



Greater  
Hume  
Council



# Resourcing Strategy 2022 - 2026

## What is a Resourcing Strategy ?

The Community Strategic Plan provides a vehicle for each community to express its long-term aspirations. However, these aspirations will not be achieved without sufficient resources – time, money, assets and people – to implement them. The Resourcing Strategy is critical link when translating strategic objectives into actions.

The Resourcing Strategy consists of three inter-related elements:

- Long-Term Financial Planning
- Workforce Planning
- Asset Management Planning

The Resourcing Strategy makes clear what elements of the Community Strategic Plan the council will take responsibility for. Other levels of government, business, non-government organisations, community groups and individuals will also have a role in achieving the outcomes of the Community Strategic Plan.

As its name suggests, each of the elements of the Resourcing Strategy also play a role in resourcing the achievement of the Delivery Program and Operational Plans, as well as any other strategic plans the council has developed to support the achievement of the Community Strategic Plan.

Source: Office of Local Government

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# Planning and Reporting Framework

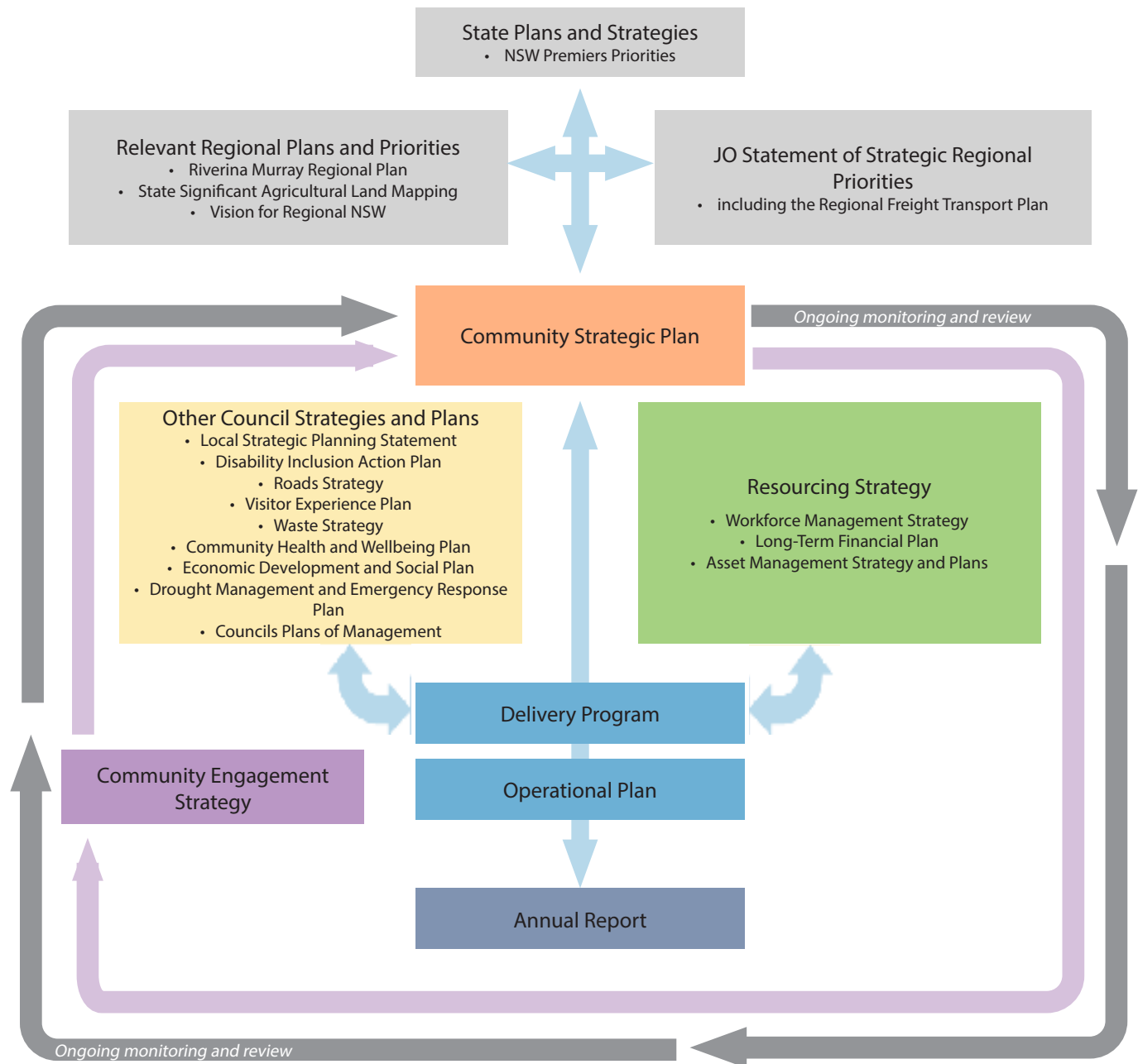
In 2009 a new planning and reporting framework for NSW local government was introduced. These reforms replace the former Management Plan and Social Plan with an integrated framework. To comply with this legislation, Council has produced the following documents:

- Long Term Community Strategic Plan
- Resourcing Strategy
- 4 year Delivery Program
- Annual Operating Plan

Council's Community Strategic Plan Greater Hume Council - Live A Greater Life 2022 - 2032 is about the future of the whole community.

It represents the aspirations of the people who live, visit and work in the Greater Hume local government area. It is a 10 year vision developed as a collaborative effort between the community and Council.

Greater Hume Council - Live A Greater Life 2022 - 2032 defines a sustainable direction for our shire, and sets out the strategic direction which Council, will follow in achieving the needs of our community for the next 10 years to 2032.





## About this plan

The Greater Hume Council Resourcing Strategy is a document supporting the Community Strategic Plan Greater Hume - Live A Greater Life 2022 - 2032.

This Resourcing Strategy has been developed in accordance with the NSW State Government's Integrated Planning and Reporting Framework.

The Community Strategic Plan was originally endorsed by Council in 2011 and has been subsequently reviewed and updated following each local government election. Each review has been undertaken following extensive community consultation. The community determined Council's priorities and expressed their concerns and vision for the future of Greater Hume Shire. From there, priorities, related actions, and progress indicators were developed.

The Resourcing Strategy will help ensure the community's long term goals and objectives, as expressed in the Community Strategic Plan, are met. Effective resource planning ensures Council will focus not only on the short term issues indicated in the Operational Plan, but also on the medium and long term challenges.

This document contains the 10 Year Resourcing Strategy that supports the Community Strategic Plan.

The Resourcing Strategy comprises three components:

- Long Term Financial Plan (LTFT),
- Workforce Management Plan (WMP), and
- Asset Management Strategy (AMS).



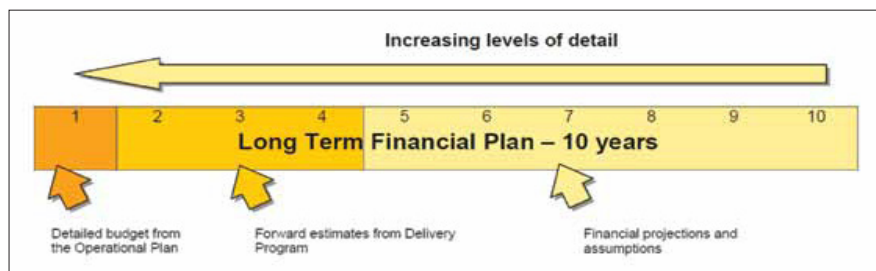
# Overview

## Council's Long Term Financial Plan (LTFP)

The first part of the Resourcing Strategy consists of Council's Long Term Financial Plan. The LTFP outlines the modelling used to forecast Council's financial future for the coming 10 years and presents the strategic aims, financial objectives, financial indicators and strategies the organisation has adopted to continue its progress in meeting significant financial sustainability challenges over the next decade. Financial sustainability is one of the key issues facing local government due to several contributing factors including cost shifting from other levels of government, aging infrastructure and constraints on revenue growth.

The LTFP is an important document, which will test the community aspirations and goals against financial realities. Contained in the plan are:

- Planning assumptions used to develop the plan
- Projected income and expenditure, balance sheet and cashflow statement
- Sensitivity analysis
- Methods of monitoring financial performance



Balancing expectations and uncertainty of future revenue and expenditure forecasts are the most challenging aspects of the financial planning process. As such, the longer the planning horizon, the more general the plan will be in the later years.

## Council's Workforce Management Plan (WMP)

The second part of the Resourcing Strategy is the Workforce Management Plan. The WMP describes where Greater Hume Council is today in respect to its current workforce, where the council wants to be and the actions that must be undertaken to achieve the organisation's workforce planning and human resource management objectives which in turn support the achievement of Council's Delivery Program.

## Council's Asset Management Strategy (AMS)

The third part of the Resourcing Strategy deals with asset management planning and in particular Council's Asset Management Strategy. The AMS sets a framework for the sustainable management of current and future assets so that Council can continue to deliver services effectively to the community now and into the future.

NSW local government are the custodians of approximately \$160 billion of community and operational assets, which enable councils to provide services to their communities. These assets need to be managed in the most appropriate

manner on behalf of, and to service, the community. Greater Hume Council is committed to a planned approach to providing services that integrates financial, asset management, workforce and information technology requirements within each service. Service planning presents an opportunity to improve access and equity in existing service provision and to introduce more innovative service delivery approaches that are affordable. Any change in Council's asset portfolio requires detailed service planning. The desired result of this planning is that the Council's capacity to provide satisfactory, equitable and affordable services to the community is maintained whilst at the same time reducing the Council's financial burden. A review of assets through service planning may result in a change to the way assets are utilised and the relevant services provided.

Council's Asset Management Strategy includes:

- The current status of Council's assets and management practices
- How council will improve or enhance their assets
- Specific actions to be undertaken to achieve Council's strategic objectives

Due to the complexity of local government assets, Council has determined to develop a separate plan for each type of asset. The six plans are as follows:

- Land and Facilities Asset Management Plan (AMP)
- Transport AMP
- Water Supply AMP
- Waste Water AMP
- Plant and Fleet AMP
- Stormwater AMP

# Long Term Financial Plan 2022 - 2032

## Our Finance Goals

The Long-Term Financial Plan combines the financial implications arising from the Community Strategic Plan, Delivery Program and the annual Operational Plan to ensure all items in these plans are achievable and sustainable.

The Long-Term Financial Plan combines Council's current financial state with future delivery actions, including the ongoing delivery of services, facilities and infrastructure, while ensuring financial sustainability for the long-term financial health of Council.

This plan provides a 10-year projection of income, expenses, capital works, cash, assets and liabilities. The goal of Council's Long-Term Financial Plan is to update and maintain a long-term financial blueprint for Council and the community that ensures the cost-effective delivery of works and services, and the appropriate maintenance and renewal of our significant asset base, within the framework of present and future financial sustainability.

It is within this 10-year plan that the long-term aspirations and goals of our community are tested against financial reality.

Projections for a 10-year financial plan require a number of assumptions to be made for what will occur in the future and how this will impact Council's financial position. These assumptions will be monitored and reviewed annually to ensure changes within the economy globally and locally, as well as strategic direction, are reflected and amended.

