

Strategic Asset Management Plan 2022–2032



LEETON
SHIRE COUNCIL

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1. Introduction

1.1 Council’s Objective: Sound Financial Management

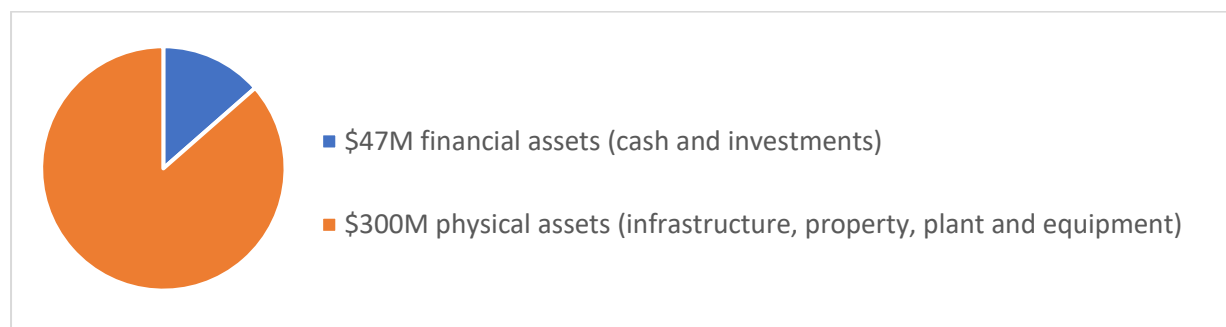
Council’s Delivery Program reinforces its commitment to the principles of sound financial management set out in section 8B of the Local Government Act.

Council has identified the following objectives in this regard for its term in office, detailed further in Council’s Long Term Financial Plan:

- responsible and sustainable spending
- responsible and sustainable infrastructure investment
- adequate cash reserves and use of borrowings
- exploring options to improve financial sustainability

This Strategic Asset Management Plan supports Council’s decision making in relation to all the above objectives. Council’s commitment to asset management generally is documented in its **Asset Management Policy** (available on Council’s website).

The chart below explains why Council must manage its *physical* assets, not just its *financial* assets, if it is to adhere to the principles of sound financial management in the Act: **Council’s financial assets make up only 14% of community assets it is responsible for.**¹ If Council is to be responsible and sustainable, it must manage its physical assets, too.



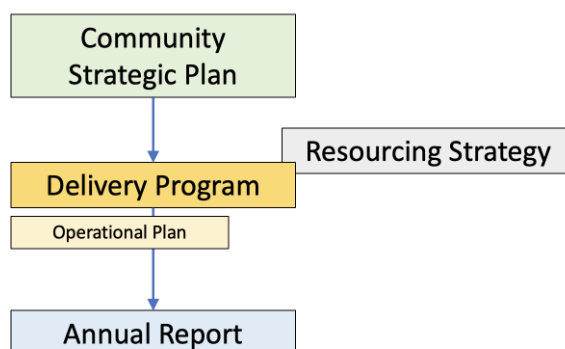
¹ Aligns with Statement of Financial Position in 2021 Financial Statements.

1.2 Relationship to Other Documents and Structure of this SAMP

This Strategic Asset Management Plan (SAMP) sits alongside the Long Term Financial Plan (LTFP) and Workforce Management Plan in Council's **Resourcing Strategy**. It incorporates requirements for both the 'Asset Management Strategy' and 'Asset Management Plans'.²

The Resourcing Strategy supports Council's decision making in its **Delivery Program** and **Operational Plan** (DP and OP).

As shown below, the Resourcing Strategy 'backs up' the Delivery Program in particular, as required by the Local Government Act (section 404): the DP details the activities Council will undertake to perform its functions *within the resources available in the Resourcing Strategy*.



It is important to note that it is in the Delivery Program (and annual Operational Plan that 'actions' it) and not in this SAMP where Council:

- allocates resources to undertake asset-related activities and
- establishes its objectives (including 'asset service standards'³), against which it will monitor, measure and report on its performance.

This SAMP is structured as follows:

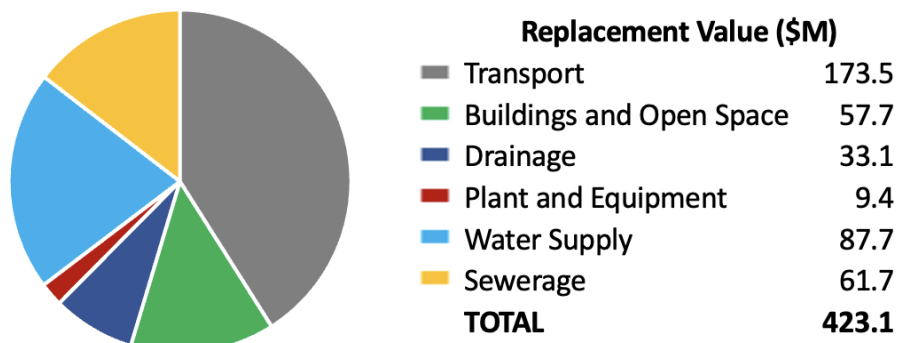
- **Asset class summaries:** a big-picture view of
 - where we are now,
 - where we're headed with available resources in the LTFP and
 - key objectives to monitor to ensure we stay on track
- **Financial planning:**
 - Explanation how financial information aligns across all IP&R documents
 - 10 year capital works forecast with notes about each program
- **Risk management:** summary of critical risks and management strategies
- **Infrastructure asset performance measures:** analysis of Council's current and projected performance against mandatory benchmarks set by NSW Government
- **Asset management system:** overview of the system with key improvement actions

² IP&R Guidelines essential elements 3.14 to 3.23.

³ IP&R Guidelines essential element 3.21 requires councils to include 'asset service standards' in their AMPs, but these are in Council's DP and OP.

2. Asset Class Summaries

The chart below summarises the **replacement value** of Council’s main classes of physical assets. The total here (\$423M⁴) is higher than the ‘carrying value’ in section 1.1 (\$300M) as replacement value is what it is worth new, not what it is worth now (after depreciation).



Each asset class is considered in the following sections. Land owned by Council (valued at \$13M) is not considered in the same way yet but will be in future revisions of this plan.

