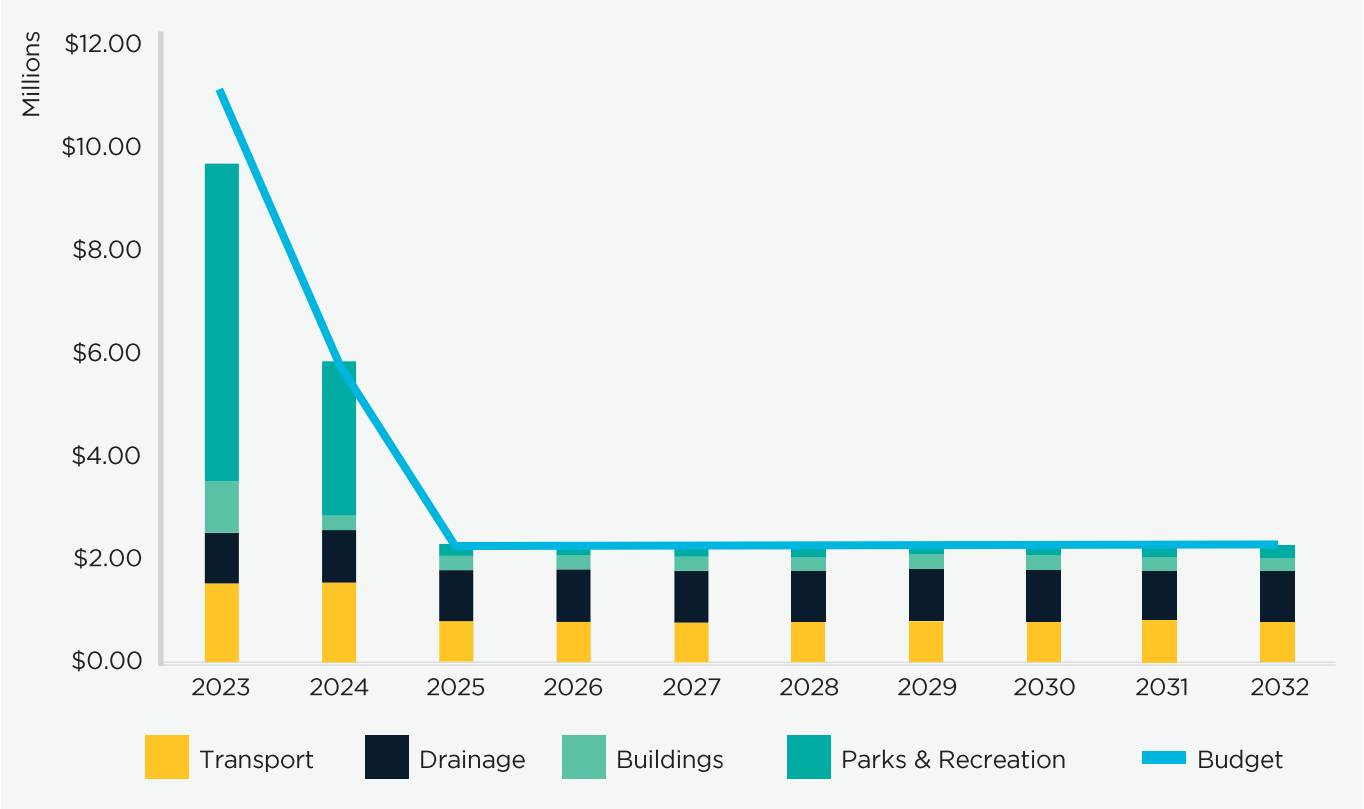
- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner
- Undertake project scoping for all Renewal projects to identify
  - the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/ new asset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

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

5.4.3 SUMMARY OF FUTURE UPGRADE/NEW ASSETS EXPENDITURE

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

FIG 9: UPGRADE/NEW ASSET EXPENDITURE AND BUDGET



The projected upgrade and new assets program. Low priority upgrade and new projects unable to be accommodated within the 10 year long-term financial plan have been deferred for following years (see Figure 4) to allow further consideration of service performance, risks and cost in updates of the AM and financial plans.

5.5 DISPOSAL PLAN

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

5.6 SERVICE CONSEQUENCES AND RISKS

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

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

Asset Management Plans have a life of 4 years and are due for complete revision and updating in FY2025/26.

5.6.1 DEFERRED INITIATIVES AND PROJECTS

There are some operational and maintenance initiatives and capital projects that have been deferred for the next 10 years. These are shown in Appendix E. The major initiatives and projects include:

- Resealing of some Rural Roads
- Re-sheeting of Gravel Roads
- Extensive new/upgrade works to meet community and key stakeholder expectations within a short timeframe.

5.6.2 SERVICE CONSEQUENCES

Operation and maintenance initiatives and capital projects that have been deferred will maintain or create service consequences for users. The major service consequences include:

- Unable to fully maintain and operate current network
- Reduced level of service for low used assets
- Sale the surplus saleable assets.

5.6.3 RISK CONSEQUENCES

The operation and maintenance initiatives and capital projects that cannot be undertaken may maintain or create risk consequences for the organisation. The major service risks include:

- Risk to person or property
- Risk of increased maintenance requirements.

These risks have been included with the Infrastructure risk management plan summarised in the relevant asset management plan and risk management plans actions and expenditures included within projected expenditures.

6. Risk Management Planning

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2009 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2009 as: 'coordinated activities to direct and control with regard to risk'.[10]

