

# strategic asset management plan.

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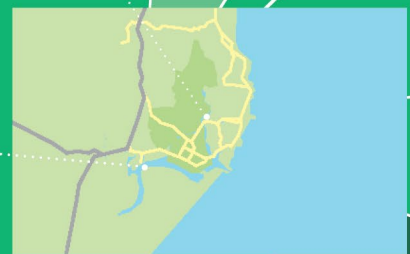
2023 - 2032

Adopted 22 June 2023

**ballina**  
shire council



# our community our future



*Our design rationale for this document is based on a conceptual interpretation of its contents. To symbolise the strategic community approach, we have used segmented shapes to represent the elements of the community that fit into the geographic focus – Ballina. Together, the shapes form the Ballina River map. Every element impacts on the challenges, direction and ultimately the future of its entire form – our community. We hope you enjoy the journey and the view.*

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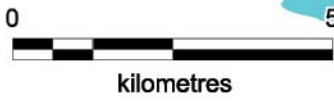
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## ACKNOWLEDGEMENT OF COUNTRY

*Ballina Shire Council acknowledges that we are here on the land of the Bundjalung people. The Bundjalung are the traditional owners of this land and are part of the oldest surviving continuous culture in the world.*

# our location

The Ballina Shire is located in the Northern Rivers region of NSW, the traditional country of the Bundjalung people.



# executive summary

Ballina Shire is located on the north coast of New South Wales, approximately 770km north of Sydney and 190km south of Brisbane. It covers an area of 485 km<sup>2</sup>. The main urban population areas are Ballina, Lennox Head, Alstonville and Wollongbar. The Ballina Byron Gateway Airport connects Ballina Shire to major cities and regional destinations and provides a significant role in the economy due to tourism.

Ballina Shire Council is responsible for delivering a wide range of services to the community. These services require the acquisition, upgrade, renewal, operation, maintenance and disposal of an extensive range of physical assets. These assets have a significant financial value estimated at **over \$1.4 billion**.

These assets include land, buildings, structure, parks, recreation areas, roads,

bridges, footpaths, drainage systems, swimming pools and associated operating assets that provide services essential to our community's quality of life.

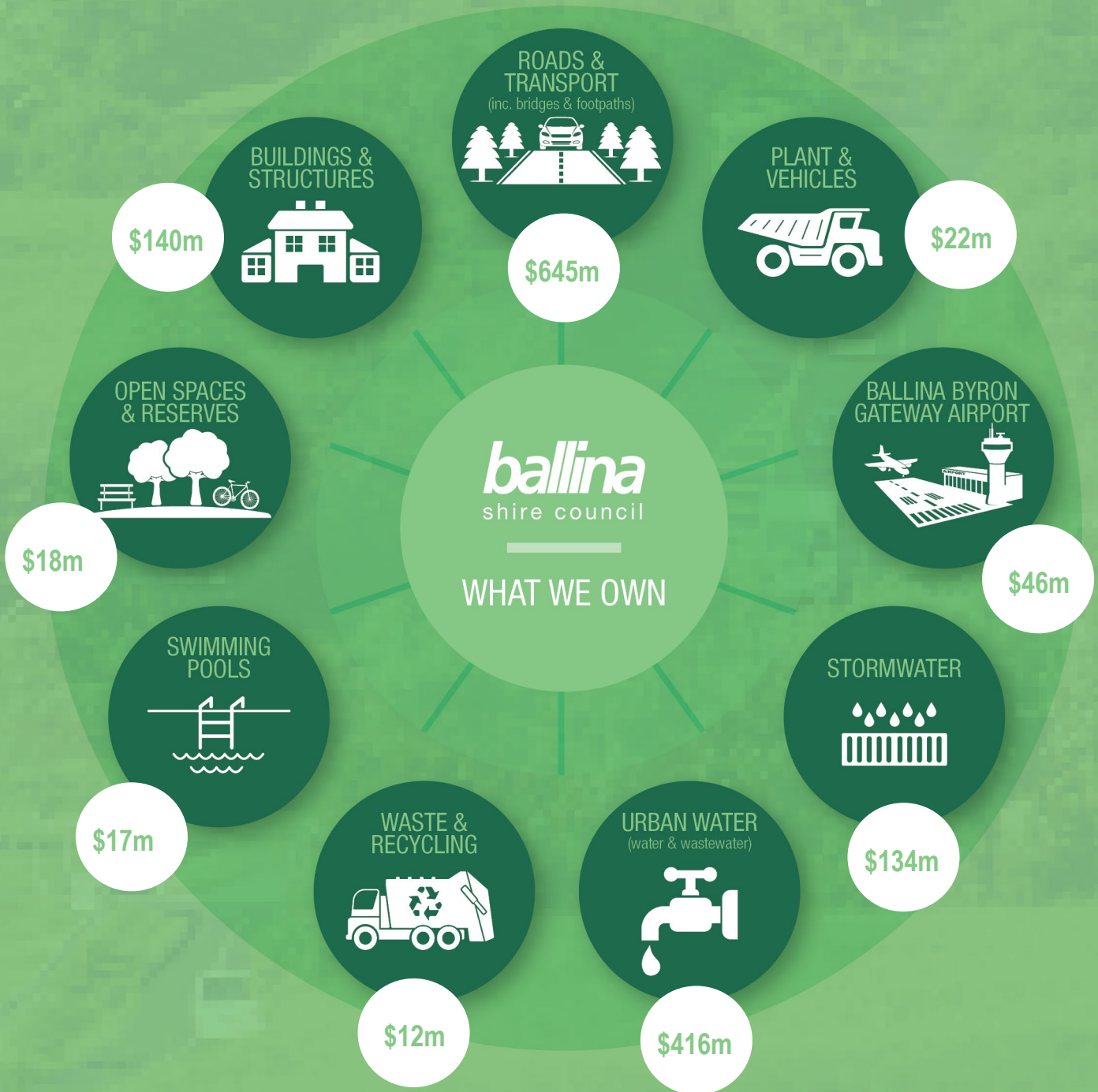
The Strategic Asset Management Plan (SAMP) considers the objectives of the Council's Strategic Plan and develops the related asset management objectives, framework and strategies for delivering our operational plan.

The SAMP has been developed with the most recent data available to Council considering the current asset management maturity level identified within this plan. Actual asset replacement cost will be higher than reported in this plan due to indexation and new/upgraded infrastructure assets added to the portfolio. Values are to be updated as data becomes available.

# Asset Classes

## Total Gross Replacement Cost

Council has nine asset class portfolios:



## Asset management objectives

The following objectives include ensuring efficient and sustainable management of assets:

- Asset data collection and analysis performed
- Levels of service are defined, documented and reviewed
- Lifecycle modelling performed for current and future assets
- Risks are identified and considered
- We consider demands for assets and service levels
- Asset performance requirements are defined to meet service levels
- Strategies, master plans, and programs inform and are informed by AM Plans
- The asset management framework is current and supported by leadership