Our goals for this Resourcing Strategy term include:

- FOCUS ON FINANCIAL SUSTAINABILITY

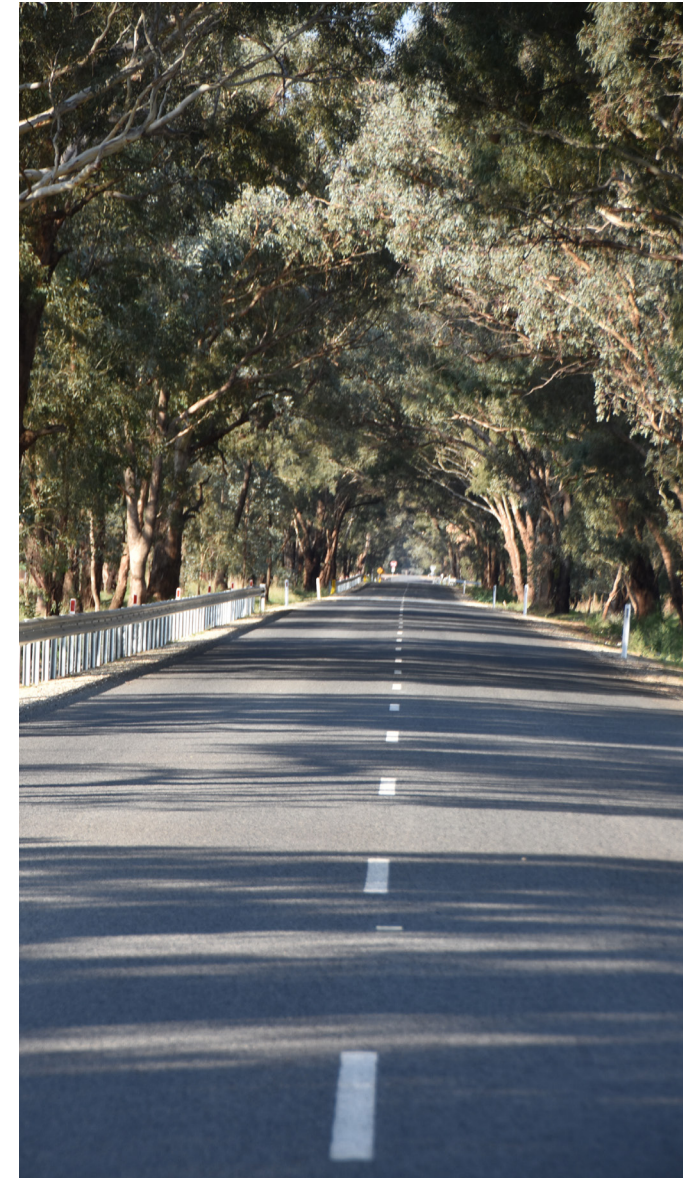
The aim of financial sustainability practices is to ensure Council is able to deliver acceptable, affordable and ongoing services to the community, while also ensuring Council can continue to provide these services over the longer term.

- MAKE CONTINUOUS IMPROVEMENTS

Council will engage in a review of current practices and generate efficiencies through technology, education and training to improve services to the community and increase visibility of financial information.

- ACHIEVE SURPLUS OPERATING POSITION

Council aims to achieve a surplus financial operating result over the course of the Long Term Financial Plan and will actively seek opportunities to continue towards a balanced operating position.





# Long Term Financial Plan

## Our Challenges

### COVID-19

The COVID-19 pandemic and global health crisis have negatively impacted the community, business and tourism. This has created increased operating costs for cleaning and equipment, as well as reduced revenue as a result of closing services to the community and restricting numbers of some services under Public Health Orders.

Council has implemented various strategies to assist the community during this time while continuing to consider the financial impact to Council's long-term objectives with the uncertainty of COVID-19 impacts in the future.

### INDEPENDENT PRICING AND REGULATORY TRIBUNAL (IPART) RATE PEG

IPART is an independent authority established under the Independent Pricing and Regulatory Tribunal Act 1992. IPART is responsible for setting a 'rate peg' each year. This rate peg identifies the maximum allowable increase that can be applied to ordinary rates annually without special approvals, such as a special rate variation.

The rate peg limits the amount the Council can increase rates each year without obtaining special permissions. The rate peg for 2022-2023 was set at 0.7 per cent. Given that rate income represents 31 per cent of operating income received by Council, this represents a challenge for the Council in increasing income and continuing to meet community expectations, manage assets and operate in a growth environment.

### INCREASING COSTS

Increasing costs of operating and capital materials, as well as the availability of these materials, create many challenges for Council. The cost of construction has risen significantly in 2021.

Increasing costs mean efficiencies are required to be made continually in how Council spends money to provide these services and to ensure cost increases do not rise at a higher rate than Council income.

A small movement in Consumer Price Index (CPI) indices can have a multimillion-dollar negative impact to Council's operating position.

To mitigate this risk, Council is engaged in business improvement and financial sustainability practices across the organisation to identify and put in place strategies to reduce the impact of these changes as they occur.

### INSTABILITY OF CONTINUED GRANTS

During the past two years, with the emergence of the COVID-19 pandemic, there has been an increase in capital and operating grants made available to assist Council in funding specific projects and programs. However, it is not anticipated that the current rate of available grants will continue into the future.

The increase in grants over this period is expected to reduce as the economy returns to a more normal way of operating. It is possible that as a result of increased available grants in recent periods, future grants will reduce below the previous level.

This would require Council to seek other methods of funding operating and capital programs without the benefit of grants.

# Projected Financial Statements

## PLANNING PRINCIPLES

The purpose of this plan is not to provide specific detail about various individual works or services. The Long Term Financial Plan will provide a decision-making tool that allows various assumptions and sensitivity analysis to be carried out, which will indicate the ability of Council to deliver cost-effective services to our community into the future, within a framework of financial sustainability.

The key principles in the development of the financial planning and modelling process include:

- continuing to engage in financial sustainability initiatives
- identifying and implementing initiatives to reduce expenditure and/or increase income
- progressively driving operating result towards a surplus operating result
- maintaining current and future infrastructure effectively using funding sources
- managing loan borrowings
- exploring profit generating activities.

Projected Financial Statement, Projected Statement of Financial Position and Projected Cash Flow Statement on a consolidated basis and by individual Fund can be found at [ANNEXURE 1](#) of this Plan.

## PLANNING ASSUMPTIONS

The budget in the annual Operational Plan 2022-2023 creates the basis of the projections when building the Long-Term Financial Plan. Relevant adjustments have been made to the current financial year to reflect the impact of COVID-19, with future year assumptions reflecting the expected return to a normal business state.

Relevant indices have been used as the basis of assumptions for income and expenditure and/or increased services and facilities. These indices are detailed on Page 11 below.

A number of income and expense assumptions have been derived from the relevant CPI indices to provide an indicative guide on the long-term movements within the plan.

## SENSITIVITY ANALYSIS

Council's Long-Term Financial Plan is built on assumptions of what will occur over the course of the plan. Should assumptions change, sensitivity analysis helps Council determine the impact of these movements on financial performance.

All baseline assumptions used in the Long Term Financial Plan are detailed on page 11.

Pages 12 to 17 outline the sensitivity analysis on significant income and expense categories to identify how small movements in assumptions can change Council's financial position.

Some significant adjustments within the plan do not use assumptions for projections:

- Capital programs are built at a project level and/or using other relevant inputs.
- Capital grants are projected on the basis of known capital projects and the likelihood of grants being available for recurrent programs.
- Administration costs of local government elections are projected only for the identified year an election will occur.
- Asset maintenance cost increases are projected based on the capital program.
- There are unknown impacts of the continued COVID-19 pandemic due to the inability to predict this.
- Non-cash revaluations are not projected due to the uncertainty of valuations and that these have no impact on Council's budgeted cash position.

# Long Term Financial Plan

## Applied Indexation

The following indexation rates have been applied across the 10 years of the LTFP.

INDEX	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
FEES	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
CPI	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
CPI2	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500
REGIONAL ROADS	1.0125	1.0125	1.0125	1.0125	1.0125	1.0125	1.0125	1.0125	1.0125	1.0125
PAY	1.0250	1.0300	1.0300	1.0300	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250
TRAINEE	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250
FIXED	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
RATES	1.0070	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
PENSIONER REBATE	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250
PENSION INCREASE	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250
FAG	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
WATER	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
WATER ALBURY	1.0000	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
WATER REVENUE	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300
SEWER REVENUE	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
DWM	1.0260	1.0260	1.0260	1.0260	1.0260	1.0260	1.0260	1.0260	1.0260	1.0260
INSURANCE	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
ENERGY	1.0000	1.0100	1.0100	1.0100	1.0100	1.0100	1.0100	1.0100	1.0100	1.0100
NIL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
COUNCILLORS FEES	1.0250	1.0300	1.0300	1.0300	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250
DEPRECIATION	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0200
REGIONAL LIBRARY	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200

## Projected Financial Statements

### ADDITIONAL SPECIAL VARIATION

The Minister for Local Government has announced a one-off opportunity available for the 2022-2023 year for councils to apply for an Additional Special Variation (ASV) of up to 2.5 per cent, inclusive of the previously determined rate cap of 0.7 per cent.

Greater Hume Council has resolved to apply for an increase of 2 per cent, as the 0.7 per cent rate peg from IPART was significantly lower than the 2 per cent used as a baseline assumption from prior year increases.

If a 2 per cent rate increase is granted, this would equate to \$121,000 more revenue for 2022-2023. All figures reported in this Long-Term Financial Plan are based on IPART approving Council's application.

Applications for an ASV will be accepted until 29 April. IPART will publish applications to enable community consultation for a period of at least three weeks.

Councils will be notified of IPART's decision no later than 21 June 2022.

### OUR INCOME

Council has several major sources of income which are explained below.

Rates and annual charges are the primary source of annual income, contributing about 31 per cent of total annual income.

Rates are calculated annually, in accordance with NSW legislative requirements, and include the ordinary rate and annual charges for domestic waste collection and management and for on-site sewer management. The ordinary rate is calculated by applying a flat base amount, plus a rate in the dollar (ad valorem) multiplier to each property owner's unimproved land value.

Increases for ordinary rates are determined at a maximum amount by IPART. This increase is described as a rate peg and is determined by reference to the annual movement in the local government cost index. The rate peg for 2022-2023 is set at 0.7 per cent, however it has been assumed that Council's ASV application will be approved and a two per cent rate peg will apply in 2022/2023 and future years.

Rates and Annual Charges Sensitivity Analysis \$,000

	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
0.5%		64	66	67	69	70	71	73	74	76
1.0%		129	132	134	138	140	143	146	149	152
1.5%		194	198	202	206	210	214	219	223	228



# Long Term Financial Plan

## SPECIAL RATE VARIATION (SRV)

A key indicator of Council's long term financial sustainability is achieving a balanced operating performance position. This ratio provides an indication of Council's financial sustainability by measuring operating result excluding capital grants and contributions (which are typically tied to delivery of new capital works).

Performance at or above benchmark indicates Council has the ability to internally generate sufficient funding for its ongoing operations. The benchmark set by OLG is greater than 0 per cent. Council's base prediction of applying a 2% rate peg increase across the 10 years of the LTFP confirms that Council's operating performance continues to deteriorate year on year.

In order to address this situation, a Special Rate Variation (SRV) prediction has been included in the LTFP whereby an SRV of 4% above rate peg, i.e. a 6% increase, is applied in the 2024/2025, 2025/2026 and 2026/2027 years and then retained permanently in Council's rate base.

The adoption of the SRV results in Council achieving and maintaining a positive operating result from 2025/2026 onwards and applying an additional \$8.4m in capital expenditure across the term of the LTFP in order to meet asset renewal requirements whilst continuing to maintain a balanced budget result each year.

The Financial Performance Indicators presented at pages 18 to 22 provide details on the impact of the SRV on a range of key financial indicators.

## FEES AND CHARGES

This income is derived from the use of facilities and services by the public.

Fees and charges are determined annually, published with the Operational Plan and incorporated within the annual budget.

These fees are levied to cover the cost associated with:

- the supply of a product, service or commodity
- the giving of information
- providing a service in connection with the Council's regulatory functions, including receiving an application for approval, granting an approval, making an inspection and issuing a certificate
- allowing admission to any building or enclosure.

Fees and Charges Sensitivity Analysis \$,000

	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
1.0%		72	74	76	77	79	81	83	84	86
2.0%		144	148	152	155	158	162	165	169	173
3.0%		217	222	228	232	237	243	248	253	259

INTEREST INCOME

Interest income is earned by Council on the investment of funds that are surplus to its current needs. Investments are made in accordance with the appropriate legislative requirements and our Investment Policy and strategy. Interest revenue currently accounts for about 0.7 per cent of annual operating income.

The sensitivity analysis applied to investment revenue relates to variances of 0.5%, 1.0% and 2.0% in interest rates received compared to the budget assumption.

