



ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 14 December 2022
4pm

at

Armidale Council Chambers

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ORDINARY MEETING OF COUNCIL

Held on

Wednesday, 23 November 2022
4pm

at

Armidale Council Chambers

PRESENT: Councillor Sam Coupland (Mayor), Councillor Todd Redwood (Deputy Mayor), Councillor Paul Gaddes, Councillor Jon Galletly, Councillor Susan McMichael, Councillor Steven Mephram, Councillor Debra O'Brien, Councillor Margaret O'Connor, Councillor Paul Packham, Councillor Dorothy Robinson and Councillor Bradley Widders.

IN ATTENDANCE: Mr James Roncon (General Manager), Mr Darren Schaefer (Chief Officer Corporate and Community), Mr Daniel Boyce (Chief Officer Planning and Activation), Mr Alex Manners (Chief Officer Assets and Services), Ms Ann Newsome (Chief Financial Officer), Ms Simone Mooketsi (Manager Governance and Strategy) and Ms Melissa Hoult (Executive Officer).

MINUTES

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15.2 Engagement of Contractor – Council Project	20
<i>(General Manager's Note: The report considers a tender and is deemed confidential under Section 10A(2)(c) of the Local Government Act 1993, as it deals with commercial information of a confidential nature which, if disclosed, confers a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business).</i>	

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1. **CIVIC AFFIRMATION AND ACKNOWLEDGEMENT OF COUNTRY**
 Cr Redwood delivered the Civic Affirmation and Cr McMichael delivered the Acknowledgment of Country.
2. **STATEMENT IN RELATION TO LIVE STREAMING OF COUNCIL MEETINGS**
 The General Manager delivered the statement.
3. **APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE BY COUNCILLORS**
 Nil.
4. **DISCLOSURES OF INTEREST**

Name	Item	Nature of Interest	Reason/Intended Action
Clr Packham	MM	<input type="checkbox"/> Pecuniary <input checked="" type="checkbox"/> Non Pecuniary – Significant Conflict <input type="checkbox"/> Non Pecuniary – Non Significant Conflict	Reason: Family connection to the Australian Transport Museum Intended action: Leave Chamber

5. **CONFIRMATION OF MINUTES**

5.1 **Minutes of Previous Meeting held 26 October 2022**

Ref: AINT/2022/44570 (ARC16/0001-7)

223/22

RESOLVED

That the Minutes of the Ordinary Council meeting held on 26 October 2022 be taken as read and accepted as a true record of the meeting.

Moved Cr Robinson

Seconded Cr McMichael

The Motion on being put to the vote was CARRIED unanimously.

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6. MAYORAL MINUTE

6.1 Mayoral Minute - Australian Transport Museum *Ref: AINT/2022/44443 (ARC22/5460)*

224/22

RESOLVED

That the Mayoral Minute be withdrawn and presented at a future meeting.

Moved Cr Coupland

Seconded Cr Gaddes

The Withdrawal on being put to the vote was CARRIED unanimously.

7. NOTICES OF MOTION

7.1 Fairer Road Funding

Ref: AINT/2022/45755 (ARC16/0025-6)

225/22

RESOLVED

1. That Council notes:

- a) Armidale Regional Council (ARC) maintains 1858 km of local and regional roads, compared to the 844 km maintained by the Northern Beaches Council (NBC)
- b) The Local Roads Component of the [Financial Assistance Grant \(FAG\) for 2022-23](#) (ARC: 2.71 million; NBC: 2.54 million) works out at \$1,461/km in ARC and \$3008/km in NBC).
- c) In the NBC Local Government Area (LGA), median weekly household income is [\\$2,592, 10.8% of households have income below \\$650/wk](#) and 66.4% of residents report no long-term health conditions. In the ARC LGA, median weekly household income is [\\$1,404, 20.3% households have income below \\$650/week](#) and only 54.2% of residents report no long-term health conditions
- d) the above discrepancies seems incompatible with the stated aims of FAG "The identified road component of the financial assistance grants should be allocated to local governing bodies as far as practicable on the basis of the relative needs of each local governing body for roads expenditure and to preserve its road assets. In assessing road needs, relevant considerations include length, type and usage of roads in each local governing area."

and

"General purpose grants will be allocated to local governing bodies, as far as practicable, on a full horizontal equalisation basis as defined by the Act. This is a basis that ensures each local governing body in the State or Territory is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the State or Territory. It takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local governing bodies to raise revenue."

2. That council brings this information to the attention of the Country Mayors Association (CMA) and asks the CMA to lobby other levels of government and the NSW Local Government Grants Commission to address this inequity, noting that the [decrease in the value of the FAG from 1% of Commonwealth tax revenue to 0.55%](#) is likely to impose a proportionately greater burden on rural and regional councils.

.....

Cr Dorothy Robinson

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14 November 2022

Moved Cr Robinson **Seconded Cr O'Connor**

DIVISION The result being:-

FOR: Crs S Coupland, P Gaddes, S McMichael, S Mepham, D O'Brien, M O'Connor, P Packham, T Redwood, D Robinson and B Widders

AGAINST: Cr J Galletly

The Mayor declared the vote CARRIED

8. LEADERSHIP FOR THE REGION

8.1 ARC Renewable Energy Action Plan for Adoption *Ref: AINT/2022/41330 (ARC21/4551)*

MOTION

That Council;

- a. Note the feedback contained in the report for public exhibition
- b. Adopt the Renewable Energy Action Plan noting:
 - i. the recommendations and priorities contained in section 7.2 of the report, including:
 - Increase energy awareness: ARC understands and controls energy usage to optimise productivity.
 - Move towards energy autonomy: ARC generates and supplies renewable energy to itself at a known and affordable price.
 - Engage carefully with Retailers: ARC is serviced by flexible, fair retail arrangements.
 - Electrify vehicles, plant, and equipment: Ensuring ARC fleet, plant and equipment is low-emission, affordable and effective.
 - Lead energy innovation: ARC becomes known as an attractive place for R&D, trials and implementation of new technology.
 - Have a stake in energy asset ownership: ARC receives additional revenue streams through the provision of utility services (micro grids, embedded networks, and alike).
 - Plan for energy security and climate resilience: Consider the relative importance of energy security at key sites and factor this into considerations for Behind the Meter installations
 - ii. that adoption is contingent on further assessment of the cost/benefit and payback periods of the above recommended initiatives.

Moved Cr Robinson **Seconded Cr O'Connor**

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AMENDMENT

That Council;

- a. Note the feedback contained in the report for public exhibition
- b. Adopt the Renewable Energy Action Plan noting:
 - i. the recommendations and priorities contained in section 7.2 of the report, including:
 - Increase energy awareness: ARC understands and controls energy usage to optimise productivity.
 - Move towards energy autonomy: ARC generates and supplies renewable energy to itself at a known and affordable price.
 - Engage carefully with Retailers: ARC is serviced by flexible, fair retail arrangements.
 - Electrify vehicles, plant, and equipment: Ensuring ARC fleet, plant and equipment is low-emission, affordable and effective.
 - Lead energy innovation: ARC becomes known as an attractive place for R&D, trials and implementation of new technology.
 - Have a stake in energy asset ownership: ARC receives additional revenue streams through the provision of utility services (micro grids, embedded networks, and alike).
 - Plan for energy security and climate resilience: Consider the relative importance of energy security at key sites and factor this into considerations for Behind the Meter installations
 - ii. that adoption is contingent on further assessment of the cost/benefit and payback periods of the above recommended initiatives.
- c. That the Renewable Energy Action Plan is published on the Environment Section of ARC's website.
- d. The community submissions and council's response are also published in the same place.

Moved Cr Robinson

Seconded Cr O'Connor

DIVISION The result being:-

FOR: Crs S Coupland, P Gaddes, S McMichael, S Mephram, D O'Brien, M O'Connor, P Packham, T Redwood, D Robinson and B Widders

AGAINST: Cr J Galletly

The Mayor declared the amendment CARRIED

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226/22

RESOLVED

That Council;

- a. Note the feedback contained in the report for public exhibition
- b. Adopt the Renewable Energy Action Plan noting:
 - i. the recommendations and priorities contained in section 7.2 of the report, including:
 - Increase energy awareness: ARC understands and controls energy usage to optimise productivity.
 - Move towards energy autonomy: ARC generates and supplies renewable energy to itself at a known and affordable price.
 - Engage carefully with Retailers: ARC is serviced by flexible, fair retail arrangements.
 - Electrify vehicles, plant, and equipment: Ensuring ARC fleet, plant and equipment is low-emission, affordable and effective.
 - Lead energy innovation: ARC becomes known as an attractive place for R&D, trials and implementation of new technology.
 - Have a stake in energy asset ownership: ARC receives additional revenue streams through the provision of utility services (micro grids, embedded networks, and alike).
 - Plan for energy security and climate resilience: Consider the relative importance of energy security at key sites and factor this into considerations for Behind the Meter installations
 - ii. that adoption is contingent on further assessment of the cost/benefit and payback periods of the above recommended initiatives.
- c. That the Renewable Energy Action Plan is published on the Environment Section of ARC's website.
- d. The community submissions and council's response are also published in the same place.

Moved Cr Robinson

Seconded Cr O'Connor

The Motion on being put to the vote was CARRIED unanimously.

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8.2 Permanent Special Rate Variation Application

Ref: AINT/2022/43728 (ARC22/5344)

MOTION

That Council;

- a) Note the content of the Community Engagement Summary Report.
- b) Note the content of the Capacity to Pay Report.
- c) Commits to proceed with a section 508(A) (permanent) Special Rate Variation option in order to address Armidale Regional Council's (ARC) financial sustainability and maintain essential community infrastructure including Council's road network, footpaths and community buildings.
- d) On or before 25 November 2022, formally notify the NSW Independent Pricing and Regulatory Tribunal (IPART) that Council intends to submit a Special Rate Variation application;
- e) That Council staff update the Integrated Planning & Reporting (IP&R) Suite of Documentation including the Delivery Program (DP) and Long-Term Financial Plan (LTFP) to meet the SRV application requirements. In particular, to include an addendum to the DP demonstrating the impact of a 50% SRV.
- f) The amended IP&R documents to be presented at the December 2022 ordinary Council meeting for the purpose of being endorsed by Council for public exhibition.
- g) Convene an extra-ordinary meeting of Council in late January 2023 for the purpose of receiving submissions on the revised IP&R documentation suite and to adopt the revised IP&R suite to be submitted to IPART as part of the SRV application.
- h) By 3 February 2023 ARC submits to IPART a permanent Special Rate Variation application of 50% (58.8% cumulative) to be phased in over a three-year period commencing in 2023-2024.
- i) Acknowledge the feedback received from the community during the community engagement and public exhibition process.

Moved Cr Redwood

Seconded Cr Gaddes

SUSPENSION OF STANDING ORDERS - Move into committee of the whole

Moved Cr Redwood

Seconded Cr Gaddes

Standing orders were suspended at 4:23pm

RESUMPTION OF STANDING ORDERS - Move out of committee of the whole

Moved Cr Redwood

Seconded Cr O'Brien

Standing orders were resumed at 5:03pm

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AMENDMENT

That Council;

- a) Note the content of the Community Engagement Summary Report.
- b) Note the content of the Capacity to Pay Report.
- c) Commits to proceed with a section 508(A) (~~permanent~~/temporary) Special Rate Variation option in order to address Armidale Regional Council's (ARC) financial sustainability and maintain essential community infrastructure including Council's road network, footpaths and community buildings.
- d) On or before 25 November 2022, formally notify the NSW Independent Pricing and Regulatory Tribunal (IPART) that Council intends to submit a Special Rate Variation application;
- e) That Council staff update the Integrated Planning & Reporting (IP&R) Suite of Documentation including the Delivery Program (DP) and Long-Term Financial Plan (LTFP) to meet the SRV application requirements. In particular, to include an addendum to the DP demonstrating the impact of a 50% SRV.
- f) The amended IP&R documents to be presented at the December 2022 ordinary Council meeting for the purpose of being endorsed by Council for public exhibition.
- g) Convene an extra-ordinary meeting of Council in late January 2023 for the purpose of receiving submissions on the revised IP&R documentation suite and to adopt the revised IP&R suite to be submitted to IPART as part of the SRV application.
- h) By 3 February 2023 ARC submits to IPART a ~~permanent~~ temporary Special Rate Variation application of 50% (58.8% cumulative) to be phased in over a three-year period commencing in 2023-2024.
- i) Acknowledge the feedback received from the community during the community engagement and public exhibition process.

Moved Cr Packham

Seconded Cr O'Connor

DIVISION The result being:-

FOR: Crs S McMichael, M O'Connor, P Packham and D Robinson

AGAINST: Cr C Coupland, J Galletly, P Gaddes, S Mephram, D O'Brien, T Redwood and B Widders

The Amendment on being put to the vote was LOST

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RESOLVED

That Council;

- a) Note the content of the Community Engagement Summary Report.
- b) Note the content of the Capacity to Pay Report.
- c) Commits to proceed with a section 508(A) (permanent) Special Rate Variation option in order to address Armidale Regional Council's (ARC) financial sustainability and maintain essential community infrastructure including Council's road network, footpaths and community buildings.
- d) On or before 25 November 2022, formally notify the NSW Independent Pricing and Regulatory Tribunal (IPART) that Council intends to submit a Special Rate Variation application;
- e) That Council staff update the Integrated Planning & Reporting (IP&R) Suite of Documentation including the Delivery Program (DP) and Long-Term Financial Plan (LTFP) to meet the SRV application requirements. In particular, to include an addendum to the DP demonstrating the impact of a 50% SRV.
- f) The amended IP&R documents to be presented at the December 2022 ordinary Council meeting for the purpose of being endorsed by Council for Public exhibition.
- g) Convene an extra-ordinary meeting of Council in late January 2023 for the purpose of receiving submissions on the revised IP&R documentation suite and to adopt the revised IP&R suite to be submitted to IPART as part of the SRV application.
- h) By 3 February 2023 ARC submits to IPART a permanent Special Rate Variation application of 50% (58.8% cumulative) to be phased in over a three-year period commencing in 2023-2024.
- i) Acknowledge the feedback received from the community during the community engagement and public exhibition process.

DIVISION The result being:-

FOR: Crs S Coupland, P Gaddes, J Galletly, S McMichael, S Mephram, D O'Brien, T Redwood and B Widders

AGAINST: Crs M O'Connor, P Packham and D Robinson

The Mayor declared the vote CARRIED.

Cr Jon Galletly left the meeting, the time being 04:52 PM

Cr Jon Galletly returned to the meeting, the time being 04:53 PM

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8.3 Council Actions Report January - October 2022 Ref: AINT/2022/44036 (ARC16/0001-7)

228/22

RESOLVED

That Council notes the report summarising the actions taken on the resolutions of Council.

Moved Cr Redwood **Seconded Cr Widders**

The Motion on being put to the vote was CARRIED unanimously.

8.4 Integrated Planning and Reporting - Delivery Program 2018-2022 and Operational Plan 2021-2022 Progress Report - January to June 2022

Ref: AINT/2022/44870 (ARC20/4344)

229/22

RESOLVED

That Council note the Operational Plan 2022-2023 Progress Report for the period July to September 2022.

Moved Cr Robinson **Seconded Cr Redwood**

The Motion on being put to the vote was CARRIED unanimously.

8.5 Consultation by IPART on Rate Peg Methodology Ref: AINT/2022/44997 (ARC22/5344)

230/22

RESOLVED

It is recommended that:

- a) Note the content of the Issues Paper prepared by IPART.
- b) Note the content of the LGNSW submission to IPART.
- c) Feedback is provided to IPART by Council at the stakeholder workshops that the current rate peg methodology provides an insufficient rates base for councils
- d) Councillors are encouraged register to participate in the workshops as a key stakeholder.
- e) Councillors who are unable to participate in the workshops, pass their feedback to the General Manager for conveyance to IPART.

Moved Cr O'Connor **Seconded Cr Robinson**

The Motion on being put to the vote was CARRIED unanimously.

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9. GROWTH, PROSPERITY AND ECONOMIC DEVELOPMENT

9.1 Cash and Investment Report 31 October 2022 *Ref: AINT/2022/44268 (ARC20/4311)*

231/22

RESOLVED

That Council note the Cash and Investment Report for October 2022.

Moved Cr O'Connor

Seconded Cr McMichael

The Motion on being put to the vote was CARRIED unanimously.

9.2 Endorsement to Engage a Public Process for a Road Reserve Closure

Ref: AINT/2022/44867 (ARC17/1749)

232/22

RESOLVED

That Council endorse the application;

- To undertake a public process for the purpose of a road reserve closure.
- Prepare the lands survey and application to the regional Crown Lands Office.
- Post closure prepare a subdivision development application for a residential lot

Moved Cr Redwood

Seconded Cr Widders

The Motion on being put to the vote was CARRIED unanimously.

9.3 2022-23 First Quarter Budget Review

Ref: AINT/2022/45582 (ARC20/4361)

233/22

RESOLVED

That Council:

- Note the 2022-2023 First Quarter Budget Review.
- Note the proposed revised 2022-2023 budget produces an unrestricted cash forecast of \$4.9 million and the following fund results:

Fund	Operating Surplus / (Deficit) ('000)
General	(\$4,708)
Water	\$1,632
Sewerage	\$1,739
Consolidated Result	(\$1,337)

- Resolve to amend the 2022/23 budget in accordance with the Quarterly Budget Review Statement for the period 1 July 2022 to 30 September 2022 tabled in the attachments.

Moved Cr Galletly

Seconded Cr Gaddes

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DIVISION The result being:-

FOR: Crs S Coupland, P Gaddes, J Galletly, S McMichael, S Mephram, D O'Brien, M O'Connor, T Redwood, D Robinson and B Widders

AGAINST: Cr P Packham

The Mayor declared the vote CARRIED

9.4 Presentation of Audited Financial Statements and Audit Reports Year Ended 30 June 2022

Ref: AINT/2022/45590 (ARC16/0001-7)

234/22

RESOLVED

That Council note the report on the presentation of the audited Annual Financial Statements for the year ended 30 June 2022.

Moved Cr Robinson

Seconded Cr Widders

The Motion on being put to the vote was CARRIED unanimously.

10. ENVIRONMENT AND INFRASTRUCTURE

10.1 Stockpiled Mulch Reduction Initiative

Ref: AINT/2022/45574 (ARC16/0861)

MOTION

That Council:

- a) Endorse the recommendation to waive the fees for the purchase of mulch from the Long Swamp Road Landfill over four consecutive weekends or while stocks last, commencing on Saturday 26 November 2022 and ending on Sunday 18 December 2022;
- b) Endorse the recommendation to restrict the collection of free mulch from Long Swamp Road Landfill to residential customers only, and on the basis the maximum load at any one time is limited to 8m³ per transaction; and
- c) Endorse the recommendation to extend the opportunity for residents to collect free mulch at Guyra, based on the condition there is no mechanical loading available at the Guyra Waste Transfer Station and the available stock is limited to 60m³.

Moved Cr Gaddes

Seconded Cr Robinson

AMENDMENT

That Council:

- a) Endorse the recommendation to waive the fees for the purchase of mulch from the Long Swamp Road Landfill over four consecutive weekends or while stocks last, commencing on Saturday 26 November 2022 and ending on Sunday 18 December 2022;
- b) Endorse the recommendation to restrict the collection of free mulch from Long Swamp Road Landfill to residential customers only, and on the basis the maximum load at any

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one time is limited to 8m³ per transaction; and

- c) Endorse the recommendation to extend the opportunity for residents to collect free mulch at Guyra, based on the condition there is no mechanical loading available at the Guyra Waste Transfer Station and the available stock is limited to 60m³.
- d) Endorse the provision of a maximum of two loads to community groups following application to the General Manager to maximum of two loads or 16m³ per community group.

Moved Cr Gaddes

Seconded Cr Robinson

The Amendment on being put to the vote was CARRIED unanimously.

235/22

RESOLVED

That Council:

- a) Endorse the recommendation to waive the fees for the purchase of mulch from the Long Swamp Road Landfill over four consecutive weekends or while stocks last, commencing on Saturday 26 November 2022 and ending on Sunday 18 December 2022;
- b) Endorse the recommendation to restrict the collection of free mulch from Long Swamp Road Landfill to residential customers only, and on the basis the maximum load at any one time is limited to 8m³ per transaction;
- c) Endorse the recommendation to extend the opportunity for residents to collect free mulch at Guyra, based on the condition there is no mechanical loading available at the Guyra Waste Transfer Station and the available stock is limited to 60m³; and
- d) Endorse the provision of a maximum of two loads to community groups following application to the General Manager to maximum of two loads or 16m³ per community group.

Moved Cr Gaddes

Seconded Cr Robinson

The Motion on being put to the vote was CARRIED unanimously.

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11. OUR PEOPLE AND COMMUNITY

11.1 Homes North Management of Community Housing Assets

Ref: AINT/2022/40903 (ARC17/2064)

236/22

RESOLVED

That Council:

- a) Endorse the transfer of management of Council's community housing assets to Homes North from the current commercial real estate agreement.
- b) Endorse the increase in income rent percentage for the first time since 1986 from 20% to 25% in line with other community housing under management by NSW Land and Housing.

Moved Cr O'Brien

Seconded Cr Galletly

The Motion on being put to the vote was CARRIED unanimously.

12. COMMITTEE REPORTS

12.1 KPWG - Minutes of meetings held October - November 2022

Ref: AINT/2022/42760 (ARC16/0001-7)

237/22

RESOLVED

That the following Minutes of the Key Pillar Working Group meetings held from October 2022 to November 2022 be noted;

- Growing Region KPWG meeting held 4 October 2022
- Liveable Region KPWG meeting held 20 October 2022
- Connected Region KPWG meeting held 27 October 2022
- Growing Region KPWG meeting held 1 November 2022
- Stronger Region KPWG meeting held 2 November 2022

Moved Cr Redwood

Seconded Cr Gaddes

The Motion on being put to the vote was CARRIED unanimously.

Cr Bradley Widders left the meeting, the time being 05:45 PM

Cr Bradley Widders returned to the meeting, the time being 05:47 PM

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12.2 Traffic Advisory Committee - Minutes of the meeting held 8 November 2022.

Ref: AINT/2022/45588 (ARC16/0168-7)

238/22

RESOLVED

That in relation to the report "Armidale Regional Council Traffic Advisory Committee Minutes – 8th November 2022", that Council:

- a) Note the minutes of the Traffic Advisory Committee (TAC) meeting held on Tuesday, 8 November 2022
- b) Endorse the No Right Turn option from Kentucky & Dangar Street intersection Armidale;
- c) Endorse the Special Event Transport Management Plan for the Armidale Christmas in the Mall 2022 including the temporary road closures of Dangar Street and Faulkner Street between Rusden and Moore Street, along with the East and West Beardy Street Mall from Marsh to Jessie Street, for the 'Christmas in the Mall 2022' celebrations, Thursday 1st December 2022;
- d) Endorse the Special Event Transport Management Plan for the Guyra Christmas Carnival 2022 and associated road closures of Bradley Street between Mackenzie Street and Ollera Street, Guyra on Friday 2nd December 2022;
- e) Endorse the use of local roads for the use by Armidale Triathlon Club for the running and cycling legs of their annual race season;
- f) Endorse the use of the trails around Dumaresq Dam Armidale and local roads by the Armidale Athletics Club to conduct the annual Duval Dam Busters Trail Run;
- g) Note that further investigations is to be undertaken into the traffic management and pedestrian safety of the area around Martins Gully School and funding is to be sought to implement any recommended upgrades to pedestrian safety at Martins Gully School, Armidale;
- h) That Council endorse the provision of a "Disabled" parking space adjacent to 120 Taylor St, Armidale; and
- i) Endorse the provision of a central splitter median, Keep Left signs, and line marking at the intersection of The Avenue and the linking section with Ross St, Armidale.

Moved Cr McMichael

Seconded Cr Widders

The Motion on being put to the vote was CARRIED unanimously.

Armidale Regional Council
Ordinary Council Meeting
Wednesday, 23 November 2022 Page 18

12.3 Sports Council Committee - Minutes of the meeting held 3 November 2022

Ref: AINT/2022/45593 (ARC16/0330)

239/22

RESOLVED

That the Minutes of the Sports Council Committee meeting held on 3 November 2022 be noted and that Council:

- a) Note the committee's agreement to fund the relocation of Harris Park Long Jump Pits for the total project cost of \$7494 to be funded from the Sports Council Sports Development Fund;
- b) Note the committee's agreement to contribute \$20,000 from the Sports Council Sports Development Fund for the purchasing of new safe and compliant soccer goal posts for multiple Council fields;
- c) Endorse the Sports Council request for Council supply labour estimated to be \$4850 to install the soccer goal posts; and
- d) Note the committee agreement to sponsor the teams' awards for the New England Sports Awards held at the Armidale City Bowling Club at 6:30pm on 17 November 2022 for approximately \$500 from the Sports Council Sports Development Fund.

Moved Cr Galletly

Seconded Cr Gaddes

The Motion on being put to the vote was CARRIED unanimously.

13. MATTERS OF AN URGENT NATURE

Nil.

14. QUESTIONS ON NOTICE

14.1 Water Supply Options and Costs

Ref: AINT/2022/45767 (ARC16/0025-6)

240/22

RESOLVED

That Council note the response to the Questions on Notice submitted by Cr Robinson.

Moved Cr Robinson

Seconded Cr O'Brien

The Motion on being put to the vote was CARRIED unanimously.

Armidale Regional Council
Ordinary Council Meeting
Wednesday, 23 November 2022

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PROCEDURAL MOTION

241/22 **RESOLVED**

- a) That Council move into closed Session to receive and consider the following items:
- 15.1 Extension of Engagement of GHD Pty Ltd - Provision of Engineering and Geotechnical Services for Kempsey Road Projects. (AINT/2022/44984) - *(General Manager's Note: The report considers and is deemed confidential under Section 10A(2)(d) of the Local Government Act 1993, as it deals with commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it; or (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret).*
- 15.2 Engagement of Contractor – Council Project. (AINT/2022/44993) - *(General Manager's Note: The report considers a tender and is deemed confidential under Section 10A(2)(c) of the Local Government Act 1993, as it deals with commercial information of a confidential nature which, if disclosed, confers a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business).*
- b) That Council exclude the press and public from the proceedings of the Council in Confidential Session pursuant to Section 10A, subsections 2 & 3 and section 10B of the Local Government Act 1993, on the basis that the items to be considered are of a confidential nature.
- c) That Council make the resolutions made in Confidential Session public as soon as practicable.

Moved Cr Galletly

Seconded Cr Robinson

The Motion on being put to the vote was CARRIED unanimously.

Council entered Closed Session at 5:56pm.

Council returned to Open Session at 6:11pm.

RESUMPTION OF MEETING

242/22 **RESOLVED**

That Council move back into open Session and that the resolutions of the closed Session be made public.

Moved Cr McMichael

Seconded Cr O'Connor

The Motion on being put to the vote was CARRIED unanimously.

Armidale Regional Council
Ordinary Council Meeting
Wednesday, 23 November 2022 Page 20

15. CLOSED SESSION

15.1 Extension of Engagement of GHD Pty Ltd - Provision of Engineering and Geotechnical Services for Kempsey Road Projects *Ref: AINT/2022/44984 (ARC18/2692-3)*

243/22

RESOLVED

That Council;

- a) Endorse the Procurement Strategy for further utilisation as and when required by Council's Kempsey Road Project Team of the Kempsey Shire Council's arrangement with GHD Pty Ltd under RFT TQE 21/18 "Provision of Project Management and Engineering Services 2021" for the period of the contract to its expiry on 31 July 2024, or alternatively to the extended contract expiry date.
- b) Delegate authority to the General Manager to authorise expenditure under the contract to an upper limit of \$2,008,600 including GST that is available for the project as approved by the Adminstrating Agency Transport for NSW (TfNSW).
- c) Delegate authority to the General Manager to approve variations up to the upper limit funding for any additional works carried out by GHD under the contract.

Moved Cr Robinson

Seconded Cr Galletly

The Motion on being put to the vote was CARRIED unanimously.

15.2 Engagement of Contractor – Council Project *Ref: AINT/2022/44993 (ARC18/2692-3)*

244/22

RESOLVED

That Council:

- a) Accept the tender submitted by Seymour Whyte Constructions Pty Ltd of (\$3,216,827.90 Incl. GST) to deliver Kempsey-Armidale Road Disaster Recovery Works Early Contractor Involvement (ECI) Contract;
- b) Delegate authority to the General Manager to approve expenditure for the ECI Contractor to undertake a range of Early Works activities to an upper limit of \$16,500,000 Incl. GST;
- c) Delegate authority to the General Manager to approve expenditure of contingency against recommendation a) to an upper limit of 25% of the ECI engagement value; and
- d) Delegate authority to the General Manager to execute all documents in relation to the Contract based on the condition that suitable funding agreements are in place with Transport for NSW (TfNSW).

Moved Cr Robinson

Seconded Cr McMichael

The Motion on being put to the vote was CARRIED unanimously.

There being no further business the Mayor declared the meeting closed at 6:14pm.

OFFICE OF THE MAYOR



17 November 2022

Our ref: ARC22/5441

Edward O'Dwyer

CBRE

Via email to: Edward.odwyer@cbre.com

Dear Edward,

Oaky River Hydro Scheme – Best and Final Offer

I am writing to lodge a best and final offer in the Oaky Pumped Hydro Energy Storage on behalf of Armidale Regional Council (ARC) as a Local Water Utility (LWU). The storage provides a unique opportunity for ARC to address water security issues requiring Council to find and develop additional water sources to ensure the continued growth of both Armidale and Guyra as a central hub to the New England Renewable Energy Zone (REZ).

Council has undertaken a valuation of the assets in accordance with the treasury guidelines and looked at the viability of the dam as a water source. The asset is significantly impaired and requires tens of millions in repairs to restore the dam and bring it back to current dam safety standards. Council also note that without the water security provided by the dam, the ability for the region to support the REZ is not possible.

During the valuation process, Council undertook analysis as a power generation facility both as a pumped and direct discharge hydro storage to assess the best and highest value use for the dam. Through this process, it was determined that the level of impairment of the asset provides a negative net present value for Hydro Power Generation due to the low security of yield in the catchment for that use and the low revenue likely to be made from such an operation.

Based on the negative net value for use as a hydro energy storage, Armidale Regional Council propose an offer of \$4.3M and further, propose to enter direct negotiation to facilitate the asset transfer process for a fair value in accordance with NSW Treasury Valuation Guidelines.

Council propose a 5% deposit and final settlement within 180 Days. Note acquisition of the Dam may require a resolution of Council which must be made prior to entering into any final negotiations.

Armidale experienced its driest and warmest year on record in 2019. Level 3 water restrictions were enforced across the entire Local Government Area in April 2019 and level 5 restrictions were introduced in October 2019 and were not eased until September 2020.

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ABN 39 642 954 203

OFFICE OF THE MAYOR



In response to the drought, a water cycle analysis was completed to forecast the 30-year unrestricted annual extraction using a Council nominated growth rate of 1.06% for Armidale City and 1% for Guyra and a secure yield was modelled using the DPE Water's draft guidelines "Assuring future urban water security, Assessment and Adaption guidelines for NSW local water utilities".

It was determined the capacity of the existing Armidale and Guyra water supply was estimated to be 2,428 ML/year whilst demand is 4,149 ML/year which indicates a current shortfall of 1,721ML/year. For an estimated total future unrestricted annual extraction of 5,778 ML/year, there is a shortfall of 3,349 ML/year.

In short, ARC currently has a shortfall in water security and requires immediate action to drought proof the region and can support the growth of the Renewable energy Zone.

Following the results of the water cycle analysis, ARC has engaged Public Works Authority to conduct a Water Security Options Report to investigate potential raw water sources to allow ARC to meet our water security needs with some additional capacity. The Oaky River Dam has been identified as the most appropriate and cost effective option to provide water security to the Armidale region.

Similarly, Uralla Shire Council has suffered water security challenges and during the drought that peaked in 2019, the Council supplied bottled water to residents for four months. Uralla Are currently investigating water security options including a pipeline from Armidale. Securing Oaky River Dam could assist to establish a regional water solution servicing Armidale, Guyra and Uralla.

Of great concern to ARC is the impact that the development and construction of a new water source will have on the environment. Utilising the established dam with an existing environmental footprint will minimise the impact a new water source will have on the environment.

As a water supply, the dam itself can provide this opportunity as not only a secure water supply, but has the supplementary advantage that during times when the source is not required for water supply, the dam may be able to contribute to the power generation of the REZ through either a pumped storage setup or direct discharge hydroelectric generation scheme.

Power generation is a consideration that Council is open to once water security, Council's primary interest in the dam, has been addressed.

In preparation for other works to secure our water supply, ARC has commenced the pursuit of Best Practice Management of Water Supply and Sewerage. This process entails the completion of an Integrated Water Cycle Management (IWCM) Strategy which is a Local Water Utilities (LWU) resourcing strategy for the provision of safe, secure and sustainable water services. It will allow our water services to be provided in an efficient and customer focused manner, meet community needs and protect public health and the environment. It ensures that any necessary capital works projects are affordable, cost-effective and appropriately sized.

For Council to develop the dam as a water supply, the IWCM process is a requirement as it ensures that all water security, water quality and sewage management needs and risks are addressed in the LWUs town water supply. For future planning it represents is a key process for undertaking Council's due-diligence as a LWU.