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

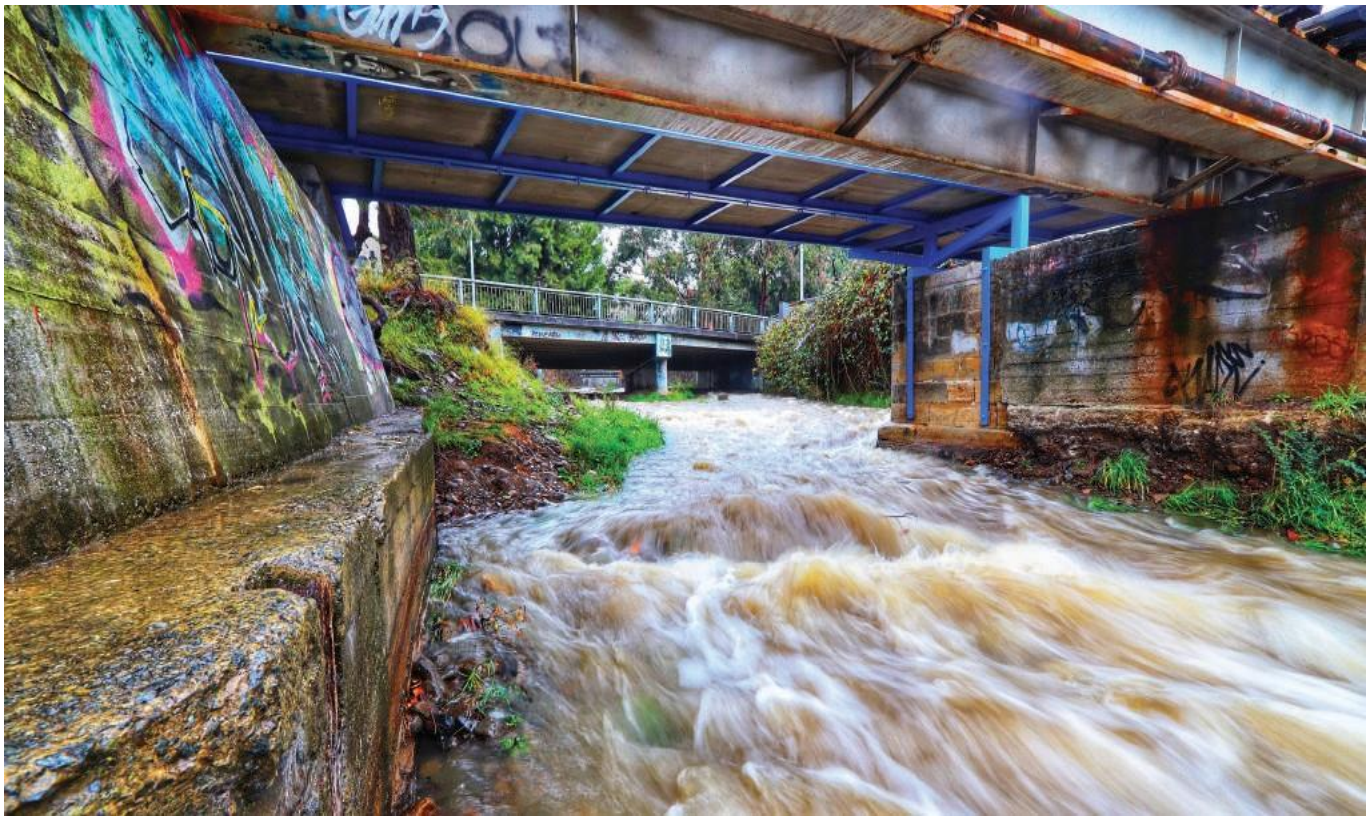
6.1 CRITICAL ASSETS

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Similarly, critical failure modes are those which have the highest consequences.

Examples if failure mode could include:

- Physical failure, collapse
- Essential service interruption.

Critical assets have been identified and their typical failure mode and the impact on service delivery are summarized in Table 6.1:



10 ISO 31000:2009, p 2

TABLE 6.1 CRITICAL ASSETS

Critical Asset(s)	Failure Mode	Impact
Roads	Deformation, potholing, cracking	• Increase costs of operation and maintenance activities • Risk to public and property
Kerbs	Displacement/ rotation/cracking	
Pathways	Displaced joints, cracking, sink holes	
Stormwater Pits & Pipes	Failure/Under capacity in stormwater pits & pipes	
Major Buildings	Failure in Major building structure / Interior / service and property site	
Play & Sports equipment	Failure in play and sports equipment	
Lighting assets	Failure in lighting structures to provide lighting services	

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

6.2 RISK ASSESSMENT

The risk management process used in this project is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of the ISO risk assessment standard ISO 31000:2009.

FIGURE 6.2 RISK MANAGEMENT PROCESS – ABRIDGED

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk, and develops a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery from infrastructure assets will identify the critical risks that will result in significant loss, 'financial shock' or a reduction in service.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and Council.

TABLE 6.2: CRITICAL RISKS AND TREATMENT PLANS

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk	Treatment Costs
All assets	Lack of community engagement - The community is not aware that Council can only provide a level of service which the community is willing to pay for through rates.	M	Undertake community engagement on the next revision of the Strategic AMP.	L	TBD
All assets	Insufficient funding for lifecycle costs - Lack of funding for renewal, upgrade, operation and maintenance will accelerate the deterioration of assets.	M	LTFMP to match funding required under the AMP.	L	TBD
All assets	Insufficient asset data and systems - Poor asset data and inefficient asset management systems leading to poor decision making.	M	Core technology review to procure new asset management systems that tie into maintenance and customer service requests.	L	TBD
All assets	Inherited substandard assets - Inherited substandard assets from subdivisions and third parties leading to increased maintenance costs and potential liability claims.	M	Work with planning department to ensure adequate compliance inspections are carried out.	L	TBD
All assets	Insufficient workforce capacity - Workforce capacity doesn't meet the requirements of the agreed levels of service.	L	Outsourcing of resealing, concrete, and more complex projects.	L	TBD

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

6.3 INFRASTRUCTURE RESILIENCE APPROACH

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

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

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan.

6.4 SERVICE AND RISK TRADE-OFFS

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

6.4.1 WHAT WE CANNOT DO

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

- Extensive new works
- Resealing of some rural roads
- Re-sheeting of gravel roads.

6.4.2 SERVICE TRADE-OFF

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

- Reduced level of service for low used assets
- Disposal or Sale the surplus saleable assets.

Council has made the following rules when making service trade off decisions:

- Always consider the asset hierarchy and high used area, not necessarily the worst first
- Always consider operations and maintenance costs when implementing the new projects with consideration of whole life costs and ensure services provided to an affordable standard
- Engage with the community on level of service to ensure fair and transparent use of ratepayer funds
- Prevent assets from declining rapidly due to overly delayed maintenance decisions/delivery and ensure decision making is catering for current and future demand.

