



Create **WOLLONDILLY**
RESOURCING STRATEGY

Asset Management Strategy 2017/18 - 2026/27



Create WOLLONDILLY

“Growth, development and change is inevitable and much of the time, out of control. What we can control is how we respond to it and the direction that it takes. The challenge for Wollondilly's future will be 'balance' between the past, the present and the future. Wollondilly is unique. It is Sydney's water bowl and a large part of its food bowl. It's a beautiful rural setting and rural lifestyle with towns and villages, a strong sense of community, a rich and diverse environment including green space, rolling hills, rivers, lakes, mountains, heritage and agriculture. The challenge for Wollondilly will be the preservation of these treasured aspects of living in our Shire. I want our future generations to still have these views, to enjoy what we have now and what we possibly take for granted. Once it's gone, it's gone. You can't get it back.”

Karen Burgess, Winner Create Wollondilly Art Competition (16 years and older category)



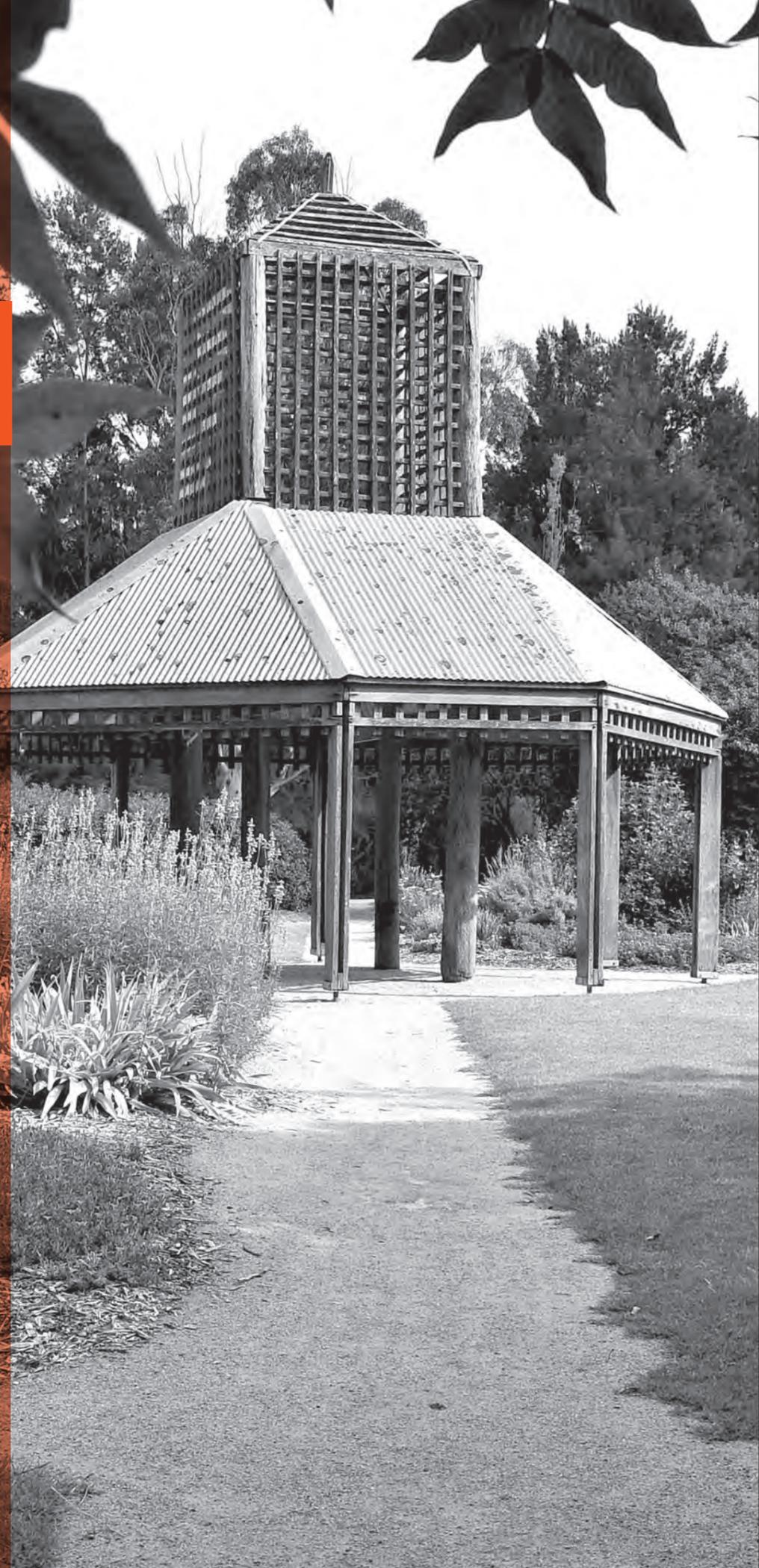
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"A TOWN

that moves with growth
whilst maintaining its
country core values."

Resident's vision for Wollondilly in 2033



EXECUTIVE SUMMARY

Council is the custodian of many community assets including roads, buildings, parks and reserves, cemeteries and waste facilities.

Recognising an existing 'backlog' of asset maintenance and an expanding gap of available funds to meet that challenge, Council had a discussion with the community in 2014 and as a result Council resolved to increase its budgets for increased asset maintenance commencing in 2015/16 with a view of addressing the backlog over the proceeding ten year period.

This will see Council evolve from a reactive unsustainable position to a proactive 'asset management strategy', which will require the Asset Management Team to continually review condition and utilisation of its existing assets and tackle works programs in a prioritised manner.

This will need to be managed in conjunction with 'growth' of the Shire through land development, which will place significant challenges and opportunities for Council Infrastructure.

Roads are the biggest component of the asset maintenance backlog and are seen as the most important asset class by the Community. Council Delivery Program assigns the largest Capital Budget for the repair of our Roads.