OFFICE OF THE MAYOR



This process is underway with the intention of identifying suitable water sources. Investigations into augmentation options for Oaky River Dam have already commenced to identify required civil and mechanical infrastructure to securely harvest and deliver raw water.

Following any progression with dam acquisition, Council will continue to pursue the dam as a preferred option in its IWCM Strategy. It should be noted that the IWCM process is time intensive and will take longer than five weeks to complete due to both the detail modelling and analysis as well as required public consultation.

Importantly, without developing the dam as a new water source to address regional water security, the support for the New England REZ is likely to be impacted as without addressing water security, the region cannot support the growth required to support the REZ.

Council is supported in the development of major water infrastructure through a variety of funding avenues including internally sourced revenue, co-funding and grant arrangements. Council's water and sewer long term financial plans incorporate income from rates revenue, infrastructure loans, Federal Government grant funding and State Funding Programs and Grants such as Safe and Secure Water Program.

Council has already engaged with the NSW State Government to help develop the Oaky River Dam as a water source and will continue to engage with the NSW State Government until the preferred source of funding for the acquisition and asset development is confirmed.

The variety of funding avenues guarantees that Council can meet any funding commitment it makes as part of the EOI process.

For Council to acquire the Oaky River Dam;

- Funding arrangements will need to be determined, and
- A resolution of Council may be required to acquire the Dam.

This process is likely to take several weeks to complete due to the level of regulation of Council as a Local Water Utility is subject to as well as the pace that State government engagements take.

Special Conditions

Council requires the following special conditions imposed as part of the acquisition of the dam.

1. Essential Energy enter direct negotiations with Council to facilitate the asset transfer process for a fair price determined in accordance with NSW Treasury Valuation Guidelines
2. Additional generation sources can be able to connect to the switching station up to the capacity of the switching station and transmission line including but not limited to solar generation, wind generation, and battery storage.
3. Essential Energy maintain the power generation and support infrastructure until such time as the power generation equipment is decommissioned or repair, restoration and upgrade works to the power generation and support assets are commenced.
4. Essential Energy will provide support in the form of records and intellectual property relating to the dam infrastructure and operations.

OFFICE OF THE MAYOR



For any further questions, please contact
Alex Manners - Chief Officer Assets and Services
M. 0460 022 223
Email. amanners@armidale.nsw.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read "Sam Coupland".

Sam Coupland
Mayor

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Oaky River Hydro Scheme

Best & Final Offer (BFO) Form: (Non- Binding)

1. Registrant's Details

Company/Purchasing Entity: **Armidale Regional Council**

ABN/ACN (if Corporation): **39 642 954 203**

Contact Name: **James Roncon**

Telephone Number: **0410 643 729**

Email: **jroncon@armidale.nsw.gov.au**

2. Offer Price

The offer price (stated as a specific price as opposed to a range and excluding GST) is detailed below:

"Oaky River Hydro Scheme"
328 Oaky River Dam Road, Wollomombi \$ **\$4,300,000.00**

3. Proposed Purchase Terms

Deposit \$ **\$215,000.00**

Balance \$ **\$4,085,000.00**

Settlement Date Days **180**

4. Special Conditions (if any)

Please see accompanying letter

5. Registrant's Accountant/Advisor

Contact Name: **Paul Cornall**

Company: **Forsyths Auditors**

Address: **121 Rusden Street, Armidale**

Telephone Number: **02 6773 8400**

Email: **pcornall@forsyths.com.au**

6. Registrant's Solicitor

Contact Name: **Scott Waterson**

Company: **Property Law & More**

Address: **113 Faulkner St Armidale**

Telephone Number: **02 6772 0966**

Email: **swaterson@plam.com.au**

7. Signed for and on behalf of the Registrant

Signature



Date **17/11/2022**

Name of Signatory **Mayor Sam Coupland**

Please email to: boo.harvey@cbre.com or edward.odwyer@cbre.com

Additional information, which supports or clarifies a Registrant's submission, may be annexed to this EOI Offer Form. By submitting this form or providing your personal information to CBRE you agree to your personal information being collected, held, used, disclosed by us in accordance with our Privacy Policy available at <http://www.cbre.com.au/Pages/Australia-Privacy-Statement.aspx>. Alternatively, a copy will be provided to you upon request.



Delivery Program

2022-2026

Armidale Regional Council initiatives to help achieve the Advancing our Region Community Plan

ARMIDALE
Regional Council

Introduction

Armidale Regional Council is pleased to present its Delivery Program 2022-2026.

Along with residents, community groups, governments and industry, Armidale Regional Council is a key stakeholder in helping to achieve the Advancing our Region Community Plan.

Council provides many services, programs and regulatory functions that contribute to the stability, progression, and future of our community.

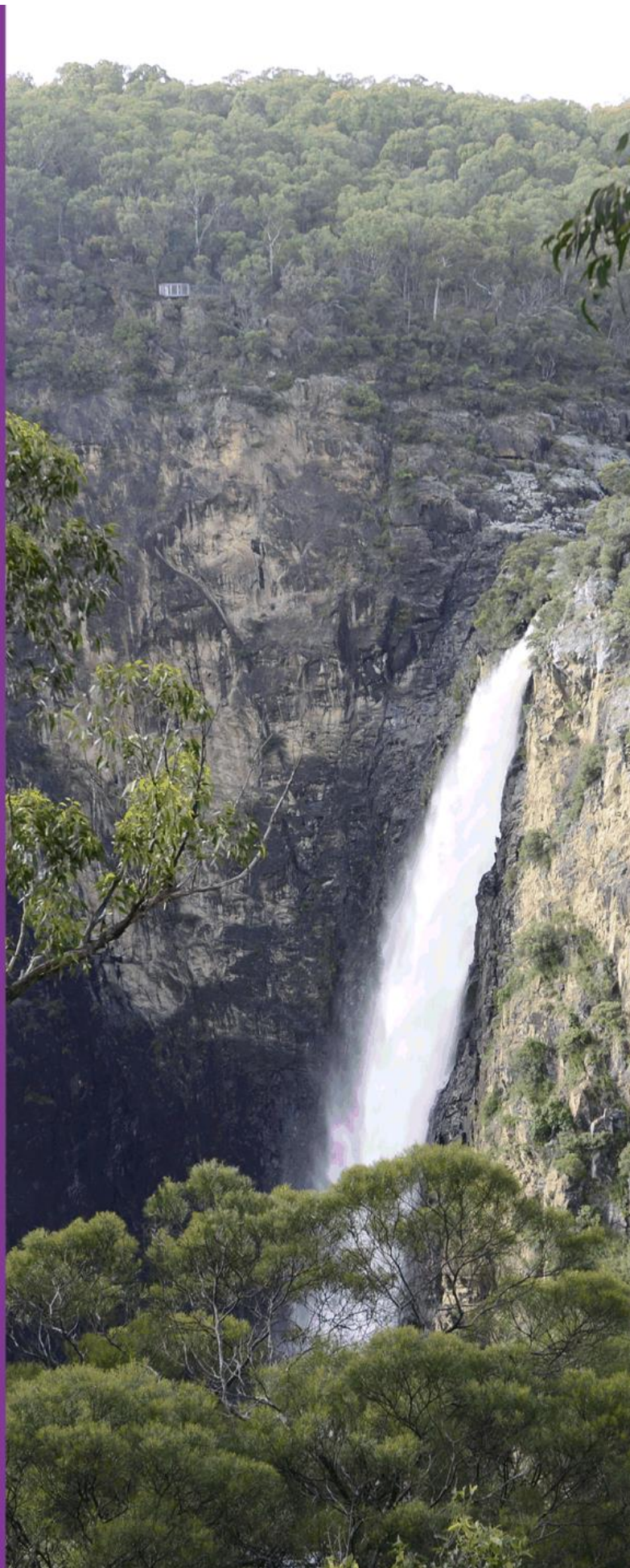
The Delivery Program 2022-2026 outlines the initiatives that Armidale Regional Council will undertake to help achieve the goals of the Advancing our Region Community Plan and be able to service our community.

The Delivery Program is Armidale Regional Council's commitment to the community for the duration of the Councillor Term and up to four years. It is informed by the community, through the Advancing our Region Community Plan, but also takes into consideration the resources of Council and its ability to deliver initiatives on top of its core operations and legislative requirements.

The program of initiatives will be supported by the operations of the Council, and the progress and results of the Program will be reported back to the community every six months, and as a final report following the end of the Council's Elected Term.

Update - November 2022

Subsequent to Council resolving to apply for a 50% (58.81 cumulative) Special Rate Variation (SRV) over three years, an Addendum has been added to this document. This Addendum incorporates information and updates from the SRV community engagement process. It also outlines the impacts and benefits of the proposed SRV, and provides rationales for the proposal.





Acknowledgement of Country

We acknowledge the traditional custodians of this land and pay our respects to Elders past, present and emerging.

The Armidale Regional Community pays tribute to their love of land, love of people, and love of culture.

Climate Change Declaration

At the Council Meeting of 23 October 2019, the Armidale Regional Council resolved unanimously to declare that we are in a Climate Emergency and that it acknowledges *‘our local and global communities are facing a climate emergency that requires urgent action by all levels of government; that human-induced climate change represents a great threat to humanity, civilisation and other species; and that, to prevent the most catastrophic outcomes, societies including local councils, need to take urgent action’*.

In the preparation of this document, Council has taken into consideration its important role in advocating for greater acceptance and action for Climate Change, as well as the actions that Council itself can undertake in its policies, processes, and services to adapt to Climate Change. Armidale Regional Council has marked (with the symbol 🌱) all Council Initiatives that are:

- directly, or indirectly, impacted by Climate Change
- contribute positively towards Climate Change adaptation

This symbol demonstrates the broad reach of the impacts of Climate Change and acknowledges where consideration or action must be taken in relation to Climate Change by Council, its staff and the community.



Restore and Thrive

Mayor's Message

Armidale Regional Council is setting upon an exciting new course for success as a region and regional city of significance. This course is underpinned by an ambitious target of 4,000 new jobs by 2040 in order to grow our population to where it needs to be.

To achieve this vision there will, however, be challenges ahead. Our region is at a fork in the road. One route is to manage the inevitable decline of the Council and our region, the other is to take a bold approach and grow our way out of our current trajectory.

Growing our way out will ease the burden for all when our population increases, but it is going to take time. Managing a decline will see the vulnerable in our community suffer the most as the services and amenities they use will be reduced. Growth is our only option and this Delivery Program sets us on that course.

As a new group of councillors, we have invested a significant amount of time over the past few months reviewing council operations and putting together the draft 2022-2023 Budget, Delivery Program and Operational Plan. The new Council is focussed on a platform of economic responsibility and putting Armidale Regional Council back on its feet financially.

As a council we are determined to drive our growth strategy as this is the only way we can save our region. Turning around the fortunes of our region is going to take commitment from all of us. Not having rates appropriately set by councils before us has led to the revenue issues we face today. It won't be easy but it will be necessary to deliver the future we want for our families and the generations to come.

Council has a multi-million-dollar shortfall in asset maintenance and that backlog is swamping us – particularly our road network. While we want to be a progressive and expanding council, we also need to fix what has not been done in the past and get back to basics, increase efficiency, recover asset costs and deliver greater levels of service – issues that have been frustrating the community for many years.

This is not an overnight fix and will take years to rebuild but this plan is long-term and works towards sustainability for future generations. This Delivery Program is broken into two phases – “Restore” and “Thrive”. The elected body has analysed countless scenarios and this Delivery Program presents the most feasible options fit for our region, now and into the future.

We have addressed the critical infrastructure for this growth including a water security package that is bold and achievable. This will tie in with our efforts to boost tourism, improve our amenities and inject life back into our economy. The right vision and strategies for success are starting to happen.

It's time to become a region of significance once again. A region that deliver the basics exceptionally and efficiently and is thriving and competitive in all aspects.

Mayor Sam Coupland

June 2022





General Manager's Message

Since commencing with Armidale Regional Council (ARC) in January 2021 I have been focussed on taking ARC on a 'back-to-basics - turnaround strategy' driven in collaboration with staff and Councillors with a key focus over the last 12 months of seeking to set council on a path to 'Restore and Thrive'. A significant step in Council's roadmap has been to address the organisational culture.

A 'culture audit' was undertaken in late March 2021 with a 90% staff (and Councillor) participation rate as part of the audit debrief which was conducted by the Dattner Group. The challenges identified included financial constraints; an organisational structure that doesn't make sense; issues around loss, shortage and turnover of staff; instability at the top including management and councillors; Councillors not managing finances or community expectations; poor community reputation; lack of strategic direction; low morale and job satisfaction and a lack of unity.

The audit highlighted key organisational strengths including good people passionate about serving the community and that potential and current improvements were seeing positive change.

A team made up of leaders from all levels of the organisation and referenced as OPARC (Operation: Planet ARC) developed a draft turnaround strategy and roadmap as part of the back to basics approach that was to focus on vision, purpose, values, supporting and unsupporting behaviours.

The draft turnaround strategy was presented to all staff and councillors through an all-day World Café. The World Café is built on the assumption that ... people already have within them the wisdom and creativity to confront even the most difficult challenges; the answers we need are available to us; and we are wiser together than we are alone.

Staff feedback was incorporated into the final OPARC Strategy Map and Values and Behaviours. These documents are now the centrepiece by which staff hold each other accountable and will run through to the nominated strategy review date of January 2023. At that point we will reassess our progress and seek to take the next steps.

Delivery Program 2022-2026

Council's Delivery Program is a statement of commitment to the community by each newly elected Council. In preparing its four-year Delivery Program, the Council identifies and prioritises initiatives to achieve the community's long-term goals as outlined in the Community Plan.

ARC faces a number of significant financial challenges. There are broad challenges associated with servicing a region covering 7,818km² and 1,858km of local roads with a population density of only 3.77 persons per square kilometre. With total assets of \$1.3 billion (and growing) under management, a significant challenge exists to fund and maintain the network to even a minimum, but acceptable standard.

In addition, there are significant liabilities associated with landfill remediation, quarries and contaminated land, some of which have only become known in recent years. Their identification means Council must redirect funding to undertake the work identified by these liabilities and that is required to meet environmental standards.

In the first two years following the May 2016 merger, Council's financial position deteriorated significantly. A November 2020 review conducted by Finch Consulting and the resulting report "Review of Council Finances", contained a number of findings and recommendations. The ensuing Performance Improvement Order (PIO) as imposed by the Minister for Local Government referenced the PIO and required Council to implement the recommendations; these have been incorporated into an adopted Financial Improvement Plan. The 2020 review found that net current assets declined by \$11m in the first three years of the Armidale Regional Council and management control, oversight and reporting experienced significant lapses during this time.

This exacerbated an already poor financial position resulting from the merger of two councils deemed financially unsustainable by the Office of Local Government through Fit for the Future assessments. Since 2019, Council sought to improve the financial position but continues to face significant challenges primarily due to a shortfall in funding for asset renewal and replacement.

The adopted 2021-22 budget projected a consolidated operating surplus of just over \$1m with no changes forecast for the unrestricted cash position (Council's main buffer for unexpected events).

"Culture eats strategy for breakfast" – Peter Drecker

Council faced a projected \$7.8m funding shortfall for core operational and capital service level and asset renewal requirements. Just maintaining current service levels would have required a 40% increase in general rate revenue.

This situation has not changed leading into the 2022-23 and in fact has been exacerbated; the Special Rate Variation (SRV) required to ensure ARC's future sustainability and longevity sits conservatively at approximately 50%.

The Long Term Financial Plan (LTFP) forecasts an asset renewal ratio of 83% in 2021-22 and the average ratio for the General Fund over ten years is 58%. With a required industry benchmark of 100% or

greater and \$1.2 billion of infrastructure assets under Council's control and management, the General Fund infrastructure ratios outlook is clearly not sustainable longer term.

Given the current financial trajectory ARC will not improve on these ratios and the outlook for unrestricted cash remains poor.

On current forecasting and without a sizeable SRV injection, ARC is looking at a minimum of five years of the current constrained operating and capital budget positions to ensure the unrestricted cash position does not deteriorate beyond current levels. We are essentially managing ourselves into severe decline.

A funding gap of this magnitude is significant and requires immediate action. It literally is now or never if ARC is going to be able to correct the current position and become a region of significance, capable of taking its place amongst the best regional centres in NSW.

The longer the investment in asset renewal remains as is, the significantly more costly it will be to bring assets back to a satisfactory and serviceable condition. The solution must come now.

While operational efficiencies are on foot, alone they will not provide the funding required to achieve financial sustainability. Efficiencies to improve ARC's financial position include reviewing the organisational structure, business systems, exploring opportunities for out-sourcing activities and improving project management capabilities. Council's Financial Improvement Plan includes 13 key recommendations to improve our financial position through savings and increased revenue, and indirectly via efficiency and productivity improvements.

In its 2021 SRV application, Council outlined the initiatives implemented since the merger which aimed to decrease costs and increase revenue. Initiatives implemented to that point were estimated to have provided approximately \$6.2 million in savings or increased revenue, with approximately \$2.2 million in annual ongoing savings.

Improving asset management

Asset management is a critical local government function; most councils manage a vast base of infrastructure assets. Within the ARC LGA there are 651 kilometres of sealed roads, 1,077 kilometres of unsealed roads and 122 kilometres of regional roads, all of which are maintained by Council. Council manages \$1.2 billion in infrastructure assets (roads, bridges, stormwater, footpaths, buildings, water, and sewer) and total assets of \$1.3 billion (including land, landfills, plant & equipment).

The breadth and diversity of these assets means Council must have systems and processes to manage assets based on quality data and strong technical expertise. There is large scope for improvement in this space. A key focus for Council is to develop the Asset Management Framework including an Asset Management Policy, Strategy and associated Plans. This is an area for improvement and will remain a focus in 2022-23 and beyond. Until there is strong implementation of the framework across Council, this will remain a critical risk.

Review of community expectations and service levels

Council's 2021 SRV application was made on the basis of maintaining (already reduced) service levels in the short-term. It was noted in the application that the option applied for would "result

in current levels of service maintained in the short-term; however the asset renewal backlog would increase. This will increase costs in the medium to long term placing a financial burden on future generations. Council will have limited options to fund new assets as the region grows."

As such, Council still has significant work to do in evaluating service levels and aligning with community expectations within the funding available to it and this has been incorporated into the Financial Improvement Plan.

Turnaround strategy

Armidale Regional Council has had a systemic revenue problem for many years and for far too long previous councils have underestimated or ignored the real cost of maintaining assets such as our road network and providing services to the community - we must now turn this around in order to grow and be sustainable.

To do this, it is proposed that Council seek a SRV that would see rates increase by 50% over three years. The resulting annual increase in rates for an average home, business or rural property in our region is outlined in the attached Special Rate Variation Addendum.

In the 2022-23 financial year Council is proposing to go into deficit and dip into reserves to fund the budget. This approach is predicated around receiving approval for an SRV and being able to do much of the preparatory work required in 2022-23 to take full advantage of an approved SRV. That is because any meaningful rate increase would not come into effect until the 2023-24 financial year and at that point the financial improvement would start to be realised and ARC could start the process to build a stronger and more resilient region.

The proposed SRV is part of the solution to:

- i. Improve financial sustainability by eliminating the General Fund operating deficit;
- ii. Deliver the services as outlined in the draft Integrated Planning and Reporting documents;
- iii. Provide sufficient funding to meet asset renewal funding requirements and appropriately manage the infrastructure backlog; and
- iv. Meet compliance obligations under the Local Government Act and other forms of legislation.

Without an SRV, Council has limited options to resolve the financial position it has inherited and would need to reduce and likely cease some service delivery.

This approach would be counter intuitive to seeing the region grow and will negatively impact the community. ARC does not see its future as a 'roads, rates and rubbish' entity.

Council's long-term vision is to retain future generations in the region and attract new residents through increased work opportunities, improved liveability and access to quality services. The Delivery Program 2022-2026 outlines this vision and the necessary actions required to make this happen.

James Roncon
General Manager
June 2022

**Armidale
Regional
Council**
Councillors



Mayor
Cr Sam Coupland



Deputy Mayor
Cr Todd Redwood



Cr Margaret O'Connor



Cr Debra O'Brien



Cr Susan McMichael



Cr Paul Gaddes



Cr Dorothy Robinson



Cr Steven Mephram



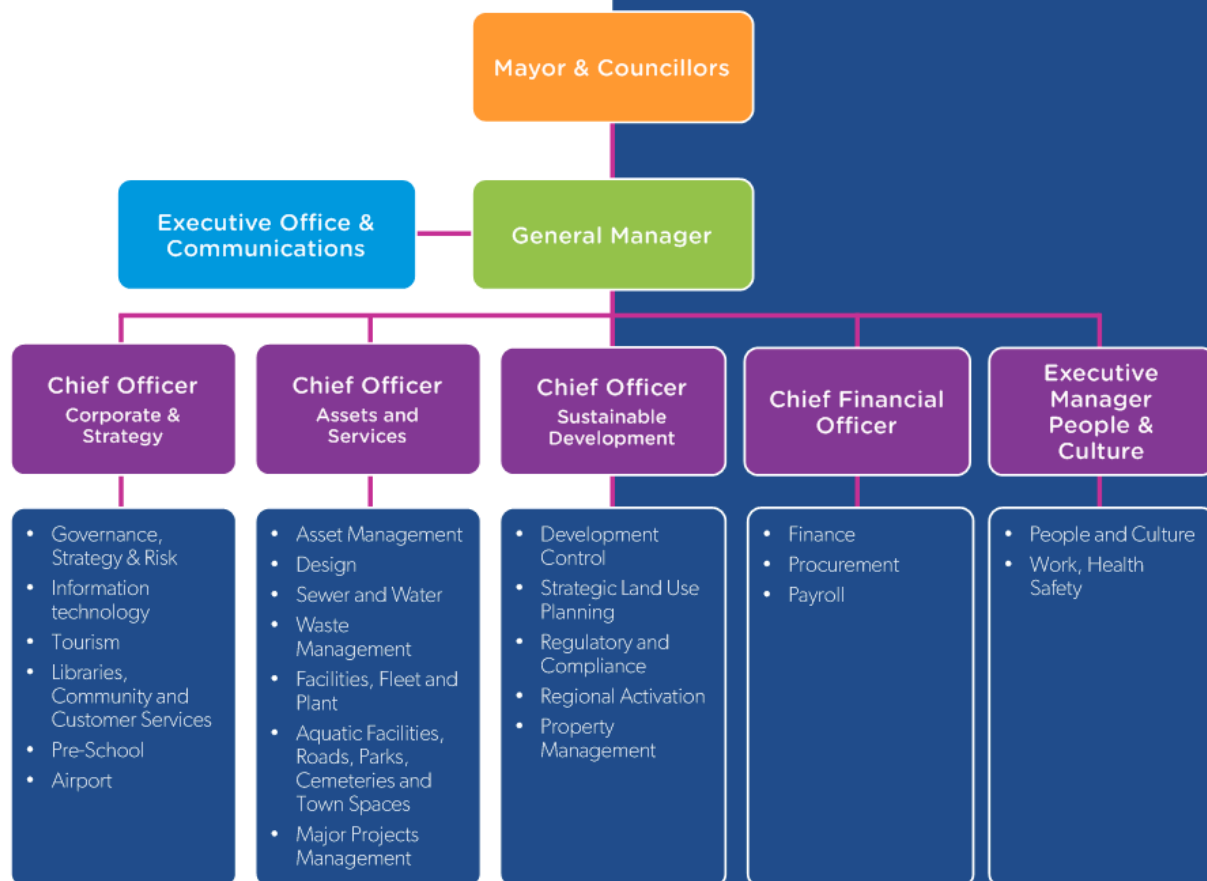
Cr Bradley Widders



Cr Paul Packham



Cr Jon Galletly



Our Workforce

73% Fulltime
15% Part-time
12% Casual
Roles

67% Male
33% Female
Gender

7.8 years
Average length
of service

44 years
Average age

16.2%
Staff turnover

Our Workforce Values

Council is committed to creating a workplace where staff hold the below values at the core of our behaviour and conduct:

Inclusion

Having positive interactions with other staff and valuing all staff for who they are. Valuing diversity and allowing for real opportunities for all staff to have meaningful relationships.

Wellbeing

What is ultimately good for staff, and what is in the self-interest of staff, to ensure they are comfortable, healthy and happy in the workplace

Transparency

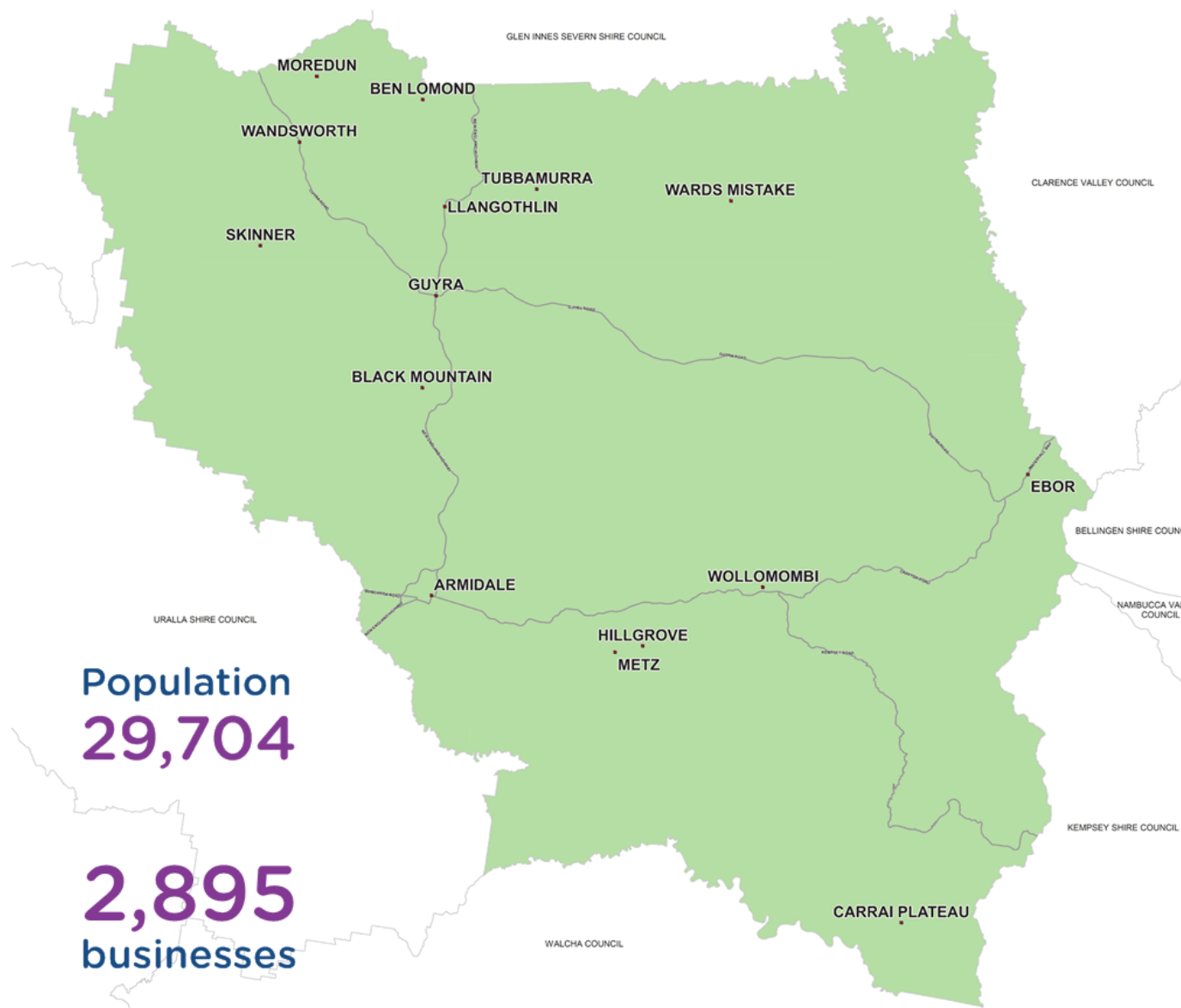
Conducting duties in a way that creates openness between managers and staff by sharing information freely in an effort to benefit Council, staff and the Community.

Commitment

Taking ownership of work and being an ambassador for Council through a willingness to get involved.

Advancing our Region

The Armidale Region



Population
29,704

2,895
businesses

6.8%
five year
employment
growth to
2020

Largest industry
**Education
& Training**

GRP
\$1.63
billion

Largest
renewable
energy
generator

Our plan for growth and development

There can be no more significant path, or task for a council anywhere at this moment, than to shape an even better place; one which is attractive to new investment and talent which could benefit its community and business post-2022.

Council is committed to growing a prosperous and sustainable region over the next decade and beyond. We will ensure that we have a clear vision for the future of our region developed in partnership with our community. This will centre around the jobs of tomorrow and how we will grow whilst protecting and enriching the lives of our community and the region. We will work with all delivery partners including the Federal and State governments, and the private sector to support the delivery of our vision. We will get on with delivery, ensuring that catalyst projects are prioritised and that we are ready for investment and community building opportunities when they arise.



Turning our challenges into opportunities

Growing jobs

Recent Gross Regional Product (GRP) figures illustrate that our regional economy has flat lined over the last 20 years. Moving towards a strong regional vision and strong local delivery, Leadership, Vision and Collaboration will be critical ingredients to our region's future opportunities and growing the regional economy and jobs.

Engine room industries in the Armidale region are agriculture and education, with manufacturing and tourism also contributing, and renewable energy a future contributor.

Agriculture is the prime engine room industry and it directly accounts for 1,330 (about 11%) of jobs in the Armidale region. With the multiplier effects agriculture also supports about 2,500 jobs in enabling industries (about 2:1 ratio to direct jobs).

Council has a target to grow 4,000 local jobs by 2040 and 1,000 in the next 5 years. We will seek to bring more jobs in engine industries of agriculture, education, and energy to our region by providing region building infrastructure and Council-led strategic planning to ensure that the Armidale region attracts the jobs and investment that contribute to our long-term prosperity.

Assets

In regional NSW, the majority of infrastructure assets are under the management and control of the local Council. A key challenge for Armidale Regional Council is remaining financially sustainable whilst managing ageing infrastructure assets that could require renewal and replacement.

Council has a responsibility to continue to provide services to our community through the utilisation of these assets including consideration of how best to allocate funds for the operation, maintenance, renewal, replacement and upgrade of assets.

Within the Armidale Regional Council local government area, there are 651 kilometres of sealed roads, 1,077 kilometres of unsealed roads and 122 kilometres of regional roads, all of which are maintained by Council. Council is responsible for managing \$1.2 billion in infrastructure assets (roads, bridges, stormwater, footpaths, buildings, water, sewer and airport) and total assets of \$1.3 billion (including land, landfills, plant & equipment).

With such a large and diverse range of assets, Council requires a system and processes to manage assets utilising quality data and strong technical expertise.

Council is currently developing the Asset Management Framework, and this is an area for improvement and will remain a focus from 2022 onwards. Until there is a robust implementation of the Asset Management Framework across Council, this will remain a critical risk.

Water

As a Local Water Utility, Council is responsible for the safe and secure provision of water. Council has partnered with NSW Public Works Advisory to deliver an Integrated Water Cycle Management Strategy (IWCMS Strategy) to meet Best Practice Water Management which is the industry standard for safe and secure water supply.

The recent severe drought that peaked in 2019 has highlighted the adverse impact that inadequate water supply can have on the economic and social fabric of our region. Investment in our water security is not only essential to ensure we can remain resilient through future droughts, but also has the potential to take the brakes off our growth potential and, will allow us to set on a growth path.

There is a significant shortfall of water capacity equal to about 40% of current demand. Raising the Malpas Dam wall by the maximum 6.5 metres would still leave us around 20% short of current demand. With any sort of growth, our region's shortfall will be back towards current levels in a short period. The reason for the shortfall is that the catchment for the Malpas Dam is reaching its limit.

Council has a \$157 million Water Security Package which includes raising the Malpas Dam wall by the maximum 6.5 metres, acquiring and commissioning Oaky River Dam or alternatively building off-take from Styx River, and connecting it to Malpas Dam. This will secure the future needs of the region and support a population of around 50,000.

The safe and secure provision of water is an essential element for our region to grow and remain sustainable and Council will continue to advocate to State and Federal Governments to help fund our Water Security Package.

What the Community has told us

As part of the process of developing the Advancing our Region Community Plan on behalf of the community, Council conducted extensive community engagement in November 2021. Below is a summary of what the community told us that they want for their region, why they love our region and what they want improved in our region.

This feedback was utilised to develop the Advancing our Region Community Plan, and consequently inform the initiatives that Council commits to undertake through this Delivery Program. A full copy of the results of the 2021 community engagement can be found on Council's website under 'Council/Integrated Planning and Reporting'. The key themes across the engagement, in relation to our aspirations for the region, were economic activation, a focus on environmental sustainability, quality leadership and governance, and improvements to transport infrastructure.

Our community's 2032 vision for our region (rankings)

- #1. Economically robust
- #2. Environmentally sustainable
- #3. Led through good governance
- #4. Strong tourism sector
- #5. A cohesive community

What we love and value about our region (top 6 listed)

- Our natural environment
- Our community
- Education and training
- Parks and playgrounds
- Arts culture and heritage
- Our location

What we want improved in our Region (rankings)

- #1. Transport and Infrastructure
- #2. Environmental Sustainability
- #3. Economic Development
- #4. Shopping
- #5. Tourism

Community Satisfaction Survey

Armidale Regional Council engaged Taverner Research to conduct a community satisfaction phone survey of the community (n=400) in November 2021. The results of the feedback have informed the Advancing our Region Community Plan, Council's Delivery Program, as well as improvements in Council's general operations. The initial 2021 results will provide the benchmark for improvement over the next four years of the Delivery Program, with the survey to be conducted annually.