6.4.3 RISK TRADE-OFF

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

- Risk to the safety to public and property
- Risk to not compliance with relevant legislation and regulation.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7. Financial Summary

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

7.1 FINANCIAL INDICATORS AND PROJECTIONS

Asset Renewal Funding Ratio

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

7.2 FUNDING STRATEGY

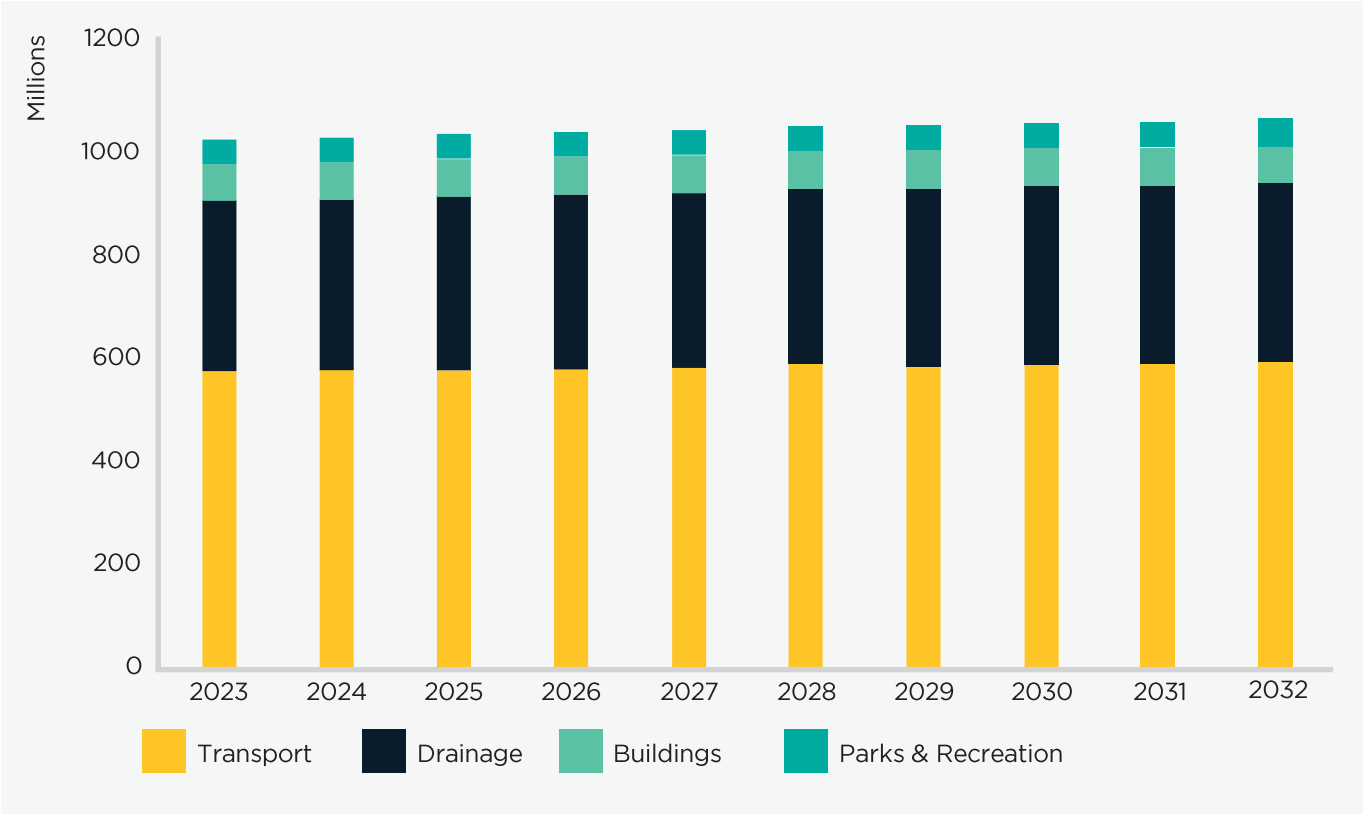
The funding strategy to provide the services covered by this strategic asset management plan and supporting asset management plans are contained within the organisation's 10 year long term financial plan.

The funding strategy was developed in conjunction with the AM Plans and long-term financial plan. We recognise that we are unable to meet all service demand, have reviewed all service needs and demands and agreed on a trade-off of projects and initiatives to balance service performance, risk and costs.

7.3 VALUATION FORECASTS

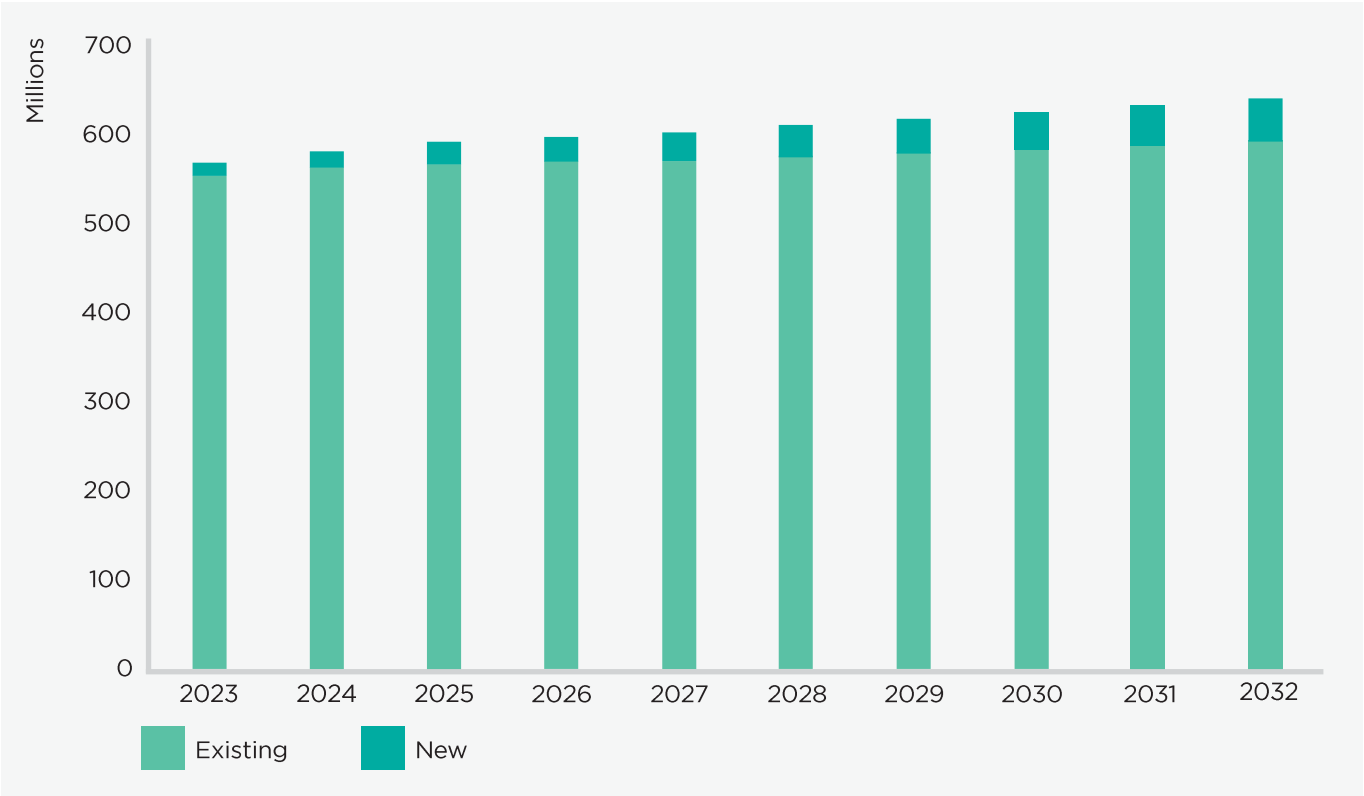
Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by the organisation and from assets constructed by land developers and others and donated to the organisation. Figure 10 shows the projected replacement cost asset values over the planning period in real values.

