

POLICY REGISTER

ASSET MANAGEMENT STRATEGY

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Issue	Prepared/Revised By and Date	Action/Amendment Description	Approved By and Date
1.0	Les Morgan 5/5/16		
1.1	Les Morgan 16/10/17	<p>Section 5.1. Expansion of infrastructure categories to enable kerb and gutter to be separated into its own class.</p> <p>Section 5.2. Update of Note 9a and Special Schedule 7. Addition of ratios required by IP&R.</p> <p>Section 5.4. Update of Asset Condition Charts and extension of “Fair Value” program.</p> <p>Section 5.5. Update of Asset Maturity Audit.</p> <p>Section 7.0. Review and Update of Improvement Plan</p> <p>Improvement Plan. Update of 16/17 Plan and addition of Operating Performance ratio</p>	<p>Council</p> <p>26th October 2017 – Res No: 289.10.17</p>
1.2	Sylvester Otieno May 2025	Entire Strategy has been re-written to align with guidance in ISO 55001 and the International Infrastructure Management Manual	

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1. Purpose

The objective of this Strategy is to develop actions aimed at enabling Council to improve its asset management capability and practices to support Council's Asset Management Policy and guide the development of Asset Management Plans. This Strategy and the Asset Management Plans also provide Council with detailed information to assist with its service delivery planning, and optimised informed decision making.

2. Scope

2.1. Services Provided

The scope of the strategy encompasses all the services that Council provides to the community. These services include the following.

- Transportation infrastructure comprising roads, bridges, footpaths, and Warren Airport.
- Water supply
- Sewerage services
- Recreation and open space facilities
- Buildings
- Waste management services
- Stormwater and floodplain management
- Fleet

2.2. RMCC

Council provides road maintenance and renewal services on the Oxley Highway (SH11) between Nevertire and Collie, for the Transport for NSW (TfNSW) under the Road Maintenance Council Contract (RMCC). TfNSW is still fully responsible for the highway, but Council has some responsibility as the contractor.

The highway is thus not a Council asset.

3. Organizational Context

3.1. Objectives

The objectives are detailed in the Asset Management Policy. They generally are summarized in the following headings.

- Asset Management Framework
- Alignment with council's strategic plans
- Longterm Planning
- Lifecycle Management
- Levels Of Service
- Roles and Responsibilities
- Assets Management Improvement
- Asset Management Information System

3.2. Stakeholders

There is an array of stakeholders with varied interests in the services provided by Council. Below is a list of the usual stakeholders, others might be identified as services evolve over time.

- Council staff
- Councilors
- Community members
- Road users
- Grant funding organizations
- Regulatory organizations
- Tourists and visitors
- Educational institutions
- Businesses
- Health institutions
- Emergency services
- Other government organizations
- Neighboring councils

3.3. Assets Portfolio

Warren Shire Council has nine (9) asset groups, listed as follows and their respective subclasses and quantities are detailed in Table 1.

- Roads, Bridges and Footpaths
- Stormwater
- Land
- Buildings
- Recreation and Open Spaces
- Sewerage
- Water Supply
- Other Structures
- Plant and Equipment

Table 1 – Assets Portfolio

No.	Asset Class	Subclass	Quantity
1	Roads Bridges and Footpaths	Regional Roads	356.200km
		Local Roads	937.775km
		Urban Roads	33.789km
		Regional Bridges	19 no.
		Local Bridges	34 no.
		Footpaths	37.010km
		Kerb and guttering	39.045km
		Box Culverts	58 no.
		Pipe Culverts	598 no.
		Concrete Causeways	3 no.
		Asphaltic Concrete Causeways	4 no.
2	Stormwater	Pipes	9km
		Pits, Junctions and SEPs	261 no.
		Gross Pollutant Traps	1 no.
		Urban Culverts	23 no.
		Open Drains	10.82km
		Retention Ponds	2 no.
3	Land and Buildings	Land	113 lots
		Specialized Buildings	28 no.
		Non-specialized Buildings	13 no.
4	Recreation and Open Spaces	Ovals	4 no.
		Playground equipment	8 no.
		Parks	8 no.
		Outdoor gym equipment	1 no.
		Barbeques	7 no.
		Racecourse	1 no.
		Equestrian arena	1 no.
		Skate Park	1 no.
		Splash Park	1 no.
		Swimming pool	1 no.
		Grandstands (includes portable)	8 no.
		Cricket pitch	5 no.
		Cricket practice net	4 no.
		Tennis courts	6 no.
		Basketball court	2 no.
		Shade Shelters	17 no.
		Soccer Pitch	1 no.
		Netball court	6 no.
		Long jump area	2 no.
		Jetty	1 no.
		Boatramp	1 no.
		Wetlands	1 no.
		Bird Viewing Platform	1 no.
		(Bob Christensen) Reserve	1 no.
5	Water Supply	Bores	9 no.
		Reservoirs (Standpipes)	4 no.