2021 Community Satisfaction results	17% of respondents were satisfied with Council's overall performance, against 53% dissatisfied and 30% neutral	59% of respondents disagreed that Council spent its money wisely
<p>Council's mean satisfaction score was 2.43 (on a five-point scale)</p>	<p>Satisfaction with specific Council services was highest for:</p> <ul style="list-style-type: none"> • Parks, reserves, and playgrounds • Sporting facilities • Waste and recycling • Airport operations • Libraries • Council pools • Arts, cultural and heritage facilities 	<p>When satisfaction scores were ranked against perceived importance, some key priorities for Council emerged:</p> <ul style="list-style-type: none"> • Sealed roads • Community information and consultation • Development Applications and planning • Economic development and attracting new investment • Being a well-run and managed Council

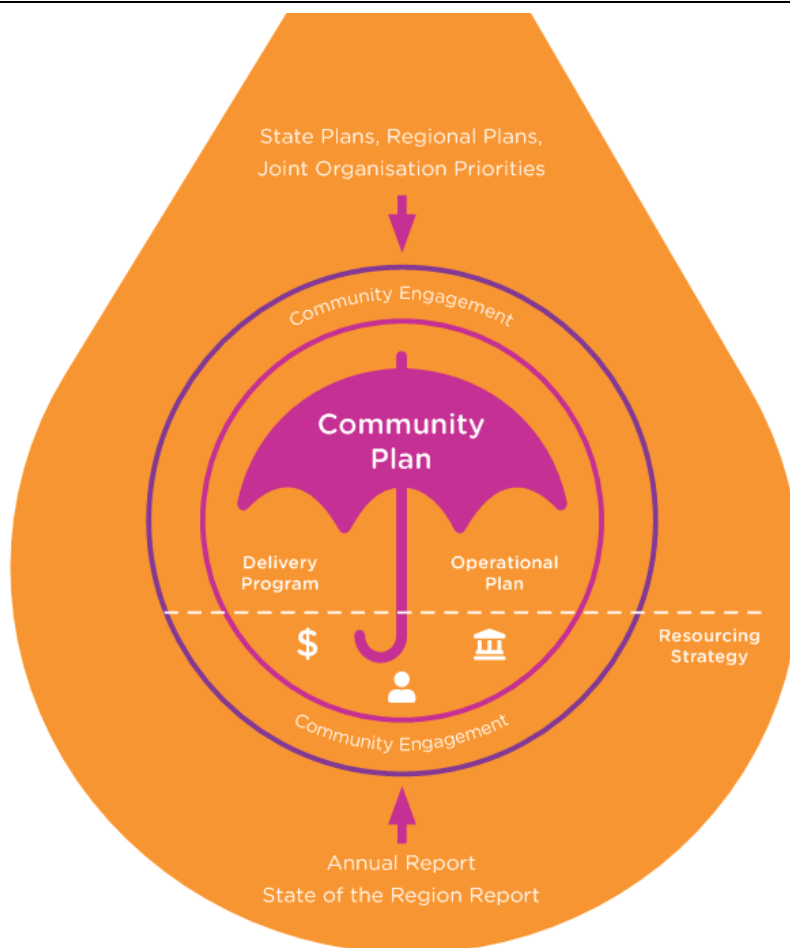
Integrated Planning and Reporting

All NSW Councils are required to develop and report on a set of plans and strategies which assist in identifying and responding to community aspirations and needs.

This framework is known as the Integrated Planning and Reporting Framework and aims to:

- Integrate and streamline statutory planning and reporting
- Strengthen strategic focus
- Align with national sustainability frameworks
- Ensure accountability and responsiveness to local communities

The key plans and reports under the Integrated Planning and Reporting Framework are outlined below, and all documents are guided by, and developed in consultation with, our community:



	Duration / timing	Outputs	Description
Community Plan	10 Years	Community Goals and Strategies	Outlines the goals and aspirations of the community, captured through extensive community engagement
Delivery Program	4 Years	Council Initiatives	A program of Council-led initiatives that achieve the goals of the Community Plan that are in Council's remit
Resourcing Strategy	4 Years	Council Resources: Finances, Assets, People	Asset Management Strategy, Workforce Management Plan, Long-Term Financial Plan A set of plans and strategies that ensure Council has the necessary resources and assets, and that Council plans accordingly.
Operational Plan	1 Year	Council Actions	An annual plan of actions that support the Delivery Program initiatives.
Annual Report	1 Year	Reporting: Delivery Program, Operational Plan	An annual report to the community on the progress of the Delivery Program and Operational Plan
State of the Region Report	End of Council Term	Reporting: Community Plan	A report, published in the year of a Council Election, that assesses progress with respect to the implementation and effectiveness of the Community Strategic Plan



The six pillars of the Community Plan

There are six key pillars in the Advancing our Region Community Plan. Within each pillar are two goals – these are the key community aspirations that we seek to achieve. The following sections of the Plan feature each of the Pillars, their prioritised goals, and several supporting strategies.

The impact of climate change

Climate change is having a broad-reaching impact on our lives including our health and wellbeing, natural environment, built environments and local economy. Many of the strategies in this Plan are impacted by climate change, both directly and indirectly, and will require consideration of the resources and response necessary to mitigate and plan for climate change risks. The Plan identifies these strategies and the impact of climate change by this symbol.



Our Community Vision

We want a harmonious region which celebrates the diversity and uniqueness of our communities, provides opportunities for all people to reach their potential, encourages engagement with our environment, cultures and lifestyles, while supporting growth, opportunity and innovation.



Thriving Region Economy & Tourism



Connected Region Transport & Technology



Future Region Sustainability & Resilience



Liveable Region Places & Spaces



Enriched Region Community & Culture



Strong Region Engagement & Responsibility

<p>Goal 1 A strong economy, sustainable growth, and opportunity - Strategies:</p> <ul style="list-style-type: none"> → Attract new job creating investment to the region → Support existing businesses and local industries to grow, prosper, change and adapt → Plan and enable sustainable job and economic growth → Champion local employers to provide employment and training opportunities → Foster a culture of lifetime education and ensure local education services meet the needs of our community 	<p>Goal 2 A destination of choice, renowned for its beauty, heritage, and unique attractions - Strategies:</p> <ul style="list-style-type: none"> → Promote a regional approach to tourism that grows our reputation as a destination of choice in NSW → Promote and enhance the extraordinary natural assets, beauty, climate, and location that our region enjoys → Provide attractions and events that enhance our region's offering to locals and Tourists → Encourage locals to shop in the region, and make our region the choice for shopping in the broader New England area
<p>Goal 1 Quality infrastructure that makes it safe and easy to travel around our region - Strategies:</p> <ul style="list-style-type: none"> → Build and maintain quality, safe, and accessible road transport infrastructure including roads, footpaths, kerbs, bus stops and parking facilities → Support the implementation and usage of active transport infrastructure across the region 	<p>Goal 2 Transport and technology that enable connectivity both locally and outside the region - Strategies:</p> <ul style="list-style-type: none"> → Provide access to public and private transport services that link our community to our local towns and villages, other regions, our local attractions, and lifestyle infrastructure. → Promote and encourage the establishment and uptake of sustainable transport options and services → Utilise our access to the high-speed data and advancing technology to increase connectivity within and outside our region
<p>Goal 1 A flourishing natural environment that is protected and enhanced - Strategies:</p> <ul style="list-style-type: none"> → Promote and support biodiversity protection and management → Protect and enhance our waterways, catchments and creek lands → Foster collaborations that improve understanding and action to protect our natural environment 	<p>Goal 2 A clean, green, and responsible region Strategies:</p> <ul style="list-style-type: none"> → Proactively adapt to and mitigate the local impacts of climate change → Promote and increase use of renewable resources and alternative energy sources → Collect, handle, dispose, recycle and reuse waste responsibly and innovatively → Create a cleaner, healthier environment with good air quality → Ensure the community is provided with safe and accessible water that is sustainably managed now and into the future → Prepare for, prevent, and manage natural disasters
<p>Goal 1 Public spaces and infrastructure that facilitate health, community connections and opportunities - Strategies:</p> <ul style="list-style-type: none"> → Provide appropriate, planned and maintained facilities that allow people to meet, congregate and learn → Enhance the public spaces and natural landscapes that are a part of our region's identity and provide beauty, vibrancy, community connection and healthy ecosystem. → Foster towns and villages that are vibrant, well-serviced and supported to achieve their localised priorities → Enhance and maintain sporting facilities to meet the needs of our local community and neighbouring regions, and to entice regional, state, and national events → Enhance and maintain recreation spaces to offer quality of life, entertainment and family-friendly activities to residents and visitors 	<p>Goal 2 Proactive, responsible, and innovative regional planning that grows us sustainably - Strategies:</p> <ul style="list-style-type: none"> → Plan for and enable growth that supports a sustainable local economy → Ensure adequate and available housing to meet community needs → Preserve and enhance our architecture and heritage → Protect prime agricultural land and support future innovations and industries
<p>Goal 1 Access to the services and support that facilitate quality of life - Strategies:</p> <ul style="list-style-type: none"> → Ensure health and community service provision meets the needs of our growing and ageing population → Recognise and support the diverse needs of our community → Foster safety and security within our community and support the provision of basic needs 	<p>Goal 2 A proud, inclusive, and cohesive community that celebrates our region in all its diversity and culture - Strategies:</p> <ul style="list-style-type: none"> → Support artistic endeavours, events, and celebrations, creating a thriving arts and culture scene → Provide public access to facilities that enhance our learning, social and culture fulfilment → Celebrate our local Aboriginal history and traditions, and support cultural understanding and development → Celebrate our rich regional history and heritage → Create an inclusive and cohesive community that celebrates differences and similarities → Encourage, support, and promote community groups and volunteers in their invaluable contributions to community life
<p>Goal 1 An informed and actively engaged community, that builds partnerships and shapes its future - Strategies:</p> <ul style="list-style-type: none"> → Help the community to be informed and have input into decisions about its region and future → Create partnerships between our community, levels of government and businesses that contribute to our growth and development → Empower the community and our leaders to make positive change and to unify the region 	<p>Goal 2 Strong governance and leadership that supports our region to grow and prosper - Strategies:</p> <ul style="list-style-type: none"> → Provide a strong, transparent, sustainable, and responsive governance for our region → Ensure that strategic directions are informed by, and with, the community and are delivered in consideration of available resources → Manage public resources responsibly and efficiently for the benefit of the community → Make open and transparent decisions that are informed by stakeholders, leading practices, systems, and technologies

Delivery Program 2022-2026

The Delivery Program

The Delivery Program 2022-2026 outlines the initiatives that Armidale Regional Council can and will undertake to help achieve the goals of the Advancing our Region Community Plan.

The Delivery Program is Armidale Regional Council's commitment to the community for the duration of the Councillor Elected Term, and up to four years.

Each of the Council initiatives outlined in this document has been developed in line with Council resources to ensure that Council can achieve them with the finances, people, and assets available to it.

This document should be read in conjunction with the Annual Operation Plan which details the service levels provided in each year of the four-year Delivery Program. In order to meet service levels and community expectations, some Delivery Program Initiatives will require additional financial contributions through a Special Rate Variation (SRV). These Initiatives are marked with the following: **SSRV**

For further information about the SRV, see the Addendum attached to this Delivery Program.

Measuring our success

Armidale Regional Council will report back to the community at least every six months through a detailed Council Report. This report will outline progress and completion of the Council Initiatives in this Delivery Program and flag any potential issues with their completion.

The Annual Report is also one of the key points of accountability between a council and its community, and outlines Council's progress and success in achieving the Delivery Program. It is not a report to the Office of Local Government or the NSW Government – it is a report to the community. The Annual Report focuses on the council's implementation of the Delivery Program and Operational Plan because these are the plans that are wholly the council's responsibility. The Annual Report must be presented to the Minister for Local Government and uploaded onto Council's website by 30 November each year.

Advancing our Region
Community Plan

6 Pillars



12 Goals



48 Strategies



Delivery Program
Council Initiatives

Resourcing the Delivery Program – Restore and Thrive Strategy

It is a requirement, under the Integrated Planning and Reporting Framework, that Council plan out the financial, workforce and asset requirements that will support the Delivery Program 2022-2026. This information can be found in the Armidale Regional Council Resourcing Strategy.

Detailed long-term (10-year) financial forecasts can be found in the Resourcing Strategy, and this includes the estimates of what the Delivery Program could cost over the four years. The four-year forecast has been developed according to what elements of Council's contribution to achieving the Advancing our Region Community Plan will be delivered over the period of the Delivery Program 2022-2026.

Not dissimilar to many NSW Councils, Armidale Regional Council faces ongoing financial pressures, and must determine solutions to delivering quality programs and services within finite revenue and funding opportunities, as well as managing funding gaps in asset maintenance and renewals. This backlog in assets will continue to grow if not addressed in the short-term and will continue to place enormous pressure on the Armidale Regional Council's operating and capital budgets, while impeding the Council's ability to fund the initiatives that help our community grow, prosper and thrive.

As reflected in community engagement, there is also a strong push from the community to seize on our economic, population growth and tourism opportunities, and Council is committed to growing the region and providing prosperity for our community. However, in order to implement the growth and activation initiatives that will realise this prosperity, Council must first address the infrastructure backlog funding issues and undertake the necessary planning and strategic work that will begin the growth phase.

Council has undertaken, and will continue to undertake, improvements in productivity, cost recovery and cost efficiencies, however these improvements will not be able to fully fund the asset backlog. To restore Council's financial position and ensure that all assets are managed effectively, Council will be required to seek a Special Rate Variation. Failing this, Council will be forced to substantially reduce the services it provides to the community.

This Delivery Program outlines the roadmap for a two-phase strategy to **Restore and Thrive**. This strategy is designed to restore financial viability and mitigate future funding gaps, in a financially responsible way in the short-term, and prepare Council and the region to create the growth and activation that will solidify the Armidale Region as a vibrant and popular major regional centre.

Phase 1

Years 1 & 2 of the Delivery Program

RESTORE

- Get Council on track to financial sustainability
 - Realise efficiencies in processes, costs and cost-recovery of services and programs
 - Increase revenue to be self-sufficient and be able to restore our assets through the mechanism of a Special Rate Variation
- Plan for growth and activation
 - Implement an organisational structure that will support growth initiatives
 - Create the strategies, plans and organisational processes that will support growth and activation initiatives
 - Lobby and apply for funding to grow the region

Phase 2

Years 3 & 4 of the Delivery Program

THRIVE

- Rationalise assets and restore remaining asset quality to improve condition and reduce ongoing maintenance and renewal costs
- Build internal reserves to mitigate unexpected expenses and invest in future initiatives in line with community needs
- Implement growth and activation initiatives
 - Industry attraction and retention strategies
 - Activation precincts
 - Sustainable job growth initiatives
 - Tourist attraction campaigns



Council is committed to balancing the financial and growth needs of the region, and the following pages show Armidale Regional Council's estimated budget statement for the four years (2022-2026).

By the Financial Year 2025-2026, Council aims to meet all the Office of Local Government Performance Ratios, while providing an operating profit to allow Council to build internal reserves to deliver initiatives that will achieve the Advancing our Region Community Plan, prepare for unexpected events, fund initiatives that will grow our region, and to service the community to expected levels.

Income Statement

The following estimates assume Council is able to obtain a Special Rate Variation from the 2023-2024 financial year onwards.

Income from Continuing Operations	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000
Revenue				
Rates & Annual Charges	38,804	42,239	46,276	50,774
User Charges & Fees	28,485	21,990	22,775	23,591
Other Revenues	4,408	4,519	4,631	4,747
Grants & Contributions provided for Operating Purposes	12,102	11,785	11,993	12,206
Grants & Contributions provided for Capital Purposes	75,794	14,502	31,602	26,602
Interest & Investment Revenue	1,534	1,315	1,333	1,337
Total Income from Continuing Operations	161,128	96,349	118,611	119,258
Expenses from Continuing Operations				
Employee Benefits & On-Costs	28,846	28,256	28,962	29,686
Borrowing Costs	1,385	1,202	1,016	830
Materials & Contracts	32,452	27,668	28,709	29,602
Depreciation & Amortisation	21,789	24,059	24,660	25,276
Other Expenses	1,858	1,905	1,953	2,001
Total Expenses from Continuing Operations	86,330	83,089	85,300	87,395
Operating Result from Continuing Operations	74,798	13,260	33,311	31,863
Net Result	74,798	13,260	33,311	31,863
Operating Result before Capital Grants and Contributions	(996)	(1,242)	1,709	5,261
Operating Result Summary				
General Fund Surplus/(Deficit)	(3,193)	(4,600)	(2,266)	628
Water Fund Surplus/(Deficit)	1,285	1,718	2,121	2,551
Sewerage Fund Surplus/(Deficit)	912	1,640	1,854	2,082
Consolidated Surplus/(Deficit)	(996)	(1,242)	1,709	5,261

Capital Works Program

	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000
General Fund	84,245	19,758	16,971	23,367
Water Fund	12,126	25,650	29,650	26,450
Sewerage Fund	1,550	8,420	22,460	12,460
Consolidated	97,921	53,828	69,081	62,277

Quick reference guide

The Delivery Program is organised according to the six key pillars of the Advancing our Region Community Plan. In order to easily find the services or programs of interest, please use the following table:

6 Key Pillars	Council areas of interest		
Thriving Region Economy and Tourism	Regional activation Planning Tourism Education	Industry Business Employment Entertainment and attractions	CBD activation
Connected Region Transport and Technology	Roads Public and private transport Airport	Inter-regional train and bus travel Technology and data Footpaths	Cycleways Sustainable transport
Future Region Sustainability and Resilience	Biodiversity Waterways, catchments and creeklands Climate change	Renewable and alternative resources Waste Water	Air quality Natural disaster management
Liveable Region Places and Spaces	Buildings and facilities CBD infrastructure Creeklands	Parks, gardens and open space Sporting facilities Villages Recreation facilities	
Enriched Region Community and Culture	Health and community services Support for disadvantaged Community safety Regulatory functions	Aged services Youth services Disability services and support Volunteers	Aboriginal services and support Arts and culture History and heritage
Strong Region Engagement and Responsibility	Community engagement Community access to support Community and government partnerships	Council functions Governance Strategic directions of Council	Council resource management – assets, workforce and finance Systems and processes

How to read this Delivery Program

Council's role in each initiative is outlined in the following sections. The definitions for each role are:

Plan

Develop plans and strategies

Deliver

Implement plans and strategies

Provide

Provide services

Facilitate

Action things to happen

Regulate

Implement compliance

Partner

Work with other people, organisations and levels of government

Advocate

Promote and lobby for the needs of our community

In order to meet service levels and community expectations, some Delivery Program Initiatives will require additional financial contributions through a Special Rate Variation. These Initiatives are marked with the following.

SSRV



Thriving Region

Economy & Tourism

*Advancing our Region
Community Plan*

Goal 1 - A strong economy, sustainable growth, and opportunity

- Strategies:**
- Attract new job creating investment to the region
 - Support existing businesses and local industries to grow, prosper, change and adapt
 - Plan and enable sustainable job and economic growth
 - Champion local employers to provide employment and training opportunities
 - Foster a culture of lifetime education and ensure local education services meet the needs of our community

Goal 2 - A destination of choice, renowned for its beauty, heritage, and unique attractions

- Strategies:**
- Promote a regional approach to tourism that grows our reputation as a destination of choice in NSW
 - Promote and enhance the extraordinary natural assets, beauty, climate, and location that our region enjoys
 - Provide attractions and events that enhance our region's offering to locals and Tourists
 - Encourage locals to shop in the region, and make our region the choice for shopping in the broader New England area

Community feedback rankings on economic development and tourism:

Q: What do you think our region should be like in 2032?

#1 - A robust economy

#4 - A strong tourism sector



Q: Top 3 Challenges for our region

#1 - Economic growth

Thriving Region

Goal 1

T1. A strong economy, sustainable growth, and opportunity

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
T1.1 Attract new job creating investment to the region	Deliver a targeted industry attraction package for engine industries including protected horticulture, renewables, small manufacturing, and education (T1.1.1) 	Plan, Deliver	Activation and Precincts				
	Deliver a promotion package focused on our region's lifestyle proposition to encourage people to relocate to our region (T1.1.2)	Deliver	Activation and Precincts				
	Deliver activation precincts package for engine industries including the Airside Precinct (T1.1.3)	Deliver	Activation and Precincts				
	Leverage our status as a Renewable Energy Zone to attract new engine room industries and negotiate community benefit sharing arrangements that deliver a long-term dividend for the region (T1.1.4) SSRV 	Deliver	Activation and Precincts				
T1.2 Support existing businesses and local industries to grow, prosper, change and adapt	Partner with local business groups and industry bodies to develop initiatives to support local businesses (T1.2.1)	Partner	Activation and Precincts				
	Assist local businesses to develop their skills and online presence (T1.2.2)	Facilitate	Activation and Precincts				
	Enhance and maintain Council's Local Procurement Policy and associated targets for local procurement (T1.2.3)	Deliver	Finance				
T1.3 Plan and enable sustainable job and economic growth	Prepare a 20-year planning vision for the region (T1.3.1)	Plan	Land Use Planning				
	Review the Local Environmental Plan to ensure industries and land uses that are compatible with the region's vision are welcomed in (T1.3.2)	Plan	Land Use Planning				
	Provide planning and business concierge services for engine industries (T1.3.3) SSRV	Provide	Activation and Precincts				
T1.4 Champion local employers to provide employment and training opportunities	Partner with the local TAFE to encourage local employers to employ apprentices and trainees (T1.4.1)	Partner	Activation and Precincts				
	Increase the number of apprentices and trainees employed by Council and promote the successes of the employment and training (T1.4.2)	Provide	People and Culture				
T1.5 Foster a culture of lifetime education and ensure local education services meet the needs of our community	Provide contemporary library services that support education and learning (T1.5.1)	Provide	Customer Experience				
	Support the UNE Smart Region Incubator by providing an appropriate facility within the Old War Memorial Library (T1.5.2)	Provide	Activation and Precincts				

Thriving Region

Goal 2

T2. A destination of choice, renowned for its beauty, heritage, and unique attractions

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
T2.1 Promote a regional approach to tourism that grows our reputation as a destination of choice in NSW	Promote the ARC Local Government Area via the development of a regional brand (T2.1.1) SSRV	Plan, Deliver	Activation and Precincts				
	Deliver the ARC Tourism Strategy initiatives (T2.1.2) SSRV	Deliver	Activation and Precincts				
	Enhance signage, visitor information and traffic direction through our regional city, town, and villages (T2.1.3)	Provide	Activation and Precincts				
T2.2 Promote and enhance the extraordinary natural assets, beauty, climate, and location that our region enjoys	Attract increased visitors through promotion of our natural assets and local attractions (T2.2.1) SSRV	Plan, Deliver	Activation and Precincts				
	Partner with, or advocate on behalf of, National Parks and other stakeholders to develop an integrated plan for our natural assets (T2.2.2)	Partner, Advocate	Activation and Precincts				
	Continue to partner with neighboring Councils to leverage the broader area, via New England High Country campaigns (T2.2.3)	Partner	Activation and Precincts				
T2.3 Provide attractions and events that enhance our region's offering to locals and tourists	Partner with community groups and organisations to plan and support events that will attract tourism and provide entertainment to our local community (T2.3.1)	Partner	Activation and Precincts				
	Investigate future entertainment, attractions and lifestyle infrastructure that would enhance the region's offering (T2.3.2) SSRV	Plan	Activation and Precincts				
T2.4 Encourage locals to shop in the region, and make our region the choice for shopping in the broader New England area	Partner with local business groups to create a 'shop local' campaign (T2.4.1)	Partner, Deliver	Activation and Precincts				
	Develop CBD Activation Plans (T2.4.2)	Deliver	Activation and Precincts				
	Host events and engagements in the Mall and regional CBDs to attract additional foot traffic (T2.4.3)	Facilitate, Provide	Activation and Precincts				





Connected Region

Transport & Technology

*Advancing our Region
Community Plan*

Goal 1 - Quality infrastructure that makes it safe and easy to travel around our region

- Strategies:**
- Build and maintain quality, safe, and accessible road transport infrastructure including roads, footpaths, kerbs, bus stops and parking facilities
 - Support the implementation and usage of active transport infrastructure across the region

Goal 2 - Transport and technology that enable connectivity both locally and outside the region

- Strategies:**
- Provide access to public and private transport services that link our community to our local towns and villages, other regions, our local attractions, and lifestyle infrastructure.
 - Promote and encourage the establishment and uptake of sustainable transport options and services
 - Utilise our access to the high-speed data and advancing technology to increase connectivity within and outside our region

Community feedback rankings related to transport:

Q: What do you want improved about our region?

#1 Transport Infrastructure

Connected Region

Goal 1

C1. Quality infrastructure makes it safe and easy to travel around our region

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
C1.1 Build and maintain quality, safe, and accessible road transport infrastructure including roads, footpaths, kerbs, bus stops and parking facilities	Partner with Transport for NSW to deliver the Heavy Vehicle Safety and Productivity (HVSP) Strategy (C1.1.1) SSRV	Partner	Transport				
	Upgrade and maintain transport infrastructure in accordance with the ten-year Capital Works Program and service levels (C1.1.2) SSRV	Provide	Transport				
	Deliver federal and state funding agreements to improve safety including the Blackspot program (C1.1.3)	Partner	Transport				
	Partner with the NSW Government to restore and reclassify Armidale-Kempsey Road (C1.1.4)	Partner	Design and Delivery				
	Design and deliver the Saumarez Road Upgrade as part of the National Trust Sustainable Saumarez Homestead Tourism Project (SSHTP) (C1.1.5)	Partner, Provide	Design and Delivery				
C1.2 Support the implementation and usage of active transport infrastructure across the region	Develop a Walking and Cycling Strategy that links residents with business, attractions, and lifestyle infrastructure and upgrade infrastructure accordingly (C1.2.1) SSRV 🟢	Plan	Land Use Planning				
	Develop an Open Spaces Strategy and upgrade infrastructure accordingly (C1.2.2)	Plan	Land Use Planning				

Connected Region

Goal 2

C2. Transport and technology that enable connectivity both locally and outside the region

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
C2.1 Provide access to public and private transport services that link our community to our local towns and villages, other regions, our local attractions, and lifestyle infrastructure.	Partner with community groups and other tiers of government to advocate for additional transport options to other regions and cities (C2.1.1)	Advocate, Partner	Land Use Planning				
	Partner with the UNE and transport providers to investigate and improve campus-to-CBD transport links (C2.1.2)	Partner	Land Use Planning				
	Advocate for improved transport options between Armidale, Guyra and our villages (C2.1.3)	Facilitate	Land Use Planning				
	Improve and maintain air services at the Armidale Regional Airport (C2.1.4)	Facilitate	Airport				
	Conduct effective airport stakeholder engagement with local commercial airport operators (C2.1.5)	Facilitate	Airport				
	Seek funding for the New England Rail Trail from Ben Lomond to Armidale (C2.1.6)	Plan	Activation and Precincts				
	Construct Rail Trail infrastructure from Ben Lomond to Armidale (C2.1.7)	Deliver	Transport				
C2.2 Promote and encourage the establishment and uptake of sustainable transport options and services	Provide increased electric car charging points across the region to promote usage and visitor spending (C2.2.1) 🟡	Provide	Land Use Planning				
	Develop a regional map series featuring popular and available cycling and walking routes and infrastructure (C2.2.2) 🟡	Deliver	Activation and Precincts				
C2.3 Utilise our access to the high-speed data and advancing technology to increase connectivity within and outside our region	Plan, seek funding and implement Smart Communities Framework in line with the NSW Smart Public Places Guide including streets, public facilities, and open spaces (C2.3.1)	Plan	Land Use Planning				





Future Region

Sustainability & Resilience

*Advancing our Region
Community Plan*

Goal 1 - A flourishing natural environment that is protected and enhanced

- Strategies:**
- Promote and support biodiversity protection and management
 - Protect and enhance our waterways, catchments and creek lands
 - Foster collaborations that improve understanding and action to protect our natural environment

Goal 2 - A clean, green, and responsible region

- Strategies:**
- Proactively adapt to and mitigate the local impacts of climate change
 - Promote and increase use of renewable resources and alternative energy sources
 - Collect, handle, dispose, recycle and reuse waste responsibly and innovatively
 - Create a cleaner, healthier environment with good air quality
 - Ensure the community is provided with safe and accessible water that is sustainably managed now and into the future
 - Prepare for, prevent and manage natural disasters

Community feedback rankings related to the environment:

Q: What do you want improved in our region?

#2 - Environmental sustainability

Q: Top 3 Challenges

#2 - Environmental sustainability and climate change

Q: What do you love and value about our region?

Top ranked - Our natural environment

Future Region

Goal 1

F1. A flourishing natural environment that is protected and enhanced

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
F1.1 Promote and support biodiversity protection and management	Develop a Biodiversity Strategy (F1.1.1) SSRV 🟢	Plan	Land Use Planning				
	Identify parcels of land for the Biodiversity Offsets Scheme (F1.1.2) 🟢	Plan	Land Use Planning				
	Maintain and implement Council's Crown Land Plans of Management (F1.1.3)	Provide	Activation and Precincts				
F1.2 Protect and enhance our waterways, catchments and creeklands	Work with key stakeholders to support the clean-up and remediation of creeks and waterways through agreed provisions and services (F1.2.1) 🟢	Partner	Parks and Facilities				
F1.3 Foster collaborations that improve understanding and action to protect our natural environment	Partner with environmental, Land Care and business groups to promote local environmental, biodiversity and agricultural events and programs (F1.3.1) 🟢	Partner	Land Use Planning				
	Support local environmental groups through in-kind and financial support, where agreed, to facilitate improved environmental outcomes (F1.3.2) 🟢	Partner	Land Use Planning				

Future Region

Goal 2

F2. A clean, green, and responsible region

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
F2.1 Proactively adapt to and mitigate the local impacts of climate change	Deliver actions from Project Zero30 and Council's EcoARC strategies (F2.1.1) 🟢	Deliver	Land Use Planning				
	Maintain Council's commitment to the Climate Emergency Declaration and promote further community-led action (F2.1.2) 🟢	Facilitate	Land Use Planning				
	Partner with community groups to educate and promote urban sustainability initiatives (F2.1.3) 🟢	Partner	Land Use Planning				
	Deliver the Renewable Energy Action Plan a program of sustainable initiatives for Council operations (F2.1.4) 🟢	Deliver	Governance				
F2.2 Promote and increase use of renewable resources and alternative energy sources	Advocate for greater access to renewable energy for the local community as part of Renewable Energy Zone (F2.2.1) 🟢	Advocate	Land Use Planning				
	Attract further local investment in renewable energy in line with community expectations (F2.2.2) 🟢	Facilitate	Land Use Planning				
F2.3 Collect, handle, dispose, recycle and reuse waste responsibly and innovatively	Operate Council's Waste Transfer Stations and Landfills in line with current and future needs and environmental standards (F2.3.1) 🟢	Provide, Regulate	Regional Waste				
	Review village waste collection and waste sites to meet EPA standards and community expectations (F2.3.2)	Plan	Regional Waste				
	Negotiate and manage contractual arrangements with recycling operators to provide recycling services (F2.3.3)	Provide	Regional Waste				
	Enhance and maintain 'reuse' operations and services including 'City to Soil,' Refuse Farm, the Resource Recovery Centre (2.3.4) 🟢	Provide	Regional Waste				
F2.4 Create a cleaner, healthier environment with good air quality	Advocate to the NSW and Federal Governments real time and publically accessible monitoring of the Armidale air quality during the winter months (F2.4.1) 🟢	Advocate	Regulatory Services				
	Advocate to the NSW and Federal Governments for assistance to develop a Clean Air Strategy and deliver an education program on the causes, impacts and ways to improve air quality in the Armidale Region (F2.4.2) 🟢	Advocate	Regulatory Services				

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
F2.5 Ensure the community is provided with safe and accessible water and that our water availability is sustainably managed now and into the future.	Collect, store, treat and distribute quality water in line with community needs, availability, and future requirements (F2.5.1) 🟢	Provide	Water				
	Finalise and implement the Integrated Water Cycle Management Strategy to plan for future infrastructure and water service needs (F2.5.2) 🟢	Plan	Water				
	Work with Southern New-England Landcare, under a Memorandum of Understanding and the 10 Year Catchment Water Quality Strategic Plan to improve the environment and water quality around ARC water catchments (F2.5.3) 🟢	Partner	Water				
	Investigate options and funding for the replacement of the Armidale Sewer Plant (F2.5.4)	Plan	Water				
	Operate, maintain, and update the sewer networks and plants to minimise blockages, overflows, and environmental impact (F2.5.5)	Provide	Water				
F2.6 Prepare for, prevent, and manage natural disasters	Work with local and state emergency services to prepare for and respond to natural disasters (F2.6.1) 🟢	Partner	Transport				
	Complete and maintain a fit-for-purpose Business Continuity Plan that facilitates Council's effective recovery and resilience building from a disaster (F2.6.2)	Plan	Governance				
	Support local emergency services with administration and facilities as agreed and available (F2.6.3)	Facilitate	Parks and Facilities				



Liveable Region

Places & Spaces

*Advancing our Region
Community Plan*

Goal 1 - Public spaces and infrastructure that facilitate health, community connections and opportunities

Strategies:

- Provide appropriate, planned and maintained facilities that allow people to meet, congregate and learn
- Enhance the public spaces and natural landscapes that are a part of our region's identity and provide beauty, vibrancy, community connection and healthy ecosystem.
- Foster towns and villages that are vibrant, well-served and supported to achieve their localised priorities
- Enhance and maintain sporting facilities to meet the needs of our local community and neighbouring regions, and to entice regional, state, and national events
- Enhance and maintain recreation spaces to offer quality of life, entertainment and family-friendly activities to residents and visitors

Goal 2 - Proactive, responsible, and innovative regional planning that grows us sustainably

Strategies:

- Plan for and enable growth that supports a sustainable local economy
- Ensure adequate and available housing to meet community needs
- Preserve and enhance our architecture and heritage
- Protect prime agricultural land and support future innovations and industries

Community feedback rankings related to places and spaces:

Q: What we love and what we value about our region?