‘Buildings and open space are considered together, including both buildings and ‘other’ assets (e.g. pools, playgrounds, parks and sports infrastructure) as most facilities include a building and these other assets as well.

⁴ Should align with Note C1-7 of 2021 Financial Statements but based on asset registers instead.

TRANSPORT

What assets are we responsible for?

Asset category	Value \$M	Asset category	Value \$M
384km sealed local roads	82.4	42km footpaths and cycleways	10.0
235km unsealed local roads	10.4	Other road assets	6.1
25km sealed regional road	9.2	Earthworks (non-depreciable)	38.9
114km kerb and gutter	16.5		

Where are we now?

Sealed roads: 89km need resealing (\$5M over 6-7 years) to maintain a waterproof layer and prevent costly premature failure of underlying pavements; 20km need pavement renewal (\$7M over 6-7 years); urban roads are in worse condition than rural (urban works to be coordinated with water main replacements to avoid digging up new roads)

Upgrades: to address road safety issues and improve freight productivity are identified as a concern on several roads; Council's ability to fund such works is limited so a prioritised list is vital; Council plans to upgrade Chelmsford Place as a street beautification project

Unsealed roads: Council invested considerably in gravel resheeting the network in recent years, so it is in good condition; grading program is ongoing (frequency needs review)

Footpaths: existing footpaths are generally OK although maintenance needs to remain a focus (e.g. fixing trip hazards); Council has built many new paths in the last few years and needs to develop a clear priority list for future projects given financial constraints

Bridges and culverts: all structures on the rural network are owned by Murrumbidgee Irrigation (Council, as road authority, needs to ensure MI maintains them); structures in urban areas are generally in good condition and don't need any work

Kerb and gutter: generally in good condition, maintenance (isolated repair) only.

Where do we aim to be in 10 years?

Sealed roads: with continued investment in resealing and pavement rehabilitation, the condition of the network will be maintained, if not improved

Upgrades: the number of projects completed will be dependent on securing grants

Unsealed roads: Council will need to ramp up gravel resheeting in later years as the good gravel coverage that exists now deteriorates, ongoing grading required

Bridges and culverts: Council (together with Griffith CC) aims to have a formal agreement with Murrumbidgee Irrigation regarding inspection and maintenance of their structures

Footpaths + kerb: improved targeting of maintenance, prioritised investment in upgrades (new footpaths or kerb) focused on missing links &/or high use areas.

How will we know we're on track?

Activity	Target	Activity	Target
Local road reseals	17km p.a.	Gravel resheeting of unsealed roads	9km p.a.
Urban road rehabilitation program aligned with watermain projects	By 2023	Maintenance grading program completed	Within budget
Pavement rehabilitation projects	Completed w/in budget	Road and footpath maintenance undertaken	Within budget
Prioritised list of road upgrade projects adopted	by 2024	Murrumbidgee Irrigation: MOU for structures	By 2024
Prioritised list of footpath extension projects adopted	by 2024		

BUILDINGS AND OPEN SPACE

What assets are we responsible for?

Asset category	Value \$M	Asset category	Value \$M
2 swimming pools (Leeton & Whitton)	4.2 + new	14 cultural bldgs (Roxy, museums)	13.5 + new
Sports facilities (64 buildings)	10.9	12 aged persons units	1.7
Parks: 17 playgrounds + other assets	7.1	Leeton Early Learning Centre	1.6 + new
10 public toilets	0.7	Leeton Visitor Information Centre	1.5
7 community halls and other buildings	4.5	9 emergency services (RFS/SES)	1.3
Gogeldrie caravan park	0.9	8 buildings, Leeton landfill	1.0
Works depot	2.6	32 other buildings (sheds, etc.)	0.8
Council chambers/admin office	4.3		

Where are we now?

Swimming pools: Leeton pool has recently been renewed/updated. Whitton has several items (filters, amenities, pipework, concourses) in need of renewal within next few years.

Cultural buildings: Roxy Theatre undergoing \$10M refurbishment; Whitton Museum needs work, Leeton Museum/Gallery needs further work (roof/upper floors)

Sports facilities: generally, in good condition. Stadium needs new roof, but there are also capacity issues (potential expansion is under consideration). Grandstand at Leeton Racecourse to be demolished.

Playgrounds: are in good condition and comply with latest standards.

Public toilets: all toilets in good condition thanks to ongoing renewal works.

Community halls, etc: CWA/Community Services building needs a new roof but other halls/community buildings are generally in sound condition.

Caravan parks: masterplan developed for upgrade of Gogeldrie C.P. (grant dependent); Brobenah Camping Ground: consider redevelopment as affordable housing

Works depots: ageing facilities, but generally functional and appropriate

Council chambers/admin: generally good condition (apart from ongoing issues with roof)

Visitor Info Centre: ageing facilities, needs internal refurbishment but otherwise OK

Aged persons units: most units refurbished, remaining 2 are budgeted for refurb.

Leeton Early Learning: good facilities, any works required funded via revenues

Emergency services: RFS works funded by them, SES funded by Council (buildings OK). Council has a scheduled maintenance program in place for its facilities.

Where do we aim to be in 10 years?

Council operated facilities: all the issues noted above are funded in the capital works program. This work is sufficient to ensure buildings remain functional and fit for purpose, although over time further works will need to be programmed as issues arise. A further allocation of \$100-250k p.a. is also available for general unscheduled but urgent work

How will we know we're on track?

Activity	Target
Completion of Leeton Swimming Pool project	by 2022
Completion of Roxy Theatre project	By 2023
Pursue grants for Gogeldrie Weir Caravan Park upgrade	Until secured
Whitton Pool renewal	by 2026
Maintain and monitor current service levels for open space facilities	Ongoing
Proactive building maintenance program developed and implemented	by 2024

URBAN STORMWATER DRAINAGE

What assets are we responsible for?