No.	Asset Class	Subclass	Quantity
		Chlorination system	4 no.
		Tanks	14 no.
		Intake works	2 no.
		Weir	1 no.
		Pumping station	11 no.
		Mains & Reticulation	89.822km
		Hydrants	
		Cross-connection works	3 no.
		Telemetry	14 no.
6	Sewerage	Treatment works	2 no.
		Pumping stations	13 no.
		Rising Mains	
		Gravity Mains	
		Junctions, dead ends and manholes	
7	Other Structures	Airport runway	2 no.
		Fuel depot	2 no.
		Airport Taxiways	4 no.
		Airport Fence	8.8km
		Airport Lighting (PAL)	1 set
		Street Lighting	
		CCTV Cameras	20 no. (+29)
		Oval Lighting	2 sets
		Garbage facility	1 no.
		Carparks	5 no.
		Outdoor seating	23 no.
		Bus shelters	3 no.
		Cemeteries	5 no.
		Quarries	1 no.
		Levee	17km
		Floodgates	44 no.
		Sculptures	12 no.
		Fences	30 Sets
8	Fleet	Plant	28 no.
		Vehicles	24 no.
		Trucks	20 no.
		Generators & Welders	11 no.
		Mowers & Slashers	17 no.
		Pumps	11 no.
		Trailers	31 no.
		Traffic Lights	6 no.
		Others	9 no.

4. Assets Management Framework

The framework consists of the Assets Management Policy, this strategy and assets management plans for each infrastructure asset group. The framework is depicted in Figure 1. Assets lifecycle, objectives and capability will be covered in later sections of this strategy.

The framework will align with ISO 55001 (Asset Management – Management Systems – Requirements), and the International Infrastructure Management Manual.