Pop Denison Park, East Ballina



## Forecast lifecycle costs and planned budgets

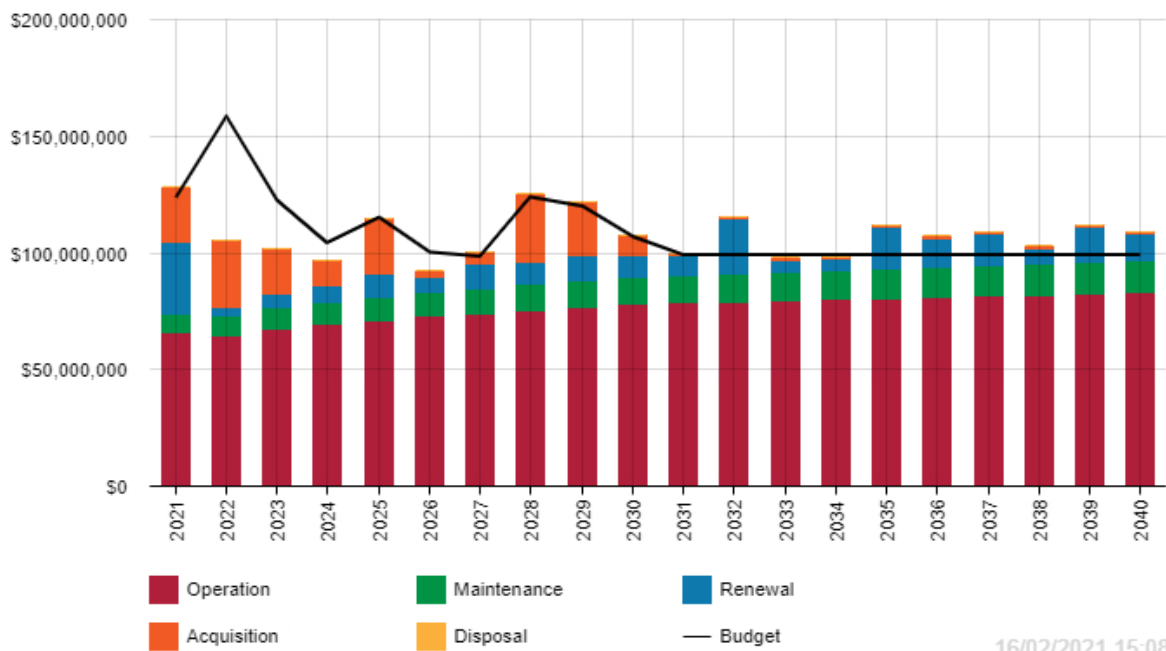
We perform lifecycle modelling for each asset class, including operation, maintenance, renewal, acquisition, and disposal costs.

Below, we show the forecast of these costs and the 10-year long-term financial plan budget.

The lifecycle forecast reflects information from the AM Plans from each asset class.

Based on current information available from the AM Plans, the budget allocated in the long-term financial plan is sufficient to meet the previously planned lifecycle costs of all Council assets.

**Figure 1: Long-Term Financial Plan Budget**



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## Current maturity level

Council's asset management maturity level has been assessed in line with international standards against the following areas:

- Organisational context
- Leadership
- Planning
- Support
- Operation
- Performance Evaluation
- Improvement

Results identified above-average performance across these areas, with areas identified as having opportunities for improvement. This SAMP has incorporated these opportunities to reach a target maturity level.

## The next steps

The following improvement activities are included in the implementation of the SAMP and are detailed in **Table 5: AM Objectives into Actions:**

- Establish a Strategic Asset Management (SAM) Committee – **Formed in February 2023**
- Implement an Asset Management Enterprise System
- Review the structure of the Asset Hierarchy
- Determine minimum asset data requirements
- Define asset maintenance programs
- Capture missing assets in GIS
- Review the capitalisation process
- Develop the AM Plans in consultation with stakeholders
- Increase communication within Council on asset management best practices
- Develop a list of relevant procedures

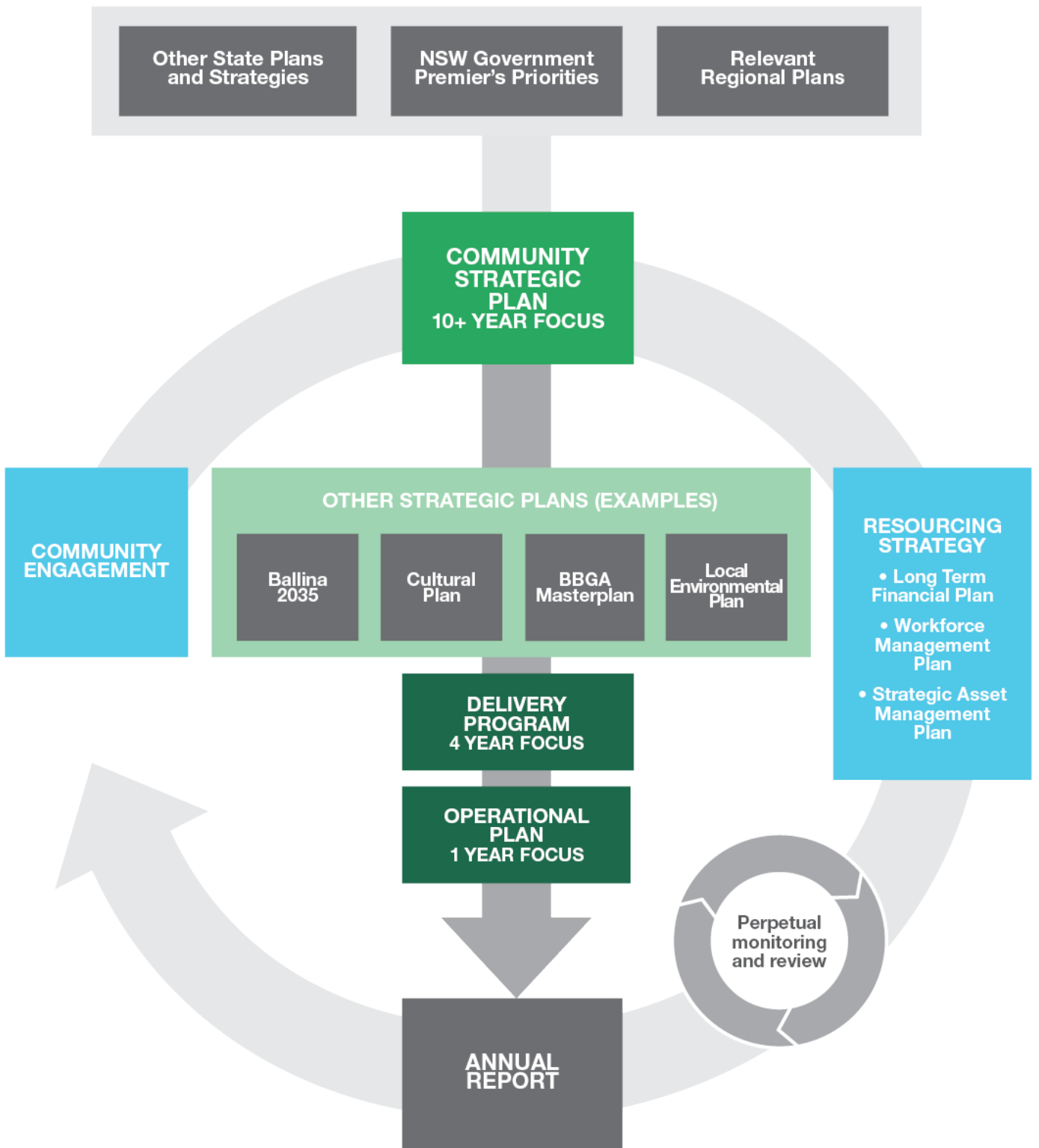


01

***introduction***

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Figure 2: Integrated Planning and Reporting Framework



# introduction

The Strategic Asset Management Plan (SAMP) “includes documented information that specifies how Council objectives are converted into asset management objectives, the approach for developing Asset Management Plans (AM Plans) and the role of the asset management system in supporting the achievement of the asset management objectives”<sup>1</sup>.

The SAMP forms part of the NSW Office of Local Government’s Integrated Planning and Reporting Framework. Figure 2 below shows how the SAMP fits into the overall framework and how our plans interrelate.

The SAMP is an integral component of our planning framework and sits within the Resourcing Strategy. It is derived from Council’s strategic plan and sets the structure for AM Plans for each asset portfolio. The AM Plans are linked to the long-term financial plan, which forms the basis for developing annual budgets to deliver agreed levels of service. The budget sets the framework for annual work plans and division and staff performance targets.