Asset category		Value \$M
43km urban stormwater drainage pipes (including pits, headwalls, grates, etc.)		33.1
<i>Note: drainage pipes and culverts in rural areas are included in Transport</i>		
Where are we now?	<p>Asset renewals: most of the urban stormwater drainage network (38km out of the 43km total length) was built in the last 30 years, so there is little work required to renew these assets (generally, concrete pipes/structures should be expected to last 80 years or so).</p> <p>Upgrades/new assets: there are some portions of the network with insufficient capacity to cater for storm events, which leads to localised flooding problems. Council needs to prioritise such investments in new and upgraded assets carefully, as there are limited funds available. Developing a list of sites for further investigation is a first step.</p> <p>Maintenance and operations: current maintenance programs are reactive (e.g. responding to blockages). Council needs to implement a proactive program that includes CCTV inspections to identify defects and undertake maintenance and repairs. This will also develop a clearer picture of renewal needs (if any).</p>	
Where will we be in 10 years?	<p>CCTV inspection program should be mostly or fully completed for the entire network, providing a good picture of current condition as well as facilitating proactive maintenance (addressing defects before they cause major problems).</p> <p>Potential upgrade projects to address localised flooding issues will have been identified. Extent of progress and works carried out will be dependent on funding.</p>	
Key performance objectives (or 'levels of service')	Activity	Target
	Maintenance issues (e.g. blockages) responded to as required	ongoing
	CCTV inspection program undertaken on 5% sample of network (focus on areas more likely to have condition problems); review the value of the investment in doing more.	By 2024
	Works required to alleviate localised flooding issues completed	As funds permit

PLANT AND EQUIPMENT

What assets are we responsible for?

Asset category	Value \$M
Heavy (civil construction) plant, trucks, mowers, utilities, and cars	8.1
Office equipment (information technology, etc.)	1.3
Sustainability (e.g. solar power facilities)	-

Where are we now?

Council has a modern and reliable plant fleet that is adequate to support efficient and effective operations (in roads, parks, water, and sewer, etc.). Council understands the costs of operation and allocates these appropriately to individual service areas.

Council reviews the need for items as part of the renewal process.

Council has invested in information technology to support efficient and effective operations (in office-based activities) but needs to continue to invest in replacing ageing equipment as much of this has a short service life, as well as investing in new technologies where there is a business case to do so.

Council is investigating the business case for investing in sustainability infrastructure such as solar power facilities.

Where do we aim to be in 10 years?

Continued investment in Council's plant fleet and information technology assets will ensure Council's operations are as efficient and effective as possible.

Investment in sustainability infrastructure will reduce Council's carbon footprint and its operating costs.

How will we know we're on track?

Activity	Target
Plant replacement programs implemented	ongoing
Information technology programs implemented	ongoing
Sustainability projects implemented	project specific

WATER SUPPLY

for Leeton, Murrami, Whitton and Yanco

What assets are we responsible for?

Asset category	Value \$M	Asset category	Value \$M
200 km water supply pipelines + valves	44.0	9 service reservoirs	11.8
3 Water Treatment Plants	25.3	9 water pump stations	1.5
6 Water Storage Dams	3.5		

Where are we now?

There are several issues Council needs to address to ensure the quality and reliability of its water supply for existing customers, and to cater for new development.

Pipelines in older areas (particularly the town square) are reaching the end of their service life and need renewal. The work needs planning so that pipelines are renewed ahead of road rehabilitation, which is also required in these areas.

Leeton Water Treatment Plant runs up to 23 hours/day during peak demand. Council needs to ensure reliability (e.g. of mechanical and electrical equipment) but also investigate options to increase capacity (which may be difficult given the heritage listing) and to address some structural issues (e.g. concrete cancer in some areas).

Water pressure is inadequate in some areas (Council regularly receives complaints about this) and may not be sufficient to meet minimum standards for firefighting.

Hydrants and valves: some are inoperable across the network creating fire risks as well as maintenance issues. A proactive maintenance plan needs to be developed.

Smart meters have been installed to support water loss and efficiency programs. Council has a very secure supply, but it recognises it needs to use its water resources efficiently.

Network planning is required to service growth areas (this planning needs to be undertaken hand in hand with land development planning) and improve services to existing areas (e.g. dead ends connected via 'ring mains', improving pressure/fire flows).

Energy consumption is not as efficient as it could be (pump efficiency, renewable energy)

Where do we aim to be in 10 years?

Issues identified above will have been addressed on a priority basis (focused on risk) within available resources (as set out in the accompanying Long Term Financial Plan).

The biggest unknowns are the scope of works to address capacity issues at Leeton Water Treatment Plant and to improve pressures/fire flows. Both issues will be exacerbated by increased demand from new developments. A developer servicing plan (which nominates fair charges for developers) will be prepared with all of this in mind, but it is also possible that Council will need to review the current charges.

The reliability of the water supply will improve considerably with the implementation of preventative maintenance programs. Energy consumption will decrease with more efficient pumps, introduction of renewable energy installations guided by a strategy.

There will be an ongoing need to renew ageing infrastructure (particularly pipelines). Funding will be better targeted over time as Council improves the quality of asset data.

How will we know we're on track?	Activity	Target
	Scoping study for existing 'backlog' properties within urban areas (for both water supply and sewerage) as well as proposed new development areas (align with land use plans) completed; inc. firefighting compliance	12/2022
	Concept study for upgrade or replacement of Leeton Water Plant	12/2023
	Revision of Developer Servicing Plan and LTFP based on scoping study	6/2023
	Development of a preventative maintenance program (PMP) including mechanical/electrical, valves and hydrants, reservoir cleaning	12/2022
	Development of a risk-based watermain condition assessment program aligned with road rehabilitation program (then monitor implementation)	6/2022
	Development of an energy efficiency strategy (water supply & sewerage)	6/2023
	% of water supplied meeting Australian Drinking Water Guidelines	100%
	Interruptions to supply planned (min. 3 days' notice) and non-planned	< 8 hours
Water losses throughout the system	Reducing	

SEWERAGE

for Leeton, Murrami, Witton, Wamoon and Yanco

What assets are we responsible for?

Asset category	Value \$M	Asset category	Value \$M
150km gravity sewerage pipes	26.0	42 sewage pumping stations	11.4
3 sewage treatment plants	18.6	23.9km sewer rising mains	5.8

Where are we now?

Similar to water supply, there are several issues Council needs to address to ensure the reliability of its sewerage system for existing customers and cater for development.

Pipelines in older areas are reaching the end of service life. CCTV inspections needed to identify/prioritise 'relining' of pipes as well as rehabilitation of manholes and vents to avoid expensive failures (worst case, this can involve a pipe or vent collapse).