Interest Income Sensitivity Analysis \$,000										
	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
1.0%		70	76	81	80	85	90	92	100	100
1.0%		140	152	162	160	170	180	185	200	200
2.0%		280	304	324	320	340	360	370	400	400



# Long Term Financial Plan

## OPERATIONAL GRANTS AND CONTRIBUTIONS

Operational grants and contributions are received from other government bodies to supplement other sources of income and provide additional funding for specific projects and programs where there may be shared outcomes.

Council is allocated approximately \$5.9 million annually from the Commonwealth Government in the form of the Financial Assistance Grant. This is a general-purpose grant paid to Council under the Commonwealth Local Government (Financial Assistance) Act 1995. These funds comprise an unconditional grant, and a smaller local roads component which is also untied. Traditionally, this component of the grant has been tied by Council to road maintenance and improvement.

Operational grants and contributions Sensitivity Analysis \$,000

	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
1.0%		60	61	63	64	65	66	68	69	70
1.5%		90	92	94	96	96	100	102	104	104
2.0%		120	123	125	128	128	133	135	138	138

## CAPITAL INCOME

Capital income includes development contributions that provide significant funding towards the cost of essential public facilities and infrastructure provided by Council. This income helps fund infrastructure such as parks, community facilities, local roads, footpaths, stormwater drainage and traffic management.

Capital grants are received by Council for specific projects to assist in funding community facilities and infrastructure. The grants provide supplementary funding that can assist in accelerating the start of a project, demonstrate a shared commitment from the other party or provide a greater benefit arising from additional funding.

Capital grants income does not require sensitivity analysis as this is budgeted at a detailed level based on the minimum.

Known grants available and those grants that have been committed for specific projects.

Any variations to capital grants income are assessed against the capital program and asset management plans.

## OUR EXPENDITURE

Council has several major sources of expenditure which are explained below.

Operating expenditure is expected to increase in general over the next 10 years and an average increase for CPI growth has been applied to all costs, unless specifically modified on the basis of other data or assumptions.

### EMPLOYEE COSTS

Employee costs includes the costs of salaries, wages and other associated costs of Council's workforce. Direct employee costs represent about 40 per cent of Council's total annual operating costs (excluding depreciation).

Increases applied to this class of expenditure are in line with previous Award increases, however no allowance has been made for growth in Council's overall staff numbers.

	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
0.5%		62	64	66	68	69	71	73	75	76
1.0%		125	129	132	135	139	142	146	149	153
1.5%		187	193	198	203	208	213	219	224	229





# Long Term Financial Plan

## MATERIALS AND CONTRACT EXPENDITURES

Materials and contract expenditures are another significant cost element accounting for 55 per cent of Council's total annual operating costs (excluding depreciation).

This category includes costs for services contracted to external parties, costs associated with consultants and labour hire contracts and the purchase of goods such as materials.

Projections have been based on existing contracted rates escalated for CPI where applicable.

Major financial risks within this category of expenditure include:

- increased costs of inputs such as waste/recycling disposal costs, fuel and labour
- increased levels of service expected by the community and other stakeholders
- new services expected to be delivered in the future
- additional asset maintenance costs of new infrastructure
- limited competitive supply for some specific service areas.

Materials and Contract Sensitivity Analysis \$,000

	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
0.5%		57	58	61	62	64	64	64	66	67
1.0%		113	115	121	125	127	129	129	131	134
1.5%		170	172	182	187	191	193	197	198	202

## FINANCIAL PERFORMANCE INDICATORS

Council complies with the reporting requirements of the Integrated Planning and Reporting framework, with periodic reviews and reporting cycles to allow revision of performance and adjustment of planning activities based on results. This allows plans to be amended should performance indicate there is a risk to the achievement of the financial goals.

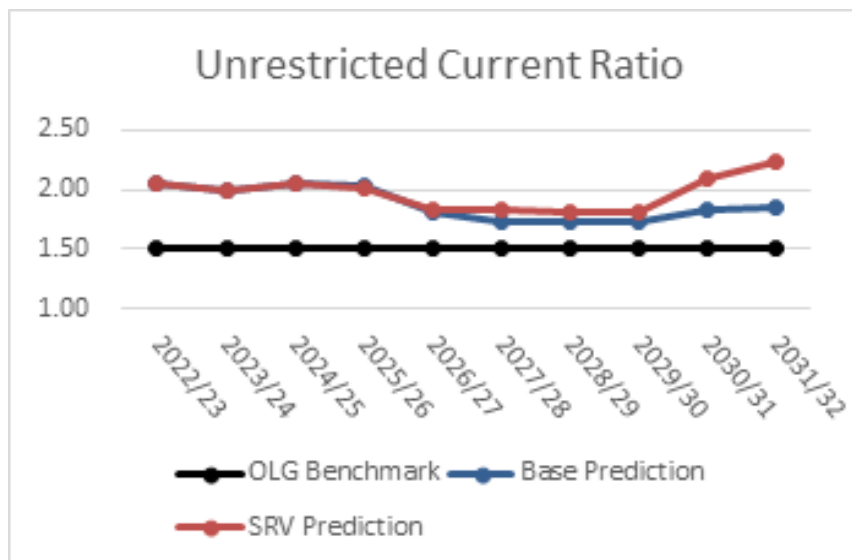
A critical component of measuring performance is identified by performance indicators set by Council and the Office of Local Government, including those outlined on pages 18 to 22.

## UNRESTRICTED CURRENT RATIO

The unrestricted current ratio is specific to local government, measuring the adequacy of liquid working capital and its ability to satisfy its financial obligations as they fall due in the short-term. Restrictions placed on various funding sources (for example, development contributions) complicate the traditional current ratio used to assess liquidity of businesses, as cash allocated to specific projects is restricted and cannot be used to meet Council's other operating and borrowing costs. The benchmark set by the Office of Local Government (OLG) is greater than 1.5.

Current assets less all external restrictions

Current liabilities less specific purpose liabilities



Unrestricted Current Ratios	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Base Prediction	2.05	1.99	2.06	2.03	1.81	1.72	1.74	1.73	1.84	1.86
SRV Prediction	2.05	1.99	2.05	2.02	1.84	1.84	1.81	1.82	2.10	2.24
OLG Benchmark	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

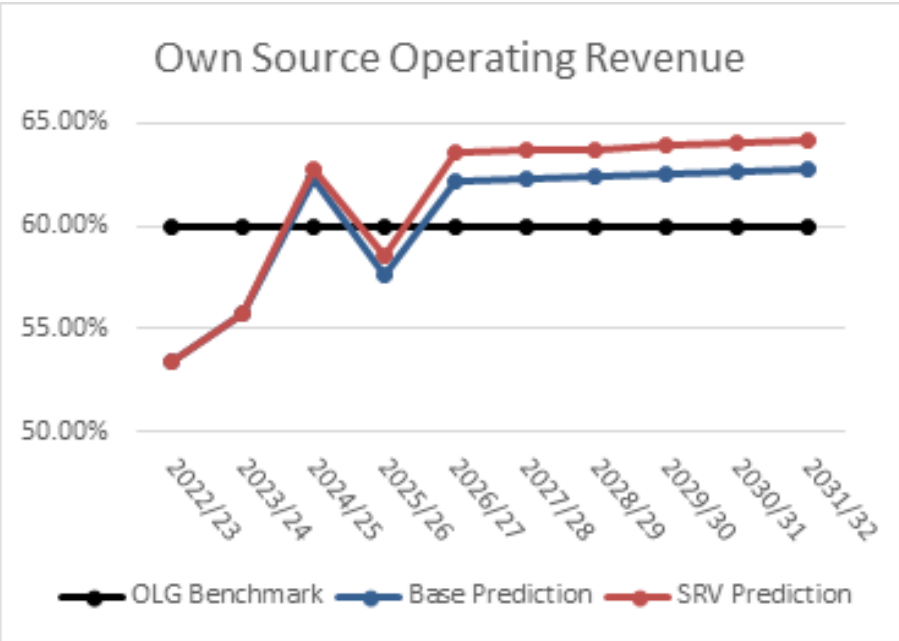
# Long Term Financial Plan

## OWN SOURCE OPERATING REVENUE RATIO

A measure of fiscal flexibility, own source revenue refers to Council’s ability to raise revenue through its own internal means, thereby reducing reliance on external sources of income and insulating against negative fluctuations in external funding. The benchmark set by OLG is greater than 60 per cent.

Total continuing operating revenue excluding all grants and contributions

Total continuing operating revenue



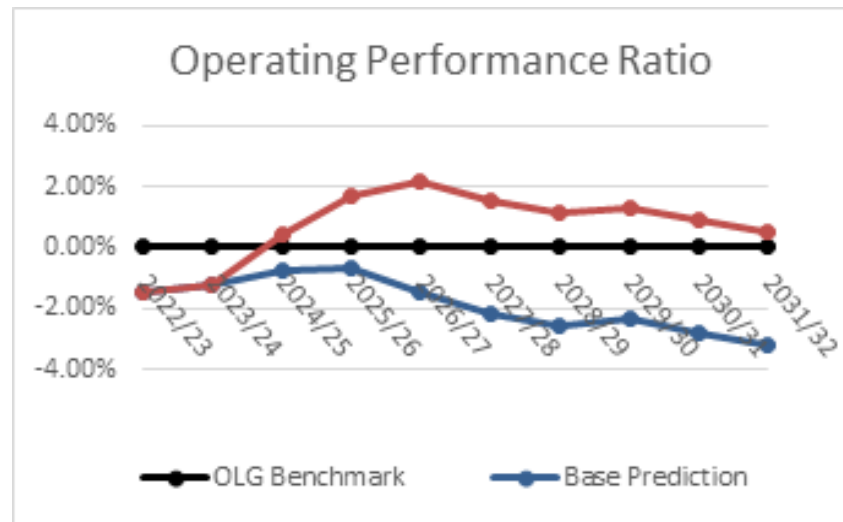
Own Source Operating Revenue Ratios	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Base Prediction	53.37%	55.78%	62.32%	57.63%	62.19%	62.28%	62.38%	62.57%	62.66%	62.76%
SRV Prediction	53.37%	55.78%	62.77%	58.58%	63.57%	63.66%	63.75%	63.94%	64.03%	64.12%
OLG Benchmark	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%

## OPERATING PERFORMANCE RATIO

This ratio provides an indication of Council's financial sustainability by measuring operating result excluding capital grants and contributions (which are typically tied to delivery of new capital works). Performance at or above benchmark indicates Council has the ability to internally generate sufficient funding for its ongoing operations. The benchmark set by OLG is greater than 0 per cent.

Total continuing operating revenue excluding capital grants and contributions less operating expenses

Total continuing operating revenue excluding capital grants and contributions



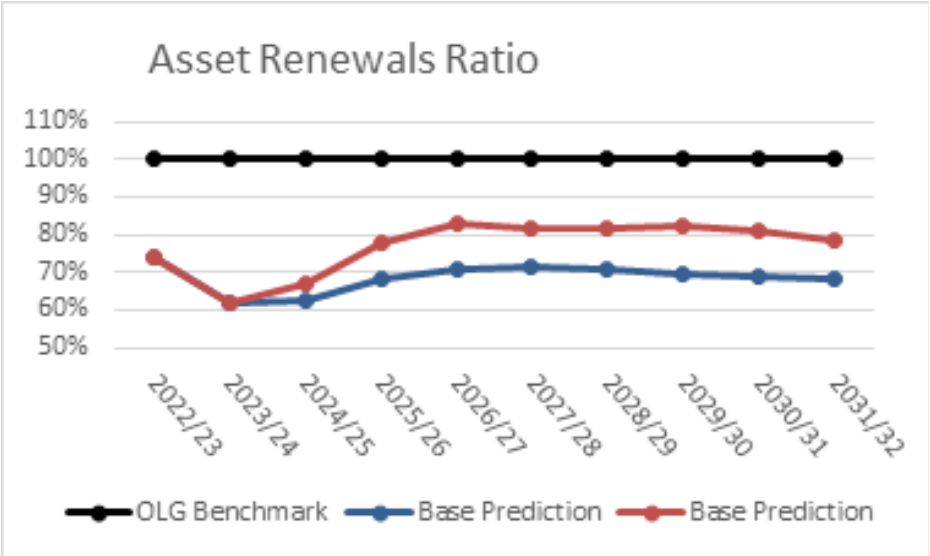
Operating Performance Ratios	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Base Prediction	-1.48%	-1.21%	-0.73%	-0.71%	-1.48%	-2.15%	-2.55%	-2.35%	-2.81%	-3.21%
SRV Prediction	-1.48%	-1.21%	0.46%	1.69%	2.17%	1.52%	1.14%	1.33%	0.90%	0.51%
OLG Benchmark	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



# Long Term Financial Plan

## ASSET RENEWAL RATIO

This ratio indicates Council is adequately maintaining its asset base on the basis of planned renewal activities as a proportion of the depreciation expenditure. A ratio result of 100 per cent indicates Council is renewing its asset base and not contributing to infrastructure backlogs. The benchmark set by OLG is greater than 100 per cent.