The challenge for roads asset maintenance is to stop further deterioration while reconstructing already failed roads given the backlog will be addressed over a relatively long period (ie ten years). This will require a balance approach of preventative treatments as well as full reconstructions.

At the same time, capacity issues will likely become a bigger issue for the Community such as the linkages from Silverdale to Penrith and Liverpool

plus congestion through Picton as well as aging infrastructure such as Broughton Pass and Douglas Park Drive. While Council can pursue short to medium 'small' scale initiatives to relieve these issues, the ultimate fixes are beyond Council's ability to pursue under its normal budgets and these Projects will need to be funded through a variety of sources such as through development contributions and government grants.

A number of Council's buildings are at or near the end of their useful lives and need significant work or replacing such as the Warragamba Neighbourhood Centre, Tahmoor Community Centre and a majority of public amenity blocks.

Additionally, some are stretched beyond capacity such as Council's Administration Centre. The end uses enabled by these buildings will need to be confirmed to ensure currency and the best options are explored for augmentation, refurbishment or replacement.

While many of our Open Space assets are in good condition, many of our sportsgrounds are near capacity and have conflicting demands placed on them by different user groups. Council is pursuing Masterplans for each of its sportsgrounds to manage their development over time.

Council also needs to pursue a Play Strategy to ensure the best mix of playgrounds shire wide to cater for the local and regional Communities.

INTRODUCTION

Council is the custodian of many community assets including roads, buildings, parks and reserves, cemeteries and waste facilities. A major asset review in 2010 found a substantial and ongoing shortfall in the funding required to maintain our assets in a satisfactory condition. If not addressed, the overall condition of Council's assets would have continued to deteriorate, posing a risk that key assets will no longer be able to provide safe and appropriate services to the community.

Following an extensive community engagement program during the second half of 2014, Wollondilly Shire Council submitted an application for a Special Rate Variation (SRV) of 10.8% pa over four years for the purpose of funding its increasing asset maintenance. The Independent Pricing and Regulatory Tribunal (IPART) approved this application in full, allowing Council to increase its general rate revenue by 10.8% each year from 2015/16 to 2018/19. With the input of these additional funds, the projected asset backlog is estimated to be addressed over a ten year program, assuming no external factors affect Council's ability to do so (such as natural disasters impacting on community Infrastructure and Council's resources).

The challenge arising from the implementation program for the additional funding is that the funds are not available immediately for works. It will take time to receive the additional income and apply it to delivering the asset renewal program such that our assets meet the needs and expectations of the community. Additionally, many projects require substantial pre-planning and preparatory work such as geotechnical investigations and detailed engineering designs.

The need for asset maintenance and renewal will grow as residential and employment lands are developed with the accompanying provision of new or improved infrastructure. As an example, our future growth will require the capacity of the road network to improve to cater for increasing vehicle volumes. Some of the recognised areas for future road improvements (such as road linkages between Silverdale and Wallacia, linkages through or around Picton, linkages around and into Wilton New Town and around Appin) require significant resources beyond Council's capacity in the short term. As such, these will only be achieved through multi-agency commitment and funding.

It is important to understand that infrastructure provision within Wollondilly needs to be appropriate to our rural setting and character. This means that infrastructure provision and service levels will at times be significantly different to those experienced in more urban settings. Given the size of our Shire, this is not only a financial practicality, but also appropriate for the retention of our rural setting and character.

The scale and geographic spread of our Shire is such that we will always have a high reliance on private vehicles. The challenge will be to achieve greater provision of public transport and active transport options (cycling and walking) to encourage people to reduce private vehicle usage where possible. Public and alternate transport arrangements are, however, relatively poor compared to more urbanised areas, with limited bus services and infrequent diesel train services that terminate at Campbelltown. Also, there are issues with the unreliability of passenger train services on the Southern Highlands line given that freight trains using this line are prioritised over passenger trains. Many in our community are reliant on this poor public transport network to access work, education or other needs such as health and social services. This is a particular issue for the sections of our community who have high levels of need but limited access to private transport (e.g. the aged, youth, people with disabilities). Council will continue to advocate to the State Government for improvements to public transport in the Shire.

Road safety is a major community issue, with higher than average crash rates across the Shire, particularly for our younger drivers. Growth in population will see more users on the roads and a greater need to provide a safe transport network.

Wollondilly Shire has significant bushland areas and remote towns and villages, which means we face a significant bushfire threat not only in our rural areas, but also in many of our residential areas. This is in addition to the risks of storms, flooding, and significant transport incidents, with both the Hume Motorway and Sydney/Melbourne Rail Corridor crossing almost the entire length of our Shire.

In addition to maintaining our existing infrastructure, we will continue to plan for new or improved infrastructure for the existing and new members of our community as well as lobbying for additional resources from other levels of government.

Areas that we will be looking into include:

- Infrastructure and facilities for the planned development of Wilton New Town.
- Connectivity improvements in Warragamba and Silverdale that relate to opportunities that may arise from the planned Western Sydney Airport and associated economic growth.
- Road safety as well as vehicle and pedestrian connectivity improvements across the Shire.
- A Picton by-pass.
- The Picton to Tahmoor cycleway.
- Flood plain management in Picton.
- Improvements to sporting and recreational facilities.
- Revising the Section 94 Developer Contribution Plan as a source of funds to deliver new community infrastructure.
- Planning for new or improved tourism facilities to support tourism related economic activity.

Other infrastructure elements such as sewer, water and telecommunications are managed by other tiers of government or private companies. Ongoing lobbying over a number of years has resulted in significant improvements to sewer coverage, while the current rollout of the NBN will improve access to high quality communications.

Wollondilly's setting includes farmland and natural areas located between separate towns and villages and residents experience and value this setting irrespective of where and how they live. Infrastructure provision and service levels will at times be significantly different to those experienced in more urban settings. Given the size of our Shire, this is not only a financial practicality, but also appropriate for the retention of our rural setting and character.