FIGURE 10: PROJECTED ASSET VALUES



The depreciated replacement cost will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown in Figure 11. The depreciated replacement cost of contributed and new assets is shown in the darker colour and in the lighter colour for existing assets.[11]

FIGURE 11: PROJECTED DEPRECIATED REPLACEMENT COST



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

An increase in the projected depreciated replacement cost (carrying value) of infrastructure assets indicates that the Council is maintaining/increasing its infrastructure capital in aggregate.
The projection for new and contributed assets is shown by the dark green colour.

Figure 11 indicates that we are maintaining our infrastructure capital over the 10-year period.

7.4 KEY ASSUMPTIONS MADE IN FINANCIAL FORECASTS

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

Key assumptions made in this asset management plan and risks that these may change are shown in Table 6.4.

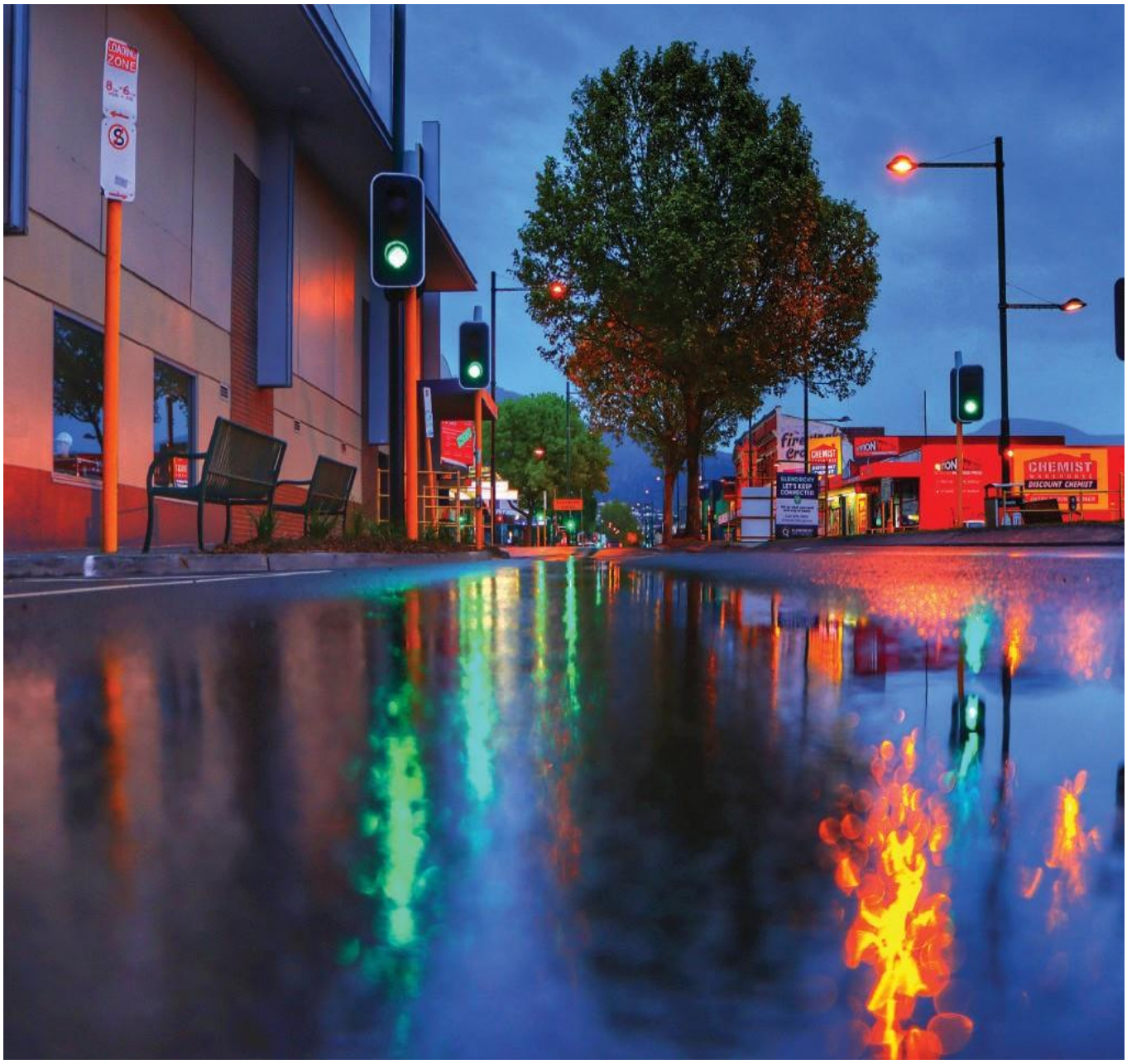


TABLE 6.4: KEY ASSUMPTIONS MADE IN STRATEGIC ASSET MANAGEMENT PLAN AND RISKS OF CHANGE

Key Assumptions	Risks of Change to Assumptions
Use of existing inventory data	Low
Use of existing valuations, useful lives and remaining lives	Moderate
Use of LTFP data as developed and updated in FY22/23	Low

7.5 FORECAST RELIABILITY AND CONFIDENCE

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

The estimated confidence level for and reliability of data used in this strategic asset management plan is shown in Table 6.5.

TABLE 6.5: DATA CONFIDENCE ASSESSMENT

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

TABLE 6.5.1: DATA CONFIDENCE ASSESSMENT FOR AM PLANS SUMMARISED IN STRATEGIC AM PLAN

AM Plan	Confidence Assessment	Comment
Transport	Reliable	Good network data, condition, and replacement rate. Further work required on year of construction for all assets (work has commenced on some suburbs).
Drainage	Uncertain	Good network data and replacement rate. Further work required on identifying the condition of the assets and upgrades due to capacity issues.
Buildings	Uncertain	Reasonable asset data but uncertain of some of the 'construction date', useful life and condition data. Planned inspection in late 2022 will improve strategic data attributes.
Parks & Recreation	Uncertain	Reasonable asset data but uncertain of some of the 'construction date', useful life and condition data. Planned inspection in Financial Year 2023 will improve strategic data attributes.

