

# Tasman Council



## ASSET MANAGEMENT STRATEGY

**Version 2.0**

**April 2022**

**Resolution 13/04.2022/C**

Document Control		NAMS.PLUS Asset Management <a href="http://www.ipwea.org/namsplus">www.ipwea.org/namsplus</a>		 	
Document ID: 140527 nams.plus3 core am strategy template v1.1					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1.0	June 2017	Version 1.0	CPR	RH	RH
	June 2017	Version 1.1	CPR	RH	Council
	November 2017	Version 1.2	CPR	RH	RH
2.0	April 2022	Version 2.0	GB	KH	Council

NAMS.PLUS Asset Management

The Institute of Public Works Engineering Australasia.

[www.ipwea.org/namsplus](http://www.ipwea.org/namsplus)

© Copyright 2012 – All rights reserved.

## Table of Contents

Contents.....	1
Tables.....	1
Figures.....	1
Executive Summary.....	1
1. Introduction .....	3
1.1 Legislative reform .....	4
1.2 Asset Management Planning Process .....	5
2. What Assets do we have? .....	5
3. Council’s Assets and their management? .....	6
3.1 State of the Assets .....	6
3.2 Life Cycle Cost .....	8
3.3 Asset Management Structure .....	10
3.4 Corporate Asset Management Team.....	11
3.5 Financial & Asset Management Core Competencies.....	11
3.6 Strategy Outlook .....	12
4. Where do we want to be? .....	12
4.1 Council’s Vision, Mission, Goals and Objectives .....	12
4.2 Asset Management Policy.....	14
4.3 Asset Management Vision .....	14
5. How will we get there? .....	16
6. Asset Management Improvement Plan .....	17

## Tables

Table 1: Assets used for providing Services.....	5
Table 2: Financial Status of the Assets.....	6
Table 3: Life Cycle Cost for Council Services .....	8
Table 4: Life Cycle Expenditure for Council Services .....	9
Table 5: Life Cycle Indicators.....	9
Table 6: Goals and Objectives for Infrastructure Services.....	<b>Error! Bookmark not defined.</b>
Table 7: Asset Management Strategies .....	16
Table 8: Asset Management Improvement Plan .....	17

## Figures

Figure 1: Asset Replacement Values.....	6
Figure 2: Asset Consumption Ratio.....	7
Figure 3: Asset Condition Profile.....	8

This page is left intentionally blank

## Executive Summary

This asset management strategy is prepared to assist council in improving the way it delivers services from infrastructure including roads, bridges, footpaths, stormwater drainage, parks and recreation, buildings and plant. These infrastructure assets have a replacement value of \$95,013,000.

The asset management strategy is to enable Council to show:

- how its asset portfolio will meet the service delivery needs of its community into the future,
- enable Council's asset management policies to be achieved, and
- ensure the integration of Council's asset management with its long-term strategic plan.<sup>1</sup>

Adopting this asset management strategy will assist council in meeting the requirements of national sustainability frameworks, the *Local Government Act 1993* and providing services needed by the community in a financially sustainable manner.

The asset management strategy is prepared following a review of the council's service delivery practices, financial sustainability indicators, asset management maturity and fit with council's vision for the future outlined in the Tasman Council Strategic Plan. The strategy outlines an asset management improvement plan detailing a program of tasks to be completed and resources required to bring council to a minimum 'core' level of asset maturity and competence.

### Strategy Outlook

Council is capable of maintaining the current level of service to its residents and visitors in the medium term, provided that a responsible and sustainable approach is taken by Council to asset management and investment into the future.

Council will continue to improve its asset management maturity level by completing the steps outlined in 'table 8' of this document.

### Asset Management Strategies

No	Strategy	Desired Outcome
1	Continue to move from Annual Budgeting to Long Term Financial Planning	The long-term implications of Council services are considered in annual budget deliberations.
2	Develop and annually review Asset Management Plans 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.
3	Update Long Term Financial Plan covering 20 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.

<sup>1</sup> LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

4	Incorporate Year 1 of Long-Term Financial Plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations.
5	Review and update asset management plans and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
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 2 years.	Improved financial and asset management capacity within Council.

#### *Asset Management Improvement Plan*

The program of tasks and resources required to achieve a minimum 'core' asset management maturity was developed in the asset management strategy. The tasks and program are shown below.

Ref	Task	Responsibility	Target Date
1	Condition Assessment of Council Roads	G. Boyd / S. Pulford	Feb 2022
2	Update Tasman Council Asset Management Strategy	G. Boyd	Apr 2022
3	Update Asset Management Plan for Transport	G. Boyd	Apr 2022
4	Update Tasman Long Term Financial Plan	K. Hossack	Jun 2022
5	Update Asset Management Plan for Buildings	G. Boyd	Jun 2022
6	Revaluation of Road Assets	G. Boyd	Jun 2022

## 1. Introduction

Assets deliver important services to communities. A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement.