Asset Renewal Ratios*	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Base Prediction	74.07%	62.00%	62.40%	68.27%	70.63%	71.42%	70.48%	69.27%	68.98%	68.32%
SRV Prediction	74.07%	62.00%	67.29%	77.82%	82.69%	81.93%	81.62%	82.06%	80.70%	78.75%
OLG Benchmark	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

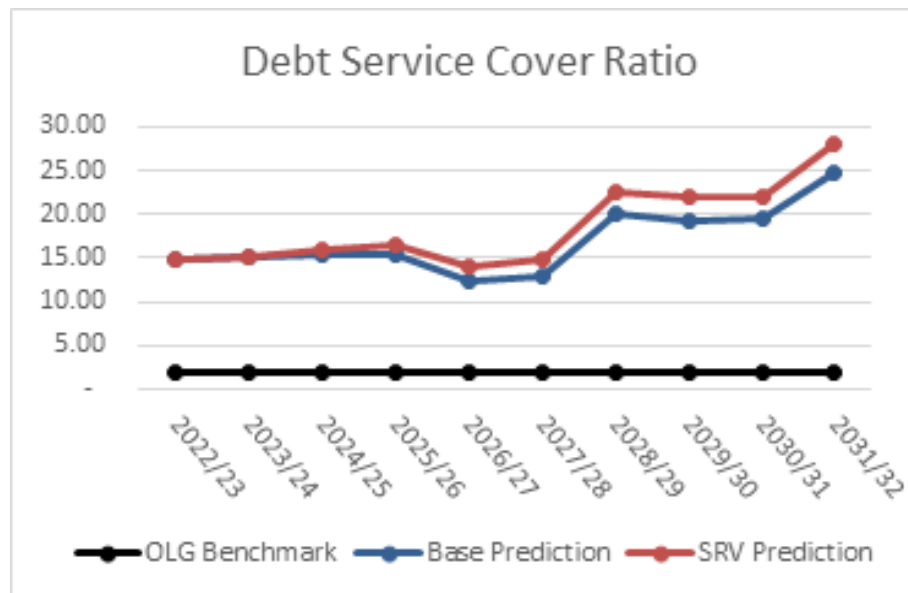
\* Ratio calculation does not include asset renewals expenditure that is incorporated as part of a new capital project.

## DEBT SERVICE COVER RATIO

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. A high ratio indicates the ability of the Council to repay debt. The benchmark set by OLG is greater than two.

Operating result before capital excluding  
interest and  
depreciation/impairment/amortisation

Principal repayments (Statement of Cash Flows)  
plus borrowing costs (Income Statement)



Debt Service Cover Ratios	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Base Prediction	14.78	15.24	15.37	15.35	12.51	13.0	19.96	19.34	19.49	24.71
SRV Prediction	14.79	15.24	16.01	16.64	14.16	14.74	22.67	21.94	22.14	28.12
OLG Benchmark	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

# Long Term Financial Plan

## Strategic Alignment

The Long-Term Financial Plan combines the financial implications arising from the Community Strategic Plan, Delivery Program and the annual Operational Plan to ensure all items in these plans are achievable and sustainable.

The Asset Management Framework and Workforce Management Strategy are major drivers of the assumptions used within the Long-Term Financial Plan.





# Workforce Management Plan 2022 - 2026



## Our Workforce Goal

The Greater Hume aims to deliver sustainable services and assets to support the community through the Community Strategic Plan. This includes managing our staff and resources efficiently and effectively.

The development of an effective workforce strategy will enable Council to plan its future workforce needs to deliver goals, focus on medium and long term, and also provide a framework for dealing with immediate challenges in a consistent way.

## Strategies and Priorities

Our goals provide the direction for our leaders and staff, provide clear expectations on behaviours, form the foundation for role capabilities across the organisation and are a key tool for our recruitment processes.

They enable us to respond to the changing needs of our customers and identify strategies that are people focused, unleash human potential and contribute to our business success.

The strategy allows us to better understand the make-up of the current workforce to determine the required skills, capabilities and competencies to achieve strategic operational goals in the future.

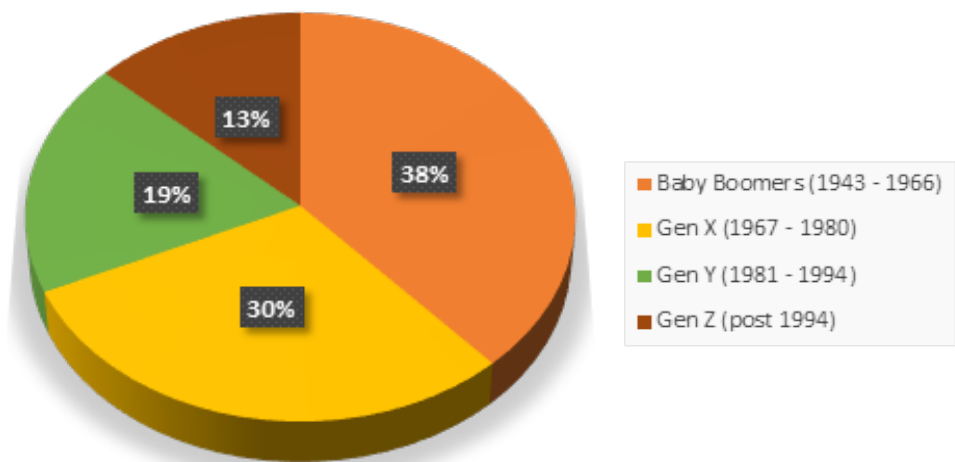
Council has identified the following key strategies that are incorporated into this strategy:

- Retain skilled, experienced employees and attract new, competent and quality staff
- develop a high-performing workforce
- provide a healthy and safe work environment for our staff
- empower, engage and support our staff to be an employer of choice
- grow our future workforce.

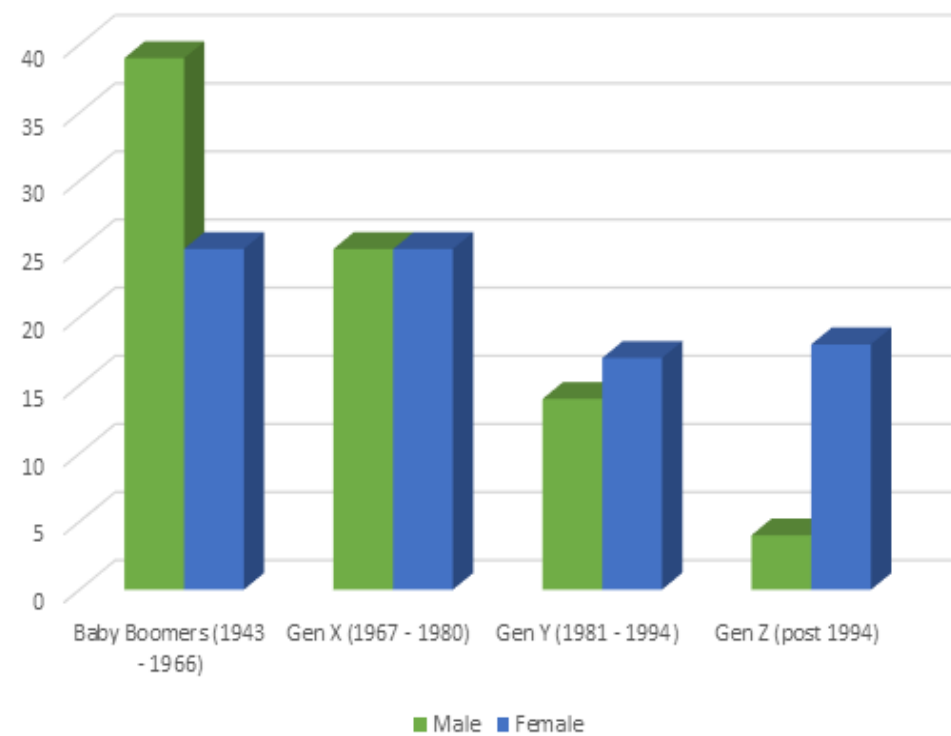
## Workforce Snapshot

Headcount 167	Permanent 143 (85.6%)
Temporary /Contract 1 (0.6%)	Education to Employment 5 (3.0%)
Casual 18 (10.8%)	Turnover 18.0%

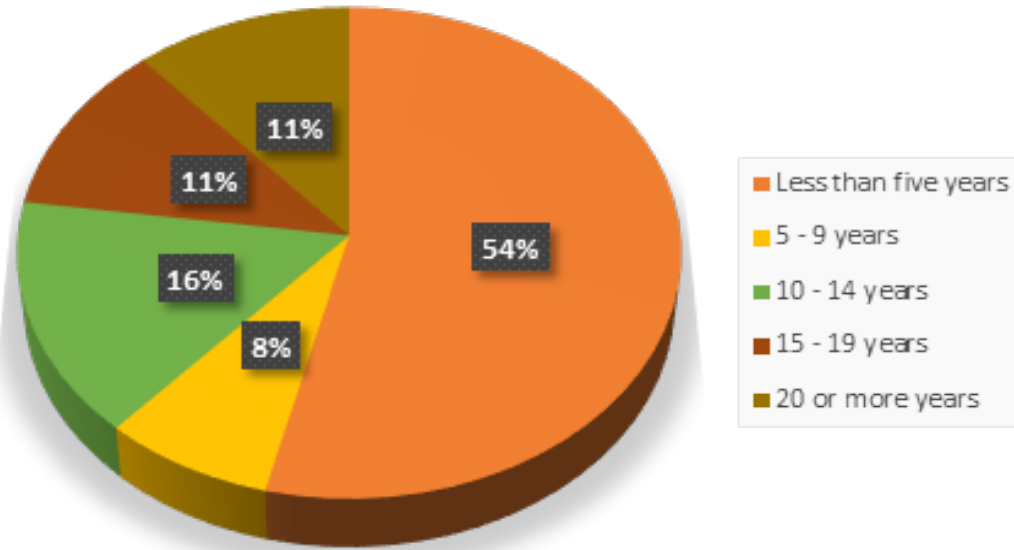
Age Profile



Age Profile by Gender



## Length of Service Council's Workforce



# Workforce Management Plan

## Our Challenges and Opportunities

Greater Hume will face a number of challenges both now and into the future. The diversity of our organisation, location and the expectations of the community of Greater Hume highlighted in our recently completed Community Strategic Plan will feature extensively in these challenges.

Some of the key issues are:

### ATTRACTING AND RETAINING STAFF IN A REGIONAL AREA

We will work to attract and retain talent in a competitive market to improve services to our community.

### ENCOURAGING DIVERSITY AND INCLUSION

At Greater Hume we value diversity and inclusion. We will ensure the benefits of a diverse and inclusive workforce are recognised throughout the organisation.

### BUILDING LEADERSHIP AND WORKFORCE CAPABILITY

We will continue to build our leadership capability to navigate change and be more responsive and adaptive to the ever- changing environment.

### OUR AGEING WORKFORCE

We will work to mitigate the disruption to service delivery due to skills shortages and lack of knowledge transfer with an ageing workforce.

We'll also embrace this opportunity to expand our Education to Employment program with trainees, apprentices, cadets, graduates and work experience placements employing a younger demographic.