There is a clear alignment from the Council’s vision and objectives, AM policy, AM objectives, AM plans, operational plans, and work programs to performance measures, as shown in Figure 3.



**Figure 3: Asset Management Planning Framework**

Source, International Infrastructure Management Manual (IIMM) Fig 4.2.2, p 4|22.

The SAMP underpins business processes vital to the achievement of the strategic objectives, much in the same way as a financial strategy.

<sup>1</sup> Institute of Public Works Engineering Australasia (IPWEA), 2015, IIMM, Sec 4.2.3, p 4|28.



Wardell wharf and boardwalk

## Scope of Asset Management System

The Asset Management (AM) system is “the set of interacting elements of an organisation to establish AM policies and objectives, and processes to achieve those objectives”<sup>2</sup>.

The AM system assists in the delivery of AM objectives, services/products from the following asset class portfolios:

- Roads & Transport
- Urban Water
- Buildings & Structures
- Stormwater
- Ballina Byron Gateway Airport
- Open Spaces & Reserves
- Plant & Vehicles
- Waste & Recycling
- Swimming Pools

## Purpose and Structure of Asset Management System

The AM system is to assist the organisation in achieving its AM objectives. It includes “all the functions, people, processes, information and tools that deliver AM objectives. The organisation's AM practices are driven by organisational objectives and the AM policy, which guide the AM objectives.

The AM system structure includes

- AM Policy
- AM Plans for the asset portfolios detailed
- Integration of AM processes, activities and data with other organisational functions, including service delivery, quality, accounting, risk management, safety and human resources
- Reporting of AM objectives and resources to achieve the objectives in annual budgets
- Reporting of AM objectives achievements in annual reports

The structure of an AM System is designed to provide a holistic and systematic approach to asset management, enabling organisations to streamline processes, optimise asset utilisation, and make data-driven decisions.

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<sup>2</sup> IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.

## Responsibility for the SAMP

The Coordinator of Asset Management is responsible for developing and maintaining the SAMP. The SAM Committee reviews and endorses the SAMP as part of the AM System review, which will be adopted by the Council as part of the resourcing strategy as outlined in the IP & R framework.

## SAMP Planning Horizon

The SAMP has a planning horizon of 10 years. It is based on the detail in the AM Plans and generally developed with a 20-year planning horizon.

The SAMP has a life of 4 years and is to be reviewed and updated in line with our 4-year strategic planning cycle.



Missingham Bridge, Ballina





022

***strategic  
organisational  
context***

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Ballina Street, Lennox Head

# strategic organisational context

This section details the most significant issues, risks, and opportunities facing Council over the plan period. It presents options for addressing those issues, including those that cross all parts of the organisation (Human Resources, Information Technology, Finance, etc.) as they contribute to the ability to achieve AM objectives.

## Services Provided

We provide essential services to about 48,000 residents (2023 projection) in Ballina Shire; these services include:

- Garbage collection and recycling options
- Roads, transport and parking
- Drainage and flood management
- Water supply, sewerage management, and recycled water
- Ballina Byron Gateway Airport
- Community, commercial and public buildings and structures
- Parks, open spaces, and sporting facilities
- Swimming pools
- Coastlines, beaches, foreshores, rivers

These services are essential to the community's liveability and economic prosperity.

## Our Customers and Community

We provide services to a range of customers and community users. These include:

- Residents
- Visitors staying in the area
- Businesses and industries within the area, and
- Business and industry users and visitors passing through the area

*Our challenge is to provide the services the community needs at an appropriate level of service at optimum life cycle costs that are financially sustainable*

## Our Assets

### ASSET STATISTICS

We manage over 90,000 infrastructure assets to provide services to our community. The assets provide the foundation for the community to carry out its everyday activities while contributing to the overall quality of life.

**Table 1: Asset Portfolio and Gross Replacement Cost**

Asset Category	Gross Replacement Cost
<b>BALLINA BYRON GATEWAY AIRPORT</b>	
PAVEMENT – SEALED	\$34.2 million
ROADS -UNSEALED	\$400,000
BUILDINGS	\$8.7 million
OTHER STRUCTURES	\$2.8 million
<b>BUILDINGS &amp; STRUCTURES</b>	
BUILDINGS	\$134.7 million
OTHER STRUCTURES	\$5.6 million
<b>OPEN SPACES &amp; RESERVES</b>	
PLAYGROUNDS	\$3.6 million
SPORT INFRASTRUCTURE	\$6.3 million
OTHER STRUCTURES	\$7.3 million
ROADS - SEALED	\$500,000
ROADS – UNSEALED	\$40,000