Infrastructure assets such as roads, drains, bridges, water and sewerage and public buildings present particular challenges. Their condition and longevity can be difficult to determine. Financing needs can be large, requiring planning for large peaks and troughs in expenditure for renewing and replacing such assets. The demand for new and improved services adds to the planning and financing complexity.<sup>2</sup>

The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle.<sup>3</sup>

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require councils to adopt a longer-term approach to service delivery and funding comprising:

- A strategic longer-term plan covering, as a minimum, the term of office of the Councillors and:
  - bringing together asset management and long-term financial plans,
  - demonstrating how Council intends to resource the plan, and
  - consulting with communities on the plan
- Annual budget showing the connection to the strategic objectives, and
- Annual report with:
  - explanation to the community on variations between the budget and actual results,
  - any impact of such variances on the strategic longer-term plan,
  - report of operations with review on the performance of the council against strategic objectives.<sup>4</sup>

Framework 2 Asset Planning and Management has seven elements to assist in highlighting key management issues, promote prudent, transparent and accountable management of local government assets and introduce a strategic approach to meet current and emerging challenges.

- Asset Management Policy,
- Strategy and planning,
  - Asset Management Strategy,
  - Asset Management Plan/s,
- Governance and management arrangements,
- Defining levels of service,
- Data and systems,

---

<sup>2</sup> LGPMC, 2009, Framework 2 Asset Planning and Management, p 2.

<sup>3</sup> LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 2-3.

<sup>4</sup> LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 4-5.

- Skills and processes, and
- Evaluation.<sup>5</sup>

The Asset Management Strategy is to enable Council to show:

- how its asset portfolio will meet the service delivery needs of its community into the future,
- to enable Council's asset management policies to be achieved, and
- to ensure the integration of Council's asset management with its long-term strategic plan.<sup>6</sup>

The goal of asset management is to ensure that services are provided:

- in the most cost-effective manner,
- through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets,
- for present and future consumers.

The objective of the Asset Management Strategy is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for council to provide services to the community.

### **1.1 Legislative Requirement**

The *Local Government Act 1993* – Section 70D states that:

1. A council is to prepare an asset management strategy for the municipal area.
2. An asset management strategy for a municipal area is to –
  - a. be consistent with the strategic plan for the municipal area; and
  - b. contain at least the matters that are specified in an order made under section 70F (of the LGA 1993) as required to be included in an asset management strategy.

*Section 70F of the Local Government Act can be accessed by clicking on the following link*  
[http://www.thelaw.tas.gov.au/tocview/index.w3p;cond=;doc\\_id=95%2B%2B1993%2BAT%40EN%2B20141007150000;histon=;prompt=;rec=;term=](http://www.thelaw.tas.gov.au/tocview/index.w3p;cond=;doc_id=95%2B%2B1993%2BAT%40EN%2B20141007150000;histon=;prompt=;rec=;term=)

---

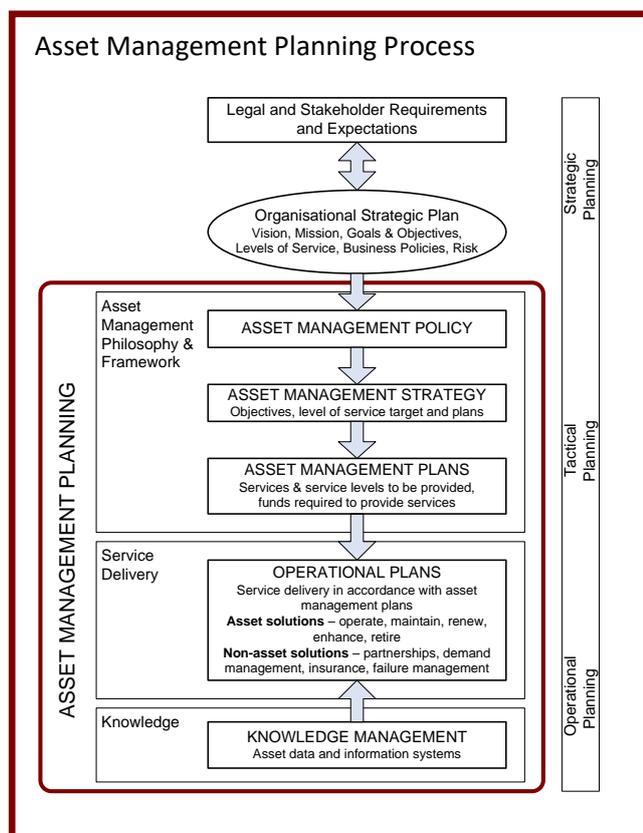
<sup>5</sup> LGPMC, 2009, *Framework 2 Asset Planning and Management*, p 4.