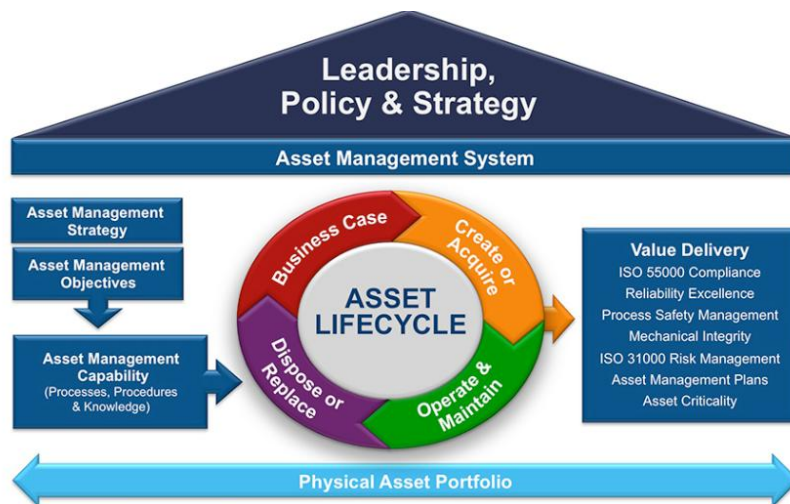


Figure 1 – Assets Management Framework

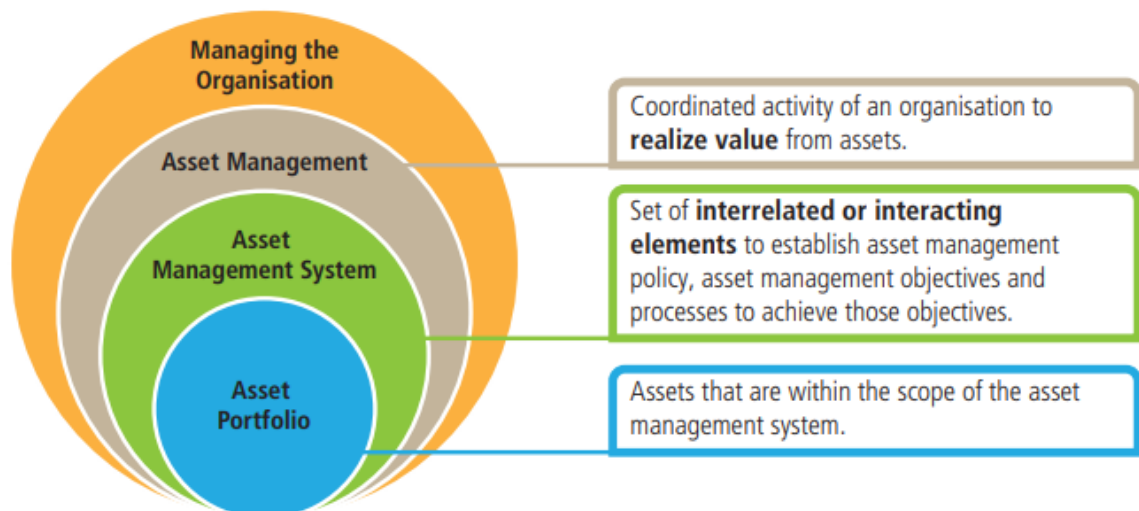


Figure 2 – ISO 55000:2014 Asset Management System

5. Strategic Alignment

Assets management forms part of the Integrated Planning and Reporting process which is shown on Figure 2. Here, it is shown that asset management supports the delivery of the Community Strategic Plan, Delivery Program, Long-term Financial Plan and Operational Plan, and other plans of Council

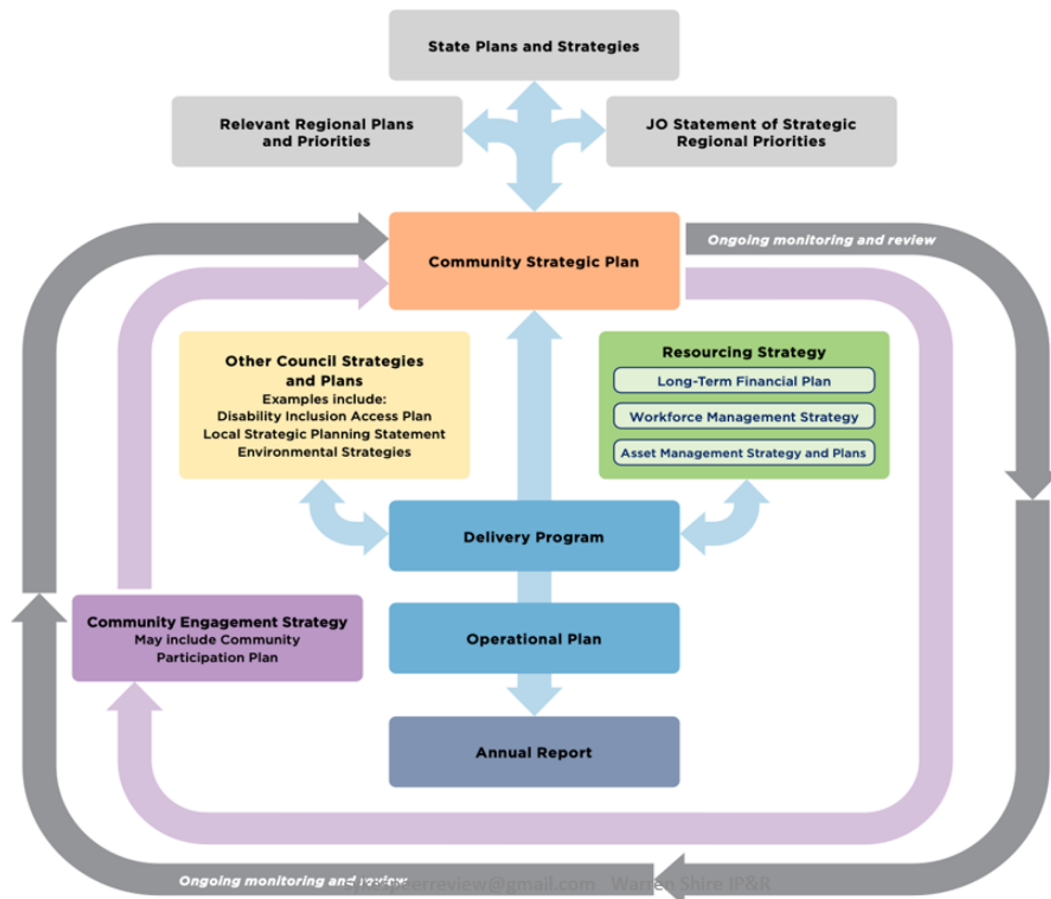


Figure 3 – Integrated Planning & Reporting Process

The policy aligns with the following objectives of the Warren Shire Community Strategic Plan.