The excessive number of pumping stations in Leeton (originally built to minimise costs to developers, not long-term operations) needs rationalising to address septicity issues (detention times are too long, leading to odour and corrosion), reduce pumping costs and future renewal needs. This needs to be guided by a network analysis that also considers serving of 'backlog' (unserved) properties in urban areas and proposed growth areas (align with land use + water supply plans). Some stations are in poor condition.

Liquid trade waste discharges to the sewerage system adding to problems with septicity, as well as the cost of treatment. Compliance with requirements is currently around 75%, but several large producers are non-compliant: issues need to be resolved.

A new sewerage system for Wamoon is currently being planned.

Leeton Sewage Treatment Plant is performing adequately (meeting environmental pollution licence requirements) and has significant capacity to cater for additional flows from new developments. But the plant is ageing. A review of the plant to improve efficiencies, reliability, identify WHS and renewal needs will be undertaken.

Energy consumption is not as efficient as it could be (pump efficiency, renewable energy)

Council is in the process of developing an **Integrated Water Cycle Management Strategy** (which also covers water supply) to address the issues above and other strategic issues.

Where do we aim to be in 10 years?

Issues identified above will have been addressed on a priority basis (focused on risk) within available resources (as set out in the accompanying Long Term Financial Plan).

The biggest unknowns are the scope of works to rationalise pump stations, and how this can also cater for new developments. A developer servicing plan (which nominates fair charges for developers) will be prepared with all of this in mind, but it may also require Council to review the current charges.

The reliability of Council's sewerage system will improve considerably with the implementation of preventative maintenance programs.

There will be an ongoing need to renew ageing infrastructure (particularly pipe relining). Funding will be better targeted over time as Council improves the quality of asset data.

How will we know we're on track?

Activity	Target
Servicing Strategy completed (see water supply)	12/2022
Risk-based CCTV inspection program to identify pipes requiring relining.	6/2022
Strategy to rationalise sewage pumping stations developed	12/2022
100% compliance of liquid trade waste management program	12/2022
Incidence of failures (sewage chokes, pump failures)	decreasing
Compliance of effluent with environmental pollution licence	100%
New sewerage system for Wamoon commissioned	by 2024
Completion of Integrated Water Cycle Management Strategy	by 2024

3. Financial Planning

The allocation of Council's limited resources always involves a balance between:

- **performance** ('level of service' as needed or desired by the community),
- **cost** (what is affordable to Council, as determined in the budget and LTFP) and
- **risk** (what is 'acceptable' to Council under its Risk Management Framework).

It is critical that financial information ('cost') aligns across all of Council's IP&R documents. This SAMP aligns with the Operational Plan (OP), Delivery Program (DP) and LTFP.

Forecast costs for **operations and maintenance** – activities that 'retain' an asset in service rather than 'restore' it (as with capital works) – are not included in this SAMP (as required by the IP&R Guidelines⁵) because these forecasts are in the OP budget, DP financial forecasts and LTFP. Unless specified otherwise, indexation applied to budgets generally (employees, materials, etc.) applies to budgets for asset operations and maintenance, too. Note that the LTFP includes scenarios with cuts to expenses. It has yet to be determined what services might be cut, and in any case such cuts are not yet confirmed.

Forecast costs for **capital works programs** – activities to renew or upgrade existing assets and to build/acquire new assets – are included in the following two tables:

- firstly, the 'numbers', financial estimates/forecasts (these are all shown in 2023 dollars here, indexation of 2.5% p.a. is applied in the DP and LTFP)
- secondly, discussion of key issues in relation to each program.

Individual capital works *projects* are identified in the OP budget (these are 'locked in' for the current year, projects may be listed for future years for information, but these will be subject to ongoing refinement and revision). Financial forecasts in the DP are at program level. The total capital works for each fund aligns with the totals in the LTFP.⁶

If there is a need for Council to consider varying the funding allocated now or in future (the forecast cost), this will be identified in one or more of the following ways:

- in the **asset class summaries** (section 2) by identifying an issue of concern with outcomes Council can achieve now ('where are we now?') and/or what it can achieve in future ('where will we be in 10 years?')⁷
- as a **risk management strategy** (section 4) that Council needs to implement to bring a particular risk down to an 'acceptable' level
- as a shortfall expressed in terms of the **infrastructure asset performance measures** ('backlog' or 'required maintenance' in section 5) and/or
- as a scenario in the **LTFP** (where the additional funding to address the issue is provided) in addition to the scenarios currently included.

⁵ Essential element 3.22 says AMPs 'must contain long-term projections of asset maintenance, rehabilitation and replacement, including forecast costs for reflection in LTFP'. Forecast costs generally *are* in the LTFP. Projections (in terms of outcomes) are in asset class summaries and risk management strategies.

⁶ Total capital works in tables following align with 'purchase of infrastructure property plant and equipment' in cashflow statement in the LTFP; capital works is also discussed in sections 3.3, 4.3 and 5.3 of the LTFP.

⁷ A distinction isn't made in the asset class summaries between 'operations' and 'capital' as the focus is outcomes, not accounting.

Capital Works Program for General Fund

NOTES: Excludes carry-overs from 2022 financial year. See comments on each program on following page.