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

Actions to mitigate the adverse effects of data quality are included within Table 7.2 Improvement Plan.

8. Plan Improvement and Monitoring

8.1 STATUS OF ASSET MANAGEMENT PRACTICES

This SAMP will be reviewed during annual budget planning processes and amended to show any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The key figures presented in this SAMP Plan will be reviewed and updated, if required, to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the long-term financial plan.

8.2 IMPROVEMENT PLAN

The asset management improvement tasks identified from an asset management maturity assessment and preparation of this strategic asset management plan are shown in Table 7.2.

TABLE 7.2: IMPROVEMENT PLAN

Task No	Improvement Type	Asset Management Improvement Plan	Responsibility	Timeline
1	**Policy, Strategy and Plan**	Develop Strategic Asset Management Plan 2023-2032 (including Asset Strategy) and have it adopted by Council.	Infrastructure Engineering Design	2022-2023
2	**Policy, Strategy and Plan**	Review predictive modelling and develop digital dashboards for four major classes.	Infrastructure Engineering Design	2024-2025
3	**Policy, Strategy and Plan**	Annually review relevant data for four major asset classes and link with Long-Term Financial Management Plan (LTFMP) and incorporate Year 1 of revenue and expenditure projections into annual budgets.	Infrastructure Engineering Design, Property, Environment and Waste, Finance	Ongoing
4	**Governance and Management**	Infrastructure Management Group (IMG) to be functioned as an 'Advisory' group to ensure the Council's asset management alignment with the key strategic asset management objectives, monitor the progress of the improvement plan and present the progress of the improvement plan in a report format to ELT annually.	Infrastructure Management Group (IMG)	Monthly
5	**Level of Service**	Review and endorse maintenance service levels manual.	Work Centre	Following adoption of a new core technology system
6	**Level of Service**	Consult the community in terms of the Technical/Community Level of service (obtain results from Council's Community engagement tool).	Infrastructure Engineering Design	2022-2023

Task No	Improvement Type	Asset Management Improvement Plan	Responsibility	Timeline
7	**Data and System**	Improve asset data quality (attribute, condition, useful life, and unit costs, maintenance history etc.).	Infrastructure Engineering Design, Property, Environment and Waste, Work Centre	Ongoing
8	**Data and System**	As part of the core technology review, ensure Asset Management System is integrated with other corporate knowledge systems such as the GIS, finance etc.	Infrastructure Engineering Design, Work Centre, ICT, Finance	Ongoing
9	**Skill and Process**	Develop Condition/revaluation specifications for four major asset classes, ensuring alignment to Council policies and relevant IPWEA practice notes. Condition assessment and asset revaluation will follow 4-year cycle.	Infrastructure Engineering Design	2023-2024
10	**Skill and Process**	Develop the asset management skills matrix for asset related positions. Annually review the skill and knowledge requirements and identify the training schedules in staff's Learning and Development Plan. Contingency plans in place to ensure continuity of activities when staff turnover occurs.	Infrastructure Engineering Design	2024-2025
11	**Skill and Process**	Promote the awareness of asset management principals across the organisation, including Alderman, and highlight the importance of funding asset renewals.	Infrastructure Engineering Design	2023-2024
12	**Skill and Process**	Ensure asset management is considered in the Point of Entry process for major projects creating new assets .	Point of Entry Review Group	2022-2023
13	**Skill and Process**	Develop Business Process Manuals (BPM) for each major asset classes, ensuring alignment to Council policies.	Infrastructure Engineering Design	2024-2025
14	**Evaluation**	Technical/Community levels of service are monitored, and performance reported. Monitor and review the Technical/ Community levels of service by conducting GCC customer satisfactory survey via Council's community engagement tool.	Infrastructure Engineering Design	Every four years

8.3 MONITORING AND REVIEW PROCEDURES

The strategic asset management plan has a life of 4 years (Council/Board election cycle) and is due for complete revision and updating within FY2025/26 of each Council/Board election.

8.4 PERFORMANCE MEASURES

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

- The degree to which the required projected expenditures identified in this strategic asset management plan are incorporated into the organisation's long term financial management plan
- The degree to which 1-4 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the summarised asset management plans
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the organisation's Strategic Plan and associated plans
- The Asset Renewal Funding Ratio achieving the target of 90 - 100%. The asset condition for four major asset classes in 10-30 years will be maintained as 'fair' condition, which is '3'.

9. References

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Glenorchy City Council, Long Term Financial Plan June 2022 Update

Glenorchy City Council, 2022, 'Asset Management Policy'

10. Appendix

Appendix A Summary Customer and Technical Levels of Service

Appendix B Projected 10-year Operation and Maintenance Expenditures

Appendix C Projected 10-year Capital Acquisition and Renewal/Replacement Expenditures

Appendix D Projected 4-year Detailed Capital Acquisition and Renewal/Replacement Works Programs

Appendix E Asset Revaluation and Annual reviews

Appendix F Asset Management Definitions

APPENDIX A SUMMARY CUSTOMER AND TECHNICAL LEVELS OF SERVICE

TABLE A1.1: SUMMARY CUSTOMER LEVELS OF SERVICE – TRANSPORT ASSET CLASS

Type of Measure	Level of Service	Performance Measure	Current Performance	Desired Performance*
CUSTOMER LEVELS OF SERVICE				
Quality/ Function/ Capacity and Use	Provision and maintenance of local roads/bridges Management of local traffic Provision of adequate / affordable parking	Future direction and budget survey	3.61	3.00
	Provision and maintenance of footpaths / pedestrian areas Provision and maintenance of cycle paths	Future direction and budget survey	3.30	3.00

*Very Happy (1 score); Happy (2 scores); Neutral (3 scores); Fairly Happy (4 scores); Not Happy (5 scores)

TABLE A1.2: SUMMARY TECHNICAL LEVELS OF SERVICE – TRANSPORT ASSET CLASS

Type of Measure	Level of Service	Performance Measure	Current Performance	Desired Performance
TECHNICAL LEVEL OF SERVICE				
Operation and Maintenance	Transport assets are maintained to agreed service level targets	Number of Customer Requests	Number of Customer Requests is 1096	Number of Customer Requests to be decreased by 10%
Renewal	Transport assets are renewed to agreed service levels	Condition assessment	Overall condition Index is 2.82	Overall condition Index to be in condition 3 (out of 5) or better in year 30
Upgrade and New	Transport assets capacity and function match usage	Council Strategies	Projects guided by Black Spot and VRUP grant funding	Transport assets upgrade and expansion are guided by Council strategies with consideration of full lifecycle cost