Top 5 responses included:

Parks and playgrounds


Heritage

Liveable Region

Goal 1

L1. Public spaces and infrastructure that facilitate health, community connections and opportunities

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
L1.1 Provide appropriate, planned and maintained community facilities that allow people to meet, congregate and learn	Develop and maintain Council-owned facilities and service infrastructure in line with Asset Management Plans and community needs (L1.1.1) SSRV 🟢	Deliver	Parks and Facilities				
	Regularly review Council's property portfolio for functionality and seek opportunities for development or divestment (L1.1.2)	Plan, Deliver	Activation and Precincts				
	Support local groups and advocate on behalf of the community to seek grants and project manage upgrades of local facilities and infrastructure (L1.1.3)	Advocate	Parks and Facilities				
L1.2 Enhance the public spaces and natural landscapes that are a part of our region's identity and provide beauty, vibrancy, community connection and healthy ecosystem	Deliver Stage 1 of the Creeklands Masterplan through Public Spaces Legacy Program funding and investigate further funding for Stages 2-5. (L1.2.1) 🟢	Deliver	Parks and Facilities				
	Continue community partnerships and investigate further opportunities to support future public space upgrades and developments (L1.2.2)	Partner	Activation and Precincts				
	Continue to deliver the Armidale Mall Vibrancy Plan and seek future funding to upgrade and enhance the Armidale Mall and regional CBDs (L1.2.3)	Deliver	Activation and Precincts				
	Maintain Council-managed parks, gardens, verges, and other shared spaces to provide attractiveness and usability in line with an Open Spaces Strategy (L1.2.4) 🟢	Provide	Parks and Facilities				
L1.3 Foster towns and villages that are vibrant, well-serviced and supported to achieve their localised priorities	Support villages to develop, or deliver existing, strategic priorities. (L1.3.1)	Provide	Land Use Planning				
	Create partnerships with Villages to enhance service provision and collaboration to enhance their liveability (L1.3.2) SSRV	Partner	Land Use Planning				
	Develop a Guyra Precinct Group to assist in guiding the planning and economic development directions of Guyra (L1.3.3)	Facilitate	General Manager's Office				
L1.4 Enhance and maintain sporting facilities to meet the needs of our local community and neighbouring regions, and to entice regional, state, and national events	Enhance and maintain our sporting facilities to expected levels of service (L1.4.1)	Provide	Parks and Facilities				
	Attract regional, state, and large-scale sporting events, and increase sports tourism visitors by enhancing, maintaining and promoting our high-quality sports facilities (L1.4.2)	Provide	Activation and Precincts				

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
L1.5 Enhance and maintain recreation spaces to offer quality of life, entertainment and family-friendly activities to residents and visitors	Upgrade and maintain Council owned and managed recreation spaces (L1.5.1) SSRV 	Provide	Parks and Facilities				
	Consider and implement the YMCA report on the optimisation of our aquatic facilities including future viability and enhancements (L1.5.2)	Plan	Parks and Facilities				
	Complete funded Stage 1 upgrades to the Dumaresq Dam Recreation area and plan for Stage 2 upgrades (L1.5.3)	Provide	Parks and Facilities				
	Seek opportunities to enhance recreational areas that are within resource capacity and community interest (L1.5.4)	Plan	Parks and Facilities				
	Consolidate and upgrade our regional playgrounds to meet community demand and operational efficiencies and plan for Curtis Park Playground upgrades Stage 2 (L1.5.5)	Plan, Deliver	Parks and Facilities				

Liveable Region

Goal 2

L2. Proactive and innovative regional planning that grows us sustainably

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
L2.1 Plan for and enable growth that supports a sustainable local economy	Prepare and implement a water security and economic activation package (L2.1.1)	Plan, Deliver	Activation and Precincts				
	Prepare and implement an airport and airside precinct economic activation package (L2.1.2)	Plan, Deliver	Activation and Precincts				
L2.2 Ensure adequate and available land and housing to meet community needs	Develop and implement a Housing Strategy (L2.2.1) SSRV	Plan, Deliver	Land Use Planning				
L2.3 Preserve and enhance our architecture and heritage	Review heritage related planning controls and supporting heritage studies (L2.3.1)	Plan	Development and Certification				
L2.4 Protect prime agricultural land and support future innovations and industries	Prepare a Rural Futures Land Use Strategy to identify and protect prime agricultural land (L2.4.1)	Plan	Land Use Planning				



Enriched Region

Community & Culture

*Advancing our Region
Community Plan*

Goal 1 - Access to the services and support that facilitate quality of life

- Strategies:**
- Ensure health and community service provision meets the needs of our growing and ageing population
 - Recognise and support the diverse needs of our community
 - Foster safety and security within our community and support the provision of basic needs

Goal 2 - A proud, inclusive, and cohesive community that celebrates our region in all its diversity and culture

- Strategies:**
- Support artistic endeavours, events, and celebrations, creating a thriving arts and culture scene
 - Provide public access to facilities that enhance our learning, social and culture fulfilment
 - Celebrate our local Aboriginal history and traditions, and support cultural understanding and development
 - Celebrate our rich regional history and heritage
 - Create an inclusive and cohesive community that celebrates differences and similarities
 - Encourage, support, and promote community groups and volunteers in their invaluable contributions to community life

Community feedback rankings related to our community:

Q: What we love and what we value about our region?

Top 5 responses included:

Our community
Arts and Culture

Q: What do you think our region should be like in 2032?

#5 – An inclusive and cohesive community

Enriched Region

Goal 1

E1. Access to the services and support that facilitate quality of life

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
E1.1 Ensure health and community service provision meets the needs of our growing and ageing population	Advocate and lobby on behalf of the community to see more specialist and general health and community services (E1.1.1)	Advocate	Community Services				
	Provide preschool, childcare, and long-daycare services to the Guyra community (E1.1.2)	Provide	Community Services				
	Finalise the business case for an upgrade or rebuild of the Guyra Preschool and Long Daycare Centre and adopt the preferred solution (E1.1.3)	Plan, Facilitate	Community Services				
E1.2 Recognise and support the diverse and changing needs of our community, including those who are disadvantaged	Implement the Disability Inclusion and Action Plan (E1.2.1)	Deliver	Community Services				
	Provide youth services, events and support including coordinating Youth Week and developing a Youth Working Group (E1.2.2) SSRV	Provide	Community Services				
	Participate in local Inter-Agency meetings to foster links between agencies and community services (E1.2.3)	Partner	Community Services				
	Promote events, training, and job opportunities for young people through Council's information channels (E1.2.4)	Facilitate	Community Services				
	Support our ageing population with services, support and infrastructure. Provide Home Support Services in Guyra and Tingha in accordance with funding arrangements (E1.2.5)	Plan, Deliver	Community Services				
	Provide support to local settlement services to assist in successfully integrating refugees into our community (E1.2.6)	Provide, Partner	Community Services				
E1.3 Foster safety and security within our community and support the provision of basic needs	Implement and operate initiatives such as improved CCTV and street lighting, through grant opportunities, to assist in making our community safer (E1.3.1)	Deliver	Parks and Facilities				
	Develop partnerships and advocate to improve local housing and homelessness to be considered through the Council Key Pillar Working Groups (E1.3.2)	Partner, Advocate	Community Services				
	Undertake regulatory controls that maintain community order and safety including Companion Animals Regulation, parking management, building compliance, and Development Applications (E1.3.3)	Regulate	Regulatory Services				

Enriched Region

Goal 2

E2. A proud, inclusive, and cohesive community that celebrates our region in all its diversity and culture

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
E2.1 Support artistic endeavours, events, and celebrations, creating a thriving arts and culture scene	Develop and deliver a revised Arts and Culture Strategic Plan (E2.1.1)	Plan, Deliver	Customer Experience				
	Promote regional arts and culture events and opportunities (E2.1.2)	Provide	Customer Experience				
	Support arts and culture organisations to continue to provide artistic entertainment and programs across the region (E2.1.3)	Partner, Facilitate	Customer Experience				
E2.2 Providing public access to facilities that enhance our learning, social and culture fulfilment	Maintain an educational, inspirational, and accessible public library network across the region, including improved outreach services (E2.2.1)	Provide	Customer Experience				
	Deliver actions from the Library Strategic Plan to enhance the library experience, services, and community contribution (E2.2.2)	Deliver	Customer Experience				
E2.3 Celebrate our local Aboriginal history and traditions, and support cultural understanding and development	Adopt and deliver a Reconciliation Action Plan to actively promote and encourage reconciliation across the region and address the Closing the Gap priorities (E2.3.1)	Plan, Deliver	Community Services				
	Actively engage with the local Aboriginal Community to assist in the development of Aboriginal resources and collections at our Libraries that showcase the unique story of our area. (E2.3.2)	Provide	Community Services				
E2.4 Celebrate our rich regional history and heritage	Provide and support museum experiences including exhibitions and events across the region and maintain relevant and engaging collections (E2.4.1)	Provide	Customer Experience				
	Investigate opportunities to digitise the ARC museum collections to facilitate preservation and online access (E2.4.2)	Plan	Customer Experience				
	Promote the tourism value and opportunities of our local history, heritage, and collections (E2.4.3)	Deliver	Customer Experience				
	Support community organisations to promote and preserve heritage and history collections (E2.4.4)	Facilitate	Customer Experience				
	Continue to operate and expand our local heritage tours and investigate future partnerships (E2.4.5)	Provide	Customer Experience				

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
E2.5 Creating an inclusive and cohesive community that celebrates differences and similarities	Encourage, promote, or deliver community events that bring people together and celebrate our community (E2.5.1)	Deliver	Community Services				
	Access and promote opportunities that enhance community cohesiveness and inclusion (E2.5.2)	Deliver	Community Services				
	Provide fit-for-purpose shared spaces for community groups that support diversity, shared interests, and community spirit (E2.5.3)	Provide	Parks and Facilities				
E2.6 Encourage, support, and promote community groups and volunteers in their invaluable contributions to community life	Operate the Volunteer Rural Referral Service within the ARC local government area (E2.6.1)	Provide	Community Services				
	Provide volunteer service opportunities and positions within Council (E2.6.2)	Provide	Community Services				
	Advocate on behalf of, and provide support for, volunteer-led initiatives (E2.6.3)	Advocate, Partner	Community Services				



Strong Region

Engagement &
Responsibility

*Advancing our Region
Community Plan*

Goal 1 - An informed and actively engaged community, that builds partnerships and shapes its future

- Strategies:**
- Help the community to be informed and have input into decisions about its region and future
 - Create partnerships between our community, levels of government and businesses that contribute to our growth and development
 - Empower the community and our leaders to make positive change and to unify the region

Goal 2 - Strong governance and leadership that supports our region to grow and prosper

- Strategies:**
- Provide a strong, transparent, sustainable, and responsive governance for our region
 - Ensure that strategic directions are informed by, and with, the community and are delivered in consideration of available resources
 - Manage public resources responsibly and efficiently for the benefit of the community
 - Make open and transparent decisions that are informed by stakeholders, leading practices, systems, and technologies

Community feedback rankings related to leadership:

Q: What do you think our region should be like in 2032?

#3 – Led through good governance

Q: Top 3 Challenges

#3 – Good leadership and governance

Strong Region

Goal 1



S1. An informed and actively engaged community that builds partnerships and shapes its future



Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
S1.1 Help the community to be informed and have input into decisions about its region and future	Implement the Community Engagement Strategy, including its supporting framework and processes (S1.1.1)	Deliver	Engagement and External Relations				
	Deliver an effective Communications Strategy to inform the community of Council activities. (S1.1.2)	Deliver	Engagement and External Relations				
	Review and implement a customer experience strategy to improve community and council interactions (S1.1.3)	Plan, Deliver	Customer Experience				
	Improve customer experience for residents and ratepayers through enhancements to technology systems including enquiries, applications, bookings, compliments, and complaints (S1.1.4) SSRV	Provide	Customer Experience				
S1.2 Create partnerships between our community, levels of government and businesses that contribute to our growth and development	Establish Council Key Pillar Working Groups to deliver initiatives that achieve the Community Plan Goals and Strategies (S1.2.1)	Facilitate	General Manager's Office				
	Work across the region's neighbouring LGAs with the New England Joint Organisation to advocate for broader regional priorities (S1.2.2)	Partner	General Manager's Office				
	Foster constructive relationships with State and Federal representatives and agencies to ensure our voices, challenges and opportunities are heard (S1.2.3)	Partner, Advocate	General Manager's Office				
	Partner with the UNE, as our major educational institution, to enhance regional opportunities (S1.2.4)	Partner	General Manager's Office				
S1.3 Empower the community and our leaders to make positive change and to unify the region	Provide administration and professional support to Councillors to assist them to undertake their duties (S1.3.1)	Provide	General Manager's Office				
	Ensure community accessibility of information pertaining to Council Meetings (S1.3.2)	Provide	General Manager's Office				
	Promote and facilitate 'Have Your Say' opportunities on Council Meeting Agenda items (S1.3.3)	Provide, Facilitate	General Manager's Office				

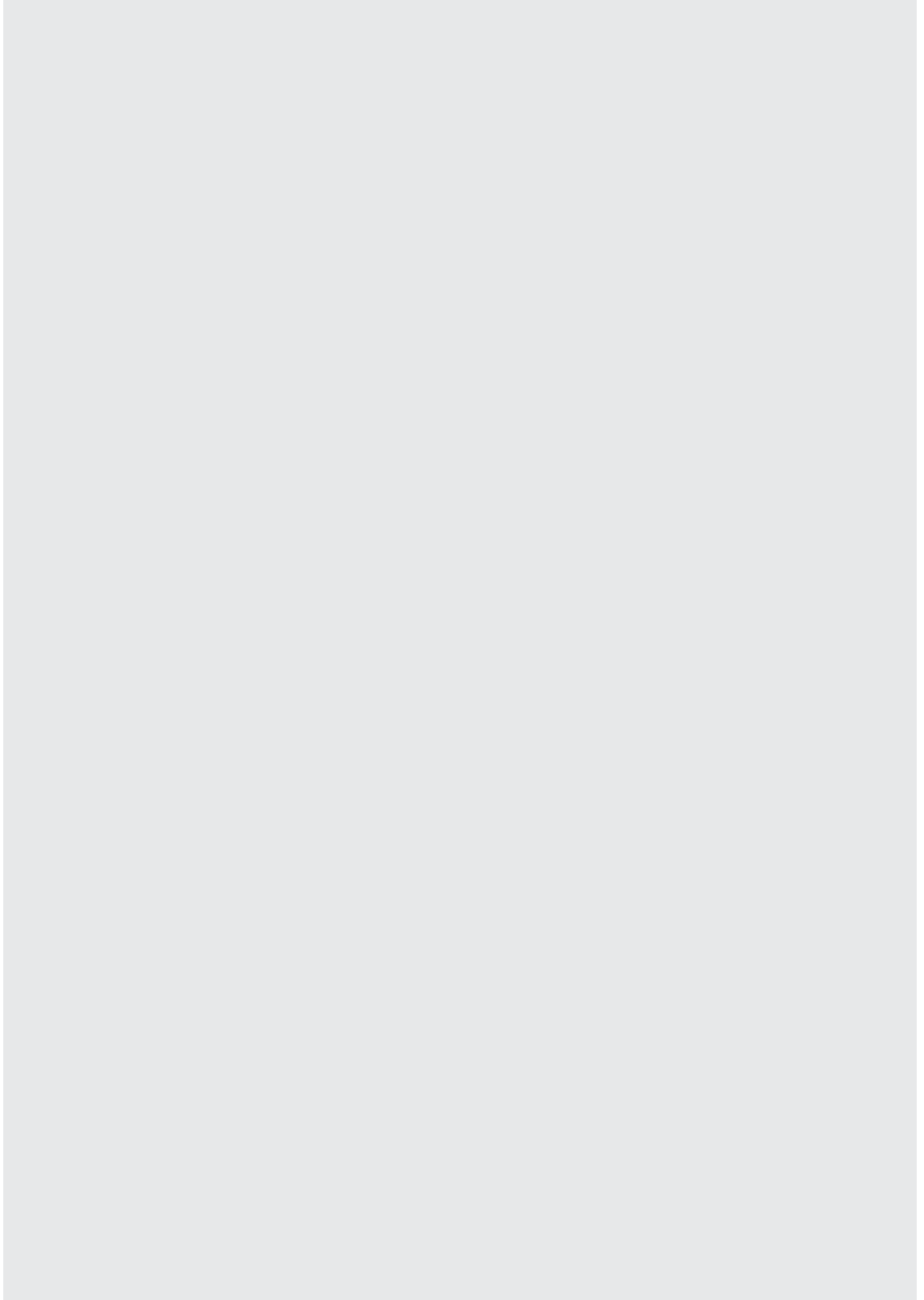
Strong Region

Goal 2

S2. Strong governance and leadership that supports our region to grow and prosper

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
S2.1 Provide a strong, transparent, sustainable, and responsive governance for our region	Satisfy the Office of Local Government Compliance and Reporting Requirements (S2.1.1)	Deliver	Governance				
	Deliver quality governance frameworks and reforms in line with remaining Performance Improvement Order and Governance Review actions (S2.1.2)	Deliver	Governance				
	Implement robust Audit and Risk and Improvement processes and frameworks and undertake the requirements of the Internal Audit and Risk Management Framework for Local Councils (S2.1.3)	Deliver	Governance				
	Implement a robust Risk Management Framework for Council including operational, strategic and climate change risk (S2.1.4) SSRV 	Deliver	Governance				
	Deliver actions and outcomes as defined in the Workforce Management Plan (S2.1.5) SSRV	Deliver	People and Culture				
	Foster a culture of safety and wellbeing for our workforce (S2.1.6)	Facilitate	People and Culture				
	Implement strategies to support the development of an inspiring organisational culture that motivates, sustains and rewards growth (S2.1.7) SSRV	Deliver	People and Culture				
S2.2 Ensure that strategic directions are informed by, and with, the community and are delivered in consideration of available resources	Implement the Integrated Planning and Reporting Framework in compliance with legislation (S2.2.1)	Plan, Deliver	Governance				
	Implement an effective Project Management Framework across the organisation (S2.2.2)	Deliver	Design and Delivery				
	Seek funding opportunities where they achieve the Community Plan Goals and Strategies or agreed priorities (S2.2.3)	Plan, Deliver	Activation and Precincts				
	Deliver a program of Service Planning and Review to ensure services are delivered efficiently and to service levels (S2.2.4) 	Plan, Deliver	Governance				
	Ensure the Asset Management Framework is current and in line with Council's future growth and development (S2.2.5)	Plan, Deliver	Asset Services				

Community Plan Strategy	Council Initiatives	Role	Responsible Department	Year of Delivery			
				1	2	3	4
S2.3 Manage public resources responsibly and efficiently for the benefit of the community	Provide high quality, targeted and sustainable services to the community that remain affordable (S2.3.1) SSRV 	Provide	Customer Experience				
	Maintain financial sustainability by meeting Performance Ratios and Fit For the Future Benchmarks, while ensuring sustainable cash reserves to support service levels and assets. (S2.3.2) SSRV	Facilitate	Finance				
	Deliver a Financial Improvement Program that determines the future efficiencies and revenue sources required to fund current and future service levels (S2.3.3) SSRV	Deliver	Finance				
	Maintain financial sustainability through effective short, medium, and long-term financial management. Explore options to secure additional funding for Council including applying for a Special Rate Variation, at a rate endorsed by Council following community consultation to bridge the long-term infrastructure renewal funding gap and invest in operational service delivery. SSRV	Plan, Deliver	Finance				
	Manage our assets responsibly to ensure greater lifespan and usability and to reduce financial burden (S2.3.5)	Plan, Deliver	Asset Services				
	Maintain a property portfolio relevant to the services of Council and future growth (S2.3.6)	Plan, Deliver	Activation and Precincts				
	Maintain an appropriate Insurance Portfolio in relation to Council's assets and operations (S2.3.7) 	Facilitate, Deliver	Governance				
	Investigate and develop Council business opportunities (S2.3.8)	Plan, facilitate	Plant, Fleet and Depots				
S2.4 Make open and transparent decisions that are informed by stakeholders, leading practices, systems, and technologies	Develop and commence implementation of an information technology long-term strategy including ICT governance (S2.4.1) SSRV	Deliver	Information Services				
	Improve user experience, including capability and capacity, of internal enterprise systems (S2.4.2) SSRV	Deliver	Information Services				
	Provide access to Council Meetings in compliance with legislation and with online accessibility (S2.4.3)	Facilitate	General Manager's Office				





Addendum: | Special Rate | Variation

Special Rate Variation

This document presents information about Armidale Regional Council's application to the Independent Pricing and Regulatory Tribunal of NSW (IPART) for a 50% (58.81%) cumulative Special Rate Variation to be implemented over three years – from 1 July 2023 to 30 June 2026.

It includes information presented to the public during community engagement on the proposed SRV, as well as detailing the community impacts and benefits of the rate rise. Further information about the SRV can be found in Council's Resourcing Strategy and on Council's website.

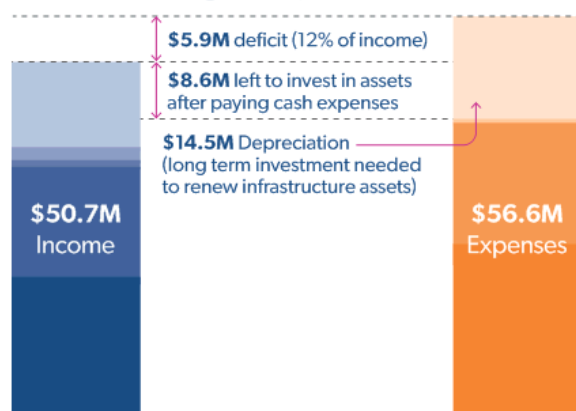
Introduction

Over the past 25 years Armidale Regional Council (ARC) has drifted into a perfect storm of unsustainably low land rates in both the old Armidale and Guyra council areas compounded by a stagnating population. The ever tightening financial position has led to ongoing under-investment in infrastructure. The 2022-2023 general budget (excluding waste, water supply and sewerage) forecasts income of \$50.7m and expenses of \$56.6m, a deficit of \$5.9m (12% of income).

The concern with this deficit is that once Council pays its cash operating expenses (employees, materials and services) there is only \$8.6m left to invest in our infrastructure assets, far less than the \$14.5m of depreciation expenses in our 2022-2023 budget (depreciation reflects the long term investment needed to renew assets). This is unsustainable. Over 10 years, a \$5.9m deficit equates to a \$59m shortfall in funding to renew our roads, bridges, kerb and gutter, parks, drainage, buildings and other assets.

Our current financial situation:

General Fund Budget 2022/23*



*Excludes waste management (accounted for within general fund, currently generating a \$3M p.a. surplus to repay loans for the regional landfill) and water and sewer funds.

To enable assets to be maintained and renewed to acceptable levels, and to allow Council to fund its operating expenditure, Council is applying to the NSW Independent Pricing & Regulatory Tribunal (IPART) to increase rates by 50% (cumulative 58.81%) over three years.

Before making a submission, Council is required to consult the community on options for an SRV, and must update its Delivery Program and Resourcing Strategy to reflect the proposal.

On 29 June 2022, Council resolved to begin public engagement on a proposed SRV. The three options discussed through extensive engagement held during August and September 2022 were:

Option 1: Unmanaged Decline	Option 2: Managed Decline	Option 3: Special Rate Variation
Business as usual approach, maintain current service levels. This option would see Council have no cash reserves and a negative unrestricted funds balance by 2024-2025, and eventually Council would face being placed in Financial Administration again.	Operational services are cut to free up funds for renewal of ageing infrastructure assets (but the state of our assets will continue to worsen as we still won't have sufficient funds to keep up with renewal needs)	Restore the real cost of maintaining assets and provide services to grow and be sustainable.

Following community engagement, the results were released to the community and Councillors resolved to give notice to IPART of their intention to apply for a 50% (cumulative 58.81%) SRV over three years at the Ordinary Council Meeting held on 23 November 2022.

Background

Armidale Regional Council was formed in 2016 through the amalgamation of Armidale Dumaresq (ADC) and Guyra Shire Councils. Both Councils were deemed to be 'not fit' under the NSW Government's Fit for the Future criteria and both former Councils had identified a requirement for large Special Rate Variations in order to be financially sustainable.

In 2020-2021, Armidale Regional Council applied to make a temporary 10% SRV (that applied to the former ADC) permanent through a successful application to IPART. A higher proposal by Council staff was not supported by the former Councillors, and making permanent the existing 10% SRV did not provide any increase in rates, despite increasing asset renewal requirements and inadequate cash reserves. An unsustainable financial position remained, for the most part, unaddressed.

In 2021, during the review and preparation of the Integrated Planning and Reporting documents, Armidale Regional Council sought feedback from the community regarding their aspirations for the future. The feedback from this consultation strongly indicated that the community wanted to see more economic growth, a focus on environmental sustainability, quality leadership and improvements to transport infrastructure.

The new Council has, in response, set a course to grow jobs and investment in the region and is committed to achieving the community's aspirations and restoring confidence in the Local Government Area.

However, in order to achieve these goals, Council has determined that it must address its financial sustainability and manage an increasing back log of asset maintenance in the first instance – we must 'Restore' to then 'Thrive'.

Council is responsible for maintaining and upgrading \$1.459 billion of assets including \$683 million of transport-specific assets (including approximately 651 kilometres of sealed roads, 1,077 kilometres of unsealed roads and 122 kilometres of regional roads). These assets - roads, bridges, stormwater, footpaths, buildings, water, sewer, airport, land, landfills and plant – are critical for the functioning of our region.

Based on the 2021-22 Financial Statements, more than 14.5% of infrastructure assets were in poor or very poor condition. The estimated funding required to raise the condition of assets to a satisfactory level and conduct appropriate maintenance and renewal, is approximately \$111 million.

Council forecast an operating deficit of approximately \$3 million in the General Fund for 2022-2023, despite realising \$12.7 million in efficiency gains and savings over the past five years.

Even with extreme cuts to service levels, reductions in staff, implementation of cost recovery strategies and the sale of identified assets, this shortfall in asset maintenance and renewal, together with the operating deficits, cannot be sufficiently resolved without an increase in rate revenue.

Council considered a number of scenarios when deliberating how to adequately address financial sustainability while also working toward achieving the community's aspirations in the Advancing our Region Community Plan. In the end, Council agreed that a Special Rate Variation was required, and developed its Integrated Planning and reporting documents on this premise.

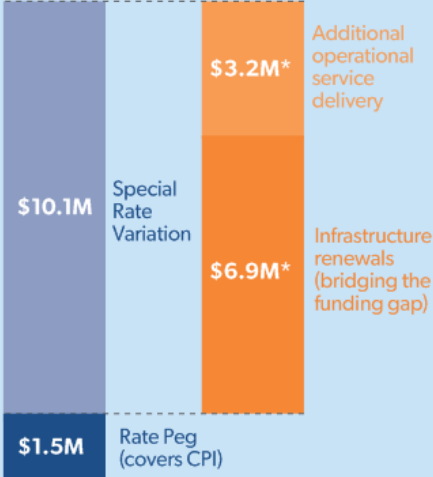
Council was proactive and transparent in its approach to community engagement. While the Draft Community Plan, Draft Delivery Program, and Draft 2022-2023 Operational Plan and Budget were on public exhibition in May and June 2022, Council utilised the opportunity to begin a conversation with the community about the need for an SRV.

Council held public meetings in both Guyra and Armidale, outlining to the community the rationale behind the proposed 50% SRV as part of a turnaround strategy for the Council. The public was also informed that further consultation about the proposed SRV would be forthcoming.

At the Ordinary Council Meeting of 29 June 2022, Councillors adopted a suite of Integrated Planning and Reporting documents that were based on a proposal for a 50% rate rise (cumulative 58.81%) over three years. This included a plan to conduct community engagement on the proposed rate rise during August and September 2022.

The Proposed SRV

Armidale Regional Council has consulted the community on three options – to operate ‘business as usual’ and continue to decline; to manage its decline at a slower pace through a reduction of services; or to increase its revenue base through a Special Rate Variation application of 50% (cumulative 58.81%) over three years. Each option is outlined below:

Option 1: Unmanaged decline	Option 2: Managed Decline (no SRV option)	Option 3: 50% Special Rate Variation
<p>This option would require Council to accept an unsustainable financial position and to decline to the point where assets would be unmanageable and services would be grossly underfunded.</p> <p>This option would see Council have no cash reserves and a negative unrestricted funds balance by 2024-2025, and eventually Council would face being placed in Financial Administration again.</p>	<p>Requires Council to reduce or cut services which may include the following:</p> <ul style="list-style-type: none"> Reducing road maintenance (pothole patching, maintenance grading) Reduced level of service in parks mowing and maintenance, toilet cleaning Reducing hours at libraries, swimming pools, customer service counter and museum Closing some sporting fields and parks Reduced activity in tourism marketing and events Reducing the economic development and regional activation programs Refusing grants for new assets (due to lack of funds to match grants/maintain assets) Ceasing the community grants program <p>Such service cuts will have significant impacts on the community. This is not Council’s preferred option, and it is still not sustainable: the \$2m identified ongoing savings are far less than the \$5.9m deficit, hence the term ‘Managed Decline’. This option would require the removal of the Council Initiatives detailed in the Delivery Program that are partly or fully funded through the SRV - marked by a symbol (\$SRV) - and any further cuts to services under the ‘Managed Decline’ will be determined through the planned Service Review program.</p>	<p>Special Rate Variation (SRV) of 58.8% (cumulative) over 3 years which includes the rate peg. In three years, the SRV would generate an additional \$10.1m p.a. over and above the \$1.5m p.a. Council would gain via the rate peg alone.</p> <p>The additional \$10.1m p.a. income from the SRV in 2026 will enable Council to:</p> <ul style="list-style-type: none"> bridge the infrastructure renewal funding shortfall of \$6.9m p.a.; and invest an additional \$3.2m p.a. in improving Council’s service delivery (in contrast to \$2m p.a. in cuts under the ‘Managed Decline’ scenario). <p>Extra investment enabled by SRV</p>  <p>58.8% rate increase over 3 years *Figures are in 2026 dollars (2023 + CPI)</p>

SRV Rationale

Financial sustainability for local governments is critical because they are responsible for directly providing the community with a wide range of public services and community infrastructure and facilities.

This requires local governments to hold and maintain a significant base of infrastructure assets. This necessitates not only substantial initial investments but also continued expenditure to maintain and renew assets over the course of their useful lives.

There are many definitions of financial sustainability. NSW Treasury Corporation defines financial sustainability as:

A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community.

Council has recognised that financial sustainability requires the following to comply with Chapter 3 of the *Local Government Act 1993*:

- Council must achieve a fully funded operating position
- Council must maintain sufficient cash reserves
- Council must have an appropriately funded capital program
- Council must maintain its asset base
- Expenditure on assets should be driven by Asset Management Plans

Council has recognised that ARC faces significant financial sustainability challenges in the General Fund. These challenges focus on the shortfall of funding available for the capital program to fully address asset renewal funding requirements and a shortfall of funding to maintain operational services.

To address these challenges council is applying for a Special Rate Variation and will use the additional rate revenue to:

- bridge the infrastructure renewal funding gap
- invest additional funds in operational service delivery

Further details on the financial outcomes of each SRV scenario are contained in Council's Resourcing Strategy.

Rationale 1: Assets

- 'Council must maintain its asset base'
- 'Council must have an appropriately funded capital program'
- 'Expenditure on assets should be driven by asset management plans'

Asset management is the process for whole-of-life asset management from planning, acquisition/upgrade, operation, maintenance, renewal and disposal of assets. It encompasses the integration of asset and service delivery outcomes.

As with many local governments, a major challenge for Council is the management of ageing assets in need of renewal and replacement.

Infrastructure assets such as roads, bridges, pathways, kerbs, stormwater drains and public buildings present particular challenges as their condition and longevity can be difficult to determine.

The creation of new assets also presents challenges in terms of funding for initial construction and whole of life costs.

The SRV funding would be used for managing Council's existing infrastructure. This includes renewal and ongoing maintenance of assets such as buildings, roads, drainage, parks and facilities.

Renewal activities extend the life of the asset, such as re-sheeting a section of road. Maintenance includes repairs, painting and replacement of broken fixtures. The SRV would be used to ensure assets are kept at current service standards and replaced at the planned replacement time, rather than allowing assets to deteriorate to a point at which major rehabilitation would be required.