PROG.#	PROGRAM	Capital works program (\$000's 2023)											Renewal only (10yr)	Depreciation (1yr)	Renewal Ratio (10yr)	Replacement Cost	Specific grants	
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEARS						
T 1	Local sealed roads reseals + patching	760	850	850	850	850	850	850	850	850	850	850	8,410	8,410	630	133%	12.7	
T 2	Local sealed road pavements	1,775	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	11,675	11,675	1,522	77%	69.7	
T 3	Local rd upgrades (safety, heavy vehicles)	150	150	150	150	3,500	150	150	150	150	150	150	4,850	-	-	N/A	N/A	(3,750)
T 4	Local unsealed roads gravel resheeting	370	450	450	450	450	450	500	500	550	550	4,720	4,720	513	92%	10.4		
T 5	Regional roads (Whitton-Darlington Pt)	90	200	200	200	200	200	200	200	200	200	1,890	1,890	191	99%	9.2		
T 6	Footpath renewals + upgrades	80	150	150	150	150	150	150	150	150	150	1,430	930	168	55%	7.8		
T 7	Other road assets (kerb and gutter, bridges, medians, guardrail, etc.)	316	100	100	100	100	100	100	100	100	100	1,216	1,216	90	135%	22.6		
T 8	Earthworks & sub-base (non-depreciable)													N/A			38.9	
	TRANSPORT	3,541	3,000	3,000	3,000	6,350	3,000	3,050	3,050	3,100	3,100	34,191	28,841	3,114	93%	171.3	(3,750)	
BO 1	General buildings (unplanned) if required						100	100	100	100	100	500	500					
BO 2	Sports (inc. stadium, golf, racecourse)	175		200	40	2,000						2,415	615				10.9	(1,000)
BO 3	Parks and playgrounds	200	125	160	60	60	60	60	40	40	40	845	845				7.1	
BO 4	Swimming pools			80		750						830	830				4.2	
BO 5	Public toilets		30	30								60	60				0.7	
BO 6	Public halls + community bldgs + aged	150	20									170	170				6.2	
BO 7	Cultural (Roxy, Leeton & Whitton Museums, Library, Visitor Info)	3,154	80	250								3,484	3,484				13.5	
BO 8	Caravan parks	690			1,000							1,690	500				0.9	(1,000)
BO 9	Leeton Early Learning Centre (Childrens)											-					1.6	
BO 10	Admin Buildings, Depots, Pound	146										146					6.9	
	BUILDINGS & OPEN SPACE FACILITIES	4,515	255	720	1,100	2,810	160	160	140	140	140	10,140	7,004	1,763	40%	52.0	(2,000)	
D 1	Urban stormwater drainage	130	100	100	100	100	100	100	100	100	100	1,030	530	319	17%	32.5		
	URBAN STORMWATER DRAINAGE	130	100	100	100	100	100	100	100	100	100	1,030	500	319	16%	32.5		
PF 1	Heavy plant	680	525	520	535	175	535	270	1,325	300	530	5,395	5,395				8.1	
PF 2	Light vehicles and cars	300	205	200	235	175	250	250	220	200	235	2,270	2,270					
	PLANT AND FLEET	980	730	720	770	350	785	520	1,545	500	765	7,665	7,665	596	129%	8.1		
ITC 1	PCs and monitors	45	45	45	45	45	45	45	45	45	45	450	450					
ITC 2	Network infrastructure	100	110	110	110	110	110	110	110	110	110	1,090	1,090					
ITC 3	Software (some is operational)		250	250	250	250	250	250	250	250	250	2,250	1,125					
ITC 4	Other office equipment	170										170	85					
	INFO COMMS TECH / OFFICE EQUIP.	315	405	405	405	405	405	405	405	405	405	3,960	2,750	122	225%	1.3		
WM 1	Waste management	77		550			550	1,250		550		2,977	1,250	265			1.0	
	WASTE MANAGEMENT	77	-	550	-	-	550	1,250	-	550	-	2,977	1,250	265	47%	1.0		
	TOTAL GENERAL FUND	9,558	4,490	5,495	5,375	10,015	5,000	5,485	5,240	4,795	4,510	59,963	48,010	6,179	78%	266.2	(5,750)	

Comments on Capital Works Program (above)

NOTE: actual projects and budgets will be identified in the Operational Plan.

Program #	Comments e.g. projects included in a particular year, notes on overall priorities	
TRANSPORT		
T	1	Estimate based on 2019 condition assessment. 89km identified as priorities, will take 5-6 years to complete based on \$850k p.a. (if ground truthing identifies the need to accelerate the works, move funds from pavements). Work includes some preparation for pavements (shape correction/patching) which is why the proposed spend is 35% more than depreciation over 10 years. List of projects for coming year will be identified in Operational Plan.
T	2	Estimate based on 2019 assessment. 20km identified as priorities, will take 6 years to complete, but some lower priority work could be delayed if required. Estimates for later years based simply on expected deterioration/available funds. List of projects for coming year will be in Operational Plan
T	3	Project in year 1 is Chelmsford PI upgrade, assumed to be grant funded. Other major project is Euroilly Rd widening (Yanco-Sturt Hwy) widening associated with WR Connect project (some grants expected to offset the \$3.5M estimate). The \$150k p.a. is for general upgrades (e.g. road safety, shoulder widening) across the network. Note there is an action in the SAMP 'asset class summary' is to develop a prioritised list of projects.
T	4	Estimate based on 2019 assessment. Council invested considerably in resheeting in recent years, so it is expected renewal needs will be lower, growing over time. List of projects will be in Operational Plan
T	5	Budget reflects available grants (Block, REPAIR) less ongoing maintenance needs. This is considered adequate to maintain service levels (road is in good condition).
T	6	Budget assumes the focus will be renewing existing footpaths with widening. An action in SAMP is to develop a priority list for footpaths (this will be informed by the Active Transport Strategy).
T	7	Budget is primarily for kerb renewals (while most are relatively young, some are failing). Council is responsible for few bridges or culverts on rural roads (most are Murrumbidgee Irrigation assets).
T	8	Earthworks are non-depreciable, no renewal funding required.
BUILDINGS AND OPEN SPACE		
BO	1	Building works across all categories were identified by a formal review of all buildings by responsible staff in 2022 (including inspections as required), identifying works as set out in the following programs. Most buildings were assessed as being in good condition and not needing work over next 10 years. \$100k p.a. (increasing to \$250k p.a. in years 6-10) has been budgeted to cover unforeseen issues and to balance up the minimal spend forecast in later years
BO	2	2025: replace roof at Stadium (needs to be done in conjunction with replacing pool heating system, which is on the roof and leaking) SAMP includes action to investigate expansion of same. 2026: demolish unused Rugby building at Yanco
BO	3	Projects in Playground Strategy (1 per year): Graham, McCaughey, Mountford, Gossamer, Central, Whitton, Murrami and Wiradjuri Parks, then Leeton Ovals. Irrigation replacements in Central and Black parks 23, 24 (\$40k each). Other minor works will be funded via maintenance budgets (capitalised as appropriate)
BO	4	2025: replace pool heating on stadium roof; 2027: Whitton pool (may need to be done earlier). SAMP includes investigation of heated pool
BO	5	2024: demolish toilets McCaughey Pk; 2025: demolish toilets, kiosk and shed Henry Lawson Reserve (neither to be replaced). All other toilets in good condition thanks to recent renewal works