**HEAVY PLANT**

\$16.6 million

**LIGHT VEHICLES**

\$2.9 million

**SMALL PLANT**

\$2.4 million



**ROADS - SEALED**

\$445.7 million

**ROADS – UNSEALED**

\$36.7 million

**BRIDGES**

\$51 million

**FOOTPATHS**

\$36 million

**KERB AND GUTTER**

\$42.9 million

**CARPARKS**

\$9.6 million

**BOAT RAMPS,  
WHARFS AND JETTIES**

\$2.9 million

**ROUNDBABOUTS /  
OTHER STRUCTURES**

\$20.1 million



**SEWER - TREATMENT**

\$90.2 million

**SEWER – PUMP STATIONS**

\$55.3 million

**SEWER - RETICULATION**

\$129.7 million

**SEWER - ROADS**

\$2.1 million

**WATER - TREATMENT**

\$5.6 million

**WATER – PUMP STATIONS**

\$2.3 million

**WATER - RESERVOIRS**

\$18.9 million

**WATER - RETICULATION**

\$92.8 million

**WATER - ROADS**

\$900,000



**ALSTONVILLE  
AQUATIC CENTRE**

\$7.3 million

**BALLINA  
WAR MEMORIAL POOL**

\$9.3 million



**LANDFILL**

\$7 million

**LEACHATE**

\$3.4 million

**ROADS - SEALED**

\$1.5 million

**OTHER STRUCTURES**

\$400,000



**CULVERTS**

\$14 million

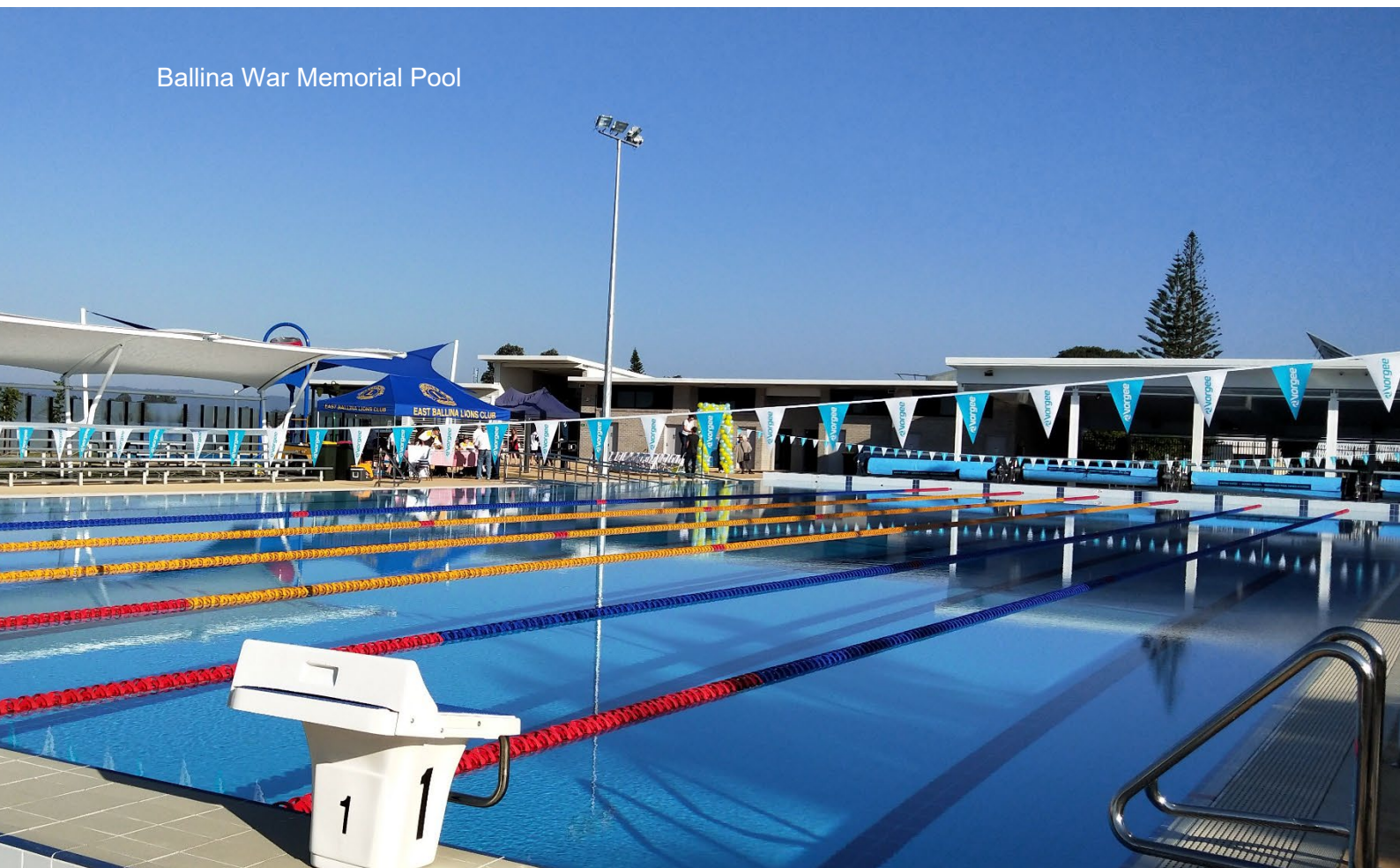
**RETICULATION**

\$116.4 million

**POLLUTION AND  
STORMWATER CONTROL**

\$3.1 million

Ballina War Memorial Pool



**ASSET PERFORMANCE**

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

**CONDITION/QUALITY**

*How good is the service?*

**FUNCTION**

*Does it meet users' needs?*

**CAPACITY/UTILISATION**

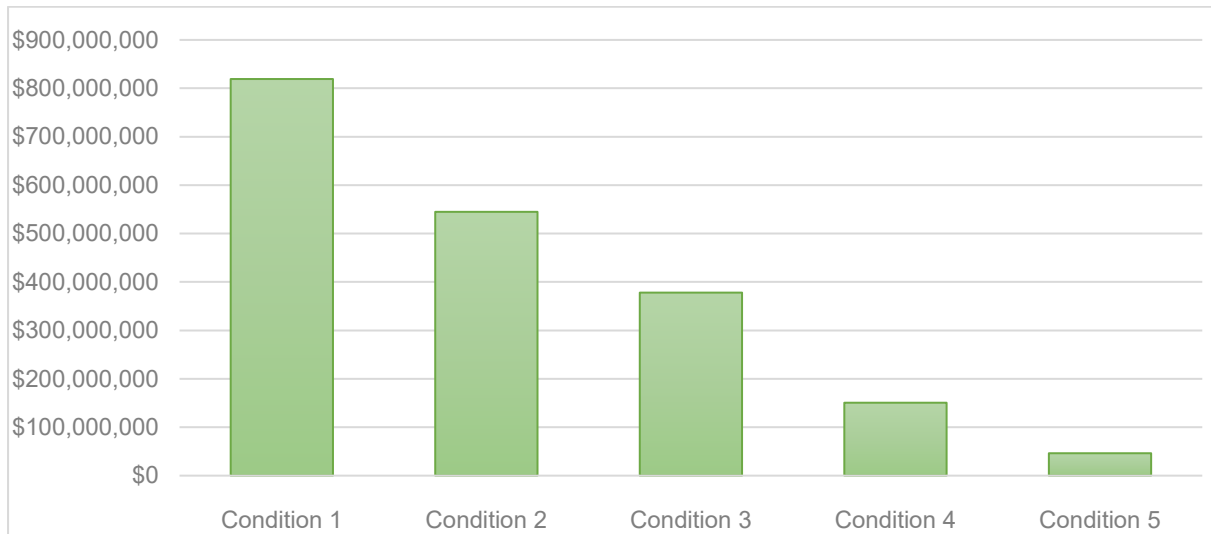
*Is the service usage appropriate to capacity?*

Figure 4 shows the condition of our assets as a percentage of their replacement value and not their current value. The following grading is used consistently across all asset classes:

1. **Very Good** only planned maintenance required
2. **Good** minor maintenance required plus planned maintenance
3. **Fair** significant maintenance required
4. **Poor** significant renewal/rehabilitation required
5. **Very Poor** physically unsound, and beyond rehabilitation

*Note: this figure represents an overall condition profile for all assets, and subsequent AMPs will delve into specific asset classes.*

**Figure 4: Asset Condition**



Our assets' condition profile shows that most of our assets are in fair to very good condition, with a small portion in very poor condition, these are addressed within their respective asset management plans

## ASSET REGISTER

This SAMP is based on information from our infrastructure asset register. Access to reliable asset information is critical to good asset management.

One aspect that Council plans to improve is storing and accessing data on asset performance, maintenance, and condition against assets within the register. We have identified 22 actions that will mature Council's AM System. These actions are captured and form part of the improvement activities of this SAMP in "Table 5: AM Objectives into Actions"

Opportunities exist to improve asset data collection, storage, access and reporting. Improving these will assist with asset management planning, general operations and maintenance of our assets

Pop Denison Park, East Ballina







03

***strategic  
issues and  
options***

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The Coast Road, East Ballina

# strategic issues and options

## Demographic Change

The demographic changes expected over the four-year planning period are shown in **Table 2**. It includes changes in population and population characteristics, such as the service age groups.

Service age groups are categories used to classify individuals based on age and workforce participation.

**Table 2: Demographic Change<sup>3</sup> and Demand Impact**

ITEM	PRESENT POSITION	EXPECTED POSITION	DEMAND IMPACT
<b>POPULATION</b>	The population of Ballina Shire is estimated at 47,621.	Population to increase by 1% per year, and by 2026 population to be 49,587.	Increased demand for services. Increase in acquisitions, renewal, and maintenance of assets to meet the increased service demands.
<b>SERVICE AGE GROUPS</b>	Ballina Shire population consists of 21% under working age, 47% in working age, and 32% in retirement age.	Service age groups for 2026 are forecasts indicate an 8% increase in under working age, a 3% increase in working age, and a 4% increase in retirement age.	Level of demand for age-based services and facilities.

The population of Ballina Shire is expected to increase at a rate of 1% per year. This will result in an increased demand for improved service levels. The change in age groups may also demand increases in age-based services.

<sup>3</sup> Source: Australian Bureau of Statistics, Census 2021.



Alstonville Wastewater Treatment Plant

## Legislative Control of Asset Management

The Local Government Act 1993 sets out the framework for the management of assets by local councils in NSW. It establishes asset planning, acquisition, maintenance, disposal, and reporting requirements. The Act also provides guidelines for financial management, including asset valuation and depreciation. Generally, it aims to ensure efficient and effective asset management to benefit the community.

## Impact of Climate Change<sup>4</sup>

In 2021, Council conducted a climate change risk assessment with our insurers to determine the foreseeable risks associated with climate change and develop a framework to ensure that potential insurable losses are within expectations.