The importance of asset renewal

One of Council's main roles in the community is to manage the vast range of assets under its care and control and worth more than \$1 billion. Without assets in a satisfactory condition, service delivery is negatively impacted.

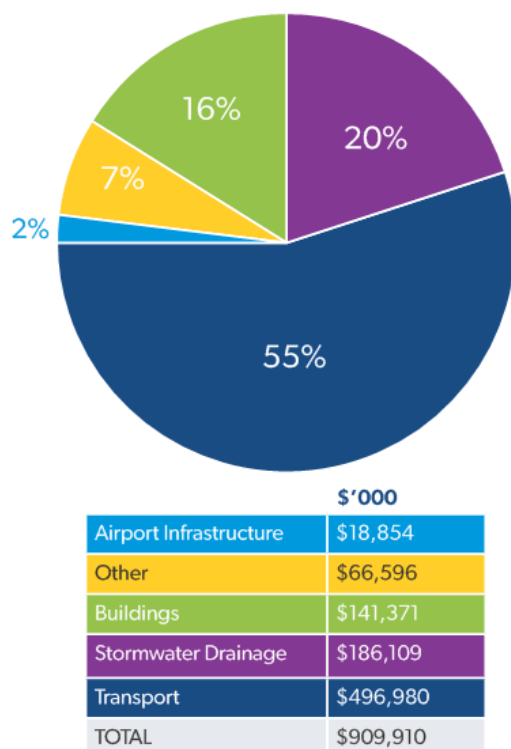
In terms of General Fund infrastructure that would be affected by funding provided by the SRV, Council has the following assets:

Asset volumes	
Sealed roads	651km
Unsealed roads	1,077km
Regional roads	122km
Bridges	112 assets
Footpaths	130km
Kerb & gutter	271km
Water network	30,627 assets
Sewer network	22,159 assets
Stormwater	119km
Land	342 properties
Buildings	264 assets
Other structures	300 assets
Plant & equipment	480 assets

A critical issue of local government areas is remaining financially sustainable whilst managing ageing assets that could require renewal and replacement. To minimise this obstacle, each asset class will be supported by individual Asset Management Plans.

The best available estimate of the total value of ARC infrastructure assets are shown below.

Current Gross Replacement Cost (30 June 2022)



Without additional funding being made available, the Long Term Financial Plan (LTFP) forecasts an asset renewal average ratio for the General Fund over the next ten years of 76%. With an industry benchmark of 100% or greater being required and \$910 million of infrastructure assets under Council's control and management, the outlook for infrastructure ratios for the General Fund is not sustainable over the long-term. Based upon the report on infrastructure assets in the 2022 Financial Statements, the current backlog in the General Fund is approximately 12%.

As a result, Council is applying for a Special Rate Variation (SRV) to assist with closing the asset renewal funding gap. A funding gap of this magnitude is significant and requires immediate action, the longer that the investment in asset renewal remains under the required level, the more costly it will be in the long run to bring assets back to a satisfactory condition.

The importance of asset condition

The condition of assets is a key driver to the level of service that can be provided to the community.

For example, recent La Nina weather conditions have placed a large strain on our road and stormwater drainage asset conditions.

A road that is potholed and not maintained will cause a detrimental impact to the community. Road users have to drive slower and be more careful or, in extreme cases, take alternative routes. A well maintained road will allow users to travel more quickly and safely.

Community members are often not aware of how the condition of assets can impact their experience until assets get to a poor condition, by which time the cost to rehabilitate may have risen significantly.

The graph on page 51 shows that 42% of Council's infrastructure assets are in Condition 1 (excellent/very good) but the most current Financial Statements show \$530m of assets are in 'satisfactory, poor and very poor condition'. The main asset classes in these categories are: buildings, stormwater drainage, other structures and transport (including sealed and unsealed roads, kerb and gutter, bridges and footpaths). Ongoing investment in asset renewal helps prevent the further deterioration in asset condition and avoids the need to spend significantly more in the future to restore the asset to a satisfactory condition.

Sealed roads are a good example. If investment is made to reseal or heavy patch roads, it avoids more costly rehabilitation work in the longer term. It costs an estimated \$70,000 – 80,000 per kilometre to reseal a road, compared to around \$400,000 or more to rehabilitate a kilometre of sealed road on a like for like basis, or \$700,000 per kilometre to Council adopted engineering standards. In order to achieve the minimum 20-year design of the underlying pavement, resealing a road is an important factor and so it makes financial sense to maintain the road with a sealing program rather than letting it deteriorate to the point where it requires rehabilitation.

While this is an economically challenging time to be consulting the community on an SRV, the worsening condition of assets will cause larger financial impacts to the community in the longer-term.

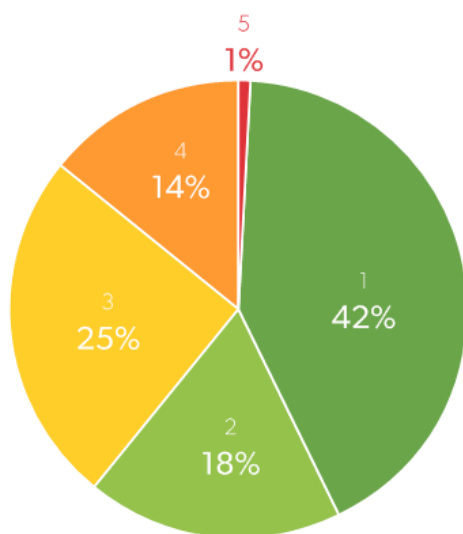
Condition rating

Asset condition is rated on a scale of 1-5 and based on the International Infrastructure Management Manual (IIMM) and are described below:

Condition Rating	Category	Description
1	Excellent / very good	No work required (only normal maintenance)
2	Good	Only minor maintenance required
3	Satisfactory	Maintenance work required (to enable an asset to provide an acceptable level of service)
Note: below condition 3 – agreed intervention level		
4	Poor	Renewal required
5	Very poor	Urgent renewal / upgrading required

Best available data on overall Council's infrastructure assets condition as at 30 June 2022:

Condition of assets based on gross replacement cost



Condition (Special Schedule 7 - 2022)

1	42.4%	\$559,644M
2	17.4%	\$230,066M
3	25.4%	\$335,112M
4	13.4%	\$176,944M
5	1.4%	\$17,903M

Asset renewal funding under each SRV scenario

The total rate revenue funding provided under Option 3 – 50% SRV – would fund depreciation and meet Council's asset backlog (estimated cost to bring assets to a satisfactory standard) of \$111 million. Satisfactory standard is currently taken to be Condition 2 (as per the 2022 NSW Local Government Code of Accounting Practice and Financial Reporting).

Option 3 is the only option in the SRV engagement that will achieve financial and asset sustainability outcomes. The other Options will see asset backlog and deterioration continue to rise.

Option 2 results in a significant shortfall in asset renewal funding over 10 years and significant changes to service levels. Detrimental impacts to asset condition would not be immediately visible but it will not take long for asset deterioration to become more evident to the community.

Option 1 would create significant detrimental impacts for Council's financial position and for asset sustainability. Deterioration of assets would be evident immediately.

Under all options, Council would still need to implement a program to improve the building and infrastructure renewal and asset backlog ratios and seek grants to assist with funding asset renewal requirements.

Investment Priorities

Should Council be successful in its application for an SRV, the following list outlines the infrastructure priorities to be funded through an SRV:

Investment priorities - our infrastructure

Sealed Local Roads	<ul style="list-style-type: none"> Resealing target - 55km per year Currently - 11km per year Backlog is now \$19 million in rehabilitation works
Unsealed Local Roads	<ul style="list-style-type: none"> Resheeting target - 70km per year Currently - 35km per year Compounding effect in maintenance cost
Bridges and Culverts	<ul style="list-style-type: none"> Replace 5 timber bridges within 10 years
Footpaths and Cycleways	<ul style="list-style-type: none"> Renew 6km of our footpaths and fix existing trip hazards Construct missing links in cycleways and paths
Kerb and Gutter	<ul style="list-style-type: none"> Renewal of 11km of failed kerb Currently - renewing 1km per year
Urban Stormwater Drainage	<ul style="list-style-type: none"> Re-lining or replacing pipes at the end of life Upgrades to address capacity and local flooding issues
Community Buildings	<ul style="list-style-type: none"> \$10 million or outstanding building upgrades and maintenance
Playgrounds and Parks	<ul style="list-style-type: none"> Without SRV no new or upgraded playgrounds unless grant funded
Sporting Facilities	<ul style="list-style-type: none"> Ongoing maintenance and renewals
Armidale Aquatic Centre	<ul style="list-style-type: none"> Refurbishment / upgrade / replace assets at the end of life

Rationale 2 - Operating Position

- 'Council must achieve a fully funded operating position'
- 'Council must maintain sufficient cash reserves'

Council is proposing that the SRV funding be utilised to improve financial sustainability by eliminating the General Fund operating deficit, as well as delivering the services as outlined in the Integrated Planning and Reporting documents, and meeting compliance obligations under the Local Government Act and other legislation.

The 2022-2023 Budget was formed on a 'maintain services' basis, resulting in a \$3.2m operating deficit (General Fund) and a reduction in reserves to fund the operations of the organisation. Even if the Delivery Program initiatives that were aligned to community feedback were removed, Council was still facing an approximate \$2m deficit. This deficit is despite Council realising \$12.7m in savings, efficiencies and one-off gains over the past five years, and running many services at core costs. The simple equation is that the rates received by ARC is not covering the operating expenditure of the organisation.

The General Fund is critically important because it contains provision for all Council services apart from water and sewerage and the funding available supports the operational capacity of the organisation as well as maintenance of critical assets such as roads, bridges, pathways, kerbs, stormwater drains and public buildings.

Council has considered this issue and has determined that a further drop in service levels (Option 2 – Managed Decline) is not in line with the community feedback it has received through the Community Plan and SRV feedback processes. The Community and Council's vision for the Armidale Regional Council area is for a growing and sustainable community but this will not be possible with cuts to services, a deteriorating road network, limited ability to fund asset replacement and no funding for new or upgraded assets unless it can be sourced by way of a grant.

As stated in the Delivery Program, by 2025-2026 Council aims to meet all Office of Local Government (OLG) Performance Ratios, while providing an operating profit to allow Council to build internal reserves that will achieve the Advancing Our Region Community Plan, prepare for unexpected events, fund initiatives that will grow our region and service the community to expected levels.

Another performance measure is based around Council's unrestricted cash position, which is benchmarked at around \$4-6 million (General Fund). The SRV will help to fund an additional \$3.2m of operating expenses and will allow Council to begin rebuilding these reserves and meet its 2025-2026 targets.

General Fund Performance Ratios	Description of Fit For The Future Targets	KPI Target	Current (2021-2022)	Option 1 – Unmanaged Decline (2025)	Option 2 – Managed Decline (2025)	Option 3 – With 50% SRV (2025)
Operating Performance	Measures a council's achievement of containing operating expenditure within operating revenue.	>0%	4.5%	-10.41%	-6.84%	.94%
Own Source Operating Revenue	Measures fiscal flexibility. It is the degree of reliance on external funding sources such as grants and contributions.	>60%	61.32%	77.19%	77.19%	79.83%
Building and Infrastructure Asset Renewal	Measures the rate at which infrastructure assets are being renewed relative to the rate at which they are depreciating.	>100%	114.05%	72.81%	71.81%	123.58%
Debt Service Ratio	Measures the cost of debt servicing (principal and interest) against total operating revenue (excluding capital grants and contributions).	>2.00x	4.94x	4.58x	5.28x	6.84x

Under Option 1, Council would continue to run operating deficits, while not delivering service levels until cash reserves were depleted and operations are no longer financially viable.

Under Option 2, Council would be required to cut service standards to base levels – roads, rates and rubbish' - limiting any economic growth and operating with continued deficits.

Under Option 3, Council will be working towards meeting the Performance Ratio targets, and will be recording increasing operational surpluses. Unrestricted cash reserves will be growing and Council will have enough in reserves to meet the OLG benchmarks, be financially compliant and be prepared for any unexpected expenses.

Impacts on ratepayers

The following tables outline how the three SRV would impact on each rating category that will be applicable under a harmonised rates structure. All rating impacts shown are based on the average rate for each category.

Rates Harmonisation

The Armidale Regional Council area was formed by the amalgamation of the Armidale Dumaresq and Guyra Shire councils in 2016. Council had been required to maintain two rating systems for the Local Government Area, with different rates paid in the former Local Government Areas, because of a four-year rate freeze imposed by the NSW Government which has now expired.

Council now maintains one consistent rating structure to ensure a fairer and more equitable system across all rating categories in the Armidale Regional Local Government Area. This will continue to be implemented gradually until June 2025 and will only affect general rates. It will not increase total rates revenue collected by Council but individual ratepayers might experience changes if they are in rating categories that will be affected by rates harmonisation.

Potential SRV Rating Impacts

Council has resolved to apply for a permanent SRV of around 50% to be phased in over three years (from 2023-24 to 2025-26), which would result in a cumulative 58.81% SRV including the rate peg (assumed to be 2.5% p.a.). The SRV would take effect from 2023-24.

The following table shows the impacts of the SRV on a property of average value in each land use category compared to the increases from the rate peg alone. Council is also intending to decrease waste charges by decreasing the regional waste levy over the period. This will reduce the impact of the SRV on average rates and the table below describes the impact on average rates in each rating category:

	2024	2025	2026	Cumulative
Rate Peg	2.50%	2.50%	2.50%	7.69%
Special Variation	14.17%	14.17%	14.17%	48.82%
TOTAL	16.67%	16.67%	16.67%	58.81%

*The impact of a 2.5% p.a. rate peg on ratepayers overall is 2.5% p.a., but there are slight variations in the % increase in each land use category due to the impacts of rate harmonisation. These are between 2.43% p.a. (farmland) to 2.51% p.a. (residential). Note also the impact of SRV compared to rate peg only is actually 51.12% (58.81-7.69 as rate peg compounds SRV in FY 2025 & FY 2026).

The following table shows the impacts of the SRV on a property of average value in each land use category compared to the increases from the rate peg alone.

	Average land value (2019)	Average Rates* including SRV + rate peg				Increase Rate peg only	Increase due to SRV	Total Increase
		2023	2024	2025	2026			
Residential	140,000	1,095	1,278	1,491	1,739	85	559	644
Farmland	1,320,000	3,464	4,035	4,708	5,493	259	1,770	2,029
Business	250,000	3,940	4,596	5,362	6,255	304	2,011	2,315
Mining	50,000	5,455	6,363	7,424	8,661	420	2,786	3,206

*Impacts for individual properties may vary considerably due to the value of the property compared to the average for that land use category, the impacts of harmonisation of rates between former council areas and changes in the value of properties as assessed by the Valuer General (next valuation is due in 2023).

Council is also intending to decrease waste charges by decreasing the regional waste levy over the period. This will reduce the impact of the SRV on average rates and the table below describes the impact on average rates in each rating category:

	Average Rates				Total increase due to SRV	Less \$155 waste levy
	2023	2024	2025	2026		
Residential	1,095	1,278	1,491	1,739	559	404
Farmland	3,464	4,035	4,708	5,493	1,770	1,615
Business	3,940	4,596	5,362	6,255	2,011	1,856
Mining	5,455	6,363	7,424	8,661	2,786	2,631

Rating Comparisons

Comparisons are difficult to make to other councils because of a range of factors, including the area of land in the Local Government Area, population density and the associated number of rateable assessments, the number and types of services provided and types of industry. Comparisons with financially-stressed councils are also problematic because it might seem they are more efficient but, in fact, they have many challenges ahead of them.

Council has compared its average rates with six Group 4 councils with relatively similar population size and/or assets. The data is based on 2020-2021 comparisons because this is the latest data available from the Office of Local Government's Comparative Council Information.

Comparison of Average Rate 2021



It is estimated that there will be more than 40 NSW councils applying for SRVs over the course of the next two years. Without confirmation whether other councils listed in the above table are applying for a SRV, and for what amount, it is difficult to forecast the future comparisons between Armidale Regional Council (with the SRV added) and other councils.

However we can show that the 58.81% SRV would result in average rates in 2026 of \$1,739 for residential, \$6,255 for business and \$5,493 for farmland. In relation to the information above, and including known rate variations or estimates for the other councils referenced, Armidale Regional Council would be placed the highest for Farmland and Residential Rates, and third highest for Business Rates within the group.

Capacity to Pay

Council has commissioned an independent Capacity to Pay report to assess the level of advantage and disadvantage within the Armidale Regional Council Local Government Area.

This report provides an analysis and evaluation of relative wealth and financial capacity whilst also looking at the financial vulnerability and exposure of different community groups within the local government area.

Some of the key findings from the report are noted below.

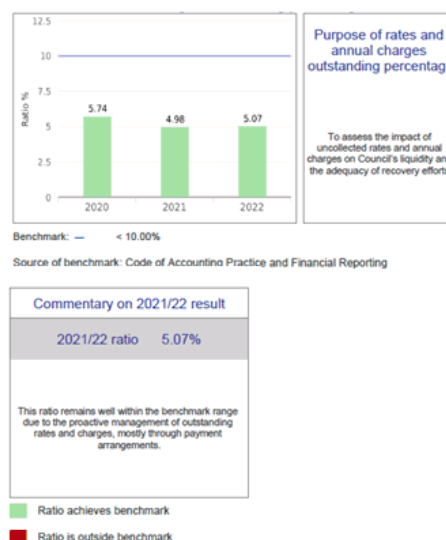
- Although there are pockets of significant wealth and advantage, there is also significant disadvantage. There is a noticeable disparity between the urban and non-urban /rural areas as well as between the former council areas.
- Reviewing indicators such as household expenditure shows that household net savings have increased to \$25,913 per household in 2020-21 (in line with Regional NSW averages), these increases in net savings indicate a capacity to pay within the community.
- Additionally, we also noted that Armidale Regional has a relatively low proportion of outstanding rates at 5.0% (2021), a strong indicator of both capacity and willingness to pay rates especially given that the benchmark for outstanding rates is less than 10% for regional and rural areas.

Council recognises that circumstances of financial hardship can arise requiring respect and compassion. In cases of genuine hardship, Council will work with people to put affordable payment plans in place that are generally in line with the existing minimum payment arrangement criteria. For further information please refer to the Hardship Support page on the Council website.

Council will also be implementing an early intervention program by identifying and implementing strategies to ensure debts are managed and the wellbeing of the community is considered.

From the Financial Statements the rates and annual charges outstanding percentage has remained relatively stable over the past 3 years and remains well below benchmark.

5. Rates and annual charges outstanding percentage



Productivity Improvements

To play our role in improving financial sustainability, Council is remodelling itself with innovation and efficiency, and we are also working hard to keep operating costs under strict control.

Council has actively sought additional revenue opportunities through, for instance, major State and Federal Grants, loan borrowings, and pricing policy reviews.

Since 2016, Council has made approximately \$2 million per annum in ongoing savings and realised a total of \$12.7 million in savings, efficiencies and one-off gains from initiatives including service contracting, joint procurement contracts, and partnership programs with other Councils and internal service reviews.

Council's target is to reach another \$1,000,000 in efficiency dividends year on year by 2026. The initiatives identified to achieve this include:

- Reviewing or disposing of property and public assets
- Cost recovery of services: Increasing fees for the Guyra Preschool, Airport, Home Support Service
- Increasing commercial and community lease fees
- Decommissioning community buildings and facilities

A summary of Council's planned productivity improvements is below:

Better Asset Management	<ul style="list-style-type: none"> • Conduct and implement asset condition assessments and data improvement for more efficient financial management and improved understanding of asset performance • Road reclassifications to transfer management to state government • Activation and maximising the utilisation of assets e.g. quarries • Building relationships with new business partners such as Fire and Rescue NSW to utilise our assets
Improved Customer Service	<ul style="list-style-type: none"> • Deliver a program of service planning across the organisation to understand customer experience, services challenges, future trends and service levels • Review the community engagement website for usability, cost efficiency and integration • Prepare a plan for the development and delivery of service reviews, including order of review for each department and mode of delivery
More Efficient Systems and Processes	<ul style="list-style-type: none"> • Reduction of the deficits incurred by the Kolora aged care facility in Guyra • Review and improve cemetery booking and management system • Finalise the automation of Ebor Waste Transfer Station • Reduced time for order and payment processing of electricity accounts, along with reduced electricity costs from LED street lighting. • Introduce an online rates and e-invoicing system • New staff human resources system including online timesheets
Finding Cost Savings	<ul style="list-style-type: none"> • Savings in Councillor fees and expenses • Reduction in employee costs • Review waste, water and sewer charges and reserve provisions • Implement Stage 2 of the Property Working Group • Saving on travel booking fees and staff time • Savings on property, plant & equipment (PPE) purchases • Lower insurance premium pricing due to Council merger (2016–2019) • Savings on environmental monitoring cost

Property Review

ARC is currently reviewing its land and property portfolio for any opportunities to reduce overheads, increase value and extend lifecycle through improved asset management. A number of opportunities exist to develop lands that are considered non-productive such as old road reserves or vacant blocks. Currently Council has identified two excess road reserve lots which are to be placed into a public process to start the process of conversion to operational lands and eventually residential lots. Future programs will:

- Form a property and lands strategy to guide future asset priorities for the community and council.
- Focus on long-term asset renewal through funding and partnerships with investment groups (local, regional, state and federal)
- Provide an investment fund for future grant and sponsor opportunity of key assets and projects.

Examples of ongoing and one-off improvement and efficiency measures recently introduced are as follows:

- Reduction in Councillor numbers: \$22,400 per annum saving, \$112,000 since 2016–17
- Parking fines: \$200,000 revenue since 2018–19 (note that leniency was applied during COVID lockdowns in 2019–20 and 2020–21)
- Paid parking at the airport: \$134,000 revenue since 2019–20 (while revenue decreased during COVID lockdowns in 2019–20 and 2020–21) and is progressively improving
- Transfer of Kolora Aged Care to private provider: \$402,802 since 2018–19
- Land divestment strategy: \$4,608,000 in sales of surplus land since 2018–19
- Staff costs: \$1,000,000 since 2018–19 in holding recruitment of vacancies
- Staff costs: \$206,267 ongoing restructure savings (pending Council's future growth strategy)
- Procurement including contract arrangements, system improvements: \$300,000 savings since 2018–19

Large scale electricity

Council has reduced electricity consumption through the installation of LED and other power saving initiatives in street lighting in the Council area. This has had a positive environmental and financial impact. Electricity expenditure across three calendar years below shows a marked reduction in costs:

Calendar Year (1 January to 31 December) Expenditure

2019	\$950,648
2020	\$864,215
2021	\$824,871
2022 (YTD to November 2022)	\$696,783
2022 (extrapolated to December 2022)	\$760,127

Alternatives to an SRV

Before considering the SRV, Council explored a number of options in an attempt to avoid or minimise any rate rise.

Options investigated included:

Funding the required increase from general revenue

Council has already realised \$2 million in ongoing savings in its long-term financial plan and must continue to achieve efficiency targets to maintain this position. Attempting to fund further expenditure would not be possible without substantial cuts or even elimination of services in other areas, and this was not supported by the community in recent community engagement.

Implementing new and increasing existing user charges and fees

This was not considered feasible and would be impracticable to implement. For example, Council does not have authority to implement road tolls, nor would it be practical to implement entry fees for public parks.

Take out new borrowings

Council already has \$23.7 million in borrowings, with \$14.063 million in General Fund. Further borrowings are not considered feasible because the need is for recurrent expenditure on an annual and ongoing basis. Large, one-off borrowings would further exacerbate asset backlog ratios and Council's financial sustainability challenge. Loans would need to be repaid, further impacting annual programs.

Use cash reserves

Council's unrestricted cash ratio of 2.27 in the General Fund is only just above the recommended benchmark of 1.5. This ratio includes internal restrictions. As a result, there are no available funds in cash reserves to redirect to annual operating expenditure.

Seek Grant funds

Council could seek to rely on grant funds. However, there are no grant programs that deliver ongoing funding to the level required to address these issues.

If an SRV is not approved there will need to be significant service level adjustments. Service level adjustments will be reviewed under asset maintenance programs and through the planned program of service reviews. Council recognises, however, that these are already under significant stress and this would require further consultation with the community before any adjustments are made.

Consultation

Although the formal engagement for the proposed Special Rate Variation began in August 2022, Council had already begun conversations with the community about the proposal much earlier than this.

While the Draft Integrated Planning and Reporting documents were on public exhibition in May and June 2022, Council took the opportunity to outline the financial position of Council and its roadmap for improvement, including the proposed SRV. Public meetings were held in both Guyra and Armidale, attended by more than 120 total participants. Council also provided detailed responses to approximately 60 community members who made a written submission.

The formal SRV engagement process ran from 23 August 2022 – 30 September 2022. In an effort to garner the broadest possible range of feedback from communities within the Armidale Region, several methods were developed for community and stakeholder engagement surrounding the proposed Special Rate Variation.

These included:

Methods of Engagement	
Project page on 'Your Say Armidale' - Information pack and rate myths sheet, 'What will I pay?' info sheet, Public meeting dates, and Survey and comments forum	<ul style="list-style-type: none"> • 2,300 visitors • 637 downloads • 375 surveys • 46 forum comments
Staff briefings: Armidale Town Hall, Guyra Depot	All staff invited to attend
Community and Business Panel meetings: 6 x 2.5 hours	Around 25 people attended panel meetings
Public meetings: Armidale Town Hall, Guyra Bowling Club, Wollomombi Community Hall, Online	Approximately 250 people attended public meetings
Stakeholder meetings: invited from Guyra Progress Association, key pillar working groups, NSW Farmers, Ratepayers Association, Indigenous Advisory Committee, Access Committee, Arts and Culture Committee, Chambers of Commerce, and the Safety and Crime Prevention Interagency groups and Rotary	Approximately 25 people attended stakeholder meetings
Call for written submissions: closed 30th September	102 submissions were received by email and by post

A total of 66 per cent of survey participants were 'against' the 50% (58.81% cumulative) rate rise over three years, with 29 per cent 'supportive' and 5 per cent providing 'no response'.

However, when asked how supportive respondents would be to reducing services - such as refusing government grants due to lack of matched funding, reducing park mowing and maintenance, and reducing economic development activities - more than 50% of people were 'very unsupportive' of each of these cuts. This demonstrates that although the community generally does not want to pay more in rates, they also don't want to reduce services or growth activity.

The most popular services to channel any additional revenue from an SRV were to maintain public spaces and amenity, local playgrounds, local assets, local roads, and parks and sporting fields.

A full summary of Council's community engagement in relation to the SRV was presented to the Ordinary Council Meeting, held on 23 November 2022.

Next Steps

Council will send its application to IPART, including all supporting documentation, in February 2023. IPART will then make a determination before the end of the 2022-2023 Financial Year.



www.armidaleregional.nsw.gov.au



Armidale Service Centre
135 Rusden Street, Armidale NSW 2350



Guyra Service Centre
158 Bradley Street, Guyra NSW 2365



1300 136 833
24 hours

Resourcing Strategy



RESTORE & THRIVE

ARMIDALE
Regional Council

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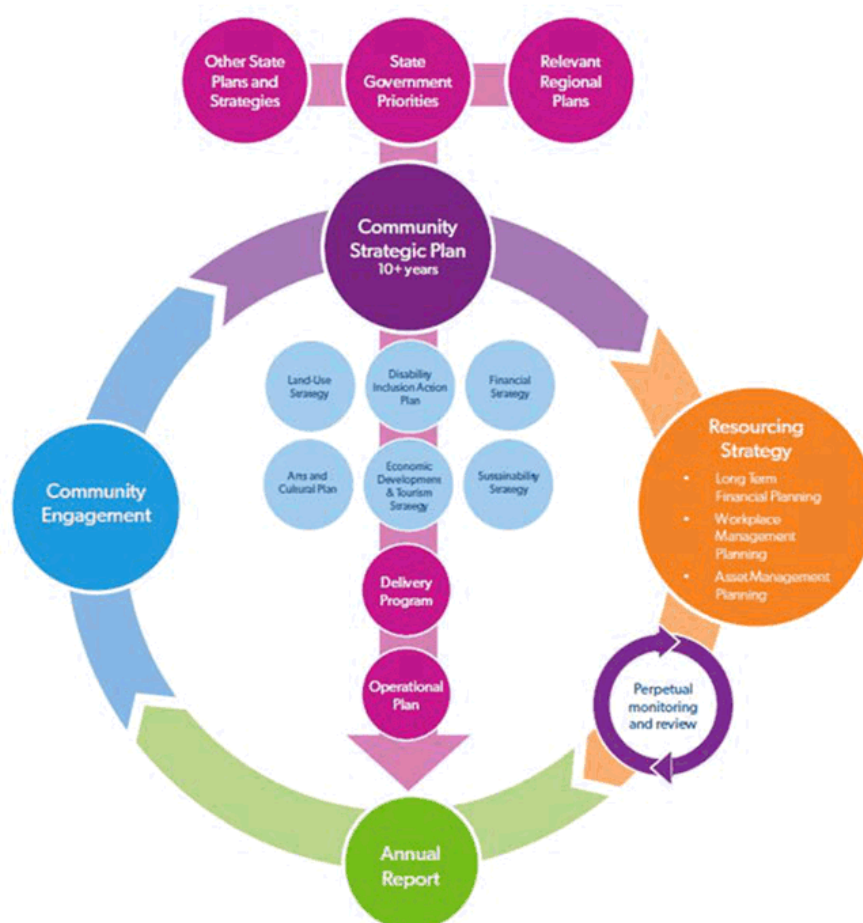
1. Strategy Background

Section 403 of the *Local Government Act 1993* (the Act) requires Council to have a long-term strategy called a Resourcing Strategy. The resourcing strategy is to include long-term financial planning, workforce management planning and asset management planning.

The Resourcing Strategy is part of a set of plans and strategies established under section 406 of the Act known as Integrated Planning and Reporting (IP&R) guidelines.

The IP&R framework is built on a quadruple bottom line, that is, the pillars of sustainability of economy, social, environmental and civic leadership. The plans reinforce the imperative of the integration of sustainability into Council's core business.

The framework is summarised in the following diagram:



While the Community Strategic Plan “*Advancing our Region Community Plan 2022-2032*” provides a vehicle for expressing long-term community aspirations, these goals and objectives cannot be

achieved without sufficient resources (time, money, people and assets) to carry them out. Some strategies identified in the Community Strategic Plan are the responsibility of Council, while others are the responsibility of other levels of government and others rely on input from community groups or individuals. The Resourcing Strategy addresses the strategies that are the responsibility of Council.

2. Armidale Regional Council Profile

The Armidale Regional Council (ARC) area is located in the New England region of New South Wales, about halfway between Sydney and Brisbane.

Some of the key economic indicators available for the region are:

Population	29,704 persons
Average Annual Population Growth Rate	Approx. 0.9%
Land Area	7,807km ²
Population Density	3.8 persons per hectare
Gross Regional Product	\$1.63b
Largest Industries	Education and Training
	Agriculture, Forestry and Fishing
	Health Care and Social Assistance

ARC was formed by the amalgamation of Armidale Dumaresq Council and Guyra Shire Council on 12 May 2016. The former councils were found to be financially unsustainable under the “fit for the future” framework established by the NSW Government. The resulting council was left with the responsibility of a large rural road network and the same level of services spread over a ratepayer base of approximately 13,000 rateable assessments.

Merging two entities identified as financially unsustainable does not immediately improve the long term financial outlook for the new entity. As the new entity, ARC must develop the required strategies to achieve a financially sustainable outlook.

ARC’s relatively low population density means that it has a lower rate base than city-based regions from which to raise revenues to maintain infrastructure and provide services. Underpinning this challenge is the NSW local government environment of rate capping, which limits the amount of taxation-based revenue that can be raised as well as the restrictions placed on types of charges that can be raised and setting of amounts for statutory fees and charges.

3. Strategy Overview

The Resourcing Strategy provides Council with an agreed roadmap for managing its financial resources and is aligned with the objectives and priorities of the *Delivery Program 2022-2026* and *2022-23 Operational Plan and Budget*.

Council's Resourcing Strategy consists of three sections:

1. Asset management planning;
2. Workforce management plan; and
3. Long term financial plan.

3.1 Asset Management Planning

Asset management is a critical function in local government as most councils manage a vast base of infrastructure assets. Within the ARC local government area, there are 651 kilometres of sealed roads, 1,077 kilometres of unsealed roads and 122 kilometres of regional roads, all of which are maintained by Council. Council is responsible for managing \$1.2 billion in infrastructure assets (roads, bridges, stormwater, footpaths, buildings, water, sewer and airport) and total assets of \$1.3 billion (including land, landfills, plant & equipment).

The Asset Management Strategy articulates to the community how Council manages its assets and details an Asset Management Improvement Plan. The main objective of the Asset Management Improvement Plan is to ensure that Council is underway with the development of a framework to identify how Council should be managing its assets.

The Asset Management Strategy has also been prepared to achieve the following:

- To show how the asset portfolio is performing to meet the service delivery needs of the community,
- To enable Council's asset management practices to be improved in a coordinated manner,
- To allow Council to develop a framework for how we should be managing assets, and
- To demonstrate a corporate approach to the management of Council's assets.