### ENGAGING & INVESTING IN OUR WORKFORCE

Engaging our employees is key to our customer and employee experience. We will enhance workforce planning, systems and processes to better support business decision-making.

### SUPPORTING OUR STAFF HEALTH, SAFETY AND WELLBEING

Ensuring the health and safety of our staff is an ongoing challenge, including investing in staff mental health and wellbeing to enhance resilience and psychological safety in the workplace.

### PLANNING FOR THE FUTURE OF OUR WORKFORCE

We will seize opportunities to consider new ways of working aligned to our future customer and staffing needs.

### EMBRACING EMERGING TECHNOLOGIES

Emerging technologies will have an impact on future capabilities and skills required in the digital age. Our challenge is to keep up with the rapid changes in this space.

These challenges and opportunities are addressed in this strategy

## Strategic Alignment

We recognize that councils operate within challenging environments that demand greater flexibility, responsiveness and performance improvements to meet agile labour markets, skills shortages and an ageing workforce.

Our Workforce Management Strategy is a proactive plan that shapes the capacity and capability of our workforce to achieve Council's strategic goals and objectives.

It clearly identifies how future staffing and skills requirements will be met, and resources in conjunction with our Long Term Financial Plan and Delivery Program.



## Workforce Management Strategies and Actions

### Continuing Activities

Develop wellbeing strategies and activities targeted at individual, team and organisational levels  
Implement tools and strategies to reduce injuries and strengthen our safety culture



# Workforce Management Plan

STRATEGY	INITIATIVE	Year 1 22/23	Year 2 23/24	Year 3 24/25	Year 4 25/26
Attract experienced and quality staff to a regional area	Identify and implement innovative programs to attract high-performing people to our organisation	#			
	Ensure Council's conditions of employment are maintained to meet market expectations in regional areas	#	#	#	#
	Build Council's "Employer of Choice" status	#			
Provide a Diverse, inclusive and healthy place to work	Develop and implement an Equal Employment Opportunity Policy and Diversity Policy	#			
	Introduction of Work Health and Safety electronic systems to meet with legislative requirements		#		
	Ensure diversity in the workplace is acknowledged and respected by implementing a training and education program to build a more diverse and inclusive organisation		#		
Develop effective leadership across the organisation to improve accountability and people management in all areas	Continue to improve systems and tools for robust career progression conversations between leaders and staff	#	#	#	#
	Design coaching/mentoring programs to develop higher levels of engagement, leadership, flexibility and performance			#	
	Implement an ongoing leadership and supervisory development program	#			
	Improve accountability across management by developing appropriate key performance indicators that are consistently reported and monitored			#	
	Develop and review People & Culture policies and practices to ensure support is provided to managers for effective people management	#			
Growing Council's future workforce	Continue to expand our Education to Employment program with trainees, apprentices, cadets, graduates and work experience to become an employer of choice	#	#	#	#
	Strengthen links with local high schools, universities and TAFE colleges to promote employment, work experience and traineeship opportunities with Council		#		
	Investigate a flexible working conditions to support new ways of working across Council		#		

## Workforce Management Plan

STRATEGY	INITIATIVE	Year 1 22/23	Year 2 23/24	Year 3 24/25	Year 4 25/26
Invest in our staff by providing the right training, encouragement and development opportunities	Create management practices to support career development and career progression opportunities. Effective strategies include mentoring, internal secondments, training & development	#	#	#	#
	Develop and implement a structured approach to training and development supported by appropriate systems and technology		#	#	#
	Ensure future workforce needs are identified by implementing succession planning to prepare for changing roles now and into the future	#	#	#	#

# Asset Management Strategy



## Asset Management Plan Document Control

Document Control	NAMS.PLUS Asset Management for Small, Rural or Remote Communities				
<a href="http://www.ipwea.org.au/AM4SRRC">www.ipwea.org.au/AM4SRRC</a>					
Document ID: 59_280_110301 am4srrc am strategy template v6					
Rev No	Date	Revision Details	Author	Reviewer	Approver
1	30/05/2012				
	First Edition	A Vonarx	D Smith G Blackie	14/06/2012	
2	12/05/2016	Second Edition	Team Leader Assets	Director Engineering	General Manager
3	28/04/2022	Third Edition	Asset Officer	Director Engineering	General Manager

Asset Management for Small, Rural or Remote Communities Guidelines  
The Institute of Public Works Engineering Australia.

[www.ipwea.org.au/AM4SRRC](http://www.ipwea.org.au/AM4SRRC)

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# Asset Management Plan

## Executive Summary

This asset management strategy is prepared to assist council in improving the way it delivers services from infrastructure including roads, bridges, footpaths, stormwater drainage, parks and recreation, buildings, water supply and waste water. These infrastructure assets have a fair value of \$612,867,000. (The Asset Management Plans do not include bulk earthworks, land under roads, office equipment, furniture and fittings or capital works in progress.)

The asset management strategy is to enable Council to show:

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

Adopting this asset management strategy will assist council in meeting the requirements of national sustainability frameworks, Section 8 of the Local Government Act 1993 (NSW) and providing services needed by the community in a financially sustainable manner.

The asset management strategy is prepared following a review of the council's service delivery practices, financial sustainability indicators, asset management maturity and fit with council's vision for the future outlined in the Greater Hume Shire Asset Management Strategy. The strategy outlines an asset management improvement

plan detailing a program of tasks to be completed and resources required to bring council to a minimum 'core' level of asset maturity and competence.

### Strategy outlook

At present, it has been determined that Council's current asset management maturity is at 'core' level and continued investment is needed to improve information management, lifecycle management, service management and accountability and direction.

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





## Asset Management Strategies

No	Strategy	Desired Outcome
1	Move from Annual Budgeting to Long Term Financial Planning	The long term implications of Council services are considered in annual budget deliberations
2	Develop and review Asset Management Plans on a four year rotation covering at least 10 years for all major asset classes.	Identification of services needed by the community and required funding to optimise 'whole of life' costs
3	Develop Long Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome	Sustainable funding model to provide Council services
4	Incorporate Year 1 of Long Term Financial Plan revenue and expenditure projections into annual budgets	Long term financial planning drives budget deliberations
5	Review and update asset management plans and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports	Financial sustainability information is available for Council and the community
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs	Improved decision making and greater value for money
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report	Services delivery is matched to available resources and operational capabilities
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years	Improved financial and asset management capacity within Council
11	Report six monthly to Council by Audit Committee/GM on development and implementation of Asset Management Strategy, AM Plans and Long Term Financial Plans	Oversight of resource allocation and performance

# Asset Management Improvement Plan

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

The tasks and program are shown below.

Task	Responsibility	Target Date	Budget
Transport Asset Management Plan	Director Engineering / Manager Traffic & Infrastructure/ Team Leader Assets	30/06/2023	Existing Resources
Water & Waste Water Asset Management Plan	Director Engineering / Manager Traffic & Infrastructure/ Team Leader Assets/ Manager Water & Waste Water	30/06/2023	Existing Resources
Plant and Fleet Asset Management Plan	Director Engineering / Manager Traffic & Infrastructure/ Team Leader Assets	30/06/2023	Existing Resources
Stormwater Asset Management Plan	Director Engineering / Manager Traffic & Infrastructure/ Team Leader Assets	30/06/2023	Existing Resources
Land & Community Facilities Asset Management Plan	Director Engineering / Manager Traffic & Infrastructure/ Team Leader Assets/ Manager Waste & Facilities	30/06/2023	Existing Resources



## Introduction

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

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

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

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

- A strategic longer-term plan covering, as a minimum, the term of office of the councillors and:
  - o bringing together asset management and long term financial plans,
  - o demonstrating how council intends to resource the plan, and
  - o consulting with communities on the plan
- Annual budget showing the connection to the strategic objectives, and

- Annual report with:
  - o explanation to the community on variations between the budget and actual results ,
  - o any impact of such variances on the strategic longer-term plan,
  - o report of operations with review on the performance of the council against strategic objectives.<sup>4</sup>

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

- Asset management policy,
- Strategy and planning,
  - o asset management strategy,
  - o asset management plan,
- Governance and management arrangements,
- Defining levels of service,
- Data and systems,
- Skills and processes, and
- Evaluation<sup>5</sup>.

The asset management strategy is to enable Council to show:

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

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

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

The objective of the Asset Management Strategy is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for council to provide service Council will consider the current and future needs of the community and its ability to provide facilities and infrastructure which contribute to meeting these requirements. It also needs to consider the financial implications of maintaining community assets, the balancing of this expenditure and operational realities against the varied needs of the community.

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

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

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

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

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

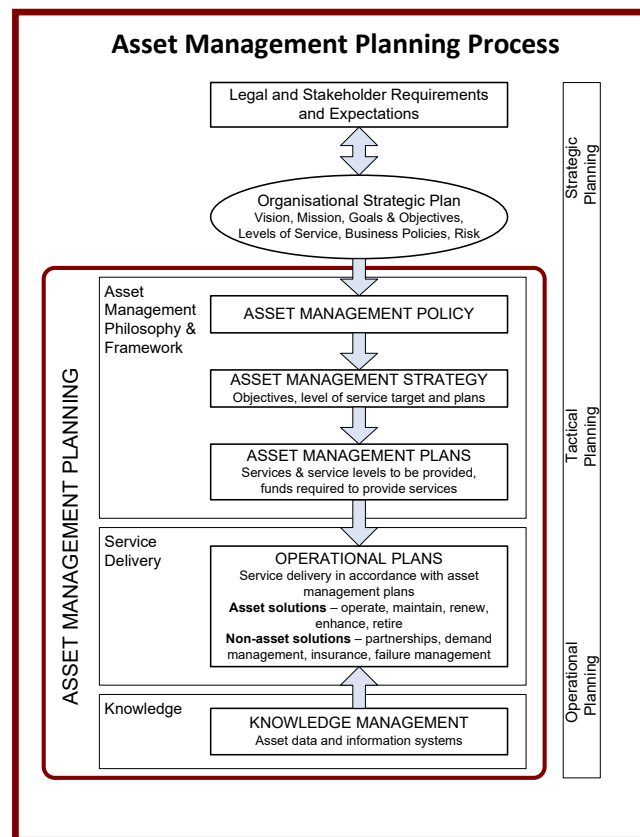
# Asset Management Plan

## Asset Management Planning Process

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

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

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



## Asset Management Strategy Objectives

Council owns and uses approximately \$612,867,000 of non-current assets to support its core business of delivery of service and facilities to the community. Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve Council's service delivery objectives.

The Asset Management Strategy is to ensure that Council's asset portfolio meets the service delivery needs of the community and conforms to Council's Asset Management Policy objectives and goals. The purpose is to ensure adequate provision is made for the long-term management of infrastructure assets by:

- All relevant legislative requirements together with political, social, economic and environmental requirements are to be taken into account in asset management.
- Consistent Asset Management Action Plans exist for implementing systematic and appropriate asset management best-practice throughout all Departments of Council.
- Asset management principles will be integrated within existing planning and operational processes.
- Service levels agreed through the budget process and defined in Infrastructure and Asset Management Plans will be fully funded in the annual budget estimates.

## Asset Management Strategy Objectives cont ...

- Asset renewals are required to be prioritised to meet agreed service levels. These are to be identified in infrastructure and asset management plans and will be fully funded in the annual and forward budget estimates. in the annual and forward budget estimates.
- Estimated future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- Future service levels will be determined in consultation with the community.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with best practice.
- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Creating an environment where Council employees take part in overall management of council assets by developing asset management awareness throughout the organisation.

By undertaking the above actions, the Asset Management Strategy will:

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

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

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

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

## Scope

This strategy applies to all Council owned and managed physical assets. It will be reviewed every four years. It does not apply to human resources.

This strategy sets guidelines for implementing consistent asset management process for Greater Hume Council.