This process relied on gathering information to produce qualitative risk assessments. The risk assessments were sourced from the Department of Primary Industry & Environment publications. They identified risks concerning temperature, hot days, rainfall, wind, fire weather and sea level.

The process provided an overview of identified risks, including the risk level (extreme, high, medium and low). Of the 26 potential climate change risks, 38% were identified as high. The high climate change risks were related to rainfall and sea-level impacts on property and Council-owned assets. This highlights the need to consider these risks in planning, designing, constructing and maintaining new and existing assets.

The risk of increased rainfall highlights the need to ensure that new assets are planned, designed and constructed to reduce the risk of damage caused due to flooding due to inadequate drainage. Rising sea levels could damage sand dunes, low-lying property, beach and river infrastructure and cause inland flooding. Ballina is already susceptible to minor flooding due to periodical king tides.

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<sup>4</sup> Climate Change Risk Assessment Report 2021, Ballina Shire Council



Ballina Byron Gateway Airport

## Economic Climate or Market Position

Our community is subject to changes in economic climate generally arising from issues external to the area. Significant changes are summarised in Table 3.

**Table 3: Economic Climate or Market Position Impacts**

ITEM	PROJECTED CHANGE	EXPECTED IMPACT
<b>IMPACTS OF COVID-19 THROUGH RESTRICTIONS</b>	Restrictions on delivering services from community and commercial assets. Restrictions impacting tourism numbers.	Reduced revenue from services delivered.
<b>IMPACTS OF INFLATION</b>	Increase in material costs, fuel costs and labour market shortages	The increased cost of delivering infrastructure projects

Increased inflation impacts material costs, fuel costs and labour market shortages, impacting Council’s ability to deliver infrastructure projects on time and budget



A SOLID MOB IS A SMOKE FREE MOB

A SOLID MOB IS A SMOKE FREE MOB



## Stakeholder/Customer Expectations/Issues

Stakeholders include associated service providers, residents, businesses, and industries directly using our services, the wider community, governments and regulators. Customer expectations challenge organisations to respond to changing economic conditions and preferences. These can include implementing strategies to improve economic conditions and increase attractiveness in the area while keeping costs down.

Micromex Research is contracted to execute a regular survey that enables Council to analyse attitudes and trends within the community effectively. This assists in establishing community priorities and levels of satisfaction in relation to Council services and facilities. The result of the survey conducted in 2022 found that 91% were at least somewhat satisfied with the performance of the Council over the last 12 months.

Table 4 illustrates customer expectations and the associated demand for AM.

**Table 4: Stakeholder/Customer Expectations and Demand Impacts**

ITEM	PROJECTED CHANGE IN EXPECTATIONS	DEMAND IMPACT
<b>AFFORDABILITY</b>	Remain the same, with no significant changes in response to changes in levels of service.	Manage the operation and maintenance of assets effectively and efficiently.
<b>SERVICE DELIVERY</b>	Remain the same, increase/change levels of service.	Manage service requests with consideration of the impact on asset lifecycle and risks.
<b>REPORTING (FINANCIAL AND NON-FINANCIAL)</b>	Increase in reporting as asset maturity culture increases.	Improvements to data collection and ability to utilise for better AM planning.

A survey performed in 2022 identified that 91% of our community was at least somewhat satisfied with the performance of the Council over the last 12 months.



**BISC**

Ballina Indoor Sports Centre (BISC)

## Organisational Issues

### ASSET MANAGEMENT RESOURCES

Council has identified that it needs to dedicate more resources to manage the increasing number of assets and further develop the Asset Management System. Several of these positions have been filled in 2023, and it is expected that Council will see improvements in asset management moving forward.

### ASSET MANAGEMENT SYSTEM

Council's assets data is stored and managed by Authority™ from Civica, which is used nationally by over 150+ local councils. Due to the previously mentioned resourcing challenges, most data is missing key attributes and condition ratings. To meet the challenges of maintaining our assets and ensure that Council forecasts the upgrade, renewal, maintenance and operation of assets, complete and accurate data needs to be added to our Asset Management System.

This will allow Council to make informed decisions on our assets that align with our community's expected level of service and budgeted for in our long-term financial plan.

Maturing the Asset Management System with complete and accurate data will allow Council to report and make informed decisions regarding our assets

Lennox Head Cultural Centre



## Asset Management Maturity

Developing and improving asset management practices can take many years. The Council have taken steps to improve our asset and financial management performance, including assessing our asset management maturity alignment with ISO 55001 Asset Management Requirements. Maturity is measured over seven key areas previously mentioned.

As a result, we have identified opportunities to improve the current maturity level and reduce risks within Leadership and Performance Evaluation by implementing a Strategic Management Committee (SAM Committee) comprised of senior to executive-level management representatives. This would provide for oversight of the implementation of the SAMP and AM Objectives and drive engagement throughout the organisation.

Maturity can also be increased and risk reduced in Operations, Support and Planning through improving our Asset Management Enterprise System.

These opportunities, and more, are captured within Table 10: Improvement Plan.

Council has identified many improvement opportunities to improve our asset management maturity level, which will also reduce our risk level in these areas. These are captured with the Improvement Plan of this SAMP.



Shaws Bay, East Ballina



04

***asset  
management  
objectives***

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Ballina Street, Lennox Head



# **asset management objectives**

The AM objectives developed in this SAMP establish the essential link between the broader organisational and specific class AM plans, which describe how to achieve those objectives. The AM objectives are developed from the community strategic plan and must meet corporate and stakeholder goals while meeting regulatory and legislative requirements.

The AM objectives incorporate our desire to ensure that infrastructure assets are managed efficiently and sustainably and that asset costs are optimised over the asset's lifecycle.

Table 5 outlines how to achieve these AM objectives through actions, targets and responsibility.

**Table 5: AM Objectives into Actions**

AM OBJECTIVE	ACTION TO ACHIEVE OBJECTIVES	TARGET	RESPONSIBLE OFFICER
<b>Data Collection &amp; Analysis</b> on asset condition, lifecycle costs, and levels of service.	Collect data on assets.	Ongoing	Asset Owner Asset Maintainer
	Receive data and analyse to inform the business decisions and reviews of AM Plans.	Ongoing	AM Team
	Enterprise Asset Management System to be implemented to centralise data collection and analysis.	Within four years	Information Services AM Team
<b>Levels of Service</b> are defined, documented, and reviewed.	Levels of Service are determined in consultation with Stakeholders—document in AM Plans.	Every four years, each Asset Class	AM Team Asset Owner
<b>Lifecycle Cost Modelling</b> for current and future assets.	Modelling performed on assets based on available data, industry standards and professional judgement and documented in AM Plans.	Every year, each Asset Class	AM Team
<b>Risks</b> in the provision of services by assets identified and considered	Risks determined in consultation with Stakeholders. Documented in AM Plans.	Every four years, each Asset Class	AM Team Asset Owner
<b>Demands</b> for assets and asset classes identified.	Demands determined in consultation with Stakeholders. Documented in AM Plans.	Every four years, each Asset Class	AM Team Asset Owner
<b>Asset Performance</b> requirements defined to meet service levels	Consider service level requirements that require defining the performance of future asset renewals and acquisitions. Document in AM Plans.	Every four years, each Asset Class	

AM OBJECTIVE	ACTION TO ACHIEVE OBJECTIVES	TARGET	RESPONSIBLE OFFICER
<b>Strategies, Masterplans, and Programs</b> inform & are informed by AM Plans	Plan and budget for asset acquisitions, renewals and disposals from adopted strategies, masterplans, and programs.	As required	AM Team
	Reviews of strategies, master plans, and programs to be informed by AM Plans.	As required	Asset Owners
<b>Manage, Maintain and Operate Assets</b> in accordance with AM Plans	Manage the lifecycle of assets in accordance with approved AM Plans. Should management divert from AM Plan, inform Asset Management to consider current and future implications.	Ongoing	Asset Owner Asset Maintainer
<b>AM Framework</b> is current and supported by leadership	Review, update and adopt AM Policy and SAMP.	Every four years	AM Team Council
	Create Strategic Asset Management (SAM) Committee, with terms of reference, to own AM Framework and drive best asset management practices throughout the organisation.	Completed	AM Team Executive Team
	Oversee progress towards AM objectives and SAMP Improvement Actions.	Annually	SAM Committee
	Endorse AM Plans (minor review).	Every year, each Asset Class	SAM Committee
	Adopt AM Plans (major review).	Every four years, each Asset Class	Council



Ballina Public Library



05

***asset  
management  
action plan***

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Ballina Recycled Water Treatment Plant

# asset management planning approach (action plan)

The AM planning approach directs AM Plans to achieve the organisational objectives.