Council's corporate approach to the management of assets has resulted in infrastructure assets being classified as:

- Transport
- Buildings
- Stormwater
- Parks, Recreation and Other
- Water
- Sewer
- Waste
- Airport

A critical issue of local government areas is remaining financially sustainable whilst managing ageing assets that could require renewal and replacement. To minimise this obstacle, each asset class will be supported by individual Asset Management Plans.

In regional NSW, the majority of these infrastructure assets are under the management and control of the local council. Council has a responsibility to continue to provide services to our community through the utilisation of these assets. This responsibility requires considering how best to allocate funds for the operation, maintenance, renewal, replacement and upgrade of assets.

3.2 Workforce Management Plan 2022-2026

Council's workforce planning addresses the people, with what capabilities, experience and expertise are required to implement Council's four-year Delivery Program and ultimately the Community Strategy Plan. Due to its close alignment with Council's four-year Delivery Program the Workforce Management plan spans four years.

The plan includes:

- Analysis of current workforce requirements based on the commitments in the Community Strategic Plan; and
- A program of actions to develop an appropriate workforce culture and structure to meet those objectives.

3.3 Long Term Financial Plan

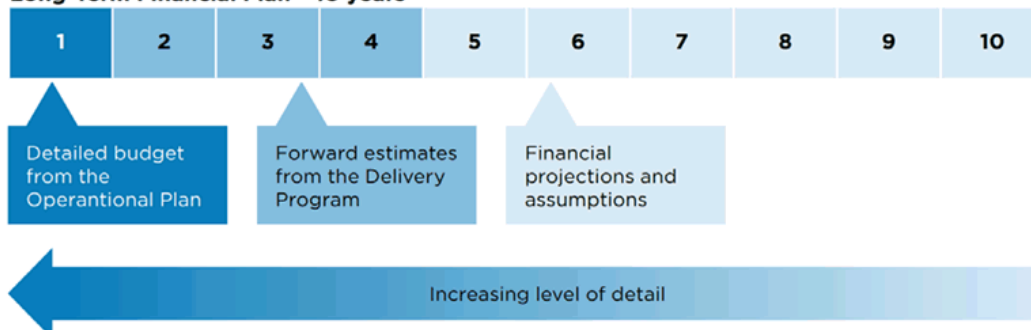
The Long Term Financial Plan is a decision making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost-effective services to our community into the future, within a framework of financial sustainability.

The Plan includes:

- The projected financial position over a ten year timeframe (2022-23 to 2031-2032);
- Key assumptions used to develop forecasts;
- Sensitivity analysis and financial modelling of different forecast scenarios; and
- Key performance indicator results.

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

Long-Term Financial Plan – 10 years



Source: Office of Local Government. (2021). *Integrated Planning and Reporting Handbook for Local Councils in NSW*, 37.

3.3.1 Financial Sustainability

Financial sustainability for local governments is critical as they are responsible for directly providing the community with a wide range of public services and community infrastructure and facilities. This requires local governments to hold and maintain a significant base of infrastructure assets, which necessitates not only substantial initial investments but also continued expenditure to maintain and renew assets over the course of their respective useful lives.

There are many definitions of financial sustainability with the definition developed by NSW Treasury Corporation being:

A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community.

Council has recognised that financial sustainability requires the following:

- Council must achieve a fully funded operating position,
- Council must maintain sufficient cash reserves,
- Council must have an appropriate funded capital program,
- Council must maintain its asset base, and
- And expenditure on assets should be driven by asset management plans.

As with many local governments, a major challenge for Council is the management of ageing assets in need of renewal and replacement. Infrastructure assets such as roads, bridges, pathways, kerbs, stormwater drains and public buildings present particular challenges as their condition and longevity can be difficult to determine. The creation of new assets also presents challenges in terms of funding for initial construction and ongoing service costs.

Council has recognised that ARC faces significant financial sustainability challenges in the General Fund. These challenges focus on the shortfall of funding available for the capital program to fully address asset renewal funding requirements and a shortfall of funding to maintain operational services. In the 2022-23 financial year Council intends to implement financial improvement strategies with the aim of closing these funding gaps within a reasonable timeframe.

Asset Management Strategy



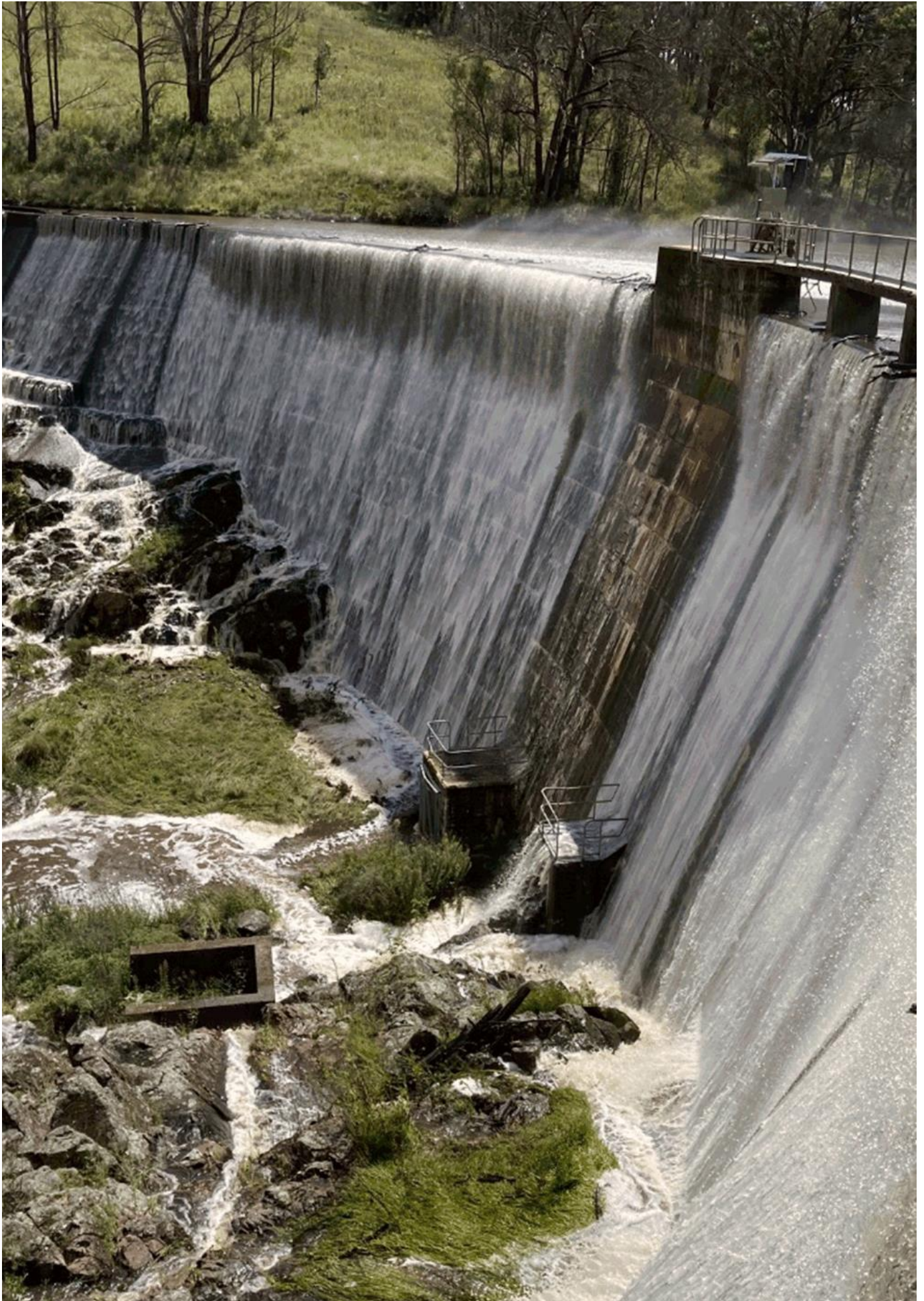
RESTORE & THRIVE

ARMIDALE
Regional Council

QUALITY CONTROL		
OUR PURPOSE	Together, proud to deliver to the highest possible standards for ARC in all we do	
KEY DIRECTION	Strong Region (Engagement and Responsibility)	
GOAL	S2 - Strong governance and leadership that supports our region to grow and prosper	
STRATEGY	S2.2 - Ensure that strategic directions are informed by, and with, the community and stakeholders and are delivered effectively, and in consideration of available resources	
RESPONSIBLE OFFICER	Coordinator Strategic Infrastructure Planning	
REVIEW DATE	2024	
DATE	ACTION	RESOLUTION No
10/03/2022	Coordinator - Draft finalised	N/A
14/03/2022	Chief Officer – Strategy endorsement	N/A
11/05/2022	Council - Public Exhibition	98/22
29/06/2022	Council - Adoption	
NOTES	Nil	
ASSOCIATED DOCUMENTS	<ul style="list-style-type: none"> • Asset Management Policy • Resourcing Strategy (Long-term Financial Plan and Workforce Management Plan) • Asset Management Plans • Community Strategic Plan • Delivery Program • Operational Plan • Procurement Policy • Risk Management Policy • Plan of Management Policies • Council's Code of Conduct • Local Strategic Planning Statement • Other adopted strategic plans/ documents related to assets 	

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1. What is the Asset Management Strategy?

Asset management is the process for whole-of-life asset management from planning, acquisition/upgrade, operation, maintenance, renewal and disposal of assets. It encompasses the integration of asset and service delivery outcomes.

Note the Asset Management Strategy should be read in conjunction with the Strategic Asset Management Plan. Figures included in this reported have not been updated since this report was prepared in June 2022.

To deliver on the key business outcome of asset management capability, Council will need a functioning asset management framework. The asset management framework comprises people policies and strategies, processes, information systems and other resources required to deliver asset management. Asset management requires an organisation-wide commitment to provide an appropriate level of support to underpin Council's asset management obligations.

This Interim Strategy has been prepared to articulate to the community how Council manages its assets and detail an Asset Management Improvement Plan. The main objective of the Asset Management Improvement Plan is to ensure that Council is underway with the development of a framework to identify how Council should be managing its assets.

The Asset Management Strategy has also been prepared to achieve the following:

- To show how the asset portfolio is performing to meet the service delivery needs of the community
- To enable Council's asset management practices to be improved in a coordinated manner
- To allow Council to develop a framework for how we should be managing assets
- To demonstrate a corporate approach to the management of Council's assets

Council's corporate approach to the management of assets has resulted in infrastructure assets being classified as:

- Transport
- Buildings
- Stormwater
- Parks, recreation and others
- Water
- Sewer
- Waste
- Airport

A critical issue of local government areas is remaining financially sustainable whilst managing ageing assets that could require renewal and replacement. To minimise this obstacle, each asset class will be supported by individual Asset Management Plans.

In regional NSW, the majority of these infrastructure assets are under the management and control of the local council. Council has a responsibility to continue to provide services to our community

through the utilisation of these assets. This responsibility requires considering how best to allocate funds for the operation, maintenance, renewal, replacement and upgrade of assets.

In conjunction with the Long Term Financial Plan and the Workforce Management Plan, the Asset Management Strategy forms part of the Resourcing Strategy, which is a set of plans and strategies established under section 406 of the Act known as Integrated Planning and Reporting (IP&R) guidelines.

Council's workforce planning addresses the people, with what capabilities, experience and expertise are required to implement Council's four-year Delivery Program and ultimately the Community Strategy Plan. The plan includes analysis of current workforce requirements based on the commitments in the Community Strategic Plan and a program of actions to develop an appropriate workforce culture and structure to meet those objectives.

The Long-Term Financial Plan is a decision making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost-effective services to our community into the future, within a framework of financial sustainability. The plan includes the 2022-23 budget, the projected financial position over a ten year timeframe (2022-23 to 2031-2032), key assumptions used to develop forecasts, sensitivity analysis and financial modelling of different forecast scenarios and key performance indicator results.



2. What are our asset management principles?

The Asset Management Policy and accompanying Asset Management Strategy will establish the principles and direction for managing Council's assets. The purpose of the Asset Management Strategy is to ensure that the management of Council's assets is planned, delivered and operated in line with the objectives in the Community Strategic Plan and provides the best possible value for the community.

To guide the sustainable management of Council's assets, the Asset Management Policy provides the principles outlined below. No principle should be applied to the detriment of another, they must be collectively considered and utilised to the reasonable and practicable extent in the circumstances.

In summary, the Asset Management Policy demonstrated **why** we need to manage our assets and the governance required around managing assets; the Asset Management Strategy outlines **how** we are planning to do that; and the Asset Management Plans details **what** needs to be done in each of the asset classes in order to align the levels of services that community expects and the serviceability of assets.

2.1 Legislative requirements

- The application of asset management will conform to legislative requirements and seek to achieve best practice in the industry
- Relevant legislative requirements and political, social and economic environments are to be taken into account in asset management decision making

2.2 Communication and engagement with the community

- Consultation and engagement with the community will be undertaken on key issues affecting the delivery of services and infrastructure assets
- When determining service and intervention levels through community and key stakeholder consultations, financial efficiency, utilisation, function and the condition of the assets will be the key performance measures considered

2.3 Planning, process, practices and continuous improvement

- Decisions on asset renewal, disposal, upgrade or new asset provision will be carried out in accordance with asset management information that includes demonstrated need, life cycle costing, alternative modes of delivery, sustainability, equitable distribution of resources and social equity, financial performance, utilisation, function and the condition of the assets
- Council will better understand its assets, their criticality and consequences associated with poor planning and management of assets
- Council will plan, create, operate, maintain, renew and dispose of assets in accordance with community and Council's priorities for service delivery

- Asset management process, documents and practices will be review at appropriate intervals
- Key issues with asset management practices and process will be identified and Council will continuously work towards improvement
- An Asset Management Strategy will be developed, reviewed and adopted every four years by Council
- An Asset Management Framework aligned with the requirements of ISO 55001 will be prepared, implemented, monitored and continually improved
- Asset Management Plans should be considered as the baseline for future capital planning, and it will be guided by relevant Council plans and strategies, will include demand forecasts and community consultation

2.4 Financial capacity and value for money for the community

- Council will apply this policy to inform, plan and guide decisions about assets in order to deliver the optimum balance of services and risks within its financial capacity
- Effective planning around budget and operations will be undertaken to provide value for money solutions for community
- Council will identify funding to support and maintain Council infrastructure
- Asset Management Plans and the Long Term Financial Plan will be aligned to identify any funding gaps that will need to be addressed by balancing risk, lifecycle cost and service levels

2.5 Resources

- Council will allocate sufficient resources for the development of asset strategies, asset management plans and service level documents and the identified asset maintenance and renewal activities from those strategies and plans
- Council is working towards ensuring that all employees are appropriately trained in asset management principles, practices and processes in order to effectively deliver asset management objectives and create and sustain an asset management awareness throughout the organisation

2.6 Back to basics/ Focus on maintenance and renewal of existing assets

- Council will ensure that the asset management of existing assets will not be compromised by the creation of new assets
- Maintenance and renewal expenditure will be planned and prioritised in order to keep useful assets in an acceptable condition and minimise increase in renewal backlog
- By applying an optimised level of maintenance and renewal, Council will reduce future life cycle costs
- Council will only acquire new assets where there is demonstrable benefit to the community for the service and the lifecycle costs of the asset can be funded by Council
- An inspection regime will be used as part of the asset management to ensure service levels are maintained and to identify asset renewal priorities

- Asset management working groups will ensure coordinated approach to asset management across Council

2.7 Life-cycle approach

- Council will develop a life cycle approach in managing assets, which will allow Council to perform better financial planning
- Decisions to accept, acquire or construct new assets will consider the full life cycle costs (operation, maintenance and the need to renew the asset at the end of its useful life) with this information to be included in Council reports and to be subsequently allocated in Council's Long Term Financial plan and Asset Management Plans
- All asset renewal, upgrade or new projects are to include full lifecycle costs including maintenance as part of the project planning phase
- By using full life cycle methods, Council will identify and prioritise the lowest cost life cycle options in decision-making



3. Background

3.1. Post amalgamation to date

The Armidale Regional Council (ARC) was formed on 13 May 2016 as a result of the amalgamation of the former Armidale Dumaresq Council (ADC) and Guyra Shire Council (GSC). The Council governance structure operated under an Administrator until Sept 2017 and an elected Council until June 2020, when an Administrator was again appointed.

Council was also placed under a Performance Improvement Order from 9 December 2020, requiring a large body of work to improve compliance and its financial position. This work remains ongoing.

Additionally, Council has experienced high staff turnover and has been operating on skeleton staff levels in many areas, and has faced unforeseen events such as large scale natural disaster events.

Like many local government entities, Armidale Regional Council is challenged by the level of ongoing funding compared with an extensive infrastructure portfolio and delivery of a wide range of services in a complex and highly regulated environment.

Staff skills in some areas are very limited, and growing capability and capacity will be a crucial objective moving forward. The vast number of areas requiring improvement creates difficulties in conducting business as usual service delivery and significant business improvement. Council will need to maintain a “back to basics” approach to achieve its stated goals over the following years.

Council does not have a sufficient level of funding to deliver the required service levels from an asset maintenance perspective and renewal perspective. Council’s ratios are unable to be improved without additional funding being sought including through a special rate variation (SRV) process. There is a large asset-based valued at over \$1 billion in infrastructure, and the projection for key ratios for infrastructure are currently at unacceptable levels in the LTFP without additional investment in asset renewal on an ongoing basis.

3.2. 2022 and the new Council

An Asset Management Framework (AMF) includes an Asset Management (AM) Policy, an Asset Management (AM) Strategy, Asset Management Plans (AMPs) as well as supporting work practices. The Strategy forms part of the IP&R Framework as one part of Council’s Resourcing Strategy.

In recent years Council’s internal ability to provide asset management functions have been poorly supported, and currently, no Asset Management Framework exists. To date, there has been little or poor coordination across Council with little or no formally trained staff to support the framework and very poor asset data maturity.

As part of the Asset Management Improve Plan included in this Strategy, Council will start developing



4. Our assets

Asset management is a critical function in local government as most councils manage a vast base of infrastructure assets. Within the Armidale Regional Council local government area, there are 651 kilometres of sealed roads, 1,077 kilometres of unsealed roads and 122 kilometres of regional roads, all of which are maintained by Council. Council is responsible for managing \$1.2 billion in infrastructure assets (roads, bridges, stormwater, footpaths, buildings, water, sewer and airport) and total assets of \$1.3 billion (including land, landfills, plant & equipment).

With such a large and diverse range of assets, Council requires a system and processes to manage assets utilising quality data and strong technical expertise.

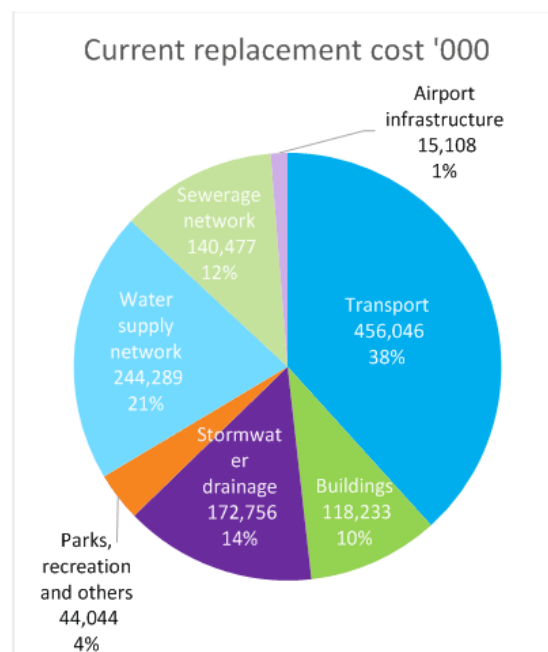
Council is currently developing the Asset Management Framework, and this is an area for improvement and will remain a focus from 2022 onwards. Until there is a robust implementation of the Asset Management Framework across Council, this will remain a critical risk.

Council's total asset portfolio comprises of:

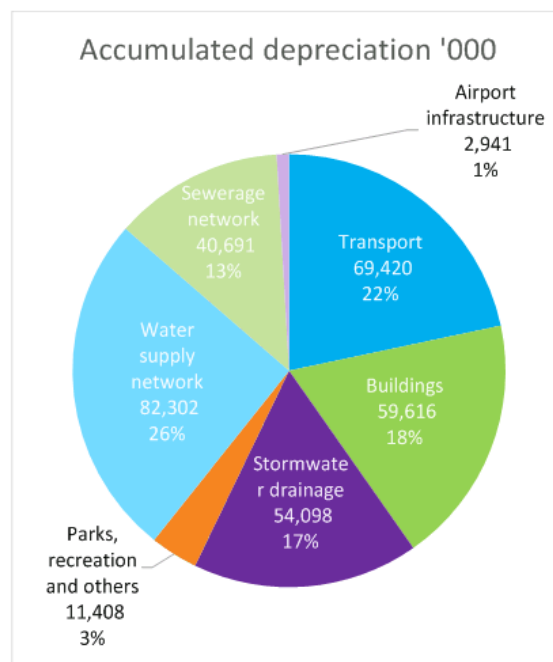
#	ASSET	UN
1	Sealed roads	651km
2	Unsealed roads	1,077km
3	Regional roads	122km
4	Bridges	112 assets
5	Footpaths	130km
6	Kerb & gutter	271km
7	Water network	30,627 assets
8	Sewer network	22,159 assets
9	Stormwater	119km
10	Land	342 properties
11	Buildings	264 assets
12	Other structures	300 assets
13	Plant & equipment	480 assets

The best available estimate of the total value of infrastructure assets are shown below. This position is based on poor level of asset maturity in many areas, registers, systems, resources, processes, etc. Confidence should increase in the short to medium term as Council completes actions on its Asset Management Improvement Plan.

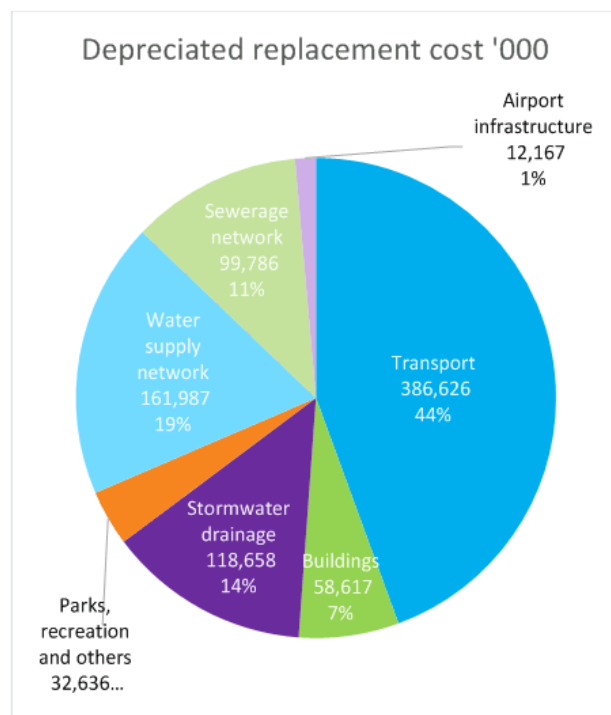
- Current Replacement Cost: \$1,190,953,000



- Accumulated Depreciation: \$320,476,000



- Depreciated Replacement Cost: \$870,477,000



Without additional funding being made available, the Long Term Financial Plan (LTFP) forecasts an asset renewal average ratio for the general fund over the next ten years of 58%. With an industry benchmark of 100% or greater being required and \$1.2 billion of infrastructure assets under Council's control and management, the outlook for infrastructure ratios for the General Fund is not sustainable over the long term.

As a result, Council is considering the need for a Special Rate Variation (SRV) to assist with closing the asset renewal funding gap. A funding gap of this magnitude is significant and requires immediate action, the longer that the investment in asset renewal remains under the required level, the more costly it will be in the long run to bring assets back to a satisfactory condition.

5. How do we manage our assets?

5.1 Overview

The determination of levels of service is critical in determining if sufficient funds are available for sustainable asset service delivery. Service levels are ordinarily determined by defining the outcomes as agreed with the community, identifying the services required to meet those outcomes and the infrastructure required to support those services. The determination of service levels has been identified as a key action within the Asset Management Improvement Plan contained within this Asset Management Strategy.

Review of community expectations and service levels Council's 2021 Special Rate Variation application was made based on maintaining service levels to the community in the short term. It was noted in the application that the option applied for would: "result in current levels of service maintained in the short term; however, the asset renewal backlog will increase. This will increase costs in the medium to long term, placing a financial burden on future generations, therefore will have limited options to fund new assets as the region grows."

Council still has work to do in evaluating service levels and aligning this with community expectations within the funding available. Lacking a focus on creating and aligning strategies for utilities, assets and services, and experiencing challenges in uniting staff in common service delivery has meant that Armidale Regional Council has struggled to define appropriate levels of service, plan around these and deliver efficiently to the community expectations since amalgamation. Not having strategic business plans supported by a robust governance framework has fostered a number of operational challenges that have yet to be addressed.

In the absence of a clear strategy guiding service delivery, reactionary approaches to changing priorities have shifted work into non-traditional roles and temporary appointments, further challenging consistent service delivery. Some staff have traditionally separate portfolios such as grants

and asset management or facilities management and project management. The workloads are hard to manage due to their disparate nature and make work prioritisation very difficult for the staff in those roles.

Council is currently rolling out changes to many strategies to help define and plan to deliver consistent levels of service to create a sustainable organisation for the benefit of the community. These changes are being brought about through various projects, including an Integrated Water Cycle Management Plan, a Transport Infrastructure Service Plan, an Asset Management Framework, and Councils Delivery Program. Together, these initiatives and projects will slowly improve Council's service delivery to the levels expected by the community.

5.2 Condition rating

Condition rating assessments on individual assets are not undertaken on a regular basis. Ideally, inspections would be done depending on the type of asset, its age, previous condition assessments, and criticality. Moving forward, as part of the development of asset management plans, Council will start moving toward a more proactive approach rather than a reactive approach.

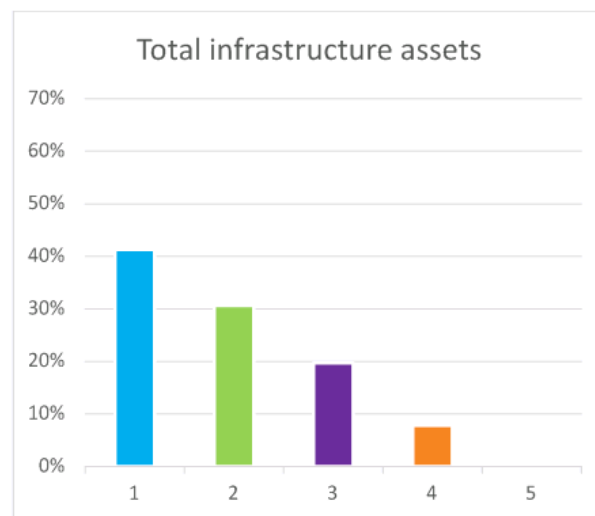
Currently, condition is monitored informally, and inspections are not done regularly for all asset classes. It is important to note that there is low data confidence in asset condition and condition data is not available for all the assets.

Asset condition is rated 1-5 and based on the International Infrastructure Management Manual (IIMM) and are described as per below:

1. Excellent/ very good – only normal maintenance required
2. Good – minor maintenance required
3. Satisfactory – Maintenance to enable an asset to provide an acceptable level of service
Note: below condition 3 – agreed intervention level
4. Poor – significant renewal/ upgrade required
5. Very poor – urgent renewal/ upgrade required

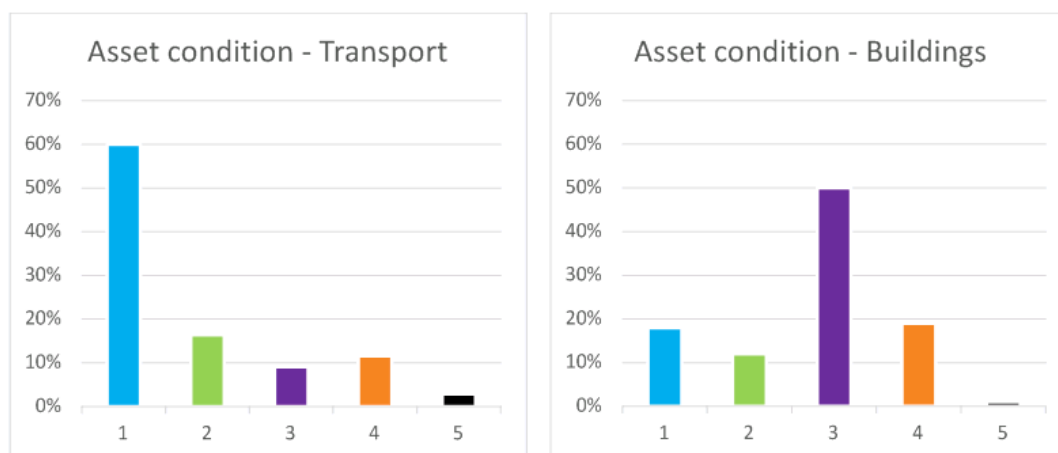
5.2.1 Overall Council's infrastructure assets condition

Best available data on overall Council's infrastructure assets condition as at 30 June 2021:



5.2.2 Council's infrastructure assets condition per asset class

Best available data on asset condition per asset class as at 30 June 2021:





Note: the condition data on infrastructure assets will change once data confidence increases as Council completes actions on its Asset Management Improvement Plan.

5.3 Levels of service

Asset condition helps identify asset trends and clearly defines levels of service. Asset management decision making is directly linked to asset condition; this determines what condition the asset should be in before an asset management intervention.

Current and future condition assessments intend to:

- Provide a robust and repeatable process for carrying out condition assessments on council's assets
- Use condition assessments to develop programs for intervention with regards to further inspection, monitoring, maintenance and renewals
- Correlate the levels of service that the community expects and the serviceability of assets to meet that

Levels of Service are considered in terms of:

- Condition: How good is the service? What is the condition or quality of the service?
- Function: Is it suitable for its intended purpose? Is it the right service?
- Capacity/Use: Is the service over or under used? Do we need more or less of these assets?

5.4 Useful life

An asset's 'useful life' is the period from when it is constructed until it reaches its agreed intervention level. It is directly related to condition/ serviceability and impacts depreciation.

As a result of the amalgamation of the former Armidale Dumaresq Council (ADC) and Guyra Shire Council (GSC), a considerable part of the data containing information of year built has been lost. Modelling will be undertaken based on the information available, which is a 'best estimate', with the actual life dependent on numerous factors that influence the rate of deterioration of the asset (e.g. construction methods, materials, weather and usage). Once Council is able to reassess asset conditions and the expected remaining life of assets, better quality information and modelling will be provided.

5.5 Demand management

Drivers affecting demand include circumstances such as job creation, population change, climatic conditions, climate change, regulations, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

Work has commenced on determining the impact of growth on the provision of Council services. At this stage, the growth implications are being reviewed in broad terms regarding the increased operation, maintenance and renewal costs, and the potential of new and upgraded assets being required. Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and the provision of new assets to meet demand and demand management.



5.6 Asset inspection

Armidale Regional Council is working to have a coordinated approach to asset inspections. The lack of staff to carry out adequate levels of inspections, maintenance and renewals across all asset classes will be addressed as part of the Workforce Management Plan (WMP), accounting for work areas needs and accommodating future demands.

It is noted that maintenance is fundamental for the ongoing management of assets and considered an investment that directly influences the potential assets to reach their intended useful life. The ongoing development of asset knowledge through asset inspections, improved maintenance activities, subsequent defect monitoring and repairs are fundamental in developing sustainable intervention levels for renewal and replacement of assets.

5.7 Lifecycle cost

The lifecycle cost of assets is determined based on each asset's total cost of ownership, including acquisition/ upgrades, operations, maintenance, renewal, and disposal costs. Lifecycle costs are a crucial consideration when determining whether to invest in new assets as the ongoing costs of operation, maintenance and renewal are often greater than the initial construction cost of the asset.

As part of the development of asset management plans for each asset class, operational documents will be prepared to detail how Council plan to manage and operate the assets at the future developed agreed levels of service while managing life cycle costs.

5.8 Capital upgrades and new assets

Upgrades enhance an existing asset to provide a higher level of service, for example, widening an existing sealed road. New assets are those created to meet an additional service level requirement or increase the size of a network, and may be required as a result of growth, social or environmental needs. It is important to note that new assets and upgrades add to future liabilities.

Capital upgrades and new assets commits Council to fund ongoing budget liabilities for operations, maintenance, renewal and depreciation for the asset's life.

New assets and upgrades of existing assets are identified from various sources such as Councillors, community requests, proposals included in strategic plans or partnerships with other organisations.

Providing sustainable services will require matching projected asset renewal and replacement expenditure to meet agreed service levels with the corresponding capital works program accommodated in the long-term financial plan. Budget forecasts will continue to be developed as information is captured and reported; however, the current confidence levels in data are low.

Council has adopted an extremely conservative fiscal position, placing pressure on Council's ability to fund works. This results from historical events and unprecedented pressures on Council's finances ranging from natural disasters to governance issues.

This Council has a challenge and an opportunity to set the goalposts and consistently align the various strategies within the organisation towards those goalposts. This sets a stable foundation from which our community can grow, and our Council can use it to become more efficient in service delivery.