TABLE A2.1: SUMMARY TECHNICAL LEVELS OF SERVICE – DRAINAGE ASSET CLASS

Type of Measure	Level of Service	Performance Measure	Current Performance	Desired Performance*
CUSTOMER LEVELS OF SERVICE				
Quality/ Function/ Capacity and Use	Provide effective Drains / Stormwater maintenance and repairs	Future direction and budget survey	2.84	2.50

*Very Happy (1 score); Happy (2 scores); Neutral (3 scores); Fairly Happy (4 scores); Not Happy (5 scores)

TABLE A2.2: SUMMARY TECHNICAL LEVELS OF SERVICE – DRAINAGE ASSET CLASS

Type of Measure	Level of Service	Performance Measure	Current Performance	Desired Performance
TECHNICAL LEVEL OF SERVICE				
Operation and Maintenance	Drainage assets are maintained to agreed service level targets	Number of Customer Requests	Number of Customer Requests is 326	Number of Customer Requests to be decreased by 10%
Renewal	Renew Drainage assets based on condition, capacity, and risk data	Condition assessment	Overall condition Index is 2.06	Overall condition Index to be in condition 3 (out of 5) or better in year 30
Upgrade and New	Drainage assets capacity and function match usage	Council Strategies	Projects guided by reactive flooding issues	Drainage assets upgrade and expansion are guided by Stormwater System Management Plan (SSMP) with consideration of full lifecycle cost

TABLE A3.1: SUMMARY CUSTOMER LEVELS OF SERVICE – BUILDINGS ASSET CLASS

Type of Measure	Level of Service	Performance Measure	Current Performance	Desired Performance*
CUSTOMER LEVELS OF SERVICE				
Quality/ Function/ Capacity and Use	Provision and maintenance of public art Provision and maintenance of public toilets Provision and maintenance of Recreation / Aquatic Centres / sporting facilities	Future direction and budget survey	2.88	2.50

*Very Happy (1 score); Happy (2 scores); Neutral (3 scores); Fairly Happy (4 scores); Not Happy (5 scores)

TABLE A3.2: SUMMARY TECHNICAL LEVELS OF SERVICE – BUILDINGS ASSET CLASS

Type of Measure	Level of Service	Performance Measure	Current Performance	Desired Performance
TECHNICAL LEVEL OF SERVICE				
Operation and Maintenance/	Building assets are maintained to agreed service level targets	Number of Customer Requests	Number of Customer Requests is 47	Number of Customer Requests to be decreased by 10%
Renewal	Renew Building assets based on condition, capacity and risk data	Condition assessment	Overall condition Index is 2.23	Overall condition Index to be in condition 3 (out of 5) or better in year 30
Upgrade and New	Building assets capacity and function match usage	Council Strategies	Projects guided by Council strategies	Building assets upgrade and expansion are guided by Council strategies with consideration of full lifecycle cost

TABLE A4.1: SUMMARY CUSTOMER LEVELS OF SERVICE – PARK & RECREATION ASSET CLASS

Type of Measure	Level of Service	Performance Measure	Current Performance	Desired Performance
CUSTOMER LEVELS OF SERVICE				
Quality/ Function/ Capacity and Use	Recreation / Aquatic Centres / sporting facilities The maintenance and cleaning of public areas Provision and maintenance of parks, gardens, and playgrounds Lighting	Future direction and budget survey	3.58	3.00
	Landfill and waste management facilities	Future direction and budget survey	3.06	3.00

*Very Happy (1 score); Happy (2 scores); Neutral (3 scores); Fairly Happy (4 scores); Not Happy (5 scores)

TABLE A4.2: SUMMARY TECHNICAL LEVELS OF SERVICE – PARK & RECREATION ASSET CLASS

Type of Measure	Level of Service	Performance Measure	Current Performance	Desired Performance
TECHNICAL LEVEL OF SERVICE				
Operation and Maintenance/	Park & Recreation assets are maintained to agreed service level targets	Number of Customer Requests	Number of Customer Requests is 293	Number of Customer Requests to be decreased by 10%
Renewal	Renew Park & Recreation assets based on condition, capacity and risk data	Condition assessment	Overall condition Index is 2.86	Overall condition Index to be in condition 3 (out of 5) or better in year 30
Upgrade and New	Park & Recreation assets capacity and function match usage	Council Strategies	Projects guided by Council strategies	Park & Recreation assets upgrade and expansion are guided by Council strategies with consideration of full lifecycle cost

APPENDIX B PROJECTED 10-YEAR OPERATION AND MAINTENANCE EXPENDITURE

TABLE B1 PROJECTED 10-YEAR OPERATION AND MAINTENANCE EXPENDITURES INCLUDED IN THE LONG-TERM FINANCIAL PLAN FOR FOUR MAJOR ASSET CLASSES

Year	Transport $		Drainage $		Buildings $		Park and Recreation $	
	Operation	Maintenance	Operation	Maintenance	Operation	Maintenance	Operation	Maintenance
2023	$865,906	$2,941,946	$136,261	$603,224	$2,923,771	$800,173	$2,179,191	$2,311,964
2024	$902,473	$3,066,182	$145,680	$644,921	$3,005,097	$822,272	$2,246,383	$2,383,250
2025	$932,508	$3,168,227	$155,342	$687,696	$3,090,225	$845,440	$2,311,477	$2,452,310
2026	$963,354	$3,273,027	$165,254	$731,576	$3,177,684	$869,237	$2,378,448	$2,523,361
2027	$995,033	$3,380,658	$175,422	$776,591	$3,267,539	$893,680	$2,447,350	$2,596,462
2028	$1,027,567	$3,491,195	$185,853	$822,769	$3,359,855	$918,786	$2,518,241	$2,671,672
2029	$1,060,981	$3,604,719	$196,554	$870,141	$3,454,701	$944,573	$2,591,177	$2,749,051
2030	$1,095,297	$3,721,310	$207,531	$918,737	$3,552,146	$971,061	$2,666,217	$2,828,663
2031	$1,130,541	$3,841,052	$218,792	$968,591	$3,652,263	$998,268	$2,743,423	$2,910,573
2032	$1,166,738	$3,964,032	$230,345	$1,019,733	$3,755,124	$1,026,214	$2,822,857	$2,994,847

TABLE B2 PROJECTED 10-YEAR OPERATION AND MAINTENANCE COSTS FROM RELEVANT ASSET MANAGEMENT PLANS FOR FOUR MAJOR ASSET CLASSES