<sup>6</sup> LGPMC, 2009, *Framework 2 Asset Planning and Management*, p 4.

## 1.2 Asset Management Planning Process

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with different proposed service levels.

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation's strategic plan, developing an asset management policy, strategy, asset management plan and operational plans, linked to a long-term financial plan with a funding plan.<sup>7</sup>



## 2. What Assets do we have?

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in Table 1.

**Table 1: Assets Used for Providing Services**

Asset Class	Description	Services Provided
Roads	Assets included road pavement, road surface, kerb and channel, footpaths, cycle ways, driveways, retaining walls and street furniture.	Transportation of goods and services from production to market and to consumers. Movement of people around the Council area for business, education, tourism, recreation and leisure.
Bridges	Bridges (pedestrian and vehicular), jetties, boardwalks, viewing platforms and major culverts (as per Grants Commission definition).	Provides for the safe passage of vehicles and pedestrians. Designed to permit the safe passage of storm and flood flows.
Buildings	Public buildings, operational installations, cultural, recreational facilities and leased buildings.	Supports the delivery of a range of services and infrastructure to the community. Facilitates a large range

<sup>7</sup> IPWEA, 2009, AIFMG, Quick Guide, Sec 4, p 5.

		of cultural and community activities.
Other (inc. land)	Land Assets, other structures that do not readily fit into the major asset classes	Provide undeveloped and developed open spaces for the community to use for a range of purposes. Other structures which support the provision of a range of services to the community.
Plant and Equipment	Plant and equipment used to support the operational activities of Council.	Support the provision of a range of services to the community.
Stormwater Drainage	Underground and natural systems that convey storm water arising from urban and developed catchments.	Underground pipe and pit network, open channels, detention basins, stormwater quality improvement devices.

### 3. The Organisation's Assets and their Management

#### 3.1 State of the Assets

The financial status of the organisation's assets is shown in Table 2.

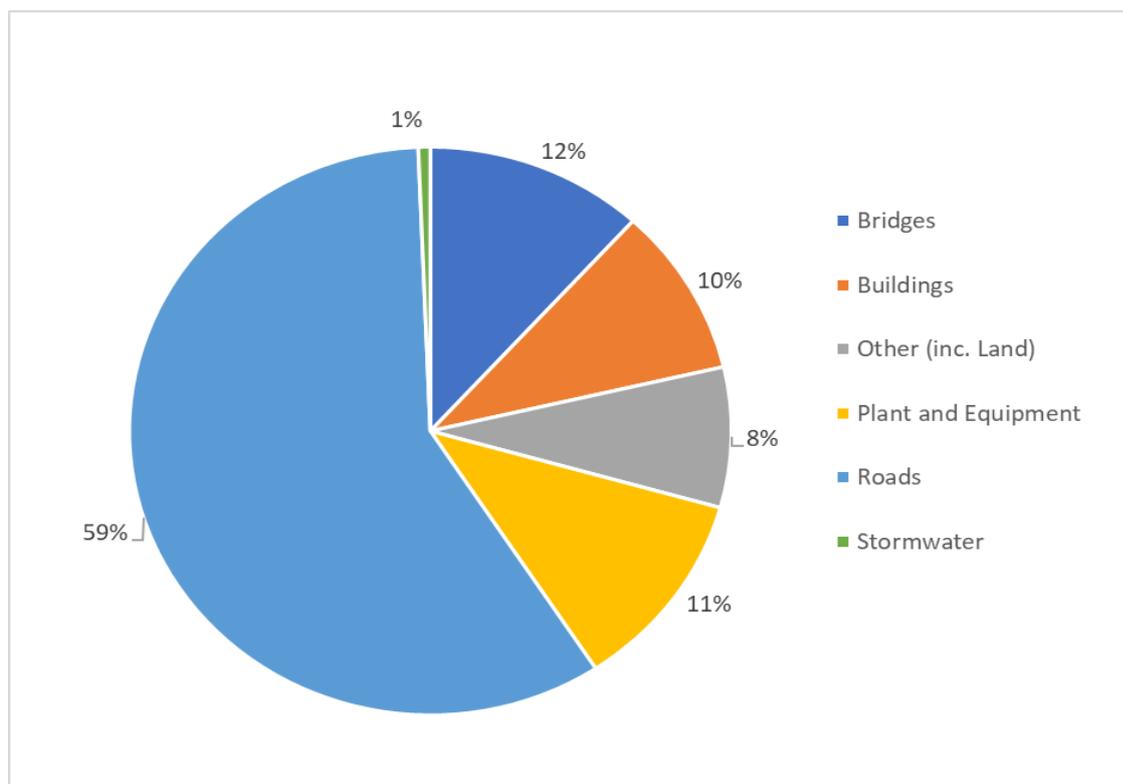
**Table 2: Financial Status of the Assets**