## Asset Management Plans (AM Plans)

AM Plans are to be formulated and documented to achieve the AM objectives. This includes documentation of decision-making criteria, processes for managing the complete life cycle of assets, addressing risks and opportunities, activities to be undertaken, resources, responsibilities, timelines, performance criteria and financial implications.

The AM Plans undergo annual (minor) reviews and full (major) revision every four years. Details of what is included in these are summarised in Table 6.

**Table 6: Scope of AM Plan revisions**

	MINOR REVISION ANNUALLY	MAJOR REVISION EVERY 4 YEARS
<b>WHAT IS REVIEWED?</b>	Lifecycle Modelling: <ul style="list-style-type: none"> <li>• Unit rates</li> <li>• Impaired assets                             <ul style="list-style-type: none"> <li>○ Useful lives</li> <li>○ Disposals</li> </ul> </li> </ul>	Entire Plan: <ul style="list-style-type: none"> <li>• Levels of Service</li> <li>• Lifecycle Modelling</li> <li>• Risks</li> <li>• Demand</li> <li>• Improvements</li> </ul>
<b>HOW IS THE REVIEW PERFORMED?</b>	AM Team in consultation with Finance and Asset Owner.	AM Team, in consultation with all key stakeholders associated with the Asset Class.
<b>WHO APPROVES?</b>	SAM Committee.	SAM Committee Council.

A review for the expected update of individual asset management plans has been planned for early next financial year.

## Levels of Service

Developing and reporting on Levels of Service is crucial to ensure our services meet our community's expectations and our assets' overall performance.

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

**Customer Values** indicate:

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

### **Customer Levels of Service**

measure how the customer receives the service and whether the organisation provides value. Customer levels of service measures used in the AM Plan are:

#### **QUALITY/CONDITION >**

*How good is the service?*

#### **FUNCTION >**

*Does it meet users' needs?*

#### **CAPACITY / UTILISATION >**

*Is the service usage appropriate to capacity?*

### **Technical Levels of Service**

Supporting the community service levels are operational or technical performance measures. These technical measures relate to allocating resources to the organisation's service activities to best achieve the desired community outcomes

and demonstrate effective organisational performance.

Technical service measures are linked to annual budgets covering:

- **Operation** - the regular activities to provide services such as availability, cleansing, mowing, etc
- **Maintenance** - the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g. road patching, unsealed road grading, building and structure repairs, cleaning fire hydrants)
- **Renewal** - the activities that return the service capability of an asset similar to that which it had initially (e.g. road resurfacing, pavement reconstruction, pipeline replacement and building roof replacement)
- **Acquisition** - adding a new service that did not previously exist (e.g. a new library, sporting facility or bridge) expands coverage that increases service levels
- **Upgrade** - the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger diameter)

Service managers plan, implement and control technical service levels to influence customer service levels.

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



## Demand Management

We meet the community's expectations by managing, upgrading, and providing new assets due to increased demand. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Non-asset solutions focus on providing the required service without the organisation needing to own the assets or perform management actions. These include reducing service demand, reducing service level (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures. Non-asset solutions include joint services from existing infrastructure, such as aquatic centres and libraries in another community area or public toilets in commercial premises.

## Infrastructure Risk Management

An assessment of risks associated with service delivery from infrastructure assets conducted for each relevant AM Plan identified critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock' to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan(s) and the adopted treatment plan, are summarised in Table 7. These risks are reported to management and Council.

**Table 7: Critical Risks and Treatment Plans**

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN
<b>AIRPORT</b>			
<b>Runway &amp; Taxiway</b>	Aircraft crash or damage	H	<ul style="list-style-type: none"> <li>Preventative maintenance and inspections performed.</li> </ul>
<b>Terminal</b>	Disruption of services/availability due to failure	H	<ul style="list-style-type: none"> <li>Preventative maintenance and inspections performed.</li> <li>Renewal or acquisition of equipment as necessary</li> </ul>
<b>BUILDINGS &amp; STRUCTURES</b>			
<b>Operational Buildings</b>	<p>Disruption of services/availability due to failure.</p> <p>Disruption Impacting Council's ability to provide a range of services to the community.</p> <p>Asbestos-related illness.</p>	VH	<ul style="list-style-type: none"> <li>Preventative maintenance and inspections performed.</li> <li>Renewal or acquisition of equipment as necessary</li> <li>Asbestos removal through renewals when due</li> </ul>
<b>Community Buildings</b>	<p>Disruption of services/availability due to failure.</p> <p>Asbestos-related illness.</p>	H	<ul style="list-style-type: none"> <li>Preventative maintenance and inspections performed.</li> <li>Renewal or acquisition of equipment as necessary</li> <li>Asbestos removal through renewals when due</li> </ul>
<b>Commercial Buildings</b>	<p>Disruption of services/availability due to failure.</p> <p>Breaches of leases &amp; licenses.</p> <p>Asbestos-related illness.</p>	H	<ul style="list-style-type: none"> <li>Preventative maintenance and inspections performed.</li> <li>Renewal or acquisition of equipment as necessary.</li> <li>Asbestos removal through renewals when due.</li> </ul>
<b>ROADS &amp; TRANSPORT</b>			
<b>Roads</b>	Injury or fatality due to traffic volumes at capacity during peak flows.	H	<ul style="list-style-type: none"> <li>River Street upgrade as per the Roads Contribution Plan 2010.</li> </ul>
<b>Bridges</b>	Injury or fatality due to structural bridge failure	H	<ul style="list-style-type: none"> <li>Pearces Creek Road Bridge Replacement</li> </ul>
<b>Community use</b>	Disruption of services/availability due to failure	H	<ul style="list-style-type: none"> <li>Preventative maintenance and inspections performed.</li> <li>Renewal or acquisition of equipment as necessary</li> </ul>

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN
<b>SWIMMING POOL</b>			
<b>Community use</b>	Injury or fatality	VH	<ul style="list-style-type: none"> <li>• Qualified lifeguards</li> <li>• Medical equipment on site with trained users</li> <li>• Hazards identified and responded to promptly</li> </ul>
<b>Operation</b>	Injury or fatality	VH	<ul style="list-style-type: none"> <li>• Trained operators running the facility</li> <li>• Regular inspections</li> <li>• Hazards identified and responded to promptly</li> <li>• Procedures followed for operating the facility</li> </ul>
<b>Availability</b>	Disruption of services/availability due to failure	H	<ul style="list-style-type: none"> <li>• Preventative maintenance and inspections are performed as scheduled and defined in OMMs.</li> <li>• Renewal or acquisition of equipment as necessary</li> </ul>
<b>WATER &amp; WASTEWATER</b>			
<b>Water Supply</b>	Disruption of services/availability due to failure	H	<ul style="list-style-type: none"> <li>• Preventative maintenance and inspections performed.</li> <li>• Renewal or acquisition of equipment as necessary</li> </ul>
<b>Wastewater Services</b>	Disruption of services/availability due to failure	H	<ul style="list-style-type: none"> <li>• Preventative maintenance and inspections performed.</li> <li>• Renewal or acquisition of equipment as necessary</li> </ul>
<b>WASTE &amp; RECYCLING</b>			
<b>Security</b>	Unauthorised access to the site	H	<ul style="list-style-type: none"> <li>• Preventative maintenance and inspections performed on security fencing</li> <li>• Renew fencing at the end of useful life</li> </ul>

There are currently known critical risks for Open Spaces and Reserves, Plant and Vehicles, and Stormwater. As these become known, they will be added to this SAMP.