BO	6	2024: roof repairs to CWA Hall and Community Services building. 2025: refurb of last 2 out of 14 units at Eventide Homes
BO	7	2023: Roxy theatre; 2024: Visitor Information Centre internal walls & Whitton Museum structural work; 2025: Art Gallery & Museum roof and vermin proofing
BO	8	2025: Gogeldrie Weir Caravan Park upgrade (subject to securing \$1M grant); note that Brobenah Camping Ground proposed to be redeveloped as housing
BO	9	2023: Leeton Early Learning expansion works to be funded by revenues from additional childcare places
BO	10	Admin building in good condition; works depots ageing but functional
URBAN STORMWATER DRAINAGE		
D	1	Budget assumes a mix of renewals, as well as upgrades to address localised flooding issues. Most (38 out of 45km) urban drainage assets were built since the 1980s so assets are only half way through their expected service life.
PLANT AND EQUIPMENT		
PF	1	Heavy plant fleet (graders, backhoes, trucks) replacement program is planned to optimise productivity, reliability and whole of life costs
PF	2	Light vehicle fleet (operational utes and cars) planned to minimise costs
INFORMATION TECHNOLOGY, COMMS. AND OFFICE EQUIPMENT		
ITC	1	PCs and monitors are on a 5 year rolling replacement program.
ITC	2	Network infrastructure (servers, comms, etc.) ongoing investment required
ITC	3	Software to meet operational needs; some is accounted for as operations
ITC	4	Office equipment
WASTE MANAGEMENT		
WM	1	Includes new cells at Leeton landfill every 3 years, plus remediation of the old Leeton landfill in 2029.

Capital Works Program for Water Supply and Sewerage Funds

Council's water supply and sewerage businesses are accounted for separate to 'general fund' as required by National Competition Policy and the NSW Local Government Act. Sections 4 and 5 of the Long Term Financial Plan includes an indicative 30 year capital works program and financial plan.

		Capital works program (\$000's 2023)											Renewal only (10yr)	Depreciation (1yr)	Renewal Ratio (10yr)	Replacement Cost	Specific grants
PROG.#	PROGRAM	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEARS					
W 1	Water treatment	579						600		7,000		8,179	1,179	511	23%	25.3	(2,000)
W 2	Service reservoirs and storage dams	680							1,000			1,680	680	183	37%	15.3	
W 3	Pipelines, valves, hydrants	450	690	690	690	690	690	690	690	690	690	6,660	6,660	675	99%	44.0	
W 4	Other (e.g. telemetry, solar)	200										200	-	96	0%	1.5	
	TOTAL WATER FUND	1,909	690	690	690	690	690	1,290	1,690	7,690	690	16,719	8,519	1,465	58%	86.1	(2,000)

		Capital works program (\$000's 2023)											Renewal only (10yr)	Depreciation (1yr)	Renewal Ratio (10yr)	Replacement Cost	Specific grants
PROG.#	PROGRAM	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEARS					
S 1	Sewerage mains, manholes and vents	175	190	190	190	190	190	190	190	190	190	1,885	1,885	323	58%	31.7	
S 2	Sewage pumping stations	200	-	250	1,800	250	100	250	100	250	1,500	4,700	4,700	268	175%	11.4	
S 3	Sewage treatment plants	584	-	-	-	1,650	500	200	-	-	-	2,934	2,934	302	97%	18.6	
S 4	Other (e.g. telemetry, solar)	188										188	-				
	TOTAL SEWER FUND	1,147	190	440	1,990	2,090	790	640	290	440	1,690	9,707	9,519	893	107%	61.7	-

WATER SUPPLY		
W	1	Various small projects in 2023, refurbish Murrami WTP in 2029, upgrade Leeton WTP in 2031 (to increase capacity, works to be confirmed in Servicing Strategy, \$2M grant assumed)
W	2	Chelmsford PI reservoir in 2023, new reservoir at Yanco in 2030 (works to be confirmed in Servicing Strategy)
W	3	Estimates for mains renewals based on analysis of pipeline ages and material types, further investigation / analysis required to develop a risk based program
W	4	Servicing strategy, telemetry and meters in 2023
SEWERAGE		
S	1	Estimate for sewer relining and manhole programs is based on an analysis of pipeline ages and materials, further investigation / analysis required to refine estimates, informed by a risk-based CCTV inspection program
S	2	Pump station #1 in 2023, forecasts based on analysis of pumps, switchboards, pipework, wet wells plus an allowance of \$3M – half in 2026 and half in 2032 – for rationalisation of pump stations (to be confirmed in Servicing Strategy)
S	3	Works at Leeton STP in 2023 and 2025 (some upgrade/some renewals), renewals at Yanco STP in 2029 and Whitton STP in 2030.
S	4	Servicing Strategy, telemetry and solar in 2023

4. Risk Management

The table below summarises critical risks⁸ associated with each of Council's asset classes and the management strategies Council has in place, or needs to implement, to manage these. Council's corporate risk register has considerable additional detail regarding these issues.

Where management strategies require additional funding to be implemented, this is noted. If the lack of funding gives rise to an 'unacceptable' level of risk, the funding required to implement the strategy will be included in calculations of infrastructure asset performance measures (section 5).