- 3.1.1 Ensure that the road network is maintained to acceptable community standards.
- 3.1.3 Ensure that the Shire is well positioned to rapidly adopt new, modern energy technologies as they emerge.
- 3.2.1 Maintain community assets (swimming pools, library, council buildings, parks, gardens, reserves, cemeteries, aerodrome, stormwater and water and sewer infrastructure) to acceptable community standards.
- 3.2.2 Ensure that the Warren levee continuously remains fit for purpose
- 3.3.1 Adopt comprehensive and practical asset management plans that support, and are supported by, our long-term financial plans
- 3.3.2 Maintain a well-resourced team of infrastructure staff to ensure that our infrastructure needs are met

- 3.4.1 Continually upgrade streetscapes in Warren, Nevertire and Collie to create attractive places to live and to visit
- 4.1.2 Encourage the local community to embrace sustainable living and business practices
- 4.2.1 Sustainably manage the Shire's limited water resources
- 4.2.2 Ensure that our town water usage complies with our licenced allocations
- 4.2.3 Provide Warren and the villages of Nevertire and Collie with an adequate and safe water supply that is appropriately priced for all consumers
- 4.2.4 Provide Warren and the village of Nevertire with an adequate and environmentally acceptable sewerage scheme that is appropriately priced for all consumers
- 4.2.5 Ensure that our stormwater drainage system remains effective
- 4.3.1 Reduce the rate of landfill through appropriate waste minimisation and waste collection processes
- 4.3.2 Introduce new sustainable waste management practices for both green waste and recyclable materials
- 4.4.5 Sustainably manage Council's road-making materials and storage sites (gravel, sand, loam pits and roadside stockpile sites)
- 5.3.1 Provide effective training and development of our staff

6. Asset Management Planning

6.1. Assets Management Plans

Asset management planning has a planning horizon of at least ten years, and longer where required. For instance, Fleet assets have a planning horizon of fifteen (15) years.

The following assets management plans will be prepared and endorsed in each council term.

- Roads, Bridges and Footpaths
- Sewerage
- Water Supply
- Buildings
- Recreational Assets
- Stormwater
- Other Structures

Assets management plans shall detail how Council would deliver on the assets management principles, and shall address the following subjects.

- Strategic objectives
- Services provided
- Levels of service
- Asset condition
- Operations and maintenance
- Capital works and asset disposal
- Financial plans
- Risk management
- Improvement program

6.2. Risk Management

Planning shall be integrated with service delivery, and risk implications of divergence between asset and financial plans are considered when preparing the plans.

Critical assets shall be identified and detailed in the asset management plans, with those assets being prioritized for maintenance and capital renewal.

7. Lifecycle Management

7.1. Assets Management Objectives setting

Objectives will be set by Council in consultation with the community. The objectives must align with the Community Strategic Plan and other Council plans and are detailed in the Assets Management Policy.

The objectives should mirror the best practices and be benchmarked against the corresponding objectives of similar-sized councils.

Lifecycle assets management activities shall be undertaken with the aim of minimizing cost and environmental impacts over the lifecycle of assets. To achieve this, Council's Procurement and Disposal Policy and the NSW Code of Practice are followed. Environmental management activities are also undertaken, while laying emphasis on sustainability.

7.2. Capital Investment

Priority shall be given to renewal of existing assets to ensure that the limited funds are effectively and efficiently allocated. Non-asset-based approaches will be implemented where possible, to manage and reduce demand on assets.

7.2.1. Renewals

Renewal shall be undertaken only on assets that are currently providing services to the community. Certain assets provide services that must comply with some statutory requirements and must be maintained in a condition that enables the compliance to be maintained. Those assets must be renewed when required.

When assets are renewed, it is ensured that they can continue providing the required services in a safe and efficient manner.