OUTCOMES – what do we want?

1. Infrastructure that is safe, accessible and fit for purpose.
2. Infrastructure that is sustainably maintained.
3. Infrastructure that delivers upon the expectations and needs of our growing community.

ASSET MANAGEMENT

The term 'asset management' describes the process for 'whole of life' asset management from planning, purchase, operation, and maintenance to decommissioning or disposal of assets. It also encompasses integration of asset and service outcomes.

Council's Asset Management supports our communities by delivering safe, maintained and effective infrastructure and needs to address the Community Strategic Plan; namely:

Strategy IN1 – Improve the Condition of our Road Network

- Manage, maintain and improve our road network to meet the needs of the community, now and into the future.

Strategy IN2 – Provision of Infrastructure and Facilities

- Provide a range of infrastructure and community facilities to meet the needs of the community, now and into the future.

Strategy IN3 – Manage Infrastructure and Facilities

- Manage infrastructure and community facilities to provide for and respond to community needs, improve safety and improve choices.

Strategy IN4 – Emergency Management

- Assist in the planning of the community's response to emergencies such as bushfires and flooding.

Strategy IN5 – Advocacy

- Advocate strongly for the interests of Wollondilly and its community in relation to infrastructure outcomes.

Council's asset management is supported by three key documents:

1. Strategic Asset Management Policy

The Strategic Asset Management Policy sets out to ensure adequate provision is made for the long-term replacement of Council's major assets by:

- 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.
- Safeguarding Council assets by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining a proactive asset management culture throughout the Council.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

2. Asset Management Strategy

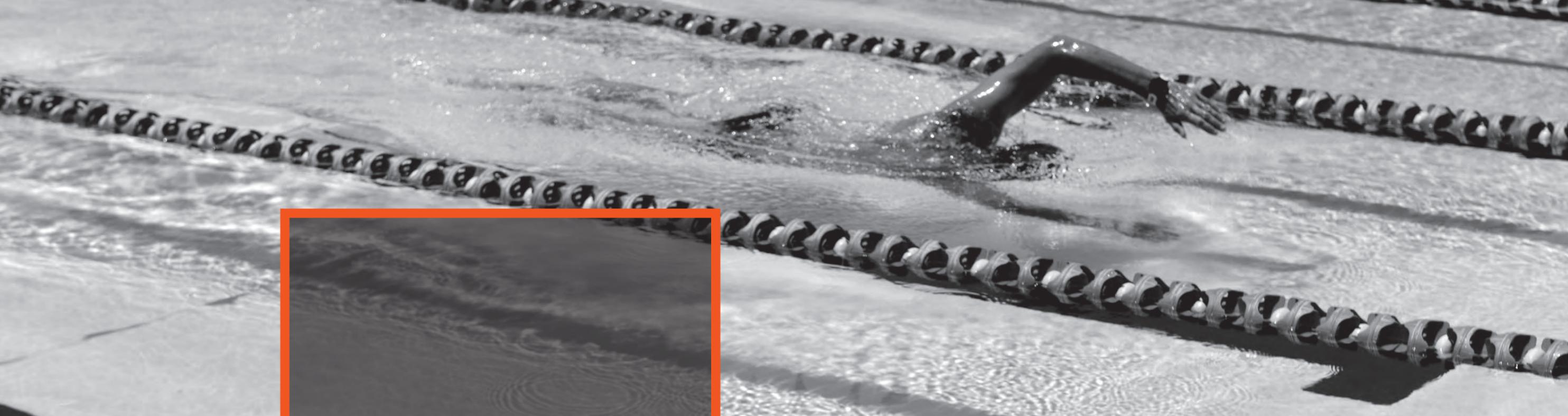
The Asset Management Strategy covers the following essential elements:

- The Asset Management Strategy and Plan/s for a minimum timeframe of 10 years;
- Identifies assets that are critical to the Council's operations and outlines the risk management strategies for these assets; and
- Includes specific actions required to improve the Council's asset management capability and projected resource requirements and timeframes.

3. Asset Management Plans

Plans for all assets under a Council's control, which identify asset service standards and contain long-term (at least 10 years) projections of asset maintenance, rehabilitation and replacement costs. These costs are then reflected in the Long-Term Financial Plan.

When undertaking its asset management planning, Council reviews its assets to determine that they are fit for purpose; that is, that they support the council's achievement of the Delivery Program and community goals and outcomes identified in the Community Strategic Plan.



CRITICAL COUNCIL ASSETS

Council's main classes of infrastructure asset, namely Transport, Buildings, Open Space and Stormwater Drainage facilities, exist primarily to provide services to the community.

Most of these services are affected by Council's ability to provide and maintain these assets.

In line with its review of critical assets and the asset maintenance backlog, Council has reviewed its Asset Management Plans (AMP) for its critical asset classes Transport, Buildings and Open Space.

Each AMP includes provision for capital, renewal, operational and maintenance works which will provide infrastructure with the necessary resources in an endeavour to meet community expectations for agreed service standards and capacity. The AMPs outline processes and principles used to plan capital, renewal and maintenance works for key assets and prioritise capital works in the asset class throughout the local government area. The AMPs will help to guide the Council in making

decisions within its 10 year CSP objectives. The result is a long-term planning framework, including expenditure forecasts which will assist in making informed decisions on future maintenance programs and renewal and capital projects.

AMPs include information on:

- Asset data summaries – what Council owns, what the network is valued at and its most recent assessed condition;
- Levels of service – defining the quality of the service to be delivered by the asset;
- Future demand – how this will impact on future service delivery and how this is to be met;
- Life cycle management – how Council will optimise the management of its existing and future assets to provide the required services;
- Prioritised capital, renewal and maintenance works;
- How risk is managed; and
- Financial summary – what funds are required to provide the agreed service levels.