Asset Class	Replacement Cost (\$000)	Depreciable Amount (\$000)	Written Down Value (\$000)	Depreciation Expense (\$000) (\$000)	% Total (\$000)
Bridges	11,013	11,013	7,600	206	12%
Buildings	12,040	12,040	8,163	169	10%
Other (inc. Land)	7,527	2,844	5,966	140	8%
Plant and Equipment	2,458	2,458	849	200	11%
Roads	60,843	60,843	39,824	2,844	59%
Stormwater*	1,132	1,132	1,074	11	1%
<b>Total</b>	<b>95,013</b>	<b>90,330</b>	<b>63,475</b>	<b>1,755</b>	<b>100%</b>

\* Stormwater Asset Values will increase drastically due to an Asset Revaluation to be booked as at 30/6/2022

Table 2 and Figure 1 show the replacement values of Council's Assets (Year ending 30/6/2021).

Figure 1: Asset Replacement Values



The Asset Consumption Ratios of Council's Assets (average proportion of 'as new' condition left in assets) are shown in Figure 2 below.

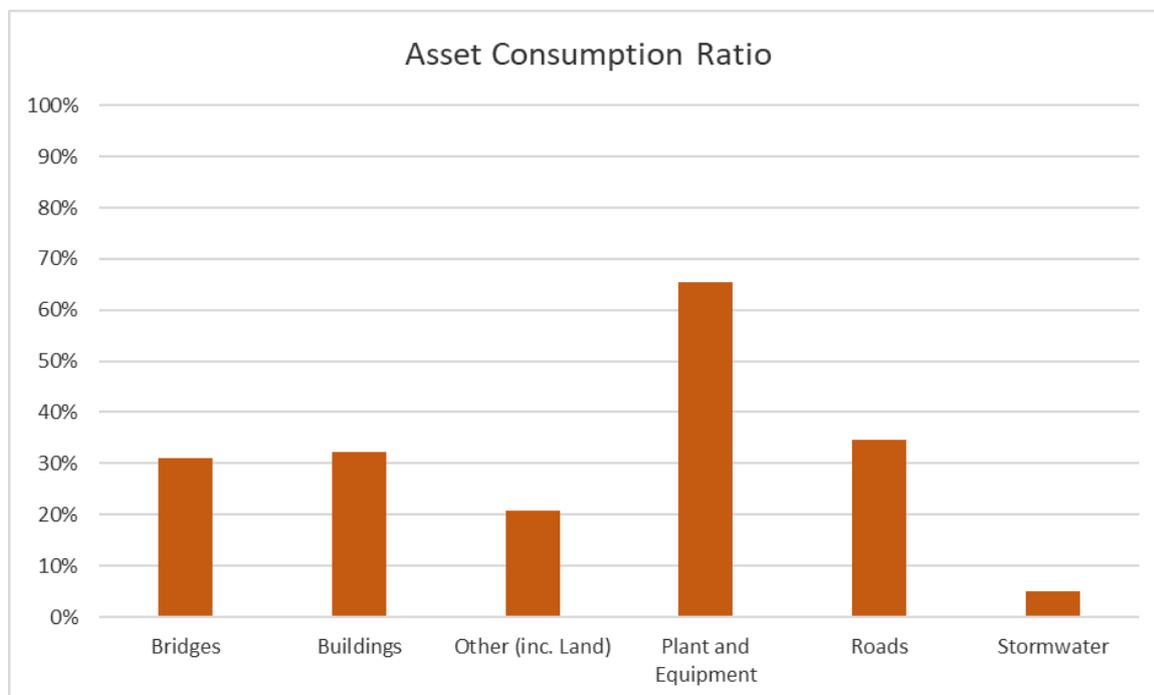
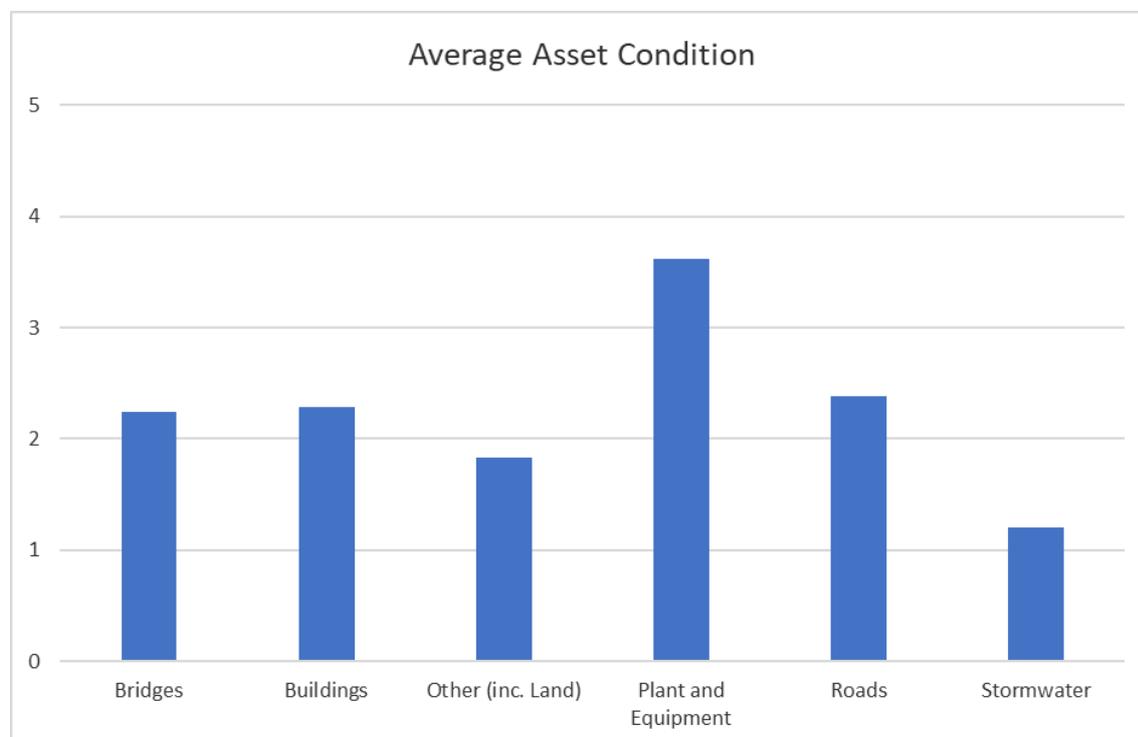