## Asset Management Resources

The large scope and responsibility of effective asset management becomes apparent when all Council assets are considered, from a bench in a local park to major infrastructure projects worth millions of dollars. In order to be able to fully implement the Asset Management Strategy and Asset Management Plans for each asset category key resource requirements have been identified:

- The need for a full time Team Leader Assets to oversee and implement the asset management strategy, ensure asset management plans are developed and reviewed and that the Asset Management System is operational and effective. The Team Leader Assets is responsible for ensuring Asset Management Plans are up to date and reviewed when programmed. The Team Leader Assets also needs to ensure the effective implementation of the Asset Management System and training of staff.
- A full time Technical Officer and Asset Officer to support the Team Leader Assets in the role outlined above.
- Staff resources for each asset category and IT staff available to the Team Leader Assets to complete defined tasks and responsibilities.
- An operational, efficient and user friendly Asset Management System.
- Training of staff to ensure they have a sound working knowledge of the Asset Management approach and the Asset Management System and to ensure Council is meeting industry best practice.



# Asset Management Plan

## Asset Management Resources cont ...

- Suitable equipment (hardware and software) for inspections, data recording and loading of information into the Asset Management System.
- Interaction and involvement with the asset management industry and professional bodies to ensure Council's asset management process are consistent with industry best practice.
- Employ external professionals to assist in preparation and review of Asset Management Plans and the Asset Management System where beneficial and cost effective and also provide training where appropriate.

## Current Situation

The assets listed below represent the Council's current asset stock.

### Built Environment

- Drainage pits - 768
- Open drains – 32.1 km
- Drainage pipes – 31.28 km
- Waste Management facilities – 8
- Town centres – 5 Towns and 6 Villages
- Public toilets – 29
- Cemeteries – 14
- Sealed road pavement – 1084kms
- Unsealed road pavement – 993kms
- Footpath /cycleway – 24.4km concrete, 2.6km gravel and 4.85km shared path
- Kerb & gutter – 96.4km
- Bridges and Major Culverts – 217
- Bus shelters - 20

### Water Supply

- Water treatment plants – 1
- Reservoirs – 7
- Water pump stations – 2
- Water mains – 71.6kms trunk mains, 82.4kms reticulation mains

### Waste Water

- Waste water Treatment Plant – 6
- Waste Water Pumping Station – 25
- Waste Water Rising Mains & Waste Water Mains – 13.1km rising mains, 78.6km Waste Water mains

### Social

- Libraries – 3
- Swimming pools – 5
- Community buildings & halls - 21
- Rural Fire Service / SES buildings - 27
- Parks and Sportsgrounds - 56
- Tennis courts – 62 courts in 11 venues
- Skate parks – 5
- Caravan parks – 1
- Visitor Information Centres – 1

### Civic Leadership

- Operational buildings – 2 administrative offices, 3 works depots
- Commercial buildings – 2

## What Assets do we have?

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

Table 1: Assets used for providing Services		
Asset Class	Description	Services Provided
Transport	Roads, Bridges, Footpath, Kerb and Gutter	Council's intent is that an appropriate Transport network is maintained in partnership with other levels of government and stakeholders to an appropriate standard to enable residents and visitors to move about the shire in safety.
Stormwater	Drains, Pits, Pipes, etc.	Council's intent is that an appropriate Stormwater network is maintained in partnership with other levels of government and stakeholders to an appropriate standard to safely convey rainwater falling within residential areas to the most appropriate natural watercourse.
Land and Community Facilities	Council owned buildings and Land include operational buildings (Council offices, libraries depots, public halls etc) and leased buildings (commercial properties).	Council owns, operates and maintains a number of buildings and other facilities in partnership with specialist contractors, community committees and in-house staff to ensure customer and community needs are satisfied by delivering a quality service.
Water Supply	Water treatment plant, reservoirs, water pump stations and water mains	<p>Council's intent is that an appropriate Water Supply network is maintained in partnership with other levels of government and stakeholders to extract, treat and deliver water supplies at the highest standards.</p> <p>Council's objective is to ensure that the following functional objectives are met:</p> <ul style="list-style-type: none"> <li>Water is extracted from the underground aquifer disinfected/treated in a water treatment plant and delivered to users through its reticulation system.</li> </ul> <p>The operation and maintenance of the water supply network does not have an adverse effect on the environment, and does not cause damage to private properties or public places.</p>

# Asset Management Plan

What Assets do we have ? cont ...

Table 1: Assets used for providing Services		
Asset Class	Description	Services Provided
Waste Water Operations	Waste Water treatment plants, Waste Water pump stations, Waste Water rising mains and Waste Water mains	<p>Council's intent is that an appropriate Waste Water network is maintained in partnership with other levels of government and stakeholders to collect, treat and dispose of waste water from the areas Council services.</p> <p>Council's objective is to ensure that the following functional objectives are met:</p> <ul style="list-style-type: none"><li>• Waste water is efficiently and effectively collected from properties, conveyed to the Waste Water treatment plants, treated and re used or disposed of.</li><li>• The operation of the Waste Water system does not have an adverse effect on the environment.</li></ul>
Plant and Fleet	Fleet of heavy plant and vehicles	To enable Council staff to effectively maintain councils assets



## Council's Assets and their management?

### State of Assets

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

Table 2: Financial Status of the Assets

Asset Class	Replacement Cost (\$000)	Depreciated Replacement Cost (\$000)	Depreciation Expense for current year (\$000)
Transport	\$387,480	\$284,924	\$4,849
Stormwater	\$13,809	\$10,665	\$126
Land and Community Facilities	\$117,536	\$85,401	\$2,499
Water Supply	\$32,900	\$21,006	\$439
Waste Water Operations	\$48,851	\$21,006	\$605
Plant and Fleet	\$12,291	\$6,857	1,045
Total	\$612,867	\$429,859	\$9,563

As at 30 June 2021

Asset Replacement Cost

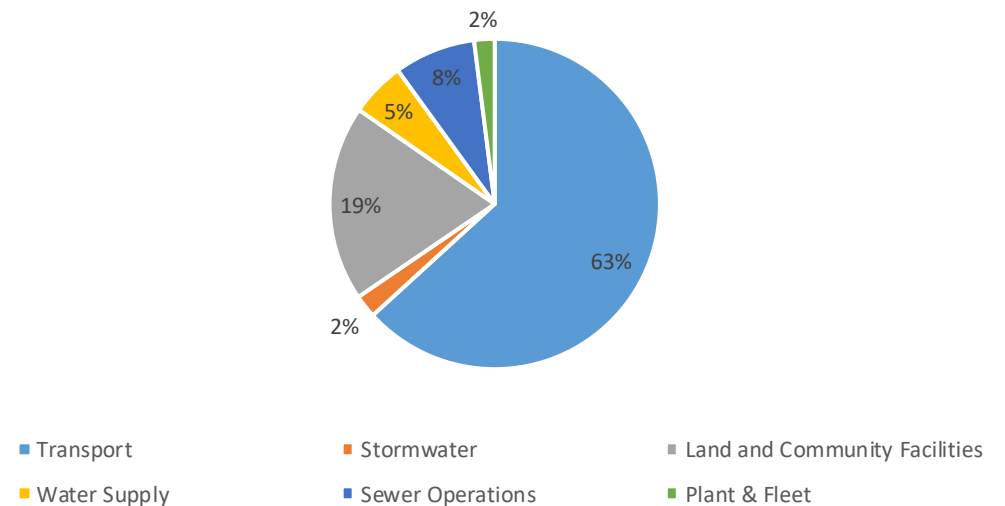


Figure 1: Financial Status of the Assets

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## Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operating and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is shown in Table 3.

Table 3: Life Cycle Cost for Council Services				
Service	Previous Year Expenditure		Previous Year Depreciation Exp	Life Cycle Cost (\$/yr)
	Operations	Maintenance		
Transport	\$238,431	\$5,859,812	\$4,849,000	\$10,947,243
Stormwater	0	\$96,078	\$126,000	\$222,078
Land and Community Facilities	\$1,694,767	\$1,487,227	\$2,499,000	\$5,680,993
Water Supply	\$1,433,734	\$177,736	\$439,000	\$2,050,470
Waste Water Operations	\$1,072,901	\$114,299	\$605,000	\$1,792,200
Plant and Fleet	\$253,084	\$1,399,934	\$1,045,000	\$2,698,019
Total	\$4,692,917	\$9,135,086	\$9,563,000	\$23,391,003

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



## Life Cycle costs cont ...

Table 4: Life Cycle Expenditure for Council Services

Service	Previous Year Expenditure		Cap Renewal Exp (\$/yr)	Life Cycle Exp (\$/yr)
	Operations	Maintenance		
Transport	\$238,431	\$5,859,812	\$3,975,855	\$10,074,098
Stormwater	\$0	\$96,078	\$134,636	\$230,714
Land and Community Facilities	\$1,694,767	\$1,487,227	\$2,761,000	\$5,942,994
Water Supply	\$1,433,734	\$177,736	\$114,577	\$1,726,047
Waste Water Operations	\$1,072,901	\$114,299	\$106,335	\$1,293,535
Plant and Fleet	\$253,084	\$1,399,934	\$	\$1,653,018
Total	\$4,692,917	\$9,135,086	\$7,092,403	\$20,920,406

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

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

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

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



# Asset Management Plan

Life Cycle costs cont ...

Service	Life Cycle Cost (\$/yr)	Life Cycle Expenditure (\$/yr)	Life Cycle Gap * (\$/yr)	LC Sustainability Index
Transport	\$10,947,243	\$10,074,098	-\$873,145	-0.08
Stormwater	\$222,078	\$230,714	\$8,636	0.04
Land and Community Facilities	\$5,680,993	\$5,942,994	\$262,00	0.05
Water Supply	\$2,050,470	\$1,726,047	-\$324,423	-0.16
Waste Water Operations	\$1,792,200	\$1,293,535	-\$498,665	-0.27
Plant and Fleet	\$2,698,019	\$1,653,018	-\$1,045,001	-0.38
Total	\$23,391,003	\$20,920,406	\$2,470,597	-0.11

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

## Corporate Asset Management Team

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

- demonstrate corporate support for sustainable asset management,
- encourage corporate buy-in and responsibility,
- coordinate strategic planning, information technology and asset management activities,
- promote uniform asset management practices across the organisation,

- information sharing across IT hardware and software,
- pooling of corporate expertise
- championing of asset management process,
- wider accountability for achieving and reviewing sustainable asset management practices.

The role of the asset management team will evolve as the organisation maturity increases over several phases.

### Phase 1

- strategy development and implementation of asset management improvement program,

### Phase 2

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

### Phase 3

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

The current position on Council's asset management team is, Phase 1.

## Asset Management Classes - Phase 2 and 3 Implementation

A core Asset Management Plan has been developed for each asset category and will be refined over time. The objective in managing these assets is to meet the required level of service in the most cost effective manner for the benefit of present and future members of the Greater Hume community. The key elements of asset management plans are:

- Taking a life cycle approach
- Developing cost-effective management strategies for the long term
- Providing a defined level of service
- Providing defined performance monitoring
- Understanding and meeting the demands of growth through demand management and infrastructure investment
- Managing risks associated with asset failures
- Sustainable use of physical resources
- Continuous improvement in asset management practices

Asset Management Plans for each asset category are prepared under the direction of Council's Community Strategic Plan "Live a Greater Life 2022 - 2032" and will form part of Council's Resourcing Strategy. Each Asset Management Plan will include provision for capital, renewal and maintenance works which will provide facilities with available resources and endeavour to meet community expectations for standards and capacity. Asset Management Plans outline processes and

principles used to plan capital, renewal and maintenance works for each asset.

Each Asset Management Plan will prioritise works in the asset category and will held guide the Council in making decisions within its 4 year Delivery Plan and 10 year Community Strategic Plan objectives. The result is a long term planning framework which will assist in making informed decisions on maintenance programmes and renewal and capital projects.

Asset Management Plans will include:

- An assets register
- Levels of service – specifies the services and levels of service to be provided by Council
- Future demand – how this will impact on future service delivery and how this is to be met
- Life cycle management – how Council will manage its existing and future assets to provide the required services
- Prioritise capital, renewal and maintenance works
- How risk and liability is managed
- Financial summary – what funds are required to provide the required services

### TRANSPORT

Road pavements, bridges, culverts, footpaths, kerb & gutter traffic devices etc

Roads and associated infrastructure is the major asset class that Council maintains.