The information flowing into AMPs include:

- The asset register data on location, size, age, value, condition and remaining life of the asset network;
- The unit rates for classes of work/resources and materials;
- Performance relative to service levels;
- Projections of factors affecting future demand for services;
- Correlations between maintenance and renewal, including decay models;
- Data on new assets developed or acquired by Council;
- Data on works programs and trends;
- The resulting budget, valuation and depreciation projections; and
- Lifecycle analysis data.

This information impacts the Council's long term financial plan, strategic business plan, annual budget and departmental business plans and budgets.

Using established criteria, assets in each category are listed in order of priority for capital improvement. The following section below details an overview on infrastructure assets classes extracted from their respective AMPs.

TRANSPORT ROADS

Roads are the physical assets that allow Council to deliver the vehicle component of its transport service to the community.

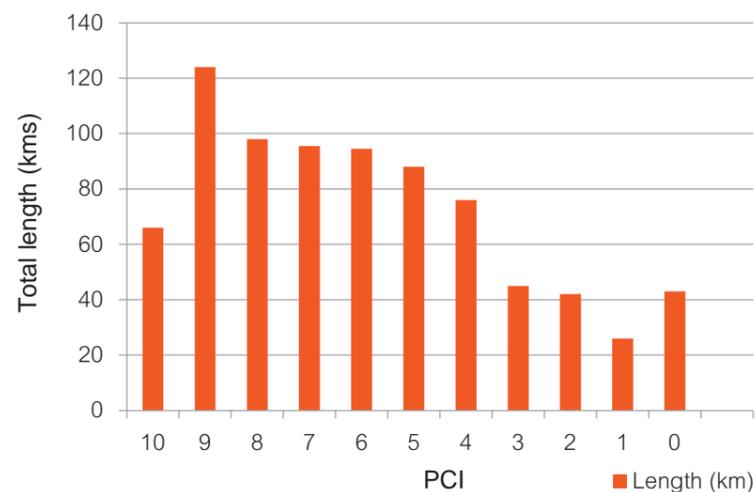
Roads are the major asset type that Local Government needs to maintain, replace and upgrade. Wollondilly is no different and has in excess of 830km of roads and 106 bridges under our care and control, with an approximate current replacement cost of \$300,000,000. The costs associated with roads are high and the funds available to service them are finite.

The roads asset "backlog" calculated at the end of 2015/16 was projected at \$42m. Unfortunately, on the ground this "backlog" over the years has resulted in many roads that are older than their intended life and have deteriorated significantly.

Roads are typically designed for up to 80 years, and the road surface 15 to 25yrs depending on its type. Road condition is assessed technically as a Pavement Condition Index or PCI (a number out of 10).

A PCI between 6.1 and 10 requires minor maintenance, 3.1 to 6.0 significant maintenance and a PCI of 3 or less generally requiring full renewal. As at 30 June 2016 ~ 17% of Wollondilly's road network was assessed as being at PCI 3 or less.

Distribution of Sealed Network by PCI in 2017



Where We Are Now

Since the special rate variation process, Council has been undertaking a significant overhaul of its Asset Management Systems particularly with roads. Improvements to date include:

- New geographical information system.
- Integration of road assets into the Authority system (the Enterprise financial, asset and systems software).
- Electronic data capture of road condition data and defects.
- Overhaul of the pavement condition model including a recent peer review by Campbelltown City Council.
- Development of a forward 5 years works program published on the website.

Council has two core budgets to repair and renew roads; these are split into the Maintenance and Capital Works.

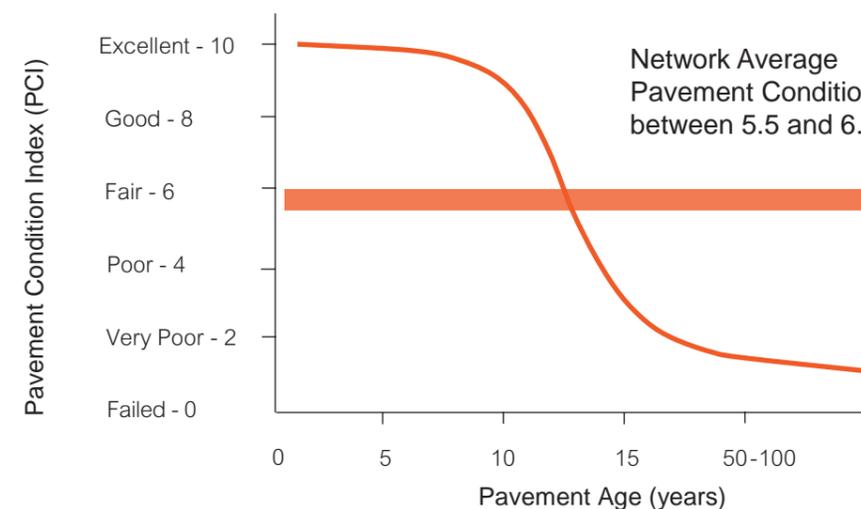
The Maintenance Budget:

Maintenance is the smaller scale repair works that aim to make the roads last and remain functional and open to the end of their planned life.

The budget for maintenance:

- Is approximately \$3.5 Million p.a. for ~ 830 km of roads.
- Is used to fund small reactive and planned issues and requests e.g. Customer Requests.

Both the asset renewal program (augmented by the adopted rating strategy revenue) and development of infrastructure (new or augmented assets due to growth) will rise significantly overtime.