Figure 2: Asset Consumption Ratio

According to figure 2 all asset classes have not been consumed past 50% (with the exception of plant and equipment). This is a good indication that Tasman Council assets have a significant amount of useful life remaining in its infrastructure assets.

The Condition of Council's Assets is shown in Figure 3.



**Figure 3: Asset Condition Profile**

Figure 3 shows the average asset condition for each class of asset. Ongoing condition assessment ensures that Councils understands the condition of its assets and therefore can sustainably manage upcoming asset related expenditure requirements.

### 3.2 Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operating and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management strategy are comprised of actual costs from FY20/21 combined with the Roads and Bridges Operations/Maintenance Cost taken from the Transport Asset Management Plan. Depreciation Expense and Capital Renewal expenditure figures from FY20/21 are used in order to provide the most up to date financial snapshot in Tables 3, 4 & 5.

**Table 3: Life Cycle Cost for Council Services**

Service	Expenditure (\$'000)		Life Cycle Cost (\$'000/year)
	Operations/Maintenance	Depreciation Exp	
Bridges	240	206	446
Buildings	360	169	528

Other (inc. Land)	115	140	255
Plant and Equipment	259	200	459
Roads	1,629	1,028	2,657
Stormwater	139	11	151
<b>TOTAL</b>	<b>2,742</b>	<b>1,755</b>	<b>4,497</b>

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operating, maintenance and capital renewal expenditure in the previous year or preferably averaged over the past 3 years. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is shown in Table 4.

**Table 4: Life Cycle Expenditure for Council Services**

Service	Expenditure (\$'000)		Life Cycle Exp (\$/year)
	Operations/Maintenance	Cap Renewal	
Bridges	240	233	473
Buildings	360	108	467
Other (inc. Land)	115	0	115
Plant and Equipment	259	199	458
Roads	1,629	1,227	2,856
Stormwater	139	224	363
<b>TOTAL</b>	<b>2,742</b>	<b>1,792</b>	<b>4,733</b>

The life cycle costs, and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term, if the life cycle expenditure is less than the life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing service to their communities in a financially sustainable manner. This is the purpose of the Asset Management Plans and long-term financial plan.

A shortfall between life cycle cost and life cycle expenditure gives an indication of the life cycle gap to be addressed in the asset management and long-term financial plan.

The life cycle gap and life cycle indicator for services covered by this asset management plan is summarised in Table 5.

**Table 5: Life Cycle Indicators**

Service	Life Cycle Cost (\$'000/year)	Life Cycle Expenditure (\$'000/year)	Life Cycle Gap * (\$'000/year)	Life Cycle Indicator
Bridges	446	473	27	106%
Buildings	528	467	-61	88%
Other (inc. Land)	255	115	-140	45%

Plant and Equipment	459	458	-1	100%
Roads	2,657	2,856	199	107%
Stormwater	151	363	213	241%
<b>TOTAL</b>	<b>4,497</b>	<b>4,534</b>	<b>38</b>	<b>105%</b>

Note: \* A life cycle gap is reported as a negative value.

Table 5 indicates that there is currently no life cycle gap at Tasman Council. This means that, on average, Tasman Council is adequately funding the renewal of its infrastructure assets. It can be seen however that there is an isolated life cycle gap in relation to the building's asset class. This should be monitored to ensure that Building renewals are adequately funded over the mid to long term.