Assets condition determines the need for renewal. As outlined in subsequent sections, assets with condition scores of 4 and 5 shall be prioritized for renewal.

Due to limited funds, it is imperative to prioritize renewal. This is based on risk management considerations including criticality of the assets. The prioritization criteria for renewal shall be outlined in each respective asset management plan.

7.2.2. New Assets and Upgrades

New works, upgrades or expansions may be required for growth or for improved services to meet the specified levels of service.

Any proposed new assets, upgrades or expansions shall be borne from the objectives of the Community Strategic Plan, service plans and demand forecasts.

The cost of owning the new assets including operating and maintenance shall be taken into account when considering new assets, upgrades or expansion.

7.2.3. Non-assets-based approaches

Demand management strategies are employed to minimize demand on assets and ensure affordability in the long term. These include awareness campaigns, and educational undertakings through various media.

For instance, demand on water supply assets could be reduced by educating the community on efficient use of water and encouraging responsible usage. Other strategies might include increasing the price of a service.

7.3. Operations and Maintenance

Sufficient funds shall be allocated for operations and maintenance of all existing assets, and any new, upgraded or expanded assets. Expenditure will be regularly monitored to identify any deviations from projected budgets, and any adjustments carried out.

Maintenance activities shall ensure that the assets remain in functional and serviceable condition.

Operation shall be undertaken in compliance with relevant guidelines, standards and statutory requirement.

7.4. Disposal

Assets that are obsolete, or have reached the end of their useful life are disposed of in a responsible and environmentally friendly manner.

Reuse shall be explored and implemented where necessary. Where appropriate, sale of unwanted assets shall be undertaken in accordance with the Council's Procurement and Disposal Policy.

8. Levels of Service

Levels of service are categorised into:

- **Community levels of service** – These relate to what the community wants in terms of the minimum required condition rating and functionality for each asset.
- **Technical levels of service** – These refer to the frequency in which renewal, maintenance and operational works are undertaken by Council, how compliance requirements are met, and whether the assets comply with guidelines, specifications and standards.

Community levels of service shall be determined by assessing community expectations. The Warren Shire Council's Community Engagement Strategy shall be used in this process. Those expectations shall be summarized into objectives in the Community Strategic Plan.

Technical levels of service shall be determined from guidelines, specifications, standards, and statutory requirements.

Each assets management plan shall detail the minimum level of service of service for the respective assets group.

9. Roles and Responsibilities

Assets management is the responsibility of all Council staff and councillors. Specific responsibilities for the Council and key staff are outlined below.

9.1. Council

- Make decisions which demonstrate sound stewardship of assets in relation to asset management.
- Responsible for adopting the Asset Management Policy, the Asset Management Strategy, and Assets Management Plans, and
- Ensuring that asset management requirements are given appropriate consideration when considering financial allocations during the annual budget planning process.

9.2. General Manager

- Ensure that adequate resources are allocated to enable sound asset management practice across the organisation.
- Ensure that asset management principles align with the Community Strategic Plan.
- Ensure that an integrated strategic planning framework is developed and implemented to meet the objectives of the Council.

9.3. Senior Management Team

- Support the General Manager in their decision making and provide leadership in relation to asset management for any asset-related functions within their division.

9.4. Divisional Manager Engineering Services

- Provide leadership and direction for implementing Council's asset management framework, including developing the asset management policy, asset management strategy and associated asset management plans.
- Has primary responsibility for the monitoring and implementation of the principles contained within this strategy across the organisation.

9.5. Divisional Manager Finance and Administration

- Ensure that the financial projections in asset management plans are a key input into the long-term financial plan and will implement a service planning framework to assist Managers in predicting future demand associated with assets and services.

9.6. Manager Health and Development

- Develop, implement and maintain asset management plans using the principles and objectives outlined in the Asset Management Policy and in the Asset Management Strategy.
- Ensure that all lifecycle activities are costed in the asset management plan and reflected in annual budgets.
- Ensure asset management plans are integrated with and respond to service requirements.
- Develop asset renewal requirements, risk registers, levels of service tables, maintenance standards and lifecycle costs for inclusion in asset management plans.

9.7. Managers

- Develop, implement and maintain asset management plans using the principles and objectives outlined in the Asset Management Policy and in the Asset Management Strategy.
- Ensure that all lifecycle activities are costed in the asset management plan and reflected in annual budgets.
- Ensure asset management plans are integrated with and respond to service requirements.
- Develop asset renewal requirements, risk registers, levels of service tables, maintenance standards and lifecycle costs for inclusion in asset management plans.