Where We Are Going

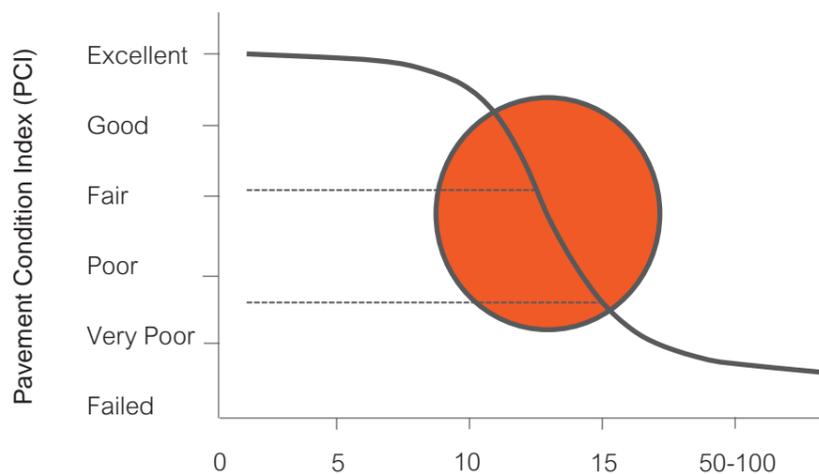
Wollondilly Shire Council has typically spent most of its capital budgets on road reconstructions, which are resource intensive, often requiring bringing a road up to current standards and can cost ~\$1 million per km of road (the 'upgrade' component of which to bring roads up to current standards can cost in excess of \$200,000 per km). Reconstructions generally follow a period of Community angst with a section of road and without mitigating the remainder of the road network deteriorating through preventative maintenance, doesn't necessarily see an improvement in the overall network condition.

As we move forward the roads program needs to include a balance of preventative treatments as well as reconstructions, to prevent roads deteriorating to the point of requiring full reconstruction.

This approach can be cheaper and quicker, so a greater area can be covered under a program; however, this approach does not necessarily address other issues like already failing roads, drainage, road widths, underlying ground issues, road safety improvements etc.

The opportunity, with increasing asset renewal and maintenance funding, is to continue to develop and refine a balanced approach that includes reconstructions, heavy patching, resurfacing (asphalt) and resealing (spray seal) which should see 'more' being done for the dollars that are available, and prevent roads deteriorating requiring expensive reconstruction.

Managing these roads deteriorating further



Critical Transport Infrastructure

Wollondilly has a number of key existing transport linkages that will need to be augmented or replaced in the medium to long term. These projects are significant and beyond Council's ability to pursue under ordinary budget processes and as such will need to include a range of funding sources such as development contributions and grants.

Some of these Projects include:

- Duplication of Silverdale Rd between Warragamba/Silverdale and Wallacia and/or a new link road between Silverdale to adjoining Local Government Areas to the east (Penrith or Liverpool) – either project will need to address challenging terrain, the crossing of the Nepean River and floodplain and involve significant private property acquisitions. High level strategic cost estimates are in the range of \$50m but could be more dependent on feasibility studies of route options. Funding of such a project would be linked to residential development around Silverdale plus development of the Badgerys Creek Airport and associated Federal Government grant opportunities.
- Improved road linkages from Picton/Tahmoor to the Hume Motorway , possibly including a Picton Bypass. Congestion of the Picton Town Centre is already occurring, particularly with the connection between Remembrance Driveway and Picton Road, and investigations have commenced to improve intersections and connectivity. However, it is also recognised that further development of the Picton, Tahmoor and Wilton areas will increase traffic and congestion and may limit potential development until this is addressed.

Ultimately this will likely mean the connection between Remembrance Driveway and Picton Road needs to be augmented or supplemented with a new link, likely linking Remembrance Driveway, midway between Picton and Tahmoor, with Picton Road between Picton and Maldon. Such a project will need to address challenging terrain, the crossing of the Stonequarry Creek Gorge and involve significant private property acquisitions. High level strategic cost estimates are in the range of \$50m but could be more dependent on feasibility studies of route options.

- An improved road linkage between Wilton and Appin. Currently this is served by Wilton Road including a bridge crossing of the Cataract River, known as Broughton Pass. The bridge, although is in good condition, is an aging structure and narrow by current standards. During a significant rainfall event in June 2016, the South Western approach retaining wall collapsed leaving the road in-operable. The lead-in roads on either side are narrow and winding resulting in a necessary road load and length limits, preventing heavy vehicles using the road. With significant development around Wilton and Appin expected in the medium to long term this existing transport linkage will no longer be acceptable and a high level, restriction free linkage will be required. Such a crossing of the Cataract River Gorge would be significant.

As well as various road and intersection upgrades throughout the Shire, other significant works that Council will be addressing in the short to medium term include:

- Stabilisation of Douglas Park Drive
- Stabilisation of slope and cliff issues along Remembrance Driveway, Razorback; and
- Capacity issues along Finns and Woodbridge Roads

Council undertakes future network deficiency studies in conjunction with reviewing proposed significant re-zonings with the view of conditioning works with any development proposed or inclusion into Development Contribution Plans.

ACTIVE TRANSPORT

Shared pathways, designed to accommodate both walking and cycling, are seen as an important component of Council's transport network as it evolves. A shared pathway link between Picton and Tahmoor has been resolved by Council as the highest priority project to be pursued and is being addressed in a staged approach.

Where We Are Now

Council developed a Bike Plan in 2011 that identified a range of Shared Pathways shire wide worth an estimated \$3m. Council has previously had little budget to pursue new shared pathways but has allocated a budget ranging between \$300k and \$400k over the course of the most recent Delivery Plan specifically for footpaths and shared paths.