Asset-Related Risk	Rating	Management Strategy + Status
TRANSPORT AND DRAINAGE		
Insufficient investment in resealing (renew bitumen surface) leads to costly premature failure of underlying gravel pavements	High	<ul style="list-style-type: none"> Condition assessment (inspection) undertaken; prioritised list of works prepared Adequate funding of reseat program
Failure of Murrumbidgee Irrigation (MI) asset (bridge or culvert) leads to person or property damage	High	<ul style="list-style-type: none"> Work with Griffith City Council to negotiate an MOU with MI for inspection and maintenance program
Person or property damage arising from defective transport and/or drainage asset owned by LSC	High	<ul style="list-style-type: none"> Inspection and maintenance program in place
BUILDINGS AND OPEN SPACE		
Asset failure leads to person and/or property damage	High	<ul style="list-style-type: none"> Inspection program in place for higher risk assets (playgrounds), customer request Non-compliant playground equipment to be removed (refer capital works program) Funding of capital works and maintenance Maintenance program for electrical, fire safety and other issues
Exposure to asbestos in Council building	High	<ul style="list-style-type: none"> Asbestos management plan in place
Drowning at swimming pool	High	<ul style="list-style-type: none"> Provide appropriately trained staff Commission audit by RLSA and act on issues
PLANT AND EQUIPMENT		
Plant or equipment failure leads to person and/or property damage	High	<ul style="list-style-type: none"> Scheduled maintenance and inspection programs in place for plant and equipment Funding of plant replacement program
WATER SUPPLY		
Water supplied fails to comply with Australian Drinking Water Guidelines	High	<ul style="list-style-type: none"> A Drinking Water Quality Management System has been developed and implemented in accordance with NSW Health Guidelines
Failure of equipment at Leeton Water Plant (which operates up to 23 hours / day to keep up with peak demand in summer) results in water shortages and/or interruptions to supply	High	<ul style="list-style-type: none"> SCADA and telemetry system in place to monitor processes and send alarms Preventative maintenance program to be developed and implemented Trained operators in place Concept study for upgrade and/or replacement of Leeton Water Plant to be undertaken
Blue-green algae bloom in storage dam (used during annual shutdown of irrigation channels) results in taste issues (water still complying with drinking water guidelines, but poor taste)	Medium	<ul style="list-style-type: none"> Clean out dam

⁸ This approach has been used instead of 'critical assets' (as per essential element 3.18 of IP&R Guidelines) to align with Council's Risk Mgmt. Framework (a 'critical asset' is 'high risk': see ISO55000 clause 3.2.8).

Asset-Related Risk	Rating	Management Strategy + Status
Inadequate flow and or pressure in water pipelines, or inoperable fire hydrant, hampers firefighting efforts	High	<ul style="list-style-type: none"> • Scoping study undertaken to identify problems and options to fix water flow and/or pressure is inadequate • Preventative maintenance program developed and implemented (hydrants)
Additional costs associated with replacing watermains in roads that are recently reconstructed	High	<ul style="list-style-type: none"> • Program aligning watermain and road works to be developed
SEWERAGE		
Operational or asset failure results in effluent being discharged from Sewage Treatment Plant that fails to meet standards of Environmental Protection Licence	High	<ul style="list-style-type: none"> • SCADA and telemetry system in place to monitor processes and send alarms • Trained operators in place • Operational controls preventing immediate discharge • Preventative maintenance program to be developed and implemented
Operational or asset failure (e.g. pump station or pipeline) results in raw sewage being discharged to the environment	High	<ul style="list-style-type: none"> • Telemetry to monitor pump operations • Emergency response team • Preventative maintenance program to be developed and implemented • Develop and implement risk-based program of CCTV inspection and pipe relining • Develop and implement a program to rationalise and upgrade pump stations

5. Infrastructure Asset Performance Reporting

The Local Government Code of Accounting Practice and Financial Reporting prescribes several performance measures councils must report on in their annual financial statements:

- **building and infrastructure asset renewals ratio:** compares expenditure on renewal of existing assets to annual depreciation (benchmark > 100%, averaged over 3 years)
- **infrastructure backlog ratio:** compares the 'cost to bring assets to satisfactory condition' (renewal works only) to their net carrying amount (benchmark < 2%)
- **asset maintenance ratio:** compares 'actual' to 'required' maintenance (benchmark > 100%)
- **cost to bring assets to agreed level of service:** compares the 'cost to bring assets to agreed level of service' to their gross replacement cost (no benchmark set).

As discussed in section 3.3 of the Long Term Financial Plan, Council doesn't consider the **renewals ratio** is appropriate as a performance measure. Depreciation is useful as a benchmark to understand the scale of renewal needs over the next 10 years with the need over its entire life cycle (it is used in this manner in the table in section 3 above), but the amount that needs to be spent on renewals in a particular year, or even over 10 years, depends on the condition of assets (e.g. the 10 year renewal ratio for buildings and open space is only 39% as these assets are in relatively good condition, there is no need identified to spend more than what is forecast).

Council will, however, monitor and report on its progress with implementing the forecast capital works that it has determined it needs to undertake (as set out in section 2) and continue to refine estimates for future renewal needs (informed by improvement actions in section 6).

Council will limit the **backlog** – 'cost to bring assets to satisfactory condition' – to the cost to undertake renewal works that, if not done, give rise to an unacceptable level of risk as assessed in accordance with its Risk Management Framework. 'High risk' issues where a backlog *may* be reported at some time include the following, but proposed funding should be sufficient to avoid this:

- resealing of sealed roads (to avoid costly premature failure of underlying pavements)
- resheeting of unsealed (gravel) roads where the road may become impassable

Council will only report a shortfall via the **asset maintenance ratio** (i.e. 'actual' maintenance was less than what was 'required') if the work that was not done due to inadequate funding gives rise to an unacceptable level of risk as assessed in accordance with its Risk Management Framework. 'High risk' issues where a shortfall in maintenance funding *may* be reported (to fund the management strategies identified the table in section 4) include:

- programs to inspect the urban drainage network

At this stage, Council has not undertaken sufficient analysis of current service levels or the funding required to deliver alternative service levels, and then engaged the community about these *and* their willingness to pay for higher levels of service (if required) to report in a meaningful way against the **cost to bring assets to agreed level of service**. This is identified in section 6 as an improvement action, and is fundamental to the proposed engagement about options to improve Council's financial sustainability in section 3.5 of the LTFP. Examples of the issues to be investigated include:

- service levels on unsealed roads (e.g. gravel resheeting frequencies)
- service levels on sealed roads (e.g. the condition pavement reaches before rehabilitation).

At this stage, Council considers that the service levels that are 'agreed' are what Council can afford to deliver *provided that the risks associated with these assets are 'acceptable'*. As such, Council will simply report the 'cost to bring assets to agreed level of service' equal to the 'backlog' at this stage.

A **State of the Shire Infrastructure Report** will be prepared by the Asset Management Steering Group (section 6) for Council that addresses the above issues and supports mandatory reporting.