Council conducted a road condition assessment in 2014 and reviewed the Roads Strategy in 2014. A further review of the Roads Strategy has been undertaken in 2017 and proposed for 2022. The Roads Strategy identified the need for Council to approve funding of up to \$7.2m per annum on the road network to satisfactorily maintain the infrastructure. Other major findings from the Roads Strategy are as follows.

The construction standards of some of the existing roads does not meet with the adopted standards and there is a requirement to bring these roads up to standard by widening roads that are too narrow, sealing roads that have a high enough traffic count to require sealing and providing line marking where required. The estimated cost is recorded in the Roads Strategy document.

# Asset Management Plan

## Asset Management Classes - Phase 2 and 3 Implementation cont ...

### Roads / Infrastructure Responsibilities

Works Item – Roads / Infrastructure	Responsible
Implementation and review of Asset Management Plan	Director Engineering and Manager of Traffic and Infrastructure and Team Leader Assets and Works Manager
Implementation of Asset Management System	Manager of Traffic and Infrastructure and Team Leader Assets
Training of staff to ensure Asset Management System is effective	Manager of Traffic and Infrastructure and Team Leader Assets and Works Manager
Development of annual and 4 year capital works plans	Director Engineering, Traffic and Infrastructure Manager and Works Manager
Annual budget recommendation	Director Engineering
Progression of specific projects within the Asset Management Plan	Works Manager
Programmed and day to day maintenance	Works Manager

### Storm Water (Drains, Pits, Gutters, etc)

Greater Hume Shire Council's storm water system is designed to safely convey rainwater falling within residential areas to the most appropriate natural watercourse. Water falling on roads and footpaths or running off private property roofs and gardens is collected by pits mainly at the road kerbs and conveyed underground in a network of pipelines.

The stormwater system attempts to ensure that public and private land does not become flooded to a level where danger is posed to people or property. One important function of the drainage system is road drainage which ensures that vehicles do not encounter dangerous conditions.

Greater Hume Council has maintained a network of stormwater pipes, pits and other associated infrastructure. The stormwater system is largely contained below ground and is therefore not as visible as other assets and the importance of it could be overlooked. A rational approach to the management of this large asset base is required to maintain it in an order where major issues do not arise and the system remains invisible.

### Stormwater Assets Responsibilities

Works Item – Stormwater	Responsible
Implementation and review of Asset Management Plan	Director Engineering and Manager of Traffic and Infrastructure and Team Leader Assets and Works Manager
Implementation of Asset Management System	Manager of Traffic and Infrastructure and Team Leader Assets
Training of staff to ensure Asset Management System is effective	Manager of Traffic and Infrastructure and Team Leader Assets and Works Manager
Development of annual and 4 year capital works plans	Director Engineering and Manager of Traffic and Infrastructure and Works Manager
Annual budget recommendation	Director Engineering
Progression of specific projects within the Asset Management Plan	Works Manager
Programmed and day to day maintenance	Works Manager

## Asset Management Classes - Phase 2 and 3 Implementation cont ...

### LAND & COMMUNITY FACILITIES

#### Buildings

Council owns, operates and maintains a number of buildings and other facilities in partnership with specialist contractors, community committees and in-house staff to ensure customer and community needs are satisfied by delivering a quality service. These buildings include operational buildings (Council offices, libraries depots, public halls etc) and leased buildings (commercial properties).

Council has completed a condition audit of all its buildings (excluding commercial premises under lease). This will enable Council to gain an appreciation of the condition of the buildings in terms of the funds needed to bring each building up to a “desired standard”, determine the remaining useful life of the building and to consider a forward plan for maintenance and/or replacement.

Works Item – Buildings	Responsible
Implementation and review of Asset Management Plan	Team Leader Assets and Manager of Traffic and Infrastructure / Manager Waste & Facilities
Implementation of Asset Management System	Team Leader Assets
Training of staff to ensure Asset Management System is effective	Team Leader Assets and Manager of Traffic and Infrastructure/ Manager Waste & Facilities
Development of annual and 4 year capital works plans	Director Environment & Planning and Manager Waste & Facilities
Annual budget recommendation	Director Environment & Planning and Manager Waste & Facilities
Progression of specific projects within the Asset Management Plan	Manager Waste & Facilities
Programmed and day to day maintenance	Manager Waste & Facilities

Parks and Open Space. (Parks, Sporting Facilities, Playgrounds, Trees, Minor Structures etc).

Greater Hume Shire Council’s open space assets are highly valued by the community and provide a range of passive and active recreational opportunities. Traditionally it has been difficult to put a value on open space assets however this is changing as increasing demands on these facilities is making users and the broader community more aware of the worth of open space assets. Council maintains sporting facilities, ovals, parks, gardens, walking tracks, irrigation systems, playgrounds, trees and bushland areas along with fences, furniture and amenities. Collectively these assets provide social, cultural, health, aesthetic and ecological benefits to the community.

Plans of Management have been prepared for some facilities, however further plans require development so as to ensure that Council meets the expectations of the community in relation to the future direction of our open space assets.

Items such as amenities blocks have been captured in the building condition audit but there are still a considerable number of assets within the parks and open space areas that will need further attention to determine a usable current value.

Opposite to many built assets, open space ‘green’ assets generally increase in value after capital works are complete and turf, plant and trees grow and become established. However, after these assets have matured they begin to age and eventually will die and require renewal or replacement. Generally speaking these assets require a high level of programmed maintenance.



# Asset Management Plan

## Asset Management Classes - Phase 2 and 3 Implementation cont ...

Effective maintenance programs are necessary to get the most value out of these assets particularly in high use areas. These maintenance programmes, which may include minor replacements or restorations, can greatly prolong the life of an asset. Maintenance programmes can also be used to monitor deterioration and forecast future capital requirements.

Works Item – Parks & Open Space	Responsible
Implementation and review of Asset Management Plan	Manager of Traffic and Infrastructure and Team Leader Assets and Works Manager
Implementation of Asset Management System	Team Leader Assets
Training of staff to ensure Asset Management System is effective	Manager of Traffic and Infrastructure and Team Leader Assets and Works Manager
Development of annual and 4 year capital works plans	Director Engineering and Manager of Traffic and Infrastructure and Works Manager
Annual budget recommendation	Director Engineering
Progression of specific projects within the Asset Management Plan	Works Manager
Programmed and day to day maintenance	Works Manager

## Waste Management Facilities

Council owns, operates and maintains a number of waste management facilities.

These facilities vary from relatively small transfer stations to large landfill facilities.

Council has completed a condition audit of all waste management facilities. This will enable Council to gain an appreciation of the condition of buildings, fences and other infrastructure in terms of the funds needed to maintain each facility at a “desired standard”, determine the remaining useful life of the infrastructure and to consider a forward plan for maintenance and/or replacement.

At the time of preparing this strategy, Council is examining a number of alternate options in respect of the delivery of waste management services across Greater Hume Shire. Once this review has been completed and Council confirms the number and location of waste management facilities to remain operational, detailed analysis of future cost scenarios will be undertaken and a formal Asset Management Plan for waste management will be developed.

Works Item – Waste Management	Responsible
Adoption of Waste Management Strategy	Council
Implementation and review of Asset Management Plan	Manager of Traffic and Infrastructure/ Team Leader Assets/ Manager Waste & Facilities
Implementation of Asset Management System	Team Leader Assets
Training of staff to ensure Asset Management System is effective	Manager of Traffic and Infrastructure/ Team Leader Assets / Manager Waste & Facilities
Development of annual and 4 year capital works plans	Director Environment & Planning and Manager Waste & Facilities
Annual budget recommendation	Director Environment & Planning and Manager Waste & Facilities
Progression of specific projects within the Asset Management Plan	Manager Waste & Facilities
Programmed and day to day maintenance	Manager Waste & Facilities

## Asset Management Classes - Phase 2 and 3 Implementation cont ...

### Swimming Pools

Council operates five swimming pools in the towns of Holbrook, Culcairn, Walla Walla, Jindera and Henty. Council's swimming pools offer an environment for residents to participate in a range of activities in a safe and exciting environment.

Council has completed preliminary assessments of all Council owned swimming pools to determine their current condition. Results of the assessments will assist with planning and budgeting for ongoing maintenance that will be required over coming years.

Works Item – Swimming Pools	Responsible
Implementation and review of Asset Management Plan	Manager of Traffic and Infrastructure/ Team Leader Assets / Manager Waste & Facilities
Implementation of Asset Management System	Team Leader Assets
Training of staff to ensure Asset Management System is effective	Manager of Traffic and Infrastructure/ Team Leader Assets / Manager Waste & Facilities

Works Item – Swimming Pools	Responsible
Development of annual and 4 year capital works plans	Director Environment & Planning/ Manager of Traffic and Infrastructure/ Manager Waste & Facilities
Annual budget recommendation	Director Environment & Planning and Manager Waste & Facilities
Progression of specific projects within the Asset Management Plan	Manager Waste & Facilities
Programmed and day to day maintenance	Manager Waste & Facilities

### Cemeteries

Greater Hume Shire Council provides and maintains 14 cemeteries throughout the Shire in partnership with committees, interested parties and volunteers to a level that meets the expectations of ratepayers and visitors. The level of service is usually determined by the size and visitor frequency at the relevant cemetery.

Council has completed assessments of all Council cemeteries to determine their current condition of buildings and other assets at the cemetery. Results of the assessments will assist with planning and budgeting for ongoing maintenance that will be required over coming years.

Works Item – Cemeteries	Responsible
Implementation and review of Asset Management Plan	Manager of Traffic and Infrastructure/Team Leader Assets/ Manager Waste & Facilities
Implementation of Asset Management System	Team Leader Assets
Training of staff to ensure Asset Management System is effective	Manager of Traffic and Infrastructure/ Team Leader Assets/ Manager Waste & Facilities
Development of annual and 4 year capital works plans	Director Environment & Planning / Manager of Traffic and Infrastructure/ Manager Waste & Facilities
Annual budget recommendation	Director Environment & Planning/ Manager of Traffic and Infrastructure/ and Manager Waste & Facilities
Progression of specific projects within the Asset Management Plan	Manager Waste & Facilities
Programmed and day to day maintenance	Manager Waste & Facilities

# Asset Management Plan

## Asset Management Classes - Phase 2 and 3 Implementation cont ...

### Water Supply

Council provides a Water Supply network to enable extraction, treatment and delivery of filtered water supplies at the highest standards.

Council plans to operate and maintain the Water Supply network to achieve the following strategic objectives.

1. Ensure the Water Supply network is maintained at a safe and functional standard as set out in this asset management plan.
2. Ensure sufficient funds are raised through its fees and charges policy to provide for water asset renewal over the life of the assets.
3. Meet the Australian drinking water guidelines in terms of quality and community expectations.

Considerable work has been completed as part of the development of a Strategic Business Plan for Council's water supply operations and the implementation of an Integrated Water Cycle Management Plan. The planning work already completed as a result of these activities will guide the completion and implementation of an Asset Management Plan and future financial planning for Council's water supply activities.

Works Item – Water Supply	Responsible
Implementation and review of Asset Management Plan	Manager of Traffic and Infrastructure/ Team Leader Assets/ Manager Water & Waste Water
Implementation of Asset Management System	Team Leader Assets
Training of staff to ensure Asset Management System is effective	Manager of Traffic and Infrastructure/ Team Leader Assets / Manager Water & Waste Water
Development of annual and 4 year capital works plans	Director Engineering and Manager Water & Waste Water
Annual budget recommendation	Director Engineering and Manager Water & Waste Water
Progression of specific projects within the Asset Management Plan	Manager Water & Waste Water
Programmed and day to day maintenance	Manager Water & Waste Water



## Asset Management Classes - Phase 2 and 3 Implementation cont ...

### Waste Water Operations

Council's intent is that an appropriate waste water network is maintained in partnership with other levels of government and stakeholders to collect, treat and dispose of waste water from the areas within Greater Hume shire.