Also, of note is the large surplus being displayed in relation to the Stormwater asset class. This is due to a large number of Stormwater assets not currently being accounted for in Council's asset register which is eventuating in depreciation being significantly under stated for this asset class. This discrepancy will be amended this Financial Year (2021/22), with the completion of a revaluation of Council's Stormwater assets. The results of this revaluation will be incorporated into Council's asset register and financial system as at 30<sup>th</sup> June 2022.

### 3.3 Asset Management Structure

Position	Role
Councillors	To ensure Council's asset management policy and principles are applied to relevant decision making. Provide appropriate resources to maintain and infrastructure assets.
General Manager	To ensure that Council infrastructure is maintained and operated in accordance with Council's adopted policies and procedures and in accordance with the relevant legislation
Corporate Accounting (currently General Manager)	Responsible for the development, implementation and review of the Financial Management Strategy and Financial Services input into the Asset Management process.
Asset Management Coordinator (Consultant)	Guidance and input relating to management of asset systems and data (including collection), coordination of condition assessments, development of Asset Management processes and the design and programming of Capital and Operational Works program.
Infrastructure Manager	Responsible for coordinating Council's Works Program and ensuring construction/work

	standards comply with all Asset Management policies, plans and strategy.
--	--

### 3.4 Corporate Asset Management Team

A 'whole of organisation' approach to asset management can be developed with a corporate asset management team. The benefits of a corporate asset management team include:

- demonstrate corporate support for sustainable asset management,
- encourage corporate buy-in and responsibility,
- coordinate strategic planning, information technology and asset management activities,
- promote uniform asset management practices across the organisation,
- information sharing across IT hardware and software,
- pooling of corporate expertise
- championing of asset management process,
- wider accountability for achieving and reviewing sustainable asset management practices.

The role of the Asset Management Team will evolve as the organisation maturity increases over several phases.

#### Phase 1

- strategy development and implementation of asset management improvement program,

#### Phase 2

- asset management plan development and implementation,
- reviews of data accuracy, levels of service and systems plan development,

#### Phase 3

- asset management plan operation
- evaluation and monitoring of asset management plan outputs
- ongoing asset management plans review and continuous improvement.

The current position on Council's Asset Management Team is that while no formal group exists, the current Senior Management Team of the Tasman Council meet informally to discuss asset management on a cyclical basis. Particularly when preparing annual budgets, considering asset investment and at end of financial year.

### 3.5 Financial & Asset Management Core Competencies

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define ten elements. Eleven core competencies have been developed from these elements<sup>8</sup> to assess 'core' competency under the National Frameworks. The core competencies are:

#### Financial Planning and Reporting

---

<sup>8</sup> Asset Planning and Management Element 2 *Asset Management Strategy and Plans* divided into Asset Management Strategy and Asset Management Plans competencies.

- Strategic Long-Term Financial Plan
- Annual Budget
- Annual report

#### Asset Planning and Management

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

### 3.6 Strategy Outlook

Council is capable of maintaining the current level of service to its residents and visitors in the medium term, provided that a responsible and sustainable approach is taken by Council's elected members to asset management and investment into the future.

Council will continue to improve its asset management maturity level by completing the steps outlined in 'Table 8' of this document.

## 4. Where do we want to be?

### 4.1 Council's Vision, Mission, Goals and Objectives

This Asset Management Strategy is prepared under the direction of the Tasman Council Strategic Plan 2021 – 2031.

The Strategic Plan outlines a Vision and Mission which are included below:

#### **Council's Vision**

The Tasman is a sustainable, dynamic and liveable community founded on our people and our natural and cultural attributes.

#### **Council's Mission**

To ensure Tasman is an attractive place to live, work, visit and invest.

#### **Council's Strategic Principles (Infrastructure Related)**

The Strategic Plan lists a number of Strategic Principles that Council has committed to:

Strategic Principles relevant to this plan have been included below:

- We engage in a transparent manner to manage and facilitate the delivery of services, support our community and maintain and improve our assets in a responsible way.
- We have an emphasis on the safety and security of our communities and people, natural heritage and cultural values within an environment increasingly subject to both short term change and longer-term risks such as climate change.