6. Risk management and critical assets

Council is committed to a structured and systematic approach to managing risk and has committed resources to the implementation of a Project Management framework/program and a Risk Management program within the Project Management Office and Governance areas. Those programs aim to embed the principles of risk management in all aspects of Council's operations, which will ultimately:

- Increase the likelihood of Council achieving its objectives
- Create an environment where all employees have a crucial role in managing risk
- Encourage proactive management
- Improve the identification of opportunities and threats
- Improve stakeholder confidence and trust
- Improve financial stability and minimise loss

- Improve organisational performance

For assets with potentially long lives, risks associated with changing economic conditions, varying levels of demand for services, operations and maintenance and disposal requirements, are to be analysed and managed to ensure the investment is justified. Those should be identified when developing the asset management plans.

One of the risk assessment outcomes in each asset management plan will be the determination of critical assets. Critical assets are specific assets with a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, Council can appropriately target and refine inspection regimes, maintenance plans and capital expenditure plans.

Operations and maintenance activities may also be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency and higher maintenance intervention levels. By identifying critical assets and failure modes, investigative activities, condition inspection programs, maintenance and capital expenditure plans can be targeted at the critical areas.

7. Asset Management Improvement Program

7.1 Asset management objectives

This Strategy has identified a number of individual asset management objectives which have been utilised to prepare an Asset Management Improvement Plan for the overall consideration and management of Council's assets and are as follow:

- Ensure that infrastructure is managed to deliver the requirements of Council's Asset Management Policy and Community Strategic Plan
- Ensure Council's asset management is undertaken on a corporate basis
- Ensure that assets are maintained in a safe and functional condition to encourage and support economic and social development
- Consistent asset management data is in place
- Responsibility for asset management is defined

- Council's asset management data is correct and consistent
- Reporting on Council's asset management capability is consistent and accurate
- Reporting, identifying, assessing and appropriately controlling risks
- Continue to improve the management of the impact of growth through demand management and infrastructure investment
- Council's asset management system to be put in place so accurately inform the Long Term Financial Plan to monitor Council's financial sustainability
- Service levels are determined, agreed and documented, providing a defined level of service and monitoring performance
- Service delivery is matched to service level specifications and costs are captured accurately, in the most cost effective manner for present and future consumers
- A lifecycle approach is imbedded within Council so cost-effective management strategies for the long-term that meet the defined level of service

7.2 Asset management improvement plan

This Strategy has identified a number of actions to be put in place so Council can start improving how it manages assets more efficiently. The Asset Management Improvement Plan actions are listed below.

#	ACTIONS	YEAR NEXT REVIEW/ COMPLETION	REQUIRED BUDGET
	I. ASSET MANAGEMENT FRAMEWORK		
1	Update every two years of the Asset Management Strategy	2024	internal resources
2	Update every four years of the Asset Management Policy	2022	internal resources
3	Develop Asset Management Plans (AMPs) for all asset classes. Once plans are developed, update and review to be done every two years	2024	internal resources

4	Asset maturity audit to be undertaken so improvement plan can be revised to reflect what areas will need to be prioritise	2022	internal resources
	I.I ASSET MANAGEMENT PLANS		
5	Review unit rates and useful lives	2024	internal resources
6	Review and update asset registers to capture missing asset components and agree on a single point of truth for asset information	2024	internal resources
7	Update condition assessments and review financial modelling to ensure LTFP is revised and use accurate information	2024	270,000
8	Identify critical assets to ensure risks and costs associated with those are reduced	2024	internal resources
9	Review levels of service every 4 years to ensure they are fully identified, documented and appropriate for the current available resources and are sustainable in the long term	2024	internal resources
10	Develop an inspection schedule, ensuring that it also incorporates condition rating inspections	2024	internal resources
11	Develop a performance reporting system for service levels to report asset performance	2024	internal resources
12	Review proposed work schedules and identify any funding gaps	2024	internal resources
13	Review the process for recording, monitoring and actioning maintenance works	2024	internal resources
14	Undertake a review of the infrastructure backlogs and determine the critical and financial implications associated with that	2024	internal resources
15	Implement process to write off assets due to strategic decisions	2024	internal resources
16	Continue to develop the integration between our strategic plans, asset plans and long term financial plans	ongoing	internal resources
	II. DATA & SYSTEMS		
17	Investigate the introduction of a single corporate asset management information system	2024	200,000
18	Develop a project plan to investigate, review and analyse potential asset software systems which include the ability to generate maintenance and renewal program together with a LTFP	2024	included above
19	Develop a process and required documentation for the capitalisation of Council constructed assets to ensure integrity between assets and finance registers	2022	internal resources

20	Review information contained in the asset registers x finance registers x GIS to ensure data accuracy and single point of truth	2025	internal resources
III. SKILLS & PROCESSES			
21	Create an asset management function matrix with clear roles and responsibility	2022	internal resources
22	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions with responsibility for asset management being well defined and incorporated in employee performance reviews	2022	internal resources
23	Organise training for key personnel and Councillors on asset management fundamentals	2022	30,000
IV. GOVERNANCE & MANAGEMENT			
24	Review current team structure and analyse what roles are required for the area to be fully functioning and able to have a AM framework in place	2022	internal resources
25	Implement Asset Management Working Groups	2022	internal resources
26	Implement the Asset Management Reference Group	2022	internal resources
27	Create an environment where Council employees take part in the overall management of Council's assets by developing asset management awareness and capability throughout Council (Project Management Framework, Asset Management Framework, process, procedures, business as usual work, etc.)	ongoing	internal resources
28	Process mapping of asset management activities and standardisation across Council on AM practices in accordance with IIMM	2023	internal resources
V. EVALUATION AND REVIEW			
29	Report to the ELT on the development and implementation of the Asset Management Framework six monthly	2022	internal resources
30	Development of the State of Assets report once a year	2022	internal resources
31	Report to Council on asset backlog once a year	2022	internal resources
32	Report on infrastructure requirements/ increase due to population/ job increase once a year	2022	internal resources



Workforce Management Plan



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1. Introduction

Armidale Regional Council is committed to proactively delivering against the expectations of our Community and being an active participant in driving change across the broader community and Local Government industry.

We acknowledge that one of our most important assets are our people. Having the right people, with the right skills, at the right time, undertaking the right jobs.

The Workforce management planning ensures that we are well positioned to do this, supporting the achievement of goals detailed in Council's Delivery Program which is informed by the Community Strategic Plan.

The Workforce Management Plan is about making sure we have a plan in place to build the culture, capability and capacity in our workforce to meet the commitments we've made to our community through our Delivery Program. It is part of our Resourcing Strategy and aligns with our Community Strategic Plan, Delivery Program and Operational Plan.

Council, the Executive Leadership Team and all staff are committed to the initiatives as outlined in this document to ensure we continue to strive for excellence in our service delivery and throughout our Council organisation.

Acknowledgement of Country

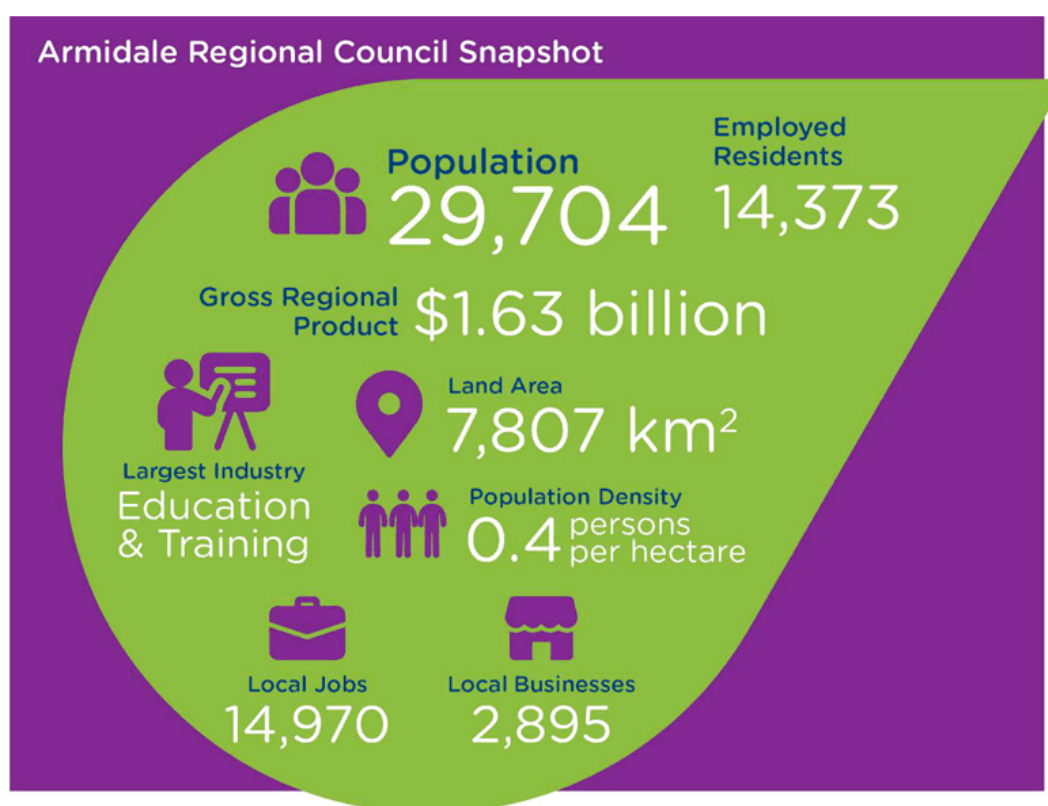
We acknowledge the traditional custodians of this land and pay our respects to elders past and present. The Armidale regional community pays tribute to their love of land, love of people, and love of culture. We all share the beauty of this land, the richness of its soil and the uniqueness of its wildlife. Let us walk together in the footsteps of love and understanding. While valuing diversity, let us share the same hope for a better future.

2. About Us

2.1 Our community

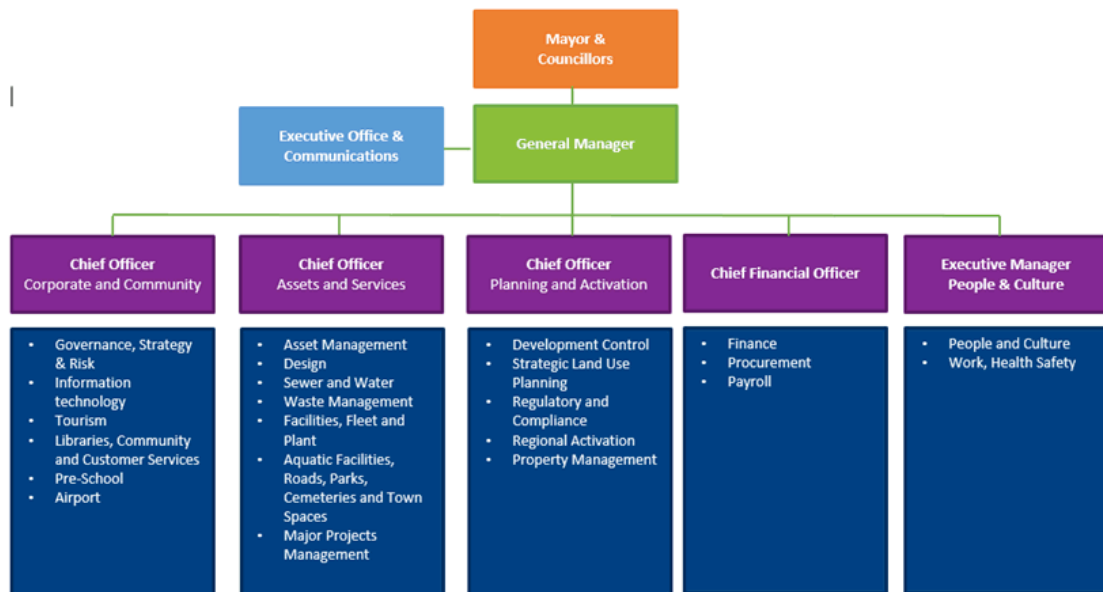
Armidale Regional Council is located in NSW in the picturesque New England High Country region and boasts spectacular waterfalls, World Heritage listed national parks, a fascinating and diverse cultural heritage, and a thriving arts scene. Armidale – Australia's highest city, is centrally located between Brisbane and Sydney.

With a cosmopolitan culture, it is a university city that prides itself on being dynamic, progressive and innovative. It enjoys great natural beauty, with vast and productive agricultural land, cohesive local towns and villages, and a progressive Armidale city that provides many essential services to the region.



3. Our Organisation

Our organisation is built in a way to ensure that we are well positioned to deliver a range of diverse services to meet the needs of our community. Our services are currently operating in the following way:



4. Our Values

Council is committed to creating a workplace where staff hold the below values at the core of our behaviour and conduct.

Inclusion



- Having positive interactions with other staff and valuing all staff for who they are. Valuing diversity and allowing for real opportunities for all staff to have meaningful relationships.

Wellbeing



- What is ultimately good for staff, what is in the self-interest of staff to ensure they are comfortable, healthy and happy in the workplace

Transparency



- Conducting your duties in a way that creates openness between managers and staff by sharing information freely in an effort to benefit Council, staff and the Community.

Commitment



- Taking ownership of your work and being an ambassador for Council through a willingness to get involved.

5. Restore & Thrive - Building a lasting Culture

A back-to-basics turnaround strategy driven by the General Manager in collaboration with all staff and Councillors is a key focus for Council as the organisation sets a path to 'Restore and Thrive'.

A significant step in Council's roadmap to 'restore and thrive' has been to address the poor culture within the organisation. A 'culture audit' with a 90 percent staff (and Councillors) participation rate in the audit debrief was conducted by the Dattner Group. In summary the challenges identified by staff and councillors included:

- financial constraints;
- an organisational structure that doesn't make sense;
- issues related to the loss, shortage and turnover of staff;
- instability at the top including management and councillors;
- poor community reputation;
- lack of strategic direction;
- low morale and job satisfaction and
- a lack of unity.

The audit also highlighted some key strengths of the organisation including good people passionate about serving the community and the potential and current improvements already seeing positive change.

A team made up of leaders from all levels of the organisation and referenced as OPARC (Operation: Planet ARC) developed a draft turnaround strategy and roadmap as part of the back to basics approach that focuses on vision, purpose, values, supporting and unsupportive behaviours, as part of a focused strategy.

The final endorsed OPARC Strategy Map and Values and Behaviours document was built on feedback from all staff and Councillors through a World Cafe event. These documents, are now the centrepiece by which Council staff hold each other to account over the nominated timeframe for our 'Turnaround Strategy'.

Along the way, we will reassess our progress against the strategy map and seek to take the next step in our journey.

“During my involvement in OPARC I found that my contribution did matter. The things I learnt from OPARC have really changed my leadership style in so many ways. I have seen positive changes across all sections of council, with all staff feeling proud to be part of the ARC team. We all feel like we are on the same level and we all play a part in the way ARC progresses into the future - delivering the highest possible standards for the community in all we do.”

Billy Hyde - Acting Supervisor Parks and Open Spaces

6. The future Workforce – the Armidale Regional Council vision

The future workforce at Armidale Regional Council is **capable, engaged, courageous, agile and resilient**.

Our workforce utilisation **meets the needs of the community**, we are on track with project delivery, we have a sustainable organisation structure which is financially responsible and aligned and fully integrated with the Community Strategic plan and delivery program.

Armidale Regional Council will have invested in the professionalism and expertise of people and leaders. We have adopted a strategic approach to work which has improved our ability to attract, recruit and develop our team.

Our team are well supported with quality learning and development opportunities which extend beyond baseline capability and competency requirements.

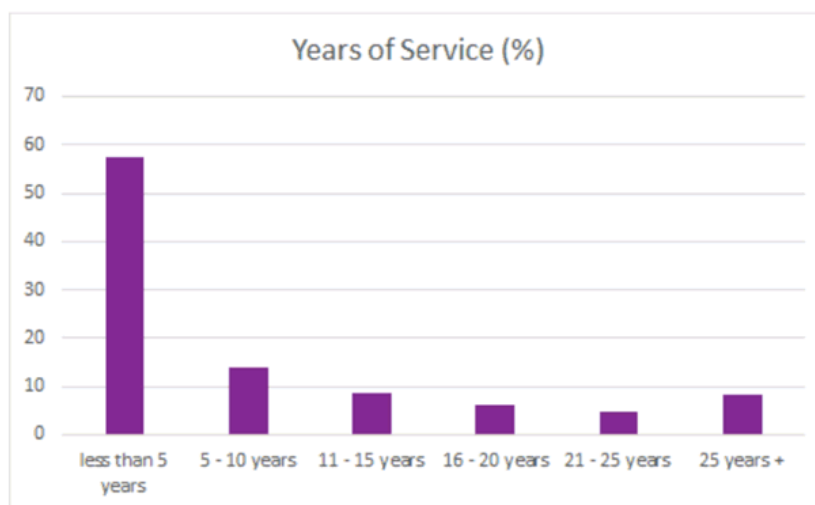
Our culture energises our people to be at their best and is based on our values of inclusion, wellbeing, transparency and commitment. The culture is well understood and embedded in our everyday operations. We have **safety at the front of mind** with all of our work and safeguarding the health and safety of our team, workers and visitors is paramount, and Council takes its responsibility seriously by providing and maintaining a safe working environment.

We **easily embrace new capabilities and mindsets**, with strong foundational capabilities, driven by a learning culture well supported by career pathways. We provide an attractive employment option, for local people, for tree-changes seeking a life style change, and local government professionals.

The **community has complete confidence** in our ability, and we do as well. Council has a respectful leadership that makes **open and transparent decisions**, well informed by stakeholders, leading practices, systems and technologies.

7. Our team





Av. Length of Service - 7.8 years

Employee Costs



ARC = 32%

NSW councils median = 37% #

Regional councils median = 35%



“ People represent the largest expenditure area and the most productive asset of council. ”

The Australasian LG Performance Excellence Program FY17

8. Meeting the needs of the future

The road map to the future workforce at Armidale Regional Council has grass root foundations. It acknowledges where we are in the journey, and in doing so will enable us to set a realistic strategic direction. One that is achievable and set strong foundations for the future.

This is a back to basics strategy.

Key objectives have been identified that act as a filter for effective workforce planning providing a flexible, integrated and structured way to develop workforce strategies that meet both strategic and business needs.

These objectives support and underpin development of the Workforce Management Strategy:



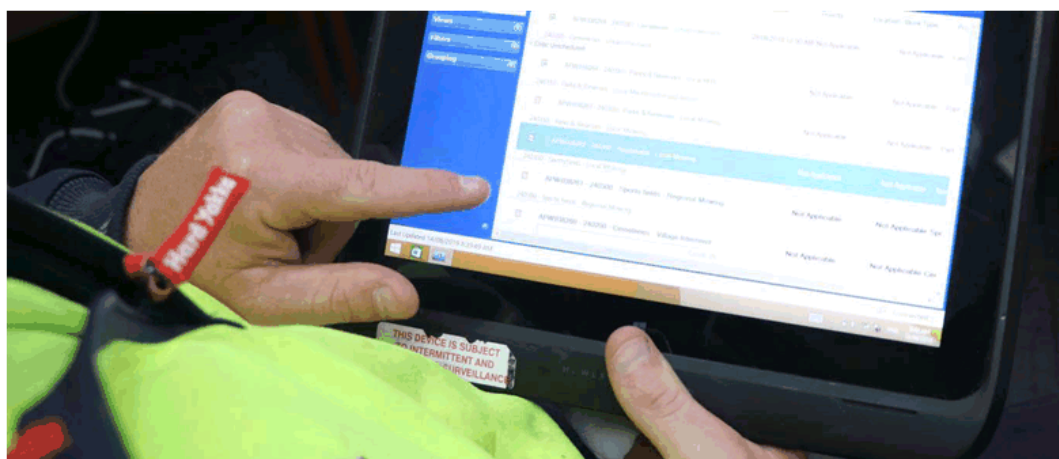
8.1 Revive

We have robust and well considered system of workforce foundations which enable Council to build and deliver to the community.

Actions

- Implement an appropriate Human Resource Information System software (HRIS) which integrates with existing Council systems
- Undertake a technology skills gap analysis within the current workforce and address gaps as required
- Continue investment in the culture journey, delivering on the strategic aspirations outlined in the Restore and Thrive Strategy Map
- Build and deliver a salary system which is fair, transparent and robust that offers our teams a competitive salary
- Embed a Performance Capability Framework into the HR life-cycle functions, including position descriptions, recruitment, performance management and development
- Review and streamline our People & Culture systems and processes to increase efficiencies





8.2 Future proof

We have an agile and adaptive workplace, which embraces data and digital transformation to deploy skills, expertise and talent to where it is needed, to deliver the outcomes that the community expect.

Actions

- Increase investment in development and training to develop highly skilled, accountable and innovative staff
- Develop and implement a structured Developing Leaders Program – developing internal leadership and managerial skills within our workforce
- Integrate and implement recommendations within ICT Strategic Plan to promote a digital workforce
- Demonstrate high performance and embrace technology developments that drive more efficient work practices, and work more innovatively and efficiently in a digital world
- Develop and implement solutions to support new ways of working
- Develop new employment brand and remarket ARC as a great place to work
- We are focused on a culture of continuous improvement, where personal growth builds individual and collective performance

8.3 Safe and healthy

Keeping our teams safe is our number one priority. We foster a culture of safety and well-being for our teams.

Actions

- Build WHS Capability across the Council
- Develop a Safety and Wellbeing Strategy which prioritises staff health and wellbeing programs aimed at increasing safety, functional capacity and wellbeing
- Implement new safety management system
- Develop a Health and Well-being program with a strong focus on our people
- Improve safety culture at ARC through the implementation of appropriate initiatives
- Define verification process for determining operator competencies
- Establish a process to review contractor management across the organisation and develop a contractor safety compliance strategy
- Implement injury management initiatives to assist in managing workers compensation premiums.





8.4 Thriving

Building a strong workforce, with capability and opportunity.

Actions

- Investigate the opportunity to work with Joint Organisation members to broaden experience and enhance regional relationships
- Provide greater support for management hard to fill and business critical roles including the development and implementation of a Succession Planning program which addresses corporate knowledge transfer and skill retention
- Develop and implement a holistic Transition to Retirement Program
- Develop and implement an Employer Branding Strategic to promote local government and ARC as an employer of choice
- Implement initiatives to support our team to enjoy a sustainable approach to work life balance, where leave balances and overtime is managed
- Promote the benefits of living and working in the region to support regional workforce growth and Council employment
- Develop and implement a Youth Employment Strategy which provides increased career development opportunities to youth through targeted Apprenticeship, Traineeship and Cadetship Arrangements at Council

9. Our current environment

Like most organisations across NSW, Armidale Regional Council faces a number of current and future workforce challenges that require careful management and planning.

The workforce

Council has an ageing workforce with a reactive approach to workforce planning that is limited by a prescriptive industrial environment. The quality and consistency of leadership across operations is evolving and is supported by the current Culture and Values program (OPARC) which is seeing some tangible improvements in culture across Council. However, there is an increasing need to provide robust development opportunities for staff which has been lacking in recent years due to financial constraints.

The reputation of Council has impacted on the ability to recruit strong talent to the organisation, and whilst this is improving, we will continue to work on an attractive value proposition for future and current staff.

Our WHS culture and systems are developing, having not been prioritised and experiencing high staff turnover in the team for a number of years. Currently safety is not well understood or accepted as a core part of operational responsibility.

The Organisation

Addressing Council's renewals gap will require a strategic growth in both our indoor and outdoor workforce. The current identified gap is significant enough that a range of skills will be required to effectively address including program development and project management and on site delivery. It is anticipated that the growth will result in new jobs for both Council and the region, however finding skilled labour can be challenging.

It is important to acknowledge the extended periods of dysfunction and administration that Council has experienced, a lack of investment in systems and technology, the loss of employee talent and experience, and the absence of robust, considered, deliberate strategy and performance frameworks have all conspired to place Council in a position of having to play catch-up in terms of organisational capability.

It is critical to the effective and efficient delivery of Council services that the quality and performance of our operations improve significantly in the short and medium term so as not to hinder the delivery of Council's many and varied external services. The ability to make any real change will be largely dependent on the provision of adequate resources and skills in order to deliver both the core business of Council.

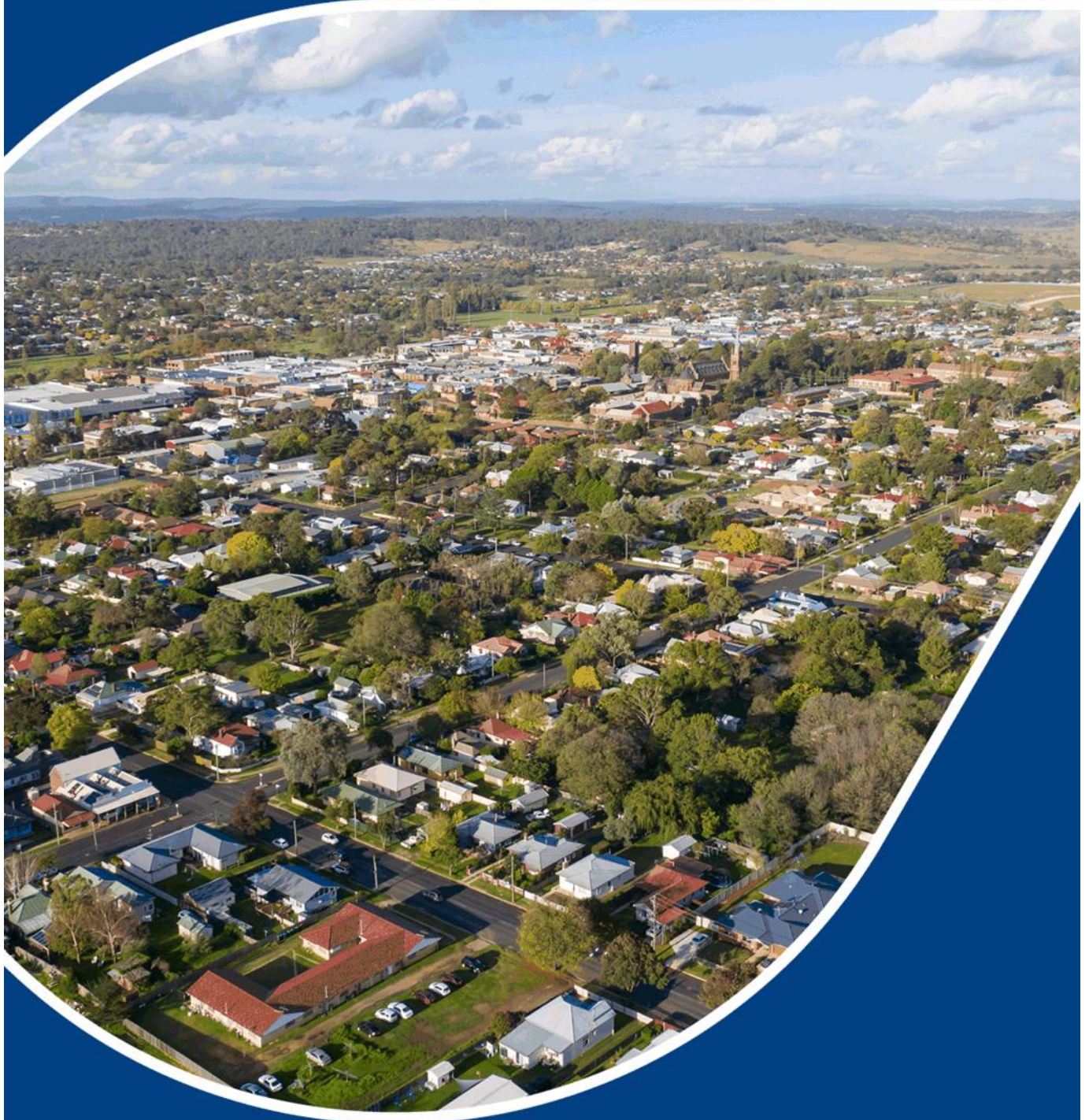
“ By implementing the strategies outlined in this plan, Council's team will have the required capability, skills and competencies to deliver our services and programs into the future. ”

We face many of the same challenges as other Council's across NSW in developing our workforce for the future.

Key challenges include:

- An ageing workforce
- Leadership capability and capacity
- Attracting and retaining the right people who are the best fit for critical roles
- Shortages of qualified staff

Long Term Financial Plan



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1. Foreword

Council adopted the 2022-2032 Long-term Financial Plan (LTFP) in June 2022. This document presents an updated 2022-2032 LTFP. It incorporates some changes identified in the Special Rate Variation (SRV) community engagement and changes identified from the preparation of the 2022 Financial Statements. An initial option 1, Unmanaged Decline, was rejected early in the original IP&R process has been included here for information purposes.

In order to limit the change to the information presented during community consultation and align to the adopted 2022-23 operational plan only minor changes have been made. The changes identified have been introduced from 2023-24. There will be a further review of the LTFP during the preparation of the 2023-24 operational plan to bring to account the changing economic circumstances.

2022-23 is an important year for Council and the community. The 2022-23 budget and Long Term Financial Plan (LTFP) has been prepared in response to the direction set by the new Council elected in December 2021, who have a vision to grow jobs in the Armidale local government area by 4,000 by 2040. The long-term vision of Council is to retain future generations in the region and attract new residents to the region. This will in turn generate population growth, which will achieve the critical mass necessary to generate infrastructure investment from all levels of government.

Currently, investment from the other levels of Government comes in the form of grant funded programs to Council. The frequency and financial quantum of Government grant funded programs is highly uncertain. Due to this inherent uncertainty, Council is not able to reliably and accurately forecast for grant income nor grant related expenditure. For simplicity and financial prudence, grant income and grant related expenditure is minimized to only those grants that are certain and reliable. For this reason, the scenario projections included in the attached document are conservative (ie minimized) in relation to grant funding. Going forward, should the SRV application be approved, Council will have more available funds to co-contribute and will be able to consider other grant funded capital projects.

However, it has been well documented and known for many years that Council's financial position and outlook is poor with Council not able to meet the benchmarks for the Fit for the Future indicators determined by the Office of Local Government. Therefore, Armidale Regional Council is not financially sustainable. One of the key underlying strengths necessary to deliver on the vision set by Council is that it must have a strong financial position. Currently, this is not the case.

Unfortunately, it is not possible for Council to 'do nothing', (option 1: unmanaged decline), at this juncture and a range of difficult decisions are needed to address the poor financial outlook for the General Fund. This is critically important because the General Fund contains provision for all Council services apart from water and sewerage and the funding available supports the maintenance of critical assets such as roads, bridges, pathways, kerbs, stormwater drains and public buildings.

Council has considered this issue and has determined that it will pursue a path with the goal of increasing funding available to the budget, including by way of a Special Rate Variation (SRV). It is

cognisant of the potential impact of an SRV on ratepayers and, conversely, the negative impacts to the community of not taking action now will be significant.

Failure to address the unsustainable financial position places Council in contravention of S.8b of the *Local Government Act 1993* (the Act) and will compel Council to cut and/or reduce services to ease the unfavourable gap between income and expenditure.

There is a large structural deficit inherent in the existing General Fund budget, and the following issues exist and need to be addressed:

- Ongoing low unrestricted cash position,
- Insufficient funding for operational service levels,
- Insufficient funding for the maintenance and renewal of assets,
- Inability to take on additional borrowings without creating further financial stress, and
- High reliance on grant funding for core asset renewal programs.

Given Council's position of looking to resolve the above issues through additional funding sources, the 2022-23 budget and LTFP has been determined taking the following areas into account:

- The current financial outlook.
- The activities contained in the *Delivery Program 2022-2026*, which provides for the community aspirations for Regional Activation and Growth.
- Asset renewal funding requirements identified in the Ten Year Capital Works program.

It has been determined that Council will not cut service levels and will look instead to:

- Implement activities to achieve financial improvement, such as seeking to fully recover costs for some services and commencement of a service review process, and
- Commence a SRV process, making an application to IPART by February 2023.

As such, while the 2022-23 projection for the General Fund is a significant operating deficit, Council intends to implement a financial improvement plan that seeks to return the General Fund to a surplus position, fully address the asset renewal funding requirement and also provide for the ability to build financial capacity to invest in growth and activation initiatives.

2. Introduction

2.1 Key points of the plan

The LTFP is a ten year rolling plan that informs decision-making and demonstrates how the objectives of the Community Strategic Plan and commitments of the Delivery Program and Operational Plan will be resourced and funded.

The LTFP captures financial implications of asset management and workforce planning. For example, by identifying how additional assets will be funded, or existing assets are renewed or upgraded and what provisions are made for changes to service levels.

The LTFP is a tool to aid decision making, priority setting and problem solving. It is a guide for future action, to be reviewed and updated annually, and addresses the following:

- how council will survive future financial pressures,
- opportunities for future income and economic growth,
- whether council can afford what the community requests, and
- how council can achieve outcomes agreed with the community.

The LTFP must include:

- projected income and expenditure, balance sheet and cash flow statement,
- planning assumptions,
- sensitivity analysis, highlighting factors and assumptions most likely to impact the LTFP,
- financial modelling for different scenarios,
- methods of monitoring financial performance, and
- major capital and operational expenditure implications.

In accordance with S.8b of the Act, the LTFP must give due regard to:

- the progressive elimination of operating deficits,
- the establishment of a clear revenue path for all categories of rates linked to specific expenditure proposals,
- ensuring that any proposed increase in services and assets is within the financial means of Council,
- ensuring the adequate funding of infrastructure maintenance and renewal,
- the use of borrowing, where appropriate and fiscally responsible, and
- the fair and equitable distribution of the rate burden across all categories of rate payers.