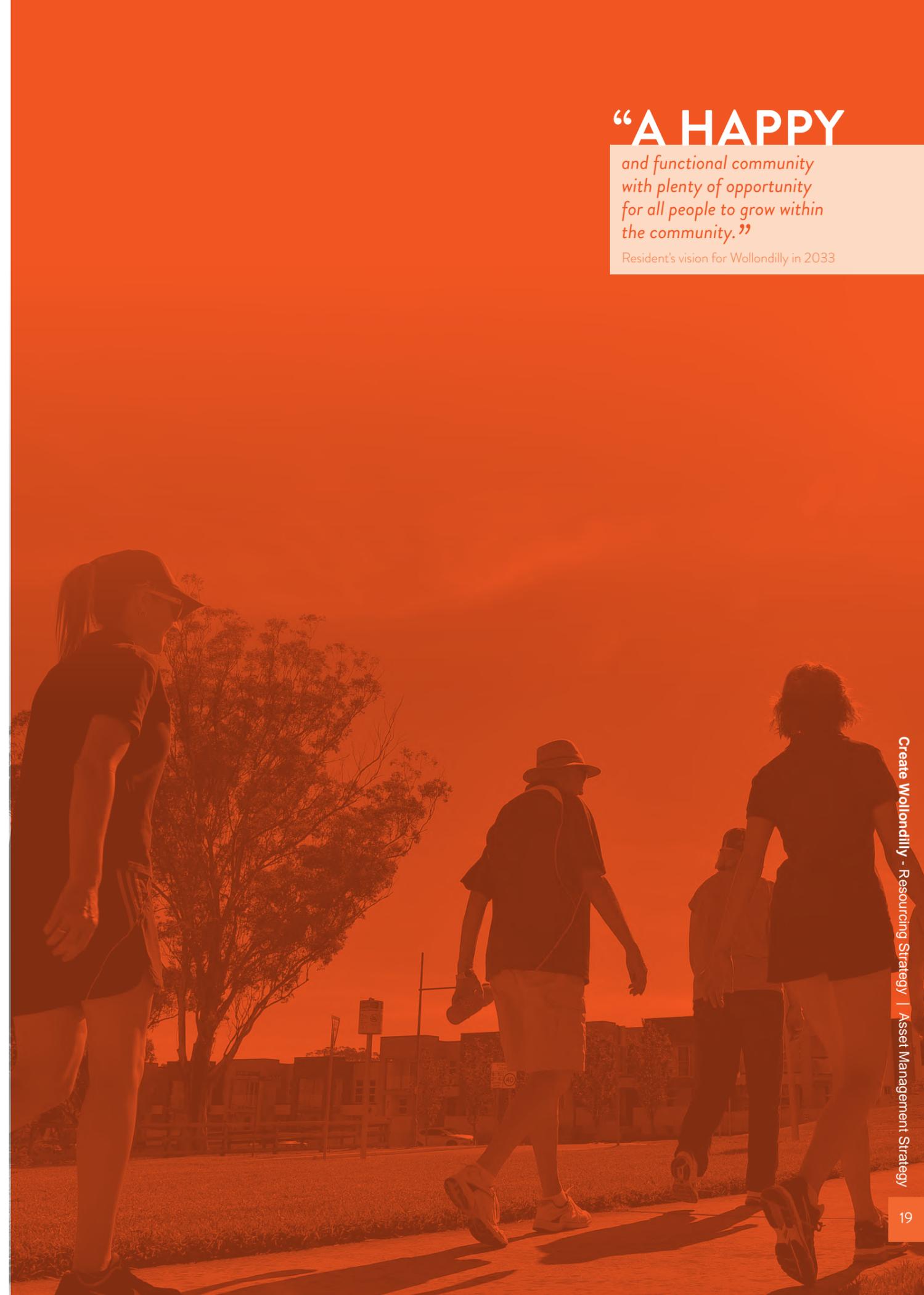
Where We Are Going

The Bike Plan needs to be reviewed and updated in context with updated development proposals. While Council is increasing its funding towards pathways, most new works will need to be pursued through development through direct conditions, development contribution funding (Section 94) or negotiated through Voluntary Planning Agreements (VPAs).

“A HAPPY

and functional community with plenty of opportunity for all people to grow within the community.”

Resident's vision for Wollondilly in 2033





Council owns and/or manages 175 buildings/facilities. These assets are operated and maintained in partnership with user groups to ensure customer and community service levels are met.

The Wollondilly Council buildings portfolio comprises:

- Council Office and Administration Centre;
- Council Works Depot;
- Public Halls;
- Library;
- Childcare Centres and Youth Centre;
- Amenities/Toilets;
- Sheds;
- Sports/aquatic Facilities; and
- Other (i.e. rotunda and picnic shelters in parks, radio transmission stations, and animal management buildings).

The current provision of community buildings in the Shire reflects the relatively small and dispersed pattern of population. Facilities which meet local needs (and some district needs), are scattered among the townships and villages however the Shire lacks major regional facilities and contemporary facilities that are built for purpose.



The major land release scheduled for Wilton Junction has the potential for an additional 50,000 population over the next 30 years, along with 10,000 new jobs. Additionally, there are a large number of other development proposals across the Shire that will sharply accelerate the population of the Shire.

Where We Are Now

A comprehensive assessment of building condition was performed in 2015 identifying and prioritising over 1200 items/components across Council's 175 buildings for maintenance or replacement based on condition (not necessarily utilisation of the building).

Many of these items are relatively minor and are currently being pursued. However; some of the buildings as a whole are at or near the end of their lives and require replacing or consolidation, at today's standards, such as Thirlmere Community Hall (currently closed) and many of our Public Toilets.

As at 30 June 2016 ~ 10.5% of Council's buildings were assessed to be below satisfactory in condition.

Council's aging Building portfolio has the expected presence of asbestos which needs to be managed in accordance with legislation and community expectations. This will require the labelling of asbestos components which will be rolled out in 2017.

Where We Are Going

The condition assessments need to be kept current and up to date but need to be married with an assessment of utilisation to ensure that Council's stock of buildings evolves with the Community's needs and wants.

For example:

- The Thirlmere Community Hall could be replaced by a multi-use facility located at the Thirlmere Sports Ground.
- A multi-use/consolidated amenities block has been identified for Dudley Chesham Oval.
- The neighbourhood centre in Warragamba is nearing the end of its life and a review needs to be carried out to the intended use and best site for its replacement.
- A Public Amenity replacement program needs to be developed incorporating standard designs that can be readily implemented in a prioritised staged manner over time.
- Asbestos components need to be replaced in a staged approach over time.