### Council's Strategic Actions (Infrastructure Related)

The Strategic Plan combines community input with analysis of community demographics, service and asset condition and future aspirations. This input and analysis have enabled the formulation of priorities for the Tasman community and has framed Council's strategic principles and focus on the key actions that will guide it for the next decade. The Strategic Actions relevant to this Asset Management Strategy have been included in Table 6 of this document:

**Table 6: Tasman Council Strategic Plan 2021/2031 - Strategic Actions**

Focus Area	Action Approach	Outcome- Performance Measures
Infrastructure	<p>1.6 Bi-annual planning &amp; review workshop with the Department of State Growth, Parks &amp; Wildlife, State Emergency Services, Marine and Safety Tasmania, Tasmania Fire Service, Sustainable Timbers Tasmania</p> <p>1.7 Specific purpose, project/issue workshops as required, including relevant local stakeholders and interests</p>	<ul style="list-style-type: none"> <li>• Infrastructure capital investment reflects community need and responds to community requests</li> <li>• Infrastructure at locations identified as strategic with improved contribution from external sources and, less delay in installation</li> <li>• Multiple, adjacent landowner and jurisdiction issues resolved</li> </ul>
Capital Works	<p>6.1 Apply benefit-cost principles to determine both standards and the necessary level of investment to ensure that access, parks/sports grounds, other assets and buildings are fit for purpose based on their usage and future demand</p>	<ul style="list-style-type: none"> <li>• The Tasman community and visitors have safe and convenient modes of transport infrastructure and access to properties and attractions within and between settlements</li> <li>• Emergency access is available and safe</li> <li>• Our buildings, public spaces and sportsgrounds are designed to provide the right facility, are well used and minimise ongoing maintenance</li> </ul>
Recurrent Maintenance	<p>6.2 Well maintained, safe and usable assets at a cost that reflects the assets value to the community</p> <p>6.3 Minor works improvement to reduce</p>	<ul style="list-style-type: none"> <li>• Well maintained, safe and usable assets at a cost that reflects the assets value to the community</li> <li>• Emergency access is available and safe</li> </ul>

	recurring, frequent maintenance intervention is aimed at optimising maintenance expenditure	
Stormwater Management	<p>6.4 Prepare a Stormwater Management Policy and Plan, with a specific focus on critical risk locations and catchments</p> <p>6.5 Develop a strategy to work with property owners to replace property access culverts where there is an historic record of their contribution to flooding</p>	<ul style="list-style-type: none"> <li>• Community understanding of the flooding and risk and the ongoing opportunity cost associated with this recurrent problem-based maintenance</li> <li>• Cooperative approach to the development and implementation of the policy and up-grade practice</li> </ul>

#### 4.2 Asset Management Policy

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with the Strategic Plan and applicable legislation.

The Asset Management strategy is developed to support the Asset Management Policy and is to enable council to show:

- How its asset portfolio will meet the affordable service delivery needs of the community into the future,
- Enable Council's Asset Management Policies to be achieved, and
- Ensure the integration of Council's asset management with its long-term strategic plans.

#### 4.3 Asset Management Vision

To ensure the long-term financial sustainability of Council, 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 futures, in the most cost-effective and fit for purpose manner.

In line with the vision, the objectives of the Asset Management Strategy are to:

- Ensure that the Council's 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 Council's financial sustainability,
- Safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets,
- Adopt the long-term financial plan as the basis for all service and budget funding decisions,

- Meet legislative requirements for all Council's operations,
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated,
- Provide high level oversight of financial and asset management responsibilities through Audit Panel/General Manager reporting to Council on development/s and implementation of Asset Management Strategy, Asset Management Plan and Long-Term Financial Plan.

Strategies to achieve this position are outlined in Section 5.

## 5. How will we get there?

The Asset Management Strategy proposes strategies to enable the objectives of the Strategic Plan, Asset Management Policy and Asset Management Vision to be achieved.

**Table 7: Asset Management Strategies**

No	Strategy	Desired Outcome
1	Continue to move from Annual Budgeting to Long Term Financial Planning	The long-term implications of Council services are considered in annual budget deliberations.
2	Develop and annually review Asset Management Plans 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.
3	Update Long Term Financial Plan covering 20 years incorporating Asset Management Plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
4	Incorporate Year 1 of Long-Term Financial Plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations.
5	Review and update Asset Management Plans and Long-Term Financial Plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
7	Ensure Council's decisions are made from accurate and current information in Asset Registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
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.	Improved financial and asset management capacity within Council.

## 6. Asset Management Improvement Plan

The tasks required to achieve more 'advanced' financial and asset management maturity are shown in priority order in Table 8.