Byron Bay Road, Lennox Head

## Operation and Maintenance Strategies

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

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

We will operate and maintain assets to provide the agreed level of service and approved budgets. Proposed operation and maintenance strategies in this SAMP are:

- Scheduling operation activities to deliver the defined level of service in the most efficient manner
- Undertaking maintenance activities through a planned maintenance system reduces maintenance costs and improves maintenance outcomes
- Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost)
- Maintain a current infrastructure risk register for assets, present service risks associated with providing services from infrastructure assets, and report Very High and High risks and residual risks after treatment to management and Council
- Review current and required skills base and implement workforce acquisition, training and development to meet required operation and maintenance needs
- Review asset utilisation to identify underutilised assets, over-utilised assets and customer demand management options
- Maintain a current hierarchy of critical assets and required operation and maintenance activities
- Develop and regularly review appropriate emergency response capability
- Review management of operation and maintenance activities to ensure we are obtaining the best value for resources used

## Renewal Strategies

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

Renewal and replacement strategies proposed under this SAMP are:

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

## Asset Acquisition and Upgrade Strategies

Acquisition or the Upgrade of Assets are new works that create a new asset that did not previously exist or works that upgrade or improve an existing asset beyond its current capacity. They may result from growth, social or environmental needs. Assets can also be acquired at no cost to the organisation from land development, donation, gifting or arising from government grants.

Strategies for the acquisition and creation of new assets and upgrade of existing assets proposed in this SAMP are:

- Planning and scheduling the acquisition of assets and upgrades to deliver the defined level of service in the most efficient manner
- Undertake project scoping for all capital acquisition projects to identify
  - the service delivery 'deficiency', present risk and required timeline for delivery of the asset acquisition
  - the project objectives to rectify the deficiency, including value management for major projects
  - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency

- management of risks associated with alternative options
- evaluate the options against evaluation criteria adopted by Council
- select the best option to be included in capital programs
- Review current and required skills base and implement staff acquisition, training and development to meet necessary project and construction management needs.
- Review management of capital project management activities to ensure we are obtaining the best value for resources used.

Acquisition of new assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified in strategic plans, partnerships with other organisations or predictive modelling based on current asset condition and remaining life. Candidate proposals are inspected to verify the need and to develop estimates. Verified proposals are ranked by priority and available funds and scheduled in future works programmes.

## Disposal Plan

Disposal includes any activity associated with disposing of an asset, including the sale, transfer or replacement.

## Assumptions and Confidence Levels

This section details the key assumptions in preparing forecasts of required operating and capital expenditure, asset values, depreciation expense, and carrying amount estimates. It is presented to enable readers to understand the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan and risks that these may change are shown in Table 8.

**Table 8: Key Assumptions Made in AM Plans and Risks of Change**

KEY ASSUMPTIONS	RISKS OF CHANGE TO ASSUMPTIONS
Operational & maintenance forecasts are based on historical expenditure and assume there will be no significant change in this level of service.	Significant change would impact financial forecasts, levels of service and/or risk.
There will be no major technological change that creates dramatic changes in terms of unit cost and treatment process.	Significant change would impact financial forecasts, levels of service and/or risk.
The useful lives and unit costs remain valid over the five years to the next revaluation (with annual CPI)	Significant change would impact asset lifecycle modelling and costs, impacting financial / levels of service/risk.

This SAMP's expenditure and valuation projections are based on the best available data. The currency and accuracy of data are critical to effective asset and financial management.

The estimated confidence level for the reliability of the data used in this SAMP is shown in Table 9. Overall the data confidence is assessed as a Medium confidence level for data used to prepare this SAMP.



**Table 9: Data Confidence Assessment for AM Plans summarised in Strategic AM Plan**

AM PLAN	CONFIDENCE ASSESSMENT
Airport	Medium
Building, Structures & Land	Medium
Foreshore	Medium
Open Spaces & Reserves	Medium
Plant & Vehicles	Medium
Roads & Transport	Medium
Stormwater	Medium
Swimming Pool	High
Urban Water	Medium
Waste & Recycling	Medium

Actions to mitigate the adverse effects of data quality are included in Table 10 Improvement Plan.

## Improvement Plan

The asset management improvement tasks identified from an asset management maturity assessment and preparation of this SAMP are shown in Table 10. These are a generalised summary of the more significant number of actions identified and needed to meet the improvements mentioned in this SAMP.

**Table 10: Improvement Plan**

NO.	TASK	RESPONSIBILITY	RESOURCES REQUIRED	TIMELINE
1	<p><b>SAM COMMITTEE</b></p> <p>A strategic asset management (SAM) Committee be established and implemented. With senior leadership across the organisation as members, this will assist the leadership of the SAMP, monitoring progress towards AM objectives and driving engagement throughout the organisation.</p>	Coordinator Asset Management	Support from Executive Team to support SAM Committee	established early 2023
2	<p><b>ASSET MANAGEMENT ENTERPRISE SYSTEM</b></p> <p>Support this system's continued development and maturity to allow for the centralised collection of asset information and data, including condition, maintenance (preventative and operational), and defects.</p>	Information Services	Acquisition of software product, resources allocated for implementation plan	2025
3	<p><b>ASSET HIERARCHY</b></p> <p>Review the structure and level for all asset classes to meet the demands of finance, operators, owners, auditors, and asset managers.</p>	Coordinator Asset Management	Time and advice from stakeholders	2024
4	<p><b>ASSET DATA</b></p> <p>Determine and document the minimum expectations for asset data to be stored with Asset Management Enterprise System in consultation with asset owners and operators.</p> <p>Data may include asset attributes, photos, documents, insurance confirmation, and critical asset identification.</p>	Coordinator Asset Management	Time and advice from stakeholders	2024

NO.	TASK	RESPONSIBILITY	RESOURCES REQUIRED	TIMELINE
	Determine gaps in data, and determine critical assets and priority for the backlog of data collection and population.			
5	<p><b>ASSET MAINTENANCE</b></p> <p>Define maintenance programs for the servicing of assets. To be captured within the Asset Management Enterprise System.</p> <p>Where necessary, develop SOPs for performing specific types of maintenance.</p>	Asset Owners	Resources for documenting and inputting into the system	2025
6	<p><b>GIS</b></p> <p>Progress missing assets to be captured within GIS, with them being identifiable and create a link to asset data in Authority to see attributes.</p> <p>The highest priority is underground assets, followed by all above-ground assets.</p>	Coordinator GIS	Resources for addressing the backlog	2025
7	<p><b>CAPITALISATION PROCESS</b></p> <p>Review the capitalisation process for efficiencies in getting data into GIS and the Asset Register after project completion.</p> <p>Involves reviewing WAE, data collection requirements, and workflows from developers and internal project managers</p>	Coordinator Asset Management	<p>Time and advice from Asset Management, Finance and GIS.</p> <p>Support from management on the change process</p>	2024
8	<p><b>AM PLANS</b></p> <p>All AM Plans reviews must be done in consultation with all stakeholders to increase knowledge, buy-in and importance throughout the organisation.</p> <p>Improve accessibility to AM Plans for all staff. Consider Infonet, Authority, and Content Manager.</p>	Coordinator Asset Management	Time allocation from stakeholders to be involved.	2025

NO.	TASK	RESPONSIBILITY	RESOURCES REQUIRED	TIMELINE
9	<p><b>COMMUNICATION</b></p> <p>Increase communication within the Council on the SAMP and Asset Management practices.</p> <p>Continue communications up to the rollout of improvements to the enterprise system and beyond.</p>	Coordinator Asset Management & SAM Committee	Time allocated, and communications team assistance	2025
10	<p><b>PROCEDURES</b></p> <p>Develop a list of procedures for managing and accessing assets within the Asset Management Enterprise System.</p> <p>Includes: Setup asset template hierarchy, assets to satisfy as per the Report on Infrastructure Assets, and Asset capitalisation.</p>	Coordinator Asset Management	Time allocation from stakeholders to be involved	2025



06

***financial  
summary***

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# *financial summary*

This section contains the collective financial requirements resulting from all the information presented in the previous sections of this SAMP and AM Plans and is designed to provide a whole organisation perspective. Financial projections will become more accurate as further information becomes available on desired levels of service and current and projected future asset performance.