6. Asset Management System and Improvement Actions

Council's **Asset Management Policy** documents its commitment to:

- providing the best possible value from its infrastructure assets,
- implementing an asset management (AM) system that reflects best practice (the international standard, ISO 55001:2014) to support the achievement of this objective,
- continuously improving the AM system and so its AM capability, and
- maintaining an Asset Management Steering Group to keep the AM system under review and report to Council and the Audit, Risk and Improvement Committee regarding AM generally.

Actions to improve Council's AM capability are summarised in Appendix 2. These were identified during the development of this SAMP.

Council intends to formally assess its AM capability against ISO 55001 as a catalyst for continuous improvement, but the actions below are deemed fundamental, and will take significant resources and commitment already, so a formal assessment against ISO will not be progressed at this time.

Perhaps the most fundamental issue is the need for a *stronger governance framework*, in particular the re-establishment of the Asset Management Steering Group. The **Terms of Reference for the Asset Management Steering Group** are included in Appendix 1.

The Steering Group will monitor and report on progress with improvement actions (as per the Terms of Reference), but some actions may also be included in the Operational Plan, where appropriate.

APPENDIX 1: Terms of Reference for Asset Mgmt. Steering Group

Purpose

The General Manager has established the Asset Management Steering Group (AMSG) to monitor and review the implementation and improvement of the Asset Management (AM) system to ensure Council's AM objectives, as defined in the AM Policy, are met.

The AMSG is a cross-functional forum for planning and coordinating AM activities, including raising awareness of, and communicating about, AM issues.

Membership

- Group Managers: Corporate Services, Operations
- Managers of IT, Environmental Sustainability, Roads and Drainage, Open Space and Recreation and Water and Sewerage
- Coordinators of Procurement and Building Services, Asset Management
- other staff as required

Agenda Items

Standard agenda items will include the following:

- Progress with improvement action plan (Appendix 2 of SAMP)
- Problems or potential problems identified with Council's assets or AM system; actions to correct or prevent these; progress on actions taken
- Adequacy of resourcing of AM activities and clarity of roles
- Integration with Council's risk management system
- Proposed changes to AM system and assessment of associated risks
- Proposed outsourcing of AM activities, controls and monitoring required

Each year, the AMSG will prepare a 'State of Shire Infrastructure Assets' Report to support mandatory reporting in the annual financial statements (usually, October). This will include:

- Progress with capital works program
- Details of specific risks included in reporting on the renewal 'backlog' and shortfall in maintenance funding ('required maintenance')

Each year, the AMSG will undertake a full review of the AM system and the improvement action plan when updating the SAMP, and endorse a new AM Improvement Action Plan.

Distribution of Minutes

Minutes of the AMSG will be tabled for information at meetings of Senior Staff and the Audit, Risk and Improvement Committee.

APPENDIX 2: Asset Management Improvement Action Plan

Ref	Improvement Action	Who	When
GENERAL			
G1	Establish Asset Management Steering Group, monthly report to Senior Staff; progress reporting to Audit, Risk and Improvement Committee	GMCS	Monthly meeting
G2	Establish 'State of the Shire Infrastructure' report to supplement mandatory reporting on assets in annual financial statements including details regarding backlog (high risk assets needing renewal), progress with capital program and shortfall in funding for maintenance (if any)	MIT	Report to Council Oct each year
G3	Review the adequacy of current definitions for responsibilities for asset management across Council and prepare a plan to improve this	GMCS, GMO	June 2023
G4	Capital works process from start to finish: review and refine	AMC	June 2023
G5	Develop clearer service level definitions and clarify relationship between these and cost of service delivery as part of community engagement about a Special Rate Variation (see section 3.5 of LTFP)	ALL	As per LTFP
TRANSPORT			
T1	Progress the sealed roads renewal program : further ground-truthing of identified projects, assess the urgency of works (i.e. what should be considered 'backlog'? e.g. do some reseals need completing earlier?), review of work methods and unit rates for proposed works, monitor progress with program, review best format to manage the data, report to Council on a project list to publish (with road names, etc.)	MRD AMC	Review by Dec 22 then ongoing
T2	Align road rehabilitation program with water main program (see W3)	MRD, MWS	Dec 22 and ongoing
T3	Prioritisation framework upgrade to sealed road network developed, including a list of proposed projects, aligned with rehabilitation and sealing program (report to Council)	MRD, AMC	June 2023
T4	Prioritisation framework upgrade to footpath network developed, including a list of proposed projects, aligned with Active Transport Strategy and rehabilitation and sealing program (report to Council)	MRD, AMC	June 2023
T5	Work with Griffith CC and Murrumbidgee Irrigation to finalise an MOU regarding maintenance of MI structures (bridges, culverts, etc.) on roads	GM	
BUILDINGS AND OPEN SPACE			
BF1	Review Council's property portfolio, identify assets for disposal and/or consolidation as part of the community engagement about service levels	PBC	
BF2	Review hierarchy of sports and parks facilities to inform discussions about service levels	MOS	
URBAN STORMWATER DRAINAGE			
D1	Develop CCTV program for sampling say 5% of the network (focusing on areas more likely to be in poor condition) and implement within budget	AMC	Dec 23
D2	Develop a proposal for Council's consideration for budget to scope up upgrade projects for priority urban drainage catchments	MRD AMC	Dec 24
WATER SUPPLY			
W1	Concept study for upgrade or replacement of Leeton Water Plant (following completion of Servicing Strategy)	MWS	
W2	Preventative maintenance program (for water and sewer assets) for mech/elec, valves, reservoirs, etc.	MWS	Dec 23
W3	Align road rehabilitation program with water main program (see T2)	MRD, MWS	Dec 22 and ongoing
W4	Risk based watermain condition assessment/replacement program	MWS AMC	Dec 23
SEWERAGE			
S1	Risk-based CCTV inspection program to identify pipes requiring relining	MWS, AMC	Dec 23
S2	Strategy to rationalise sewage pumping stations developed	MWS	Dec 23
S3	Completion of Integrated Water Cycle Management Strategy	MES	June 24



LEETON
SHIRE COUNCIL

Leeton Shire Council

ABN 59 217 957 665

23-25 Chelmsford Place, Leeton NSW 2705

www.leeton.nsw.gov.au

E: council@leeton.nsw.gov.au **P:** (02) 6953 0911 **F:** (02) 6953 0977