10. Assets Management Information System

Comprehensive, accurate and reliable data about the assets and their performance are crucial to making effective operational and financial decisions.

Council aims to have all assets data recorded in a single system that can meet the requirements of an Assets Management Information System (AMIS) as defined in the International Infrastructure Management Manual. The system should ideally be able to integrate with Geographic Information System (GIS), and the corporate finance software.

Arrangements have been made to transition all Council's asset data into the Metrix AMIS, which is provided by Chartis Group. The same company also provides Council's GIS software, Pozi. This is construed to be very advantageous since the two systems are integrated. Metrix can also integrate with Council's financial management software and can perform the following activities.

- Storing asset inventory
- Reporting
- Forward planning and strategic modeling
- Inspection and condition assessment

10.1. Assets Inventory

The AMIS shall contain a listing of the various components of all assets, including details of technical, operational, maintenance and financial aspects, measurement, condition, material, type, operating and maintenance costs, performance histories, date and cost of construction, estimated current replacement costs, among other information.

The information in the inventory shall be used in preparing reports, and for forward planning.

To obtain the greatest value from the AMIS, the contained information must be both complete and current. The data in an asset register should therefore be updated as changes to assets occur or, at least, on an annual basis. Financial data should be updated at least annually by indexation if required.

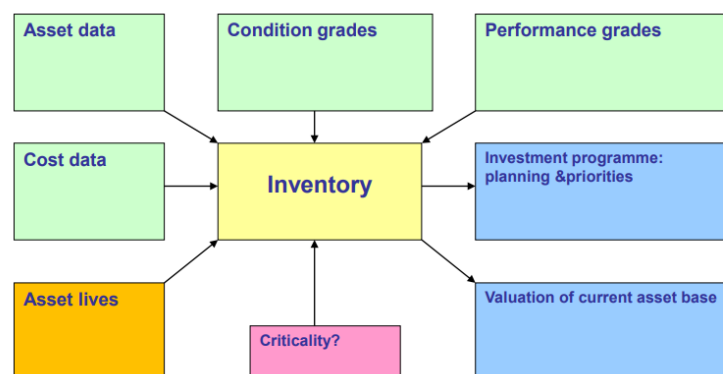


Figure 4 – Assets Inventory

10.2. Assets Condition

Condition shall be assessed predominantly visually using the IPWEA guidelines. The same guidelines will be applied when scoring asset condition. Table 1 presents a guide to scoring asset condition.

Other methods such as CCTV would be used to assess underground assets like stormwater, water and sewerage assets.

Table 2 – Assets Condition Rating Guide

Condition Index	Visual Condition	Condition Description	Works that May Be Needed
1	Excellent	No visible signs of deterioration or an asset that has recently been renewed back to an “as new” condition (useful life restored to original)	None
2	Good	Some early stages of deterioration evident. Functionality, performance and serviceability are minimally impaired, if at all.	Routine Maintenance
3	Fair	Obvious condition deterioration. Functionality, performance, and serviceability would be affected and maintenance costs rising.	Routine Maintenance/ Renewal
4	Poor	Severe deterioration that would limit serviceability. Maintenance costs and risk associated with deterioration would be increasing significantly.	Renew / Replace
5	Very Poor	Asset condition with severe serviceability problems and requiring remediation immediately or no longer serviceable and provides extreme risk.	Reconstruct / Renew/ Replace

10.3. Assets Valuation

An important part of the assets inventory is the valuation of the assets. Council shall record the values of all assets at component level, and shall adopt the valuation threshold of \$5,000.

The valuation information shall comprise replacement rate, replacement cost, annual depreciation, accumulated depreciation and fair (written down or depreciated replacement cost) value. The information shall be used for the following functions.

- Giving guidance on the worth of the assets
- Keeping track of depreciation
- Providing estimates for forward planning
- Setting the cost of maintenance through the depreciation charge.

Valuation of an asset shall be based on any of the following.

- Actual cost of replacement
- Current or indexed past contract rates
- Estimated cost of replacement including Modern Equivalent Asset Value (MEAV)

The fair value is the cost of replacing each asset, discounted by the expired life of the asset, based on condition and performance.