Year	Transport $		Drainage $		Buildings $		Park and Recreation $	
	Operation	Maintenance	Operation	Maintenance	Operation	Maintenance	Operation	Maintenance
2023	$877,797	$2,982,344	$141,265	$625,376	$2,936,129	$803,406	$2,255,681	$2,393,115
2024	$918,343	$3,120,102	$155,084	$686,556	$3,030,102	$829,119	$2,373,864	$2,518,498
2025	$955,842	$3,261,993	$169,319	$749,571	$3,126,894	$855,604	$2,447,506	$2,596,627
2026	$994,466	$3,393,654	$183,980	$814,476	$3,226,589	$882,884	$2,523,357	$2,677,100
2027	$1,034,249	$3,529,265	$199,081	$881,329	$3,329,276	$910,982	$2,601,484	$2,759,987
2028	$1,075,225	$3,668,944	$214,635	$950,187	$3,435,043	$939,922	$2,681,955	$2,845,360
2029	$1,117,431	$3,812,813	$230,656	$1,021,111	$3,543,983	$969,731	$2,764,839	$2,933,295
2030	$1,160,903	$3,960,999	$247,157	$1,094,162	$3,656,191	$1,000,435	$2,850,211	$3,023,868
2031	$1,205,678	$4,113,630	$264,154	$1,169,405	$3,771,765	$1,032,059	$2,938,143	$3,117,158
2032	$1,251,798	$4,270,840	$281,660	$1,246,906	$3,890,807	$1,064,632	$3,028,714	$3,213,246

APPENDIX C PROJECTED 10-YEAR CAPITAL ACQUISITION (NEW/ UPGRADE) AND RENEWAL/REPLACEMENT PROGRAM

TABLE C1 PROJECTED 10-YEAR CAPITAL NEW/UPGRADE AND RENEWAL AND REPLACEMENT EXPENDITURES INCLUDED IN THE LONG-TERM FINANCIAL PLAN FOR FOUR MAJOR ASSET CLASSES

Year	Transport $		Drainage $		Buildings $		Park and Recreation $	
	Acquisition	Renewal	Acquisition	Renewal	Acquisition	Renewal	Acquisition	Renewal
2023	$480,000	$7,984,000	$695,000	$825,000	$1,276,808	$4,136,902	$8,480,192	$4,592,098
2024	$3,150,000	$9,456,000	$980,000	$534,000	$154,408	$3,685,600	$1,525,592	$367,400
2025	$750,000	$9,692,000	$980,000	$549,000	$300,000	$1,076,364	$200,000	$699,636
2026	$750,000	$9,934,000	$980,000	$563,000	$300,000	$1,103,636	$200,000	$717,364
2027	$750,000	$10,183,000	$980,000	$577,000	$300,000	$1,130,909	$200,000	$735,091
2028	$750,000	$10,437,000	$980,000	$591,000	$300,000	$1,160,000	$200,000	$754,000
2029	$750,000	$10,698,000	$980,000	$606,000	$300,000	$1,189,091	$200,000	$772,909
2030	$750,000	$10,966,000	$980,000	$621,000	$300,000	$1,218,182	$200,000	$791,818
2031	$750,000	$11,240,000	$980,000	$637,000	$300,000	$1,249,091	$200,000	$811,909
2032	$750,000	$11,521,000	$980,000	$653,000	$300,000	$1,280,000	$200,000	$832,000

TABLE C2 PROJECTED 10-YEAR CAPITAL NEW/UPGRADE AND RENEWAL AND REPLACEMENT PROGRAM FROM RELEVANT ASSET MANAGEMENT PLANS FOR FOUR MAJOR ASSET CLASSES

Year	Transport $		Drainage $		Buildings $		Park and Recreation $	
	Acquisition	Renewal	Acquisition	Renewal	Acquisition	Renewal	Acquisition	Renewal
2023	$1,500,000	$9,225,000	$980,000	$522,750	$935,000	$1,932,375	$6,210,000	$2,145,000
2024	$1,500,000	$9,455,625	$980,000	$535,819	$300,000	$6,850,625	$2,964,075	$682,906
2025	$750,000	$9,692,016	$980,000	$549,214	$300,000	$1,076,891	$200,000	$699,979
2026	$750,000	$9,934,316	$980,000	$562,945	$300,000	$1,103,813	$200,000	$717,478
2027	$750,000	$10,182,674	$980,000	$577,018	$300,000	$1,131,408	$200,000	$735,415
2028	$750,000	$10,437,241	$980,000	$591,444	$300,000	$1,159,693	$200,000	$753,801
2029	$750,000	$10,698,172	$980,000	$606,230	$300,000	$1,188,686	$200,000	$772,646
2030	$750,000	$10,965,626	$980,000	$621,385	$300,000	$1,218,403	$200,000	$791,962
2031	$750,000	$11,239,767	$980,000	$636,920	$300,000	$1,248,863	$200,000	$811,761
2032	$750,000	$11,520,761	$980,000	$652,843	$300,000	$1,280,085	$200,000	$832,055

APPENDIX D PROJECTED 4-YEAR DETAILED CAPITAL ACQUISITION (NEW/ UPGRADE) AND RENEWAL/REPLACEMENT PROGRAMS

TABLE D1 TRANSPORT ASSET CLASS - (ASSET OWNER: MANAGER INFRASTRUCTURE, ENGINEERING & DESIGN)

	FY2023		FY2024		FY2025		FY2026	
Normal Capital Work Program	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**
PTT - New footpath and cycleway construction	500,000		500,000		500,000		500,000	
RUS - Road User Safety Improvements	250,000		250,000		250,000		250,000	
RR - Road Resurfacing		3,000,000		3,000,000		3,000,000		3,000,000
FR - Footpath Renewal		2,500,000		2,500,000		2,500,000		2,500,000
PR - Pavement Rehabilitation		3,225,000		3,455,625		3,692,016		3,934,316
BSL - Bridge and Street Lighting Renewal		150,000		150,000		150,000		150,000
HP - Heavy Patching		350,000		350,000		350,000		350,000
Sub Total for Normal Capital Work Program	750,000	9,225,000	750,000	9,455,625	750,000	9,692,016	750,000	9,934,316
	FY2023		**FY2024**		**FY2025**		**FY2026**	
Grant Capital Work Program	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**
Sub Total for Grant Capital Work Program	750,000		750,000					
Sub Total for Transport Asset Class	1,500,000	9,225,000	1,500,000	9,455,625	750,000	9,692,016	750,000	9,934,316
Total for Transport Asset Class	**10,725,000**		**10,955,625**		**10,442,016**		**10,684,316**	

TABLE D2 DRAINAGE ASSET CLASS - (ASSET OWNER: MANAGER INFRASTRUCTURE, ENGINEERING & DESIGN)