As the Shire grows and the requirement for operational resources grows with it, the infrastructure to support those resources will need to be provided as well as the discussion of how this infrastructure is distributed throughout the shire e.g. a centralised administration building and depot.

PARKS AND OPEN SPACE

Council maintains approximately 232 hectares of playgrounds, sporting fields, bushlands, parks and reserves.

The open space network comprises:

- Carparks;
- Fencing;
- Footbridges and footpaths;
- Lighting;
- Memorials;
- Park furniture;
- Playgrounds;
- Signage; and
- Sports facilities.

These assets provide a range of passive and active recreation opportunities. While traditionally it has been difficult to put a Community value on parks and open space assets, this is changing as increasing demands on these facilities is making users and the broader community more aware of their worth.

Where We Are Now

Population growth will lead to an increased demand for open space and recreational opportunities. Evolving consumer preferences will likely result in a broad range of high quality facilities to accommodate a diverse range of uses. This leads to conflicting requests made on Council for its existing facilities particularly in the context of potential growth of these facilities through development contributions.

For most part Council has an 'oversupply of Open Space' except for a shortfall around The Oaks, for which additional land is required and nominated in the revised Development Contributions Plan.

Council carried out a review of its open space asset register and a condition assessment in 2016. Predominately the open space assets were found to be in a satisfactory or better condition.

Where We Are Going

Council has developed and adopted Masterplans for a number of its sportsgrounds – namely Picton (Fairleys Road), Douglas Park and Wilton – with the view of confirming expectations and priorities for developing these facilities. Masterplan exercises will need to be carried out on Council's remaining sportsgrounds to help manage expansion of these facilities and identify deficiencies that will need to be addressed in the future.

As an example, Council will need to pursue a Play Strategy to define the priorities for new and replacement of playgrounds Shire wide as many of our playground structures are nearing the end of their useful lives and do not necessarily cater for the needs of the local communities.

“GOOD ENVIRONMENT

to raise a family without the complexities of a city lifestyle. Maintaining a relaxed atmosphere.”

Resident's vision for Wollondilly in 2033



STORMWATER DRAINAGE

Council manages an extensive network of pipes, pits, open drains and natural water courses throughout the Shire which is becoming increasingly significant with increasing population densities in formerly rural areas.

Current subdivisions standards also see the introduction of a diverse new range of water quality and quantity devices with Council inheriting many of these including on site detention basins, gross pollutant traps, rain gardens etc.

Where We Are Now

Council's stormwater register was last updated in 2009 and the condition assessment at the time was 'good'. However; due to the underground nature of many of the assets it is likely that Council's stormwater register is not complete and a thorough review of the register is required. This exercise would be significant requiring substantial field work.

The villages of Yanderra and Buxton as well as parts of Tahmoor have ill-defined drainage systems that need to be assessed and upgraded overtime, and likely include a mix of kerb and gutter as well as an underground stormwater system.

Council's existing stormwater improvement program currently has 105 projects competing for resource and budget. Funding is primarily by the Stormwater Management Fee which typically can fund 2 to 3 projects per year, depending on complexity. Community requests can create additional projects exceeding this quantity.

Where We Are Going

Council will undertake a significant review of its stormwater network, updating the asset register and carrying out condition assessments.

Stormwater strategy plans need to be pursued for large scale areas such as Yanderra and Buxton with assessment of priorities and staging.

The stormwater improvement program 'backlog' will only be addressed through a mixture of funding sources including the Stormwater Management Fee and additionally through including conditions of consent on private development, grant funding and additional Council funds as they become available.

Current land development specifications require significant stormwater infrastructure to mitigate adverse impacts of development on stormwater quality and quantity and, as such, land development will create infrastructure such as detention basins, water sensitive urban design features, gross pollutant traps etc, all requiring regular inspections, operations and maintenance.

This could create a significant asset maintenance burden on Council if not controlled through the development process. Council recently adopted a Dedication of Land Policy that defines the terms for Council to accept any such asset including an up-front contribution to resource the ongoing maintenance. Council will also need to keep current with new innovative solutions that are arriving on the market, but at the same time ensure that maintenance requirements can achieve economies of scale with 'like' infrastructure being introduced requiring the resources to carry out the routine operations and maintenance.

ASSESSMENT AND PRIORITISATION CRITERIA

Each AMP provides an initial 10 year work program, which considers a condition assessment of key assets, risk assessment and asset category.

Continual inspections and Council priorities are used to prioritise the works program. The priority listings are used to bid for grant funding and as a guide for staff to progressively work through the identified projects within the available budget.

There may be occasional variation to priority ratings, which would move the projects up or down the list. This could occur if:

- A change in the condition of an asset warrants earlier renewal;
- 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;
- Upgrade of assets within an already scheduled major Project will achieve cost efficiency;
- Safety concerns, increased risks or regulatory requirements;
- Resolution by Council; and
- Increased demand/usage requires priority.

SERVICE LEVEL AGREEMENTS

Levels of Service need to be developed for all assets to provide the basis for the life cycle management strategies and works programs.

The levels of service support the delivery of Council's strategic goals and need to be based on customer expectations and statutory requirements.

The levels of services can also be based on Environmental Standards that impact on the way assets are managed.

While guidelines exist for some procedures over the life cycle of assets, further work is required to develop maintenance procedures based on risk analysis for corrective maintenance. This will involve defining strategies for asset categories, and moving from reactive strategies and maintenance to programmed maintenance with more efficient and effective expenditure.

Wollondilly's setting includes farmland and natural areas located between separate towns and villages and residents experience and value this setting irrespective of where and how they live. Infrastructure provision and service levels will at times be significantly different to those experienced in more urban settings. Given the size of our Shire, this is not only a financial practicality, but also appropriate for the retention of our rural setting and character.



RISK MANAGEMENT

The implementation of an effective AMS will consider the relationship and prioritisation of maintenance and capital works to support the delivery of Council services.