The Conventional Method shall be used to depreciate individual assets or components over their service life, using straight line depreciation.

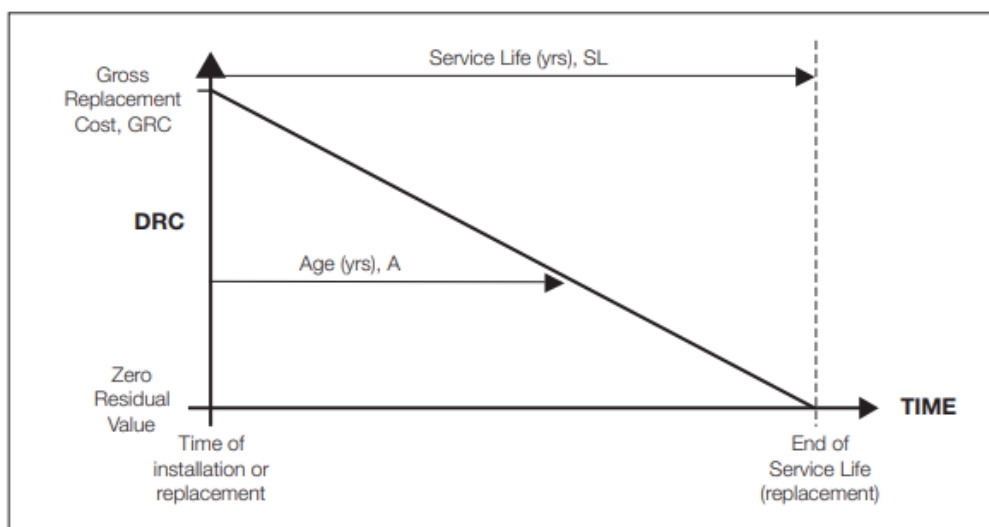


Figure 5 – Straight Line Depreciation of Finite Life Asset

10.4. Revaluation

Assets revaluation shall be undertaken on a five-year cycle to reflect the true value of the assets. Table 3 shows the assets revaluation schedule.

Table 3 – Revaluation Calendar

No.	Assets Group	Year of Revaluation
1	Roads, Bridges and Footpaths	2024/25
2	Stormwater	2024/25
3	Water Supply	2026/27
4	Sewerage	2026/27
5	Land and Buildings	2027/28
6	Recreation and Open Space	2025/26
7	Other Structures	2025/26

11. Performance Measures and Improvement

11.1. Improvement

Procedures and responsibilities should be established to ensure that data in the asset register is kept up-to-date

Procedures should also be established to ensure that any updates or changes are authorized and correctly recorded. These procedures should aim to integrate the operation and upkeep of any computerised information management system into the general management of Council's activities.

Maintaining data security is also a vital consideration and, as a general principle, data entries and changes should be carried out by the person responsible for generating the information, with the exception that updating certain core information about assets (e.g. creating or deleting an asset) should only be performed by a designated person operating in accordance with defined procedures.

11.2. Training

Key personnel should be trained in the operation of the asset management database system and responsibilities defined (and allocated) for its general upkeep.

11.3. Improvement Plan

Table 4 – Improvement Plan

No.	Action	Responsible Person	Action By Date
1	Validate asset data to ensure they are correct.	POA/ DMES	June 2025
2	Implement Metrix for all asset groups	POA/ DMES	August 2025
3	Map all assets in QGIS/Pozi system	POA/ DMES	June 2026
4	Review all assets management plans	POA/ DMES	December 2025
5	Include 10-year assets renewal plans in the assets management plans	Asset Owners	December 2025
6	Include target KPIs in the assets management plans	Asset Owners	December 2025
7	Develop the fleet assets management plans	DMES	June 2026
8	Formalise Manex Committee as the Assets Management Committee	DMES	December 2025
9	Train councillors in assets management	GM	June 2026

12.Document Review

This strategy should be reviewed every 4 years or within 12 months of a Council election. The strategy may be reviewed at any time at Council’s discretion (or if legislative changes occur).

13.References

- 1) Warren Shire Council Asset Management Policy 2017
- 2) Warren Shire Council Asset Management Strategy 2017
- 3) Warren Shire Council Community Strategic Plan 2017
- 4) International Infrastructure Management Manual
- 5) Australian Infrastructure Financial Manual
- 6) ISO 55001 (Asset Management – Management Systems – Requirements)