	FY2023		FY2024		FY2025		FY2026	
Normal Capital Work Program	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**
Flood Mitigation and System Upgrade	680,000		680,000		680,000		680,000	
Service Extension	300,000		300,000		300,000		300,000	
Stormwater Asset Renewal		522,750		535,819		549,214		562,944
Sub Total for normal capital work program	980,000	522,750	980,000	535,819	980,000	548,214	980,000	562,944
Total for Drainage capital work program	**1,502,750**		**1,515,819**		**1,529,214**		**1,542,945**	

TABLE D3 BUILDINGS ASSET CLASS - (ASSET OWNER: MANAGER PROPERTY, ENVIRONMENT AND WASTE)

	FY2023		FY2024		FY2025		FY2026	
Normal Capital Work Program	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**
PTU - Public Toilet Upgrades		460,000		550,625		576,691		603,813
FSG - Facilities and Sports Grounds	40,000	137,375	100,000	300,000	100,000	300,000	100,000	300,000
CB - Commercial Buildings	70,000	360,000	200,000	250,625	200,000	276,891	200,000	303,813
Sub Total for Normal Capital Work Program	110,000	957,375	300,000	1,050,625	300,000	1,076,891	300,000	1,103,813
	FY2023		**FY2024**		**FY2025**		**FY2026**	
Grant Capital Work Program	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**
Sub Total for Grant Capital Work Program	825,000	975,000		5,800,000				
Sub Total for Buildings capital program	935,000	1,932,375	300,000	6,850,625	300,000	1,076,891	300,000	1,103,813
Total for Buildings Asset Class	**2,867,375**		**7,150,625**		**1,376,891**		**1,403,813**	

TABLE D4 PARK & RECREATION ASSET CLASS - (ASSET OWNER: MANAGER PROPERTY, ENVIRONMENT AND WASTE)

	FY2023		FY2024		FY2025		FY2026	
Normal Capital Work Program	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**
P&R - Parks and Reserves – Playspace renewal		345,000		422,906		439,979		457,478
P&R - Parks and Reserves – Signage	10,000	40,000	10,000	40,000	10,000	40,000	10,000	40,000
P&R - Parks and Reserves – Fencing and gates	20,000	80,000	20,000	90,000	20,000	90,000	10,000	80,000
P&R - Parks and Reserves – Seating and tables	10,000	40,000	10,000	80,000	10,000	80,000	20,000	90,000
T&T - Tracks and trails			160,000	50,000	160,000	50,000	160,000	50,000
Sub Total for normal capital work program	40,000	505,000	200,000	682,906	200,000	699,799	200,000	717,478
	FY2023		**FY2024**		**FY2025**		**FY2026**	
Federal/State Government Grant Capital Work Program	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**	**New / Upgrade**	**Renewal**
Sub Total for grant capital work program	6,170,000	1,640,000	2,764,075					
Sub Total for Park & Recreation capital program	6,210,000	2,145,000	2,964,075	682,906	200,000	699,799	200,000	717,478
Total for Park & Recreation capital program	**8,355,000**		**3,646,981**		**899,979**		**917,478**	

APPENDIX E ASSET REVALUATION AND ANNUAL REVIEWS

The following detail outlines Glenorchy City Council's approach to asset revaluations.

Fair Value - subsequent to the initial recognition of assets, non-current physical assets, other than Land Improvements, Plant and Equipment, Heritage and Intangibles, are measured at their fair value in accordance with AASB 116 Property, Plant & Equipment and AASB 13 Fair Value Measurement.

Council reviews the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximates its fair value. Where the carrying value materially differs from the fair value at balance date, this would lead to a revaluation of this asset class.

In addition, Council undertakes a formal revaluation of asset classes, measured on the fair value basis on a four-year rolling cycle. The valuation is performed either by experienced Council officers or independent experts. The cost of acquisitions and capital works during the year is considered to represent their fair value.

Council annually reviews indicators that lead to the asset carrying value to materially differs from the fair value.

The following indicators may require a revaluation out of the ordinary cycle:

- Material changes in costs
- Material changes to an index (ABS, CCI)
- Unexpected and significant natural disaster.

Asset Classes revalued on a four cycle as detailed below (notwithstanding the effect of indicators):

- 2022-2023
  - Building Asset Class
  - Park & Recreation Asset Class
- 2023-2024
  - No Revaluation
- 2024-2025
  - Drainage Asset Class
- 2025-2026
  - Transport Asset Class.

Detail annual review process is guided by Glenorchy City Council Asset Annual Review Guideline that was developed by the following the recommendations from LGAT Financial Sustainability Practice Summary 14.

APPENDIX F ASSET MANAGEMENT DEFINITIONS

The following definitions are to be read in conjunction with this and other Council asset management documents including the Asset Management Policy and Asset Management Plans.

INFRASTRUCTURE ASSETS

Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths, and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed, or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

NON-CURRENT ASSETS

Assets with a service life exceeding one year. For local government this includes roads, bridges, footpaths, stormwater, recreational buildings and facilities, computer software, plant and equipment, and intellectual property.

MAINTENANCE

All actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

RENEWAL/REFURBISHMENT

Restores, rehabilitates, replaces existing asset to its original capacity, e.g. gravel resheets. See Capital expenditure - renewal.

CAPITAL EXPENDITURE - RENEWAL

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service capacity, it generally has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, e.g. resurfacing a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

UPGRADE/NEW

Upgrade enhancements to an existing asset to provide higher levels of service, e.g. widen a sealed road. New assets are created to meet additional service level requirements, e.g. a new building.

CAPITAL EXPENDITURE - UPGRADE

Expenditure, which replaces a previously existing asset with enhanced capability or function, where an option existed for replacement without the enhanced capability or functionality. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the organisation's asset base, e.g. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

CAPITAL EXPENDITURE - NEW

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

"WHOLE OF LIFE" OR "LIFE CYCLE COST"

Includes all costs associated with the ownership of an asset that allows it to continue to function and meet service needs over its life or even multiple iterations including planning, creation, operations, maintenance, depreciation, renewal, and disposal. If asset planning is limited to a single phase such as creation, decisions may not take into account long-term issues and the ongoing cost to the community.

SERVICE LEVELS (LEVELS OF SERVICE)

Services are the reason for having assets. Levels of Service are outcomes that Council delivers to the community which are not limited to safety, customer satisfaction, quality, capacity, reliability, availability, and costs which meet the organisations social, political, economic, and environmental objectives. Service levels can be measurable, helping inform councils defined service quality and identify opportunities. A large proportion of Council's annual budget is spent on delivering services to the community.

USEFUL LIFE

The period over which an asset is expected to be available for use by an entity. It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the entity.

DEPRECIATION

The systematic allocation of the depreciable amount of an asset over its useful life and recognises the consumption of economic benefit of the asset.

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