To this effect, risk analysis and mitigation will be a major tool in assisting the Council to manage risk and liability. This will involve the development of defined works and service programs which best allocate the use of available resources.

In developing the core AMPs, a limited risk assessment has been carried out. Each AMP has identified the need for further risk frameworks to be developed in the next planning cycle. This would involve integrating each individual asset risks into a framework that aligns with Council's corporate risk management procedure.

INFORMATION SYSTEMS

Council utilises a computer-based information system to effectively deal with the high volume of detailed information on its assets.

This system is integrated with Council's financial management system Authority and its document management system TRIM.

Further improvement of Council's information system is integral in the future management and monitoring of Council assets. It enables or will enable Council to:

- Document asset attributes, condition and maintenance expenditures;
- Project forward capital and recurrent expenditure;
- Report regularly to the community about Council's asset management programs;
- Have an understanding of the risk levels associated with the assets;
- Undertake predictive modelling to optimise the decision making process;
- Develop preferred treatment options for assets requiring expenditure within the forward expenditure;
- Base service levels on identified need and enable explanation of maintenance programs and capital projects to the community;
- Evaluate and decide between basic asset maintenance and commitment to extensive rehabilitation in a rational manner and with due regard to budgetary constraints; and
- Continuously refine the process, knowledge and support information systems as the consultation and feedback process progresses.

ASSET MANAGEMENT REVIEW

Asset Management Improvement Planning

An Asset Management Improvement Program will enhance the processes, systems and data that support the AMS and AMPs.

An improvement planning process will help to:

- 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 program for asset management improvements, considering risks and cost of options to for improvement, and also availability of resources; and
- Continuously monitor and review the effectiveness of AM planning activities.

Additionally, in line with legislated annual reporting, Council must carry out 'Fair Value' assessments of its asset classes in accordance with the following timetable;

Year	Key Task
2017	
2018	Fair Value for buildings, plant and equipment
2019	
2020	Fair Value for roads infrastructure and drainage
2021	Fair Value for parks and reserves land improvements, other structures and other assets
2022	
2023	Fair Value for buildings, plant and equipment
2024	

Asset Management Resources

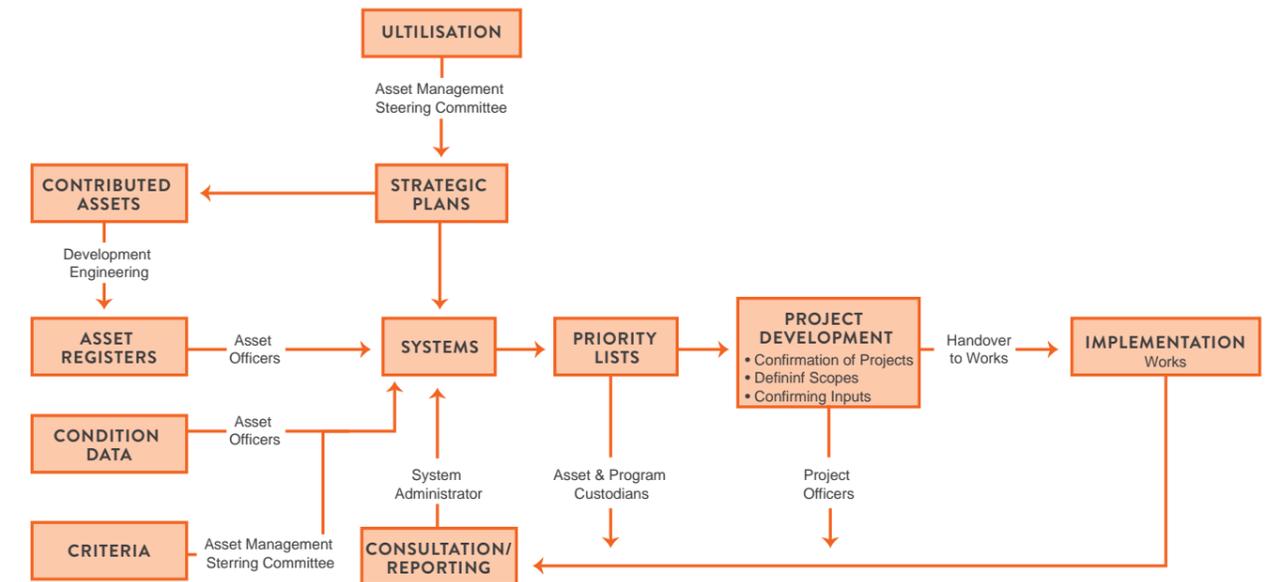
The significant portfolio of assets and the specialist skills required to sustain these assets requires appropriate funding and resources.

As Council transitions from an unsustainable reactive budget position to a proactive sustainable budget, its systems need to evolve to adequately keep registers, condition data, systems and known utilisation of assets up to date.

This will require the development of the asset management team and systems (in-house or access to external providers) to develop a Wollondilly Council specific system tailored to the wants and needs of the Community.

This will be formalised through Council's Workforce Management Strategy

Wollondilly's Asset Management System



Asset Management Summary

Council has a significant and varied asset portfolio which requires strategic direction to assist in its management. These assets are a necessary part of providing services to residents and stakeholders. As custodian of these assets on behalf of the Wollondilly community, it is necessary to provide transparency and good governance in their management.

This AMS acts as the essential link between Council's policy direction and more detailed asset management planning and delivery. It highlights major issues which need to be addressed for each of the asset classes over the next few years along with the actions necessary in order for Council to help close the gap between current asset management practice and move towards a "best appropriate practice" position in the future. Council will provide the necessary resources and undertake the programs recommended in this AMS and will continue to monitor and update it regularly to ensure its currency and consistency with Council's policy directions.



www.wollondilly.nsw.gov.au

PO Box 21, Picton NSW 2571 Australia | E_council@wollondilly.nsw.gov.au | P 02 4677 1100