Waste Water asset attributes will be maintained at a safe level and associated signage and equipment be provided as needed to ensure public safety. Council must ensure that key functional objectives are met:

- Waste water is efficiently and effectively collected from properties, conveyed to the Waste Water treatment plants, treated and re used or disposed of.
- The operation of the waste water system does not have an adverse effect on the environment.

Considerable work has been completed as part of the development of a Strategic Business Plan for Council's waste water operations and the implementation of an Integrated Water Cycle Management Plan. The planning work already completed as a result of these activities will guide the completion and implementation of an Asset Management Plan and future financial planning for Council's waste water activities.

Works Item – Waste Water Operations	Responsible
Implementation and review of Asset Management Plan	Manager of Traffic and Infrastructure/Team Leader Assets / Manager Water & Waste Water
Implementation of Asset Management System	Team Leader Assets / Manager Water & Waste Water
Training of staff to ensure Asset Management System is effective	Manager of Traffic and Infrastructure/Team Leader Assets / Manager Water & Waste Water
Development of annual and 4 year capital works plans	Director Engineering and Manager Water & Waste Water
Annual budget recommendation	Director Engineering and Manager Water & Waste Water
Progression of specific projects within the Asset Management Plan	Manager Water & Waste Water
Programmed and day to day maintenance	Manager Water & Waste Water



# Asset Management Plan

## Asset Management Classes - Phase 2 and 3 Implementation cont ...

### Plant and Fleet

Council owns and operates an extensive plant fleet ranging from heavy construction plant items to small passenger sedans.

Regular maintenance and replacement of plant is critical if Council is to ensure that its construction, maintenance and service delivery activities are undertaken in an efficient and cost effective manner.

Council will develop a detailed plant replacement programme which will specify the replacement schedule for all items of plant and the associated financial resources required.

Works Item – Plant Replacement	Responsible
Implementation and review of Asset Management Plan	Manager of Traffic and Infrastructure/ Team Leader Assets / Operations Overseer
Implementation of Asset Management System	Manager of Traffic & Infrastructure/Team Leader Assets /and Operations Overseer
Training of staff to ensure Asset Management System is effective	Manager of Traffic & Infrastructure/ Team Leader Assets /and Operations Overseer
Development of plant replacement plans	Director Engineering and Operations Overseer

Works Item – Plant Replacement	Responsible
Annual budget recommendation	Director Engineering and Operations Overseer
Progression of specific projects within the Asset Management Plan	Director Engineering and Operations Overseer
Programmed plant replacement activities	Director Engineering and Operations Overseer

## Financial & Asset Management Core Competencies

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. 11 core competencies have been developed from these elements<sup>8</sup> to assess 'core' competency under the National Frameworks. The core competencies are:

- Financial Planning and Reporting
- Strategic Longer Term Plan
  - Annual Budget
  - Annual report

- Asset Planning and Management
- Asset Management Policy
  - Asset Management Strategy
  - Asset Management Plans
  - Governance & Management
  - Levels of Service

- Data & Systems
- Skills & processes
- Evaluation

Council will be conducting a maturity assessment for the core competencies with the aim of determining the maturity gap to be overcome for Council to achieve core financial and asset management competency.

## Strategy Outlook

At present, it has been determined that Council's current asset management maturity is at 'core' level and investment is needed to improve information management, lifecycle management, service management and accountability and direction.

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



## Where do we want to be?

### Council's Vision, Themes, Objectives and outcomes

Council has adopted a Vision for the future in the Council Strategic Plan.

Partnering to support our rural communities

Council's purpose or reason for existence is set out in the Guiding Principles to the Community Strategic Plan

The Strategic Plan sets themes, objectives and outcomes to be achieved in the planning period. The outcomes set out where Council wants to be.

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with legislative requirements, community needs and affordability.

## Asset Management Policy

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

The asset management strategy is developed to support the asset management policy and is to enable council to show:

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

## Asset Management Vision

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

To assist in achieving this balance, Council aspires to -

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

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

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

Strategies to achieve this position are outlined in Section 5.

# Asset Management Plan

## How will we get there?

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

No	Strategy	Desired Outcome
1	Continue to refine Long Term Financial Planning.	The long term implications of Council services are considered in annual budget deliberations
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs
3	Annual review of the Long Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome	Sustainable funding model to provide Council services
4	Incorporate Year 1 of Long Term Financial Plan revenue and expenditure projections into annual budgets	Long term financial planning drives budget deliberations
5	Review and update asset management plans and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports	Financial sustainability information is available for Council and the community
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs	Improved decision making and greater value for money
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report	Services delivery is matched to available resources and operational capabilities
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years	Improved financial and asset management capacity within Council
11	Report six monthly to Council by Audit Committee/GM on development and implementation of Asset Management Strategy, AM Plans and Long Term Financial Plans	Oversight of resource allocation and performance

## Asset Management Improvement Plan

An asset management improvement programme will enhance the processes, systems and data that support an Asset Management Plan.

An improvement planning process will:

- Identify corporate business need for asset management planning
- Assess the current status of asset management practices
- Identify gaps between current practices and business needs
- Develop an optimised programme for asset management improvements, considering risks and cost of options for improvement and also availability of resources
- Continually monitor and review the effectiveness of asset management planning

Council will review its current asset management practices to identify any gaps in order to improve. This will occur in conjunction with regular review of this Asset Management Strategy.

## Works Assessment and Prioritisation Criteria

Asset Management Plans provide a set of criteria, such as safety, the number of users, environmental impact and sustainability, to enable objective and accountable decisions to be made. Priority is given to the most urgently needed works that provide the greatest benefit to the community.

In prioritising works, the following factors listed below need to be considered. These form the criteria by which renewal and capital projects are assessed and funding is allocated in the annual budget. These criteria will be consistent across each asset category however it might be appropriate for the weighting of criteria to differ between asset classes.

- Legal – Council's legislative requirements and obligations
- Condition – the condition rating of the asset
- Cost – acknowledgement of the financial aspects of asset management, financial budgeting and management
- Funding – seek external funding opportunities and its associated challenges. External funding can greatly increase the value of works per Council dollar spent.
- Community – the needs and requirements of the many user groups and individuals which use Council facilities
- Planning – Council's obligation to implement formal planning documents which have been developed through community consultation and adopted by Council

Priority listings developed from the criteria outlined above will be used to bid for grant funding and as a guide for staff to progressively work through the identified projects. There will be variation to the priority ratings, which would move the projects up or down the list.

This will occur when:

- Current or future grant funding applications are either successful or unsuccessful
- Additional funding is provided for a specific project (e.g. donation from an external organisation or an increase in budget allocation)
- Budget constraints mean that full funding for a particular project is not available and a project of lower priority requiring less funding can be completed that financial year.

## Asset Management System

Council requires a computer based Asset Management System to deal with the high volume and detailed nature of the asset data collected. The Asset Management System must also be integrated with other corporate databases such as Council's financial management system and document management system.

Council's asset management information is integral to the future management and monitoring of Council assets.

It will enable Council to:

- Project forward capital and recurrent expenditure
- Fulfil the responsibility and requirement to report regularly to the community about Council's asset management programmes

# Asset Management Plan

## Asset Management System cont ...

- Have an understanding of the risk levels associated with the assets and to ensure that future asset management planning incorporates a risk management element
- Undertake predictive modelling to optimise the decision making process
- Identify preferred treatment options for assets requiring expenditure within the forward works programme
- Base service levels on identified need and enabling explanation of maintenance programmes and capital works projects to the community
- Weigh up and decide between deferred or basic maintenance and commitment to extensive rehabilitation in a rational manner and with due regard to budgetary constraints
- Continuously develop the process, knowledge and support information systems as the consultation and feedback process progresses.

## Asset Management Information System

Council has purchased an asset management information system known as BizeAsset with the view to better manage and maintain council assets and tracking lifecycle costs in order to improve the cost of ownership.

The core data has been entered in layers composing of Roads and Bridges, Stormwater, Water supply, Waste water, Buildings, Airports, Footpaths and street signs.

The physical location is plotted on a GIS map using a line, a point or a region. Attached to these is an asset number, name, age and any other information needed to locate, value, maintain or use the asset.

## Risk Management

The implementation of an effective Asset Management Strategy will consider the relationship and prioritisation of maintenance and capital work to support the delivery of Council services. To this effect it will be a major tool in assisting the Council to manage risk and liability through the development of defined works and service programmes which best allocate the use of available resources.

The implementation of the Asset Management Strategy will:

- Identify any significant asset or service gaps (capacity, functionality or maintenance related) and related service risks over both the short and long term
- Take into account projected changes to population (ageing / demographic) land use and planning, legal requirements and policies, technology and community expectations
- Explain how available resources will manage asset or service gaps, or why any gaps not address by the relevant Asset Management Plan are considered a low priority
- Assess the risk to service delivery and asset performance if gaps are not addressed
- Outline relationships between proposed projects or programs and how these support cohesive asset management strategy

- Explain how the proposed capital projects and maintenance expenditure are prioritised within the projected funding limits.

In developing each Asset Management Plan, a risk assessment will be carried out and will document potential risks associated with the relevant asset category

The tasks required to achieve a 'core' financial and asset management maturity are shown in priority order in Table 7.

Risk Management cont ...

Table 7: Asset Management Improvement Plan			
Task	Responsibility	Target Date	Budget
Transport Asset Management Plan	Director Engineering / Team Leader Assets / Manager of Traffic and Infrastructure	30/06/2023	Existing Resources
Water & Waste Water Asset Management Plans	Director Engineering / Team Leader Assets and Manager of Traffic and Infrastructure/ Manager Water & Waste Water	30/06/2023	Existing Resources
Plant and Fleet Asset Management Plan	Director Engineering / Team Leader Assets and Manager of Traffic and Infrastructure/ Operations Overseer	30/06/2023	Existing Resources
Stormwater Asset Management Plan	Director Engineering / Team Leader Assets / Manager of Traffic and Infrastructure	30/06/2023	Existing Resources
Land & Community Facilities Asset Management Plan	Director Engineering / Team Leader Assets / Manager of Traffic and Infrastructure / Manager Waste & Facilities	30/06/2023	Existing Resources



# Asset Management Plan

## Roles and Accountabilities

### All Employees Generally

Further to the responsibilities and accountabilities outlined under each asset management category, all staff have the responsibility of managing assets in their activities and workplace and are accountable through their individual work instructions, position descriptions and council plans.

Employees are required to cooperate and be actively involved in the development and implementation of the various Asset Management Plans. This collaborative approach will ensure quality systems delivering measurable outcomes.

### Councillors

Councillors are responsible for endorsing and adopting this Asset Management Strategy and Asset Management Plans.

### General Manager

The General Manager is responsible for ensuring that Asset Management Plans are established, implemented and maintained in accordance with the Asset Management Policy, and for the assignment of responsibilities in relation to asset management. The General Manager is also responsible for reporting on the status and effectiveness of asset management within Council.

### Director Engineering

Council's Engineering Department is responsible for the large majority of operational maintenance, renewal and capital projects and development of strategic plans for the current and future management of Council's physical assets.

As such, the Director Engineering is responsible for overseeing the Asset Management Policy and implementation and review of Asset Management Plans.

### Directors

Directors are responsible to facilitate resources to enable their Departments to operate effectively in consideration of the Asset Management Policy and Asset Management Plans.

### Managers and Supervisors

Managers and Supervisors are responsible for the day to day use of assets as described in the Asset Management Policy and Asset Management Plans. This includes the timely identification, assessment and recording of defects and referral to the person responsible for the day to day management of that asset.

## Review Structure

This Asset Management Strategy will be reviewed every 4 years to ensure that it meets the requirements of legislation and the needs of Council.

Unplanned reviews may be triggered by new technology, legislation / regulation changes, incident and variation in resources or community use / demand.

All reviews will take into account information affecting the effective ongoing management of physical assets which are owned and managed by Greater Hume Council.

## Associated Council Policies and Documents

Greater Hume Community Strategic Plan Live A Greater Life 2022 - 2032,  
Asset Management Policy,  
Category Asset Management Plans,  
Risk Management Policy.



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