## Financial Indicators and Projections

### **ASSET RENEWAL FUNDING RATIO**

The Asset Renewal Funding Ratio indicates whether lifecycle forecast renewal and replacement expenditure are able to be financed in the long-term financial plan. It is calculated by dividing the lifecycle forecast renewal expenditure shown in the AM Plans by the estimated capital renewal budget provided in the long-term financial plan.

Over the next ten years, we forecast that we will have the funds required for the optimal renewal and replacement of assets. Funding will change as the financial plan is updated more frequently than each AM Plan. Each asset class's management plan is due for major review over the next four years.

## Funding Strategy

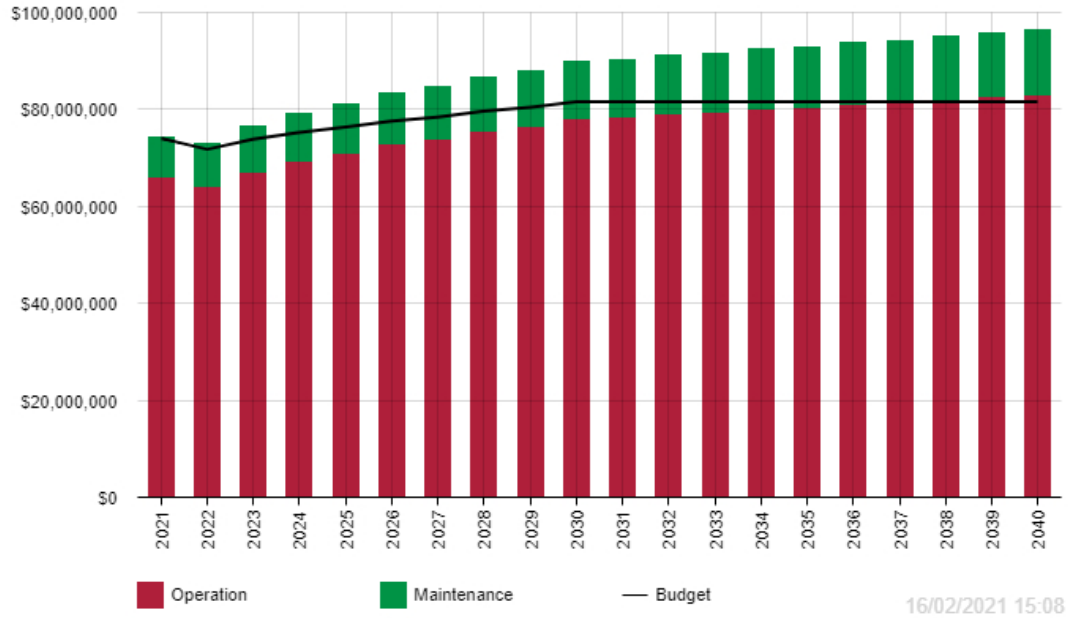
The funding strategy to provide the services covered by this SAMP and supporting AM Plans is contained within the organisation's financial strategy and 10-year long-term financial plan.

## Expenditure Forecasts

### **OPERATION AND MAINTENANCE EXPENDITURE PROJECTIONS**

Future operation and maintenance expenditure is forecast to trend, as shown in Figure 5. The organisation's long-term financial plan needs to accommodate this forecast expenditure. Asset classes are revalued every five years; changes to the value, useful/remaining life, asset condition and expected level of service will allow Council to forecast the required expenditure over a longer period.

Figure 5: Operation and Maintenance Expenditure Projections



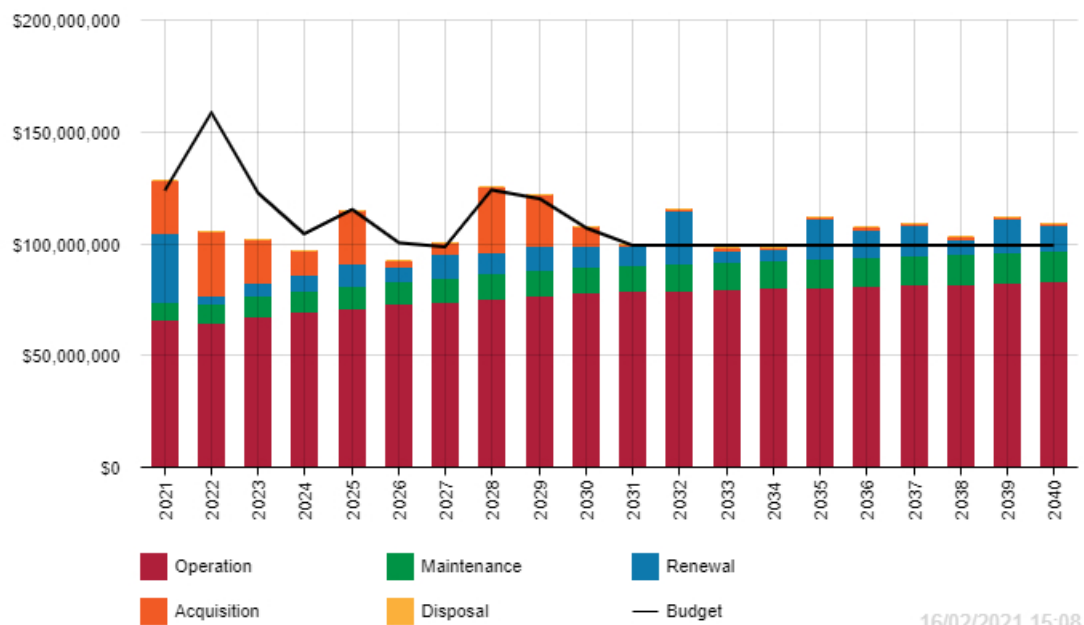
## EXPENDITURE PROJECTIONS LINKED TO LONG-TERM FINANCIAL PLAN

Figure 6 shows the lifecycle forecast acquisition, operation, maintenance, and renewal expenditure, and these amounts have been accommodated in outlays shown in the long-term financial plan.

The lifecycle forecast reflects information from the AM Plans from each asset class. These may not be entirely accurate as forecasts are updated each financial quarter.

The budget allocated in the long-term financial plan is sufficient to meet the previously planned lifecycle costs of all Council assets.

**Figure 6: Balanced Position Lifecycle Forecast**



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Kerry Saxby Walkway, Ballina

# *conclusion*

The SAMP has a life of four years and is due for complete revision and updating within each Council cycle.

The Coordinator of Asset Management is responsible for ongoing maintenance and review of the SAMP. The SAM Committee will review the AM System, including this SAMP, at planned intervals to ensure its continuing suitability, adequacy and effectiveness.

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