**Table 8: Asset Management Improvement Plan**

Ref	Task	Responsibility	Target Date
1	Condition Assessment of Council Roads	G. Boyd / S. Pulford	Feb 2022
2	Update Tasman Council Asset Management Strategy	G. Boyd	Apr 2022
3	Update Asset Management Plan for Transport	G. Boyd	Apr 2022
4	Update Tasman Long Term Financial Plan	K. Hossack	Jun 2022
5	Update Asset Management Plan for Buildings	K. Hossack	Jun 2022
6	Revaluation of Road Assets	K. Hossack	Jun 2022

**Table 9: Asset Management Improvements (Achieved in Recent Years)**

Asset Class	Task
Buildings	Building Revaluation, including the capture of a number of buildings (+25%) which were previously unaccounted for in Council's Asset Register (Completed 2021).
Buildings	Geolocation of all Council buildings and the creation of a GIS layer integrated within Council's Asset Register (Completed 2021).
Roads	Road Condition Survey – a survey was completed in 2022 to record the current condition of Council's road assets, to be used as basis for projecting required future capital works (10-year Capital Works Program for Roads).
Roads	Road Inspections Field Application to monitor the condition of Council's roads, record defects and create work tickets to fix defects recorded (Implemented 2021)
Stormwater	Stormwater Drainage Network Survey – survey accurate capture of Council's Stormwater network which was largely (95%) unaccounted for in Council's Asset Register (Completed 2020).
Stormwater	Stormwater System Management Plan (SSMP) – using Stormwater Drainage Network Survey as a key input Council Officers have drafted a SSMP as per the requirement of the <i>Urban Drainage Act 2013</i> . This plan will be used as a basis for the guidance of future Capital investment in Stormwater Drainage infrastructure to help Council deal with the impacts of climate change, the risks of significant rain events and the limited capacity of the current network (Completed 2022).
Stormwater	Stormwater Valuation (Draft) to be booked as at 30/06/2022. This valuation will fix the issue of a very large percentage (95%) of Council's Stormwater network not being accounted for in Council's finance system. The valuation will allow Council to better estimate the future needs of the network and accurately report the consumption of its Stormwater assets through appropriate depreciation expense.
Assets (General)	Implementation of a modern web-based Customer Request System to record, monitor and track customer requests and complaints relating to the condition of council's infrastructure (and other) assets (Implemented 2020)
Assets (General)	Implementation of a modern web-based Work Ticketing System and associated field application to enable work crews to address, record and resolve infrastructure related issues out in the field (Implemented 2021).

## 7. Projected 10 Year Renewal Projections

Council is projected to be required to spend the amounts outlined in 'Table 10' to maintain the current levels of service. Asset renewal investment will go through peaks and troughs over the planning period across the various asset classes. For instance, it is projected that Council will be required to realign a section of Saltwater River Road in 2023/24 due to coastal erosion undermining the road carriage way. This will result in a spike in expenditure on roads in 2023/24.

In relation to bridges however, as of this year (2021/22) Council will have replaced all of its bridges with bridges of a concrete construction, meaning that renewal expenditure on bridges is expected to be well below the current level of depreciation.

Building assets have recently been revalued (2020/21), therefore the replacement costs used for renewal projections are expected to be accurate, however there has not been a capital condition assessment of Council's buildings for some time. This assessment would aid in Council's ability to project required future renewal works, long term. It is recommended that Council schedule a Condition Assessment Survey for the Buildings Asset Class (Budget Allocation for 2022/23).

A Stormwater System Management Plan (SSMP) has recently been adopted by Council this financial year (2021/22). This document outlines areas of deficiency within Council's Stormwater network and will be used as a starting point to identify where Council will invest capital to improve Stormwater Drainage throughout the Municipality. To obtain more accurate projections for future spending in relation to Stormwater, it is recommended that Council commence detailed modelling of Urban areas identified in the SSMP as being of concern. Council has allocated funding this financial year (2021/22) for this purpose, for the area of Carnarvon Bay, which has for some time been experiencing flooding issues.

The projected renewal spending outlined in 'Table 10' will result in a 6% percent surplus when compared to asset depreciation. This surplus will be used to fund unexpected renewals which eventuate unexpectedly over the planning period.

Table 10: Future Renewal Projections for Infrastructure Assets (\$'000)

Asset Class	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Comments
Buildings	240	240	240	240	240	240	240	240	240	240	Updated Condition Assessment Required
Bridges	-	-	-	-	272	-	373	64	105	-	Condition Data Up to Date
Roads (Sealed)	822	1,107	427	660	625	993	782	726	704	458	Condition Data Up to Date
Roads (Unsealed)	160	160	160	160	160	160	160	160	160	160	Internal condition survey may be beneficial
Stormwater (SW)	200	200	200	200	200	200	200	200	200	200	Further SW modelling would be beneficial
<b>Total (Exp.)</b>	<b>1,422</b>	<b>1,707</b>	<b>1,027</b>	<b>1,260</b>	<b>1,497</b>	<b>1,593</b>	<b>1,755</b>	<b>1,390</b>	<b>1,410</b>	<b>1,058</b>	<i>Average Expenditure per year \$1,412</i>
<i>Depreciation</i>	<i>1,500</i>	<i>Average Depreciation per year \$1,500</i>									
<i>+/- Exp. vs Dep.</i>	78	-207	473	240	3	-93	-255	110	90	442	<i>Average difference (+/- Exp. vs Dep) \$88</i>

\* All figures displayed in 'Table 10' are \$'000