2.2 Purpose of the LTFP and its place in the IP&R process

Long-term financial planning is a key component of the Resourcing Strategy and the LTFP must be used to inform decision making during the preparation and finalisation of the Community Strategic Plan and the development of the Delivery Program.

In developing the LTFP the following principles of sound financial management apply:

- Council spending should be responsible and sustainable, aligning general revenue and expenses.
- Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- Councils should have effective financial and asset management, including sound policies and processes for the following:
 - performance management and reporting
 - asset maintenance and enhancement
 - funding decisions
 - risk management practices
- Councils should have regard to achieving intergenerational equity, including ensuring the following:

- policy decisions are made after considering their financial effects on future generations
- the current generation funds the cost of its services

The LTFP must be publicly exhibited for at least 28 days and submissions received by the council in that period must be accepted and considered before the final LTFP is adopted by the Council.

2.3 Review cycle

In 2022-23 the LTFP has been updated and included in the Resourcing Strategy, as this has been updated in line with the development of the *Delivery Program 2022-2026*. The LTFP will be reviewed annually and updated in line with the development of the Operational Plan.

3. Context

3.1 Key budget drivers

Armidale Regional Council was formed by the amalgamation of Armidale Dumaresq Council and Guyra Shire Council on 12 May 2016. The former councils were found to be financially unsustainable under the “fit for the future” framework established by the NSW Government. The resulting council was left with the responsibility of a large rural road network and the same level of services spread over a ratepayer base of approximately 13,000 rateable assessments.

Merging two entities identified as financially unsustainable does not immediately improve the long term financial outlook for the new entity. As the new entity, Council must develop the required strategies to achieve a financially sustainable outlook.

Council’s relatively low population density means that it has a lower rate base than city-based regions from which to raise revenues to maintain infrastructure and provide services. Underpinning this challenge is the NSW local government environment of rate capping, which limits the amount of taxation-based revenue that can be raised as well as the restrictions placed on types of charges that can be raised and setting of amounts for statutory fees and charges.

Some of the key economic indicators available for the region are:

Population	29,704 persons
Land Area	7,807km ²
Population Density	3.8 persons per square km
Gross Regional Product	\$1.63 billion
Largest Industries	Education and Training Agriculture and Forestry Health Care and Social Assistance

3.2 Local Government assets and services and role of Council

Statutory and Regulatory Functions

Local government authorities fulfil a range of responsibilities under various Acts and in response to community service obligations. Some of the major functions Armidale Regional Council is responsible for includes:

- Facilitate the role of Council as required by the Act,
- Facilitate the collection, management and spending of public funding on community services (regulatory and non-regulatory),
- Carry out functions in a way that facilitates a local community that is strong, healthy and prosperous (including principles of sound financial management),
- Prepare strategic and operational plans,
- Advocate on behalf of the community to other levels of government,
- Planning and Regulatory Authority in the local government area,
- Water Supply Authority,
- Roads Authority,
- Manager of Public (Community) and Crown Land, and
- Regulatory Waste functions.

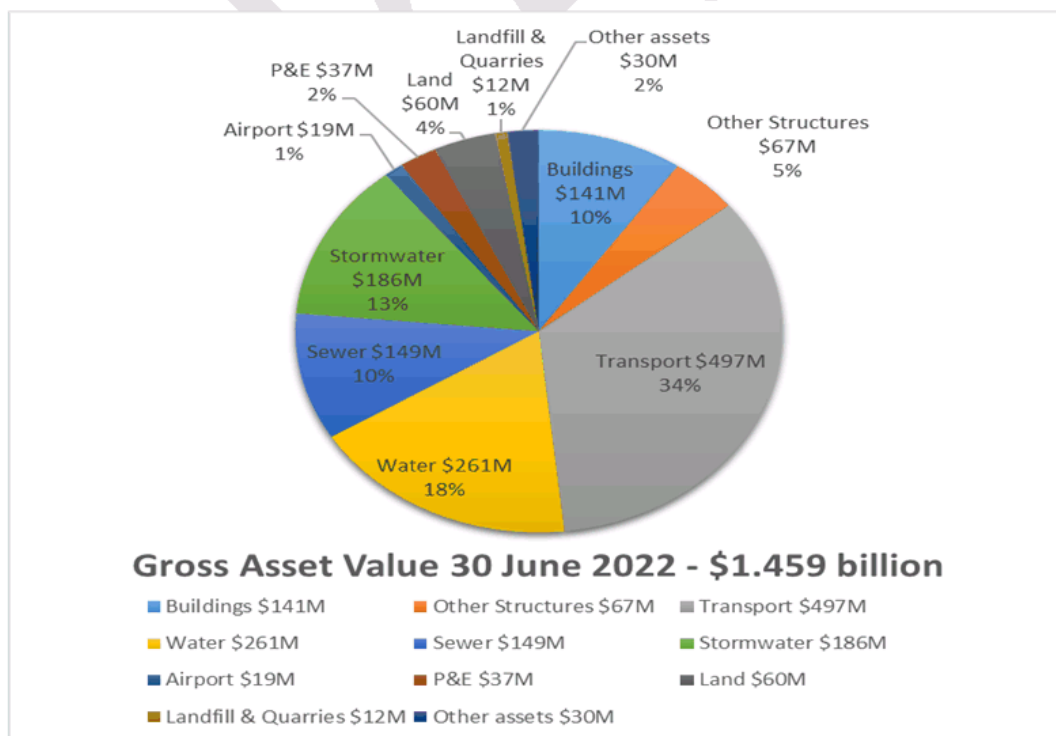
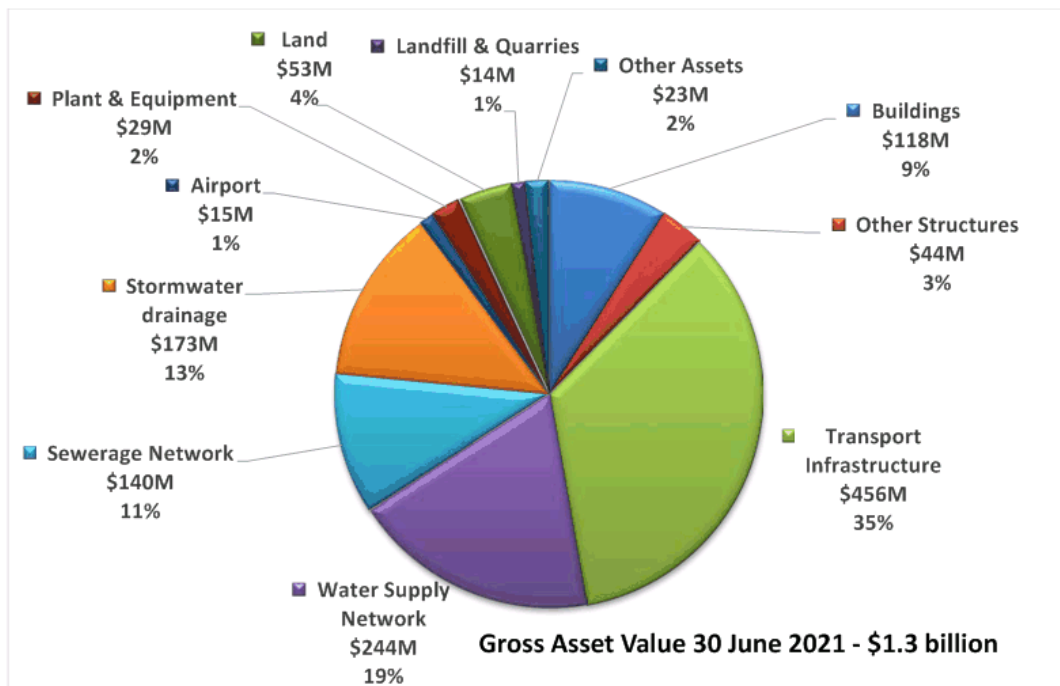
Council is required by the Act to account for and show the budget separately for:

- Water Fund
- Sewerage Fund
- General Fund (everything else)

A consolidated result is also reported. Assets and liabilities for each of the three funds above is required to be accounted for separately and, in particular, Council must only use cash reserves pertaining to each fund to support that fund's activities.

Assets

Council is also responsible for a wide range of assets, including infrastructure, as follows:



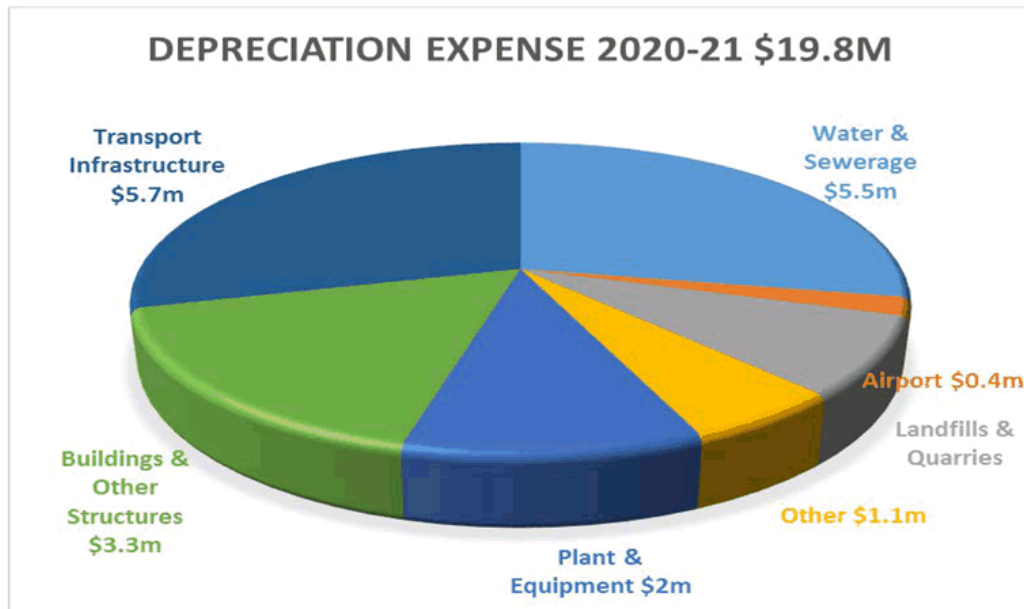
Asset Volumes

Roads	1,858km	Stormwater	119km
Bridges	112	Land	342 properties
Footpaths	130km	Buildings	264
Kerb and Gutter	271km	Other Structures	300
Water Network	30,627 assets	Plant & Equipment	480 assets
Sewer Network	22,159 assets		

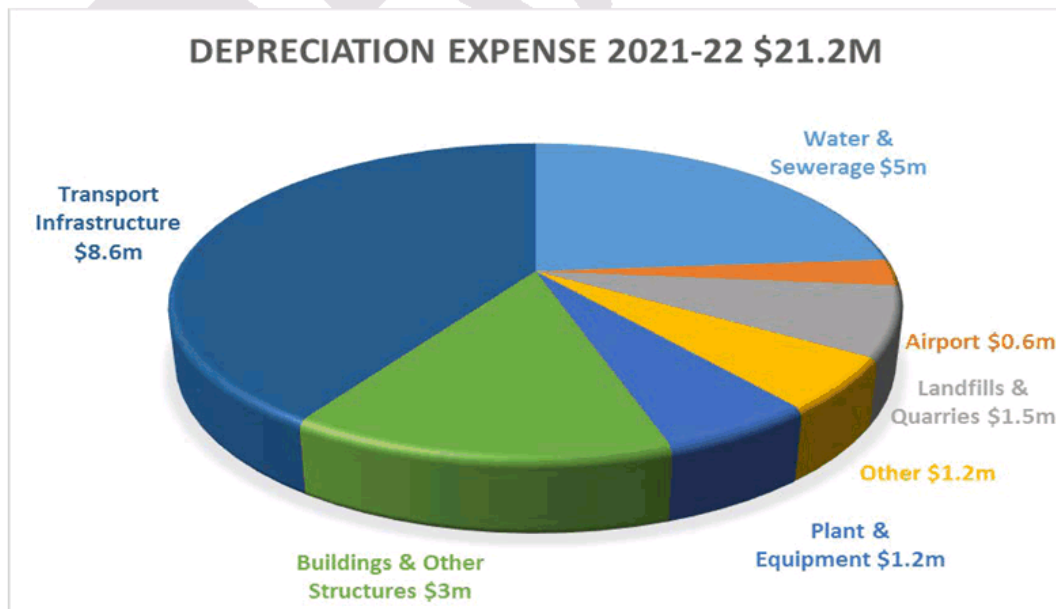
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Depreciation

Depreciation on the above assets totaled \$19.8 million in the 2020-21 financial year as follows:

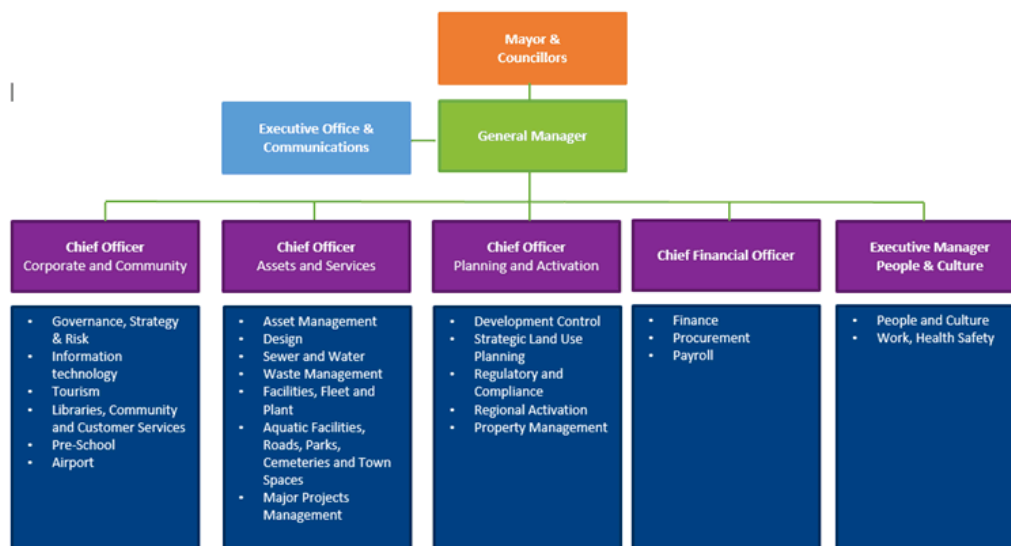


Depreciation increased materially in the 2021-22 financial year. The LTFP options have been updated to show the impact of the projected increase. Depreciation expense is calculated based on the requirements of the Australia Accounting Standards and is outside Councils ability to influence.



Services

Council operates a broad range of services under the following areas:



3.3 Financial Sustainability

Financial sustainability for local governments is critical as they are responsible for directly providing the community with a wide range of public services and community infrastructure and facilities. This requires local governments to hold and maintain a significant base of infrastructure assets, which necessitates not only substantial initial investments but also continued expenditure to maintain and renew assets over the course of their respective useful lives.

There are many definitions of financial sustainability with the definition developed by NSW Treasury Corporation being:

A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community.

Council has recognised that financial sustainability requires the following:

- Council must achieve a fully funded operating position,
- Council must maintain sufficient cash reserves,
- Council must have an appropriately funded capital program,
- Council must maintain its asset base, and
- And expenditure on assets should be driven by asset management plans.

3.4 Financial Challenges

Asset Renewal

As with many local governments, a major challenge for Council is the management of ageing assets in need of renewal and replacement. Infrastructure assets such as roads, bridges, pathways, kerbs, stormwater drains and public buildings present particular challenges as their condition and longevity can be difficult to determine. The creation of new assets also presents challenges in terms of funding for initial construction and ongoing service costs.

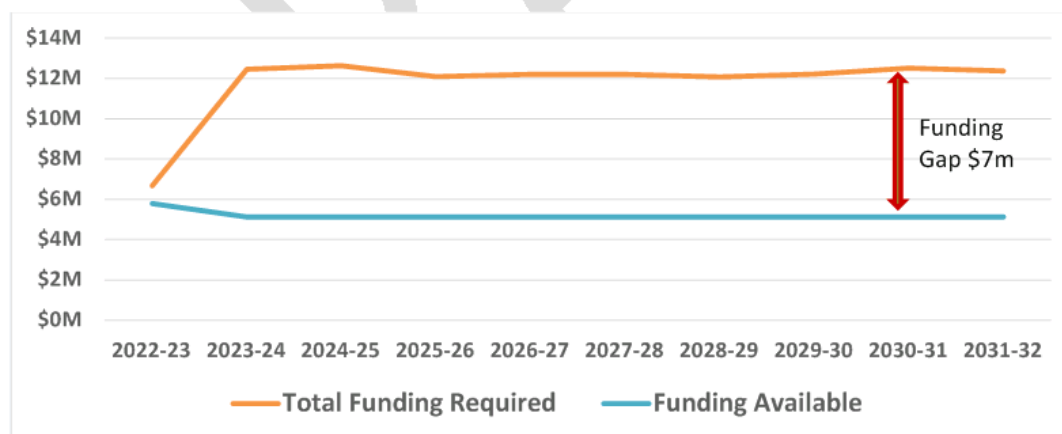
The size of Council's base of infrastructure assets means that regular investment is needed every year to ensure that assets such as roads are maintained in a fit for purpose condition.

As such, Council needs to make ongoing regular investment in programs such as:

- Unsealed road gravel resheeting
- Resealing asphalt roads
- Road rehabilitation
- Renewal or replacement of kerb and gutter, footpaths and stormwater

Where possible, Council will seek external funding for these activities; however, the funding requirement for asset renewal cannot be met by grants alone and, in the General Fund, this is not currently being met by other funding sources. This has been identified as Council's greatest financial challenge.

The graph below shows the total funding required to fully fund the asset renewal requirement identified in the General Fund Ten Year Capital Works Program against the level of funding available.



As can be seen from the above graph, a gap of approximately \$7 million per annum exists in available funding as compared to funding required each year.

This represents a major problem as without the funding gap being closed, the condition of assets will deteriorate and the infrastructure backlog will increase.

Council's proposal for a SRV will be predominantly due to this issue. In the absence of an increase in funding, Council will need to make difficult decisions to cut and/or reduce services so that funding can be redirected to asset renewal.

The Water and Sewerage Funds do not face this issue as they are not under the same capped revenue constraints as the General Fund.

Operating Performance

In 2022-23 Council's General Fund Operating Result is forecast to be a \$3.2 million deficit. The required benchmark for the Operating Performance Ratio is greater than 0% meaning that an operating surplus should be achieved.

Where an operating deficit is forecast, a requirement of the Act is that in developing the LTFP, due regard must be given to promoting the financial sustainability of Council through the progressive elimination of operating deficits.

This can only be achieved through an increase of operating revenue or reduction of operating expenditure. A major reduction of operating expenditure is only possible through a reduction of service levels.

Council's LTFP should forecast an operating surplus for all funds individually as well as on a consolidated basis. While this may not be possible in the short term, the Financial Improvement Plan that accompanies the LTFP will contain strategies to achieve this.

External Environmental Impacts

Council has been responding to some impactful environmental and social challenges over the past few years including drought, bushfires and COVID-19. These challenges have had an enormous bearing on the resources of Council and the delivery of services, both in the short and long-term.

Total cumulative impacts from COVID-19 are estimated to be \$3.6 million from reduced revenue from the airport, property leases and parking fines.

The dramatic decline in the cash rate and the loss of income from interest on investments has also significantly impacted the budget. It is estimated that this source of income has declined by around \$3.5 million since 2018-19 as measured on a cumulative basis across all funds.

While most of these areas are forecast to return to closer to pre-COVID levels in 2022-23 there are still some areas not yet showing a full return being the airport and interest income from investments.

Cash Position

Council's cash position has been the subject of public scrutiny while under Administration and in the 2017-18 financial year Council's reported unrestricted current ratio was only just above the minimum benchmark of 1.5 times.

With unrestricted cash being Council's main buffer against unexpected events, this was a precarious position and Council took steps through the budget process to improve this. A range of cost reductions

and project deferrals occurred in order to assist with improving the level of unrestricted and internal reserves.

At 30 June 2021 there had been a marked improvement in the cash position compared to 30 June 2018; however, it is still considered low in the context of the level of liabilities and provisions Council has and the \$1.3 billion in assets under management.

Given the scope and scale of Council's responsibilities, it should have the financial capacity to be able to build cash reserves; however, at this time any improvement in cash reserves comes at the expense of maintaining and renewing assets and this position is not sustainable.

4. Strategic Alignment

The LTFP has been developed in line with the outcomes identified in the *Advancing our Region Community Plan 2022-2032* and *Delivery Program 2022-2026*.

It has also been aligned with the *2022-23 Operational Plan and Budget* with the first year of the LTFP being the 2022-23 budget.

The Asset Management Strategy has produced a ten year capital works program that has been fully funded in the LTFP scenario. The focus of the ten year capital works program has been on renewal of assets and addressing the infrastructure backlog. While some provision has been made for infrastructure upgrades or new assets in later years of the forecast, the period covering the *Delivery Program 2022-2026* is primarily focused on increasing the funding available for asset renewal to the required level.

The LTFP has been aligned with the Workforce Management Plan in terms of provision for the level of human resources required to deliver the outcomes identified in the *Delivery Program 2022-2026*.

5. LTFP Assumptions

As with all forecasts, it must be acknowledged that things change over time and that long term forecasts are useful as a guidance tool which can identify financial issues in advance and enable a strategy or plan to be developed to deal with them. The LTFP has been developed with the overriding assumption that Council will prioritise projects in accordance with available funding and will maintain current service levels. Service levels can affect operating costs and income as well as asset maintenance costs.

The LTFP uses a range of assumptions to project future years beyond 2022-23. These are outlined below.

In order to limit the change to the information presented during community engagement and align to the adopted 2022-23 operational plan only minor changes have been made. The changes identified have been introduced from 2023-24. There will be a further review of the LTFP during the preparation of the 2023-24 operational plan.

Changes made	Option 1: Unmanaged Decline	Option 2: Managed Decline	Option 3: SRV (50% Special Rate Variation)
Increase in Depreciation to align with actual 2021-22 depreciation of \$21M	Included	Included	Included
Adjust for actual rate peg of 3.7%	Included	Included	N/A
Include SRV cost of \$200K	Included	Included	In Original
Reduce Waste Levy	From 2026/27	From 2026/27	Staged over term of SRV

Financial Improvement Plan

Item	Comment
Efficiency/ Productivity Target	In the General Fund LTFP an efficiency target has been assumed of \$1 million per annum by 2025/26. This could take the form of reduced expenditure or increased cost recovery for some services. Council is currently reviewing a range of areas for consideration and is also commencing a service review process from 2022-23, which will also inform this target.

Operating Revenue Assumptions

Item	Comment
Rate Peg	The rate peg amount is closely related to local government CPI rates as determined by IPART. IPART recommends use of 2.5% for financial modelling and this has been used for years beyond 2023-24. The actual rate peg of 3.7% has been used in options 1 & 2 for 2023-24.
Special Rate Variation (SRV)	There are 3 LTFP scenarios included for General Fund:
	Option 1: Unmanaged Decline
	Option 2: Managed Decline (no SRV option)
	Option 3: SRV (50% Special Rate Variation)
	Proposes that Council seek a permanent SRV of 50% over three years, which would result in a cumulative 58.81% SRV including the rate peg. The SRV would take effect from 2023-24.
Annual Charges – Waste & Drainage	No SRV proposed.
	No SRV proposed.
	Increased in line with estimated CPI increase of 2.5%.

Annual & User Charges – Water & Sewer	The increase has been set to generate a sufficient level of funding for the water and sewerage capital programs. Revenue in the Water and Sewerage Funds is assumed to increase by 5% per annum and this could be achieved through a combination of access charge increases, growth in property numbers and increased water consumption.
User Charges & Fees – Non Statutory	Increased in line with estimated CPI increase of 2.5% based on the assumption that service levels will be maintained. Council is committed to all opportunities to increase user fees where possible. <u>RMCC Program</u> Council provides contracting services to the NSW Government under the Roads Maintenance Council Contracts (RMCC) program. This program is currently at an unusually high level and is expected to remain so in 2022-23. However, beyond this the program is expected to drop back to historical levels and a reduction in user charges and fees of \$7.2 million has been assumed due to this from 2023-24 onwards. This is offset with a reduction in expenditure associated with the program in employee costs and materials and contracts.
User Charges & Fees - Statutory	Increases for these fees are not set by Council and an assumption of a 2.0% increase has been assumed.
Interest & Investment Revenues	Recalculated based on forecast cash levels with an interest rate of between 1%-2%. For consistency this has not been updated to 4%.
Other Revenues	Increased in line with estimated CPI increase of 2.5%.
Operating Grants & Contributions	Indexation has been applied to operating grants at 2.0% where it is expected that the grant will be indexed as not all grants received increase.

Operating Expenditure Assumptions

Item	Comment		
Employee Costs	Option 1: Unmanaged Decline	Option 2: Managed Decline (no SRV option)	Option 3: SRV (50% Special Rate Variation)
	Based on estimated award increases, increment increases and includes an allowance for staffing numbers growth. Movement in employee costs is determined through industry wide award negotiations and market forces. Impacts affecting wages volatility include internal and external factors, such as skills shortages, staff turnover, attraction and retention of skilled and experienced staff, increases in superannuation, award increase and changes in service levels.	This scenario assumes a reduction in operational service levels of \$2 million per annum from 2023-24 onwards. The reduction of expenditure is shown against employee costs and materials and contracts.	Based on estimated award increases, increment increases and includes an allowance for staffing numbers growth. Movement in employee costs is determined through industry wide award negotiations and market forces. Impacts affecting wages volatility include internal and external factors, such as skills shortages, staff turnover, attraction and retention of skilled and experienced staff, increases in superannuation, award increase and changes in service levels.
Materials & Contracts	These costs generally increase in line with CPI and an increase of 2.5% has been assumed. Additional costs have been included in election years to cover election costs. <u>Roads Maintenance</u> An increase in roads maintenance expenditure is assumed in 2025-26 and 2026-27 in order to meet the asset maintenance ratio of 100%.		These costs generally increase in line with CPI and an increase of 2.5% has been assumed. Additional costs have been included in election years to cover election costs. <u>Roads Maintenance</u> An increase in roads maintenance expenditure is assumed in 2025-26 and 2026-27 in order to meet the asset maintenance ratio of 100%.
Borrowing Costs	Included as per loan borrowings schedule. No new loans are proposed in the LTFP for any fund.		
Depreciation	The 2021-22 depreciation rates for each class of assets are assumed to continue over the life of the LTFP for all funds. In accordance with accounting standard requirements, all classes of assets will continue to be revalued in the future. Note that for consistency with the adopted operational plan for 2022-23 the revised depreciation estimate from the 2021-22 Financial Statements has been included from 2023-24.		
Other Expenses	These costs now consist of only donations, contributions and subsidies and these have been increased in line with estimated CPI increase of 2.5%.		

Capital Assumptions

Item	Comment		
Capital Grants & Contributions	An assumption is made that Council will continue to receive capital grants and contributions from Federal and State sources, at a level that is consistent with previous years.		
Capital Expenditure – New Assets	Option 1: Unmanaged Decline	Option 2: Managed Decline (no SRV option)	Option 3: SRV (50% Special Rate Variation)
	Included as per the ten year capital works program. Ongoing new capital projects have been assumed to be completed but beyond 2022-23 new capital spend consists mainly of expenditure at the landfills on new waste cell construction and rehabilitation and an allocation for minor transport infrastructure upgrades.	This scenario does not fully fund the ten year capital works program resulting in average \$7 million per year shortfall in asset renewal funding.	Included as per the ten year capital works program. Ongoing new capital projects have been assumed to be completed but beyond 2022-23 new capital spend consists mainly of expenditure at the landfills on new waste cell construction and rehabilitation and an allocation for minor transport infrastructure upgrades. From 2028-29 an allocation has been made in the General Fund LTFP for expenditure on new or upgraded community facilities as financial capacity improves.
Capital Expenditure – Asset Renewal	Included as per the ten year capital works program.		
Loan Repayments	Repayments on the present loan are forecast in accordance with the borrowings schedule. No new loans are proposed in the LTFP for any fund.		
Fixed Asset Values	The value of fixed assets is based on the current value of infrastructure, property, plant and equipment adjusted for budgeted purchases and disposals.		
Proceeds from Asset Sales	Provision has been made for the trade in or disposal of plant and fleet in line with the replacement program. A low level of asset sales has been assumed for land disposals.		

Item	Comment
Cash Reserves	<p>Cash reserves are established either through legislative provisions or by way of Council resolving to establish reserves. Reserves that are statutory are referred to as externally restricted reserves whereas reserves that are established by way of Council's own funding determinations are referred to as internally restricted reserves. Water and Sewerage cash reserves are 100% externally restricted.</p> <p>Council has established external reserves for a range of statutory purposes and has assumed required cash transfers to and from those reserves in the LTFPs. A range of internal reserves exists in the General Fund and the main transfers assumed for those reserves are transfers to and from the waste management reserve, a newly established election reserve and transfers to the Kolora M&R reserve in line with Council resolution.</p>
Unrestricted Cash	<p>Unrestricted cash is the balancing item between cash funding and cash expenditure to either be held as a buffer against unexpected events or to be used in a future financial year.</p> <p>While Council was operating under a Performance Improvement Order, the cash position was reviewed and it was recommended that Council hold at least \$4 million in unrestricted cash.</p>

6. Council's current financial position

General Fund

The projections on the following pages are the LTFP scenarios for three General Fund scenarios.

1. Option 1: Unmanaged Decline

This option would require Council to accept an unsustainable financial position and to decline to the point where assets would be unmanageable and services would be grossly underfunded.

This option would see Council have no cash reserves and a negative unrestricted funds balance by 2024/25, and eventually Council would face being placed in Financial Administration again.

2. Option 2: Managed Decline

This LTFP assumes that no SRV funding is available beyond 2022-23 and a drop in both operational and capital expenditure is needed from 2023-24 to compensate for this.

Operational service levels are assumed to drop by \$2 million per annum and this would require **significant reductions and/or removal of services**. Core maintenance service levels remain **underfunded**.

Capital service levels are **not funded** to the extent of approximately \$7 million per annum and this is reflected against the funding requirement for asset renewal. The condition of infrastructure will deteriorate, the infrastructure backlog will increase and it will cost more in the long run to return assets to the agreed service level.

3. Option 3: SRV (50% Special Rate Variation)

This LTFP includes the assumption of a permanent SRV of 50% over three years, which would result in a cumulative 58.81% SRV including the rate peg. The SRV is assumed take effect from 2023-24.

The additional funding by way of the SRV resolves the financial problems evident in the baseline scenario and allows Council to:

- maintain existing service levels,
- improve core maintenance service levels to meet the asset maintenance ratio,
- fully fund the capital program, and
- over time, build financial capacity that could be used to improve services, invest in infrastructure upgrades and allow for the build-up of internal reserves.

Water and Sewerage Fund

As the Water and Sewerage Funds are not impacted by the SRV there is only one LTFP position for these funds.

Key Performance Indicators

Operating Performance Ratio

The 'operating performance ratio measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

Own source operating revenue ratio

The own source operating revenue ratio measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

Unrestricted current ratio

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

All three options meet the benchmark at the consolidated level.

Debt service cover ratio

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

Cash expense cover ratio

The Council met the OLG benchmark for the current reporting period. This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Operating Performance Ratio

>0%

Bench-mark

Scenario: 1. Unmanaged Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	-5.10%	-11.60%	-11.60%	-10.40%	-14.50%	-14.40%	-15.00%	-14.30%	-14.30%	-14.20%
Water Fund	9.90%	12.60%	14.90%	17.10%	19.20%	21.30%	23.20%	25.20%	27.10%	28.90%
Sewer Fund	9.50%	16.40%	17.80%	19.20%	20.50%	21.90%	23.20%	24.60%	25.90%	27.20%
Consolidated	-1.20%	-4.00%	-3.30%	-1.80%	-3.60%	-2.90%	-2.60%	-1.40%	-0.60%	0.20%

Scenario 2: Managed Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	-5.10%	-8.10%	-8.00%	-6.80%	-10.80%	-10.70%	-11.30%	-10.60%	-10.60%	-10.50%
Water Fund	9.90%	12.60%	14.90%	17.10%	19.20%	21.30%	23.20%	25.20%	27.10%	28.90%
Sewer Fund	9.50%	16.40%	17.80%	19.20%	20.50%	21.90%	23.20%	24.60%	25.90%	27.20%
Consolidated	-1.20%	-2.30%	-1.50%	0.00%	-1.90%	-1.10%	-0.80%	0.40%	1.10%	1.90%

Scenario: 3 - 50% SRV incl. rate peg x 3 Years

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	-5.10%	-7.90%	-3.60%	0.90%	-0.30%	-0.20%	-0.70%	0.00%	0.10%	0.10%
Water Fund	9.90%	12.60%	14.90%	17.10%	19.20%	21.30%	23.20%	25.20%	27.10%	28.90%
Sewer Fund	9.50%	16.40%	17.80%	19.20%	20.50%	21.90%	23.20%	24.60%	25.90%	27.20%
Consolidated	-1.20%	-1.50%	2.00%	5.70%	5.30%	6.00%	6.30%	7.30%	8.00%	8.60%

Own Source Operating Revenue

>60%

Bench-mark

Scenario: 1. Unmanaged Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	38%	77%	77%	77%	77%	77%	77%	77%	77%	77%
Water Fund	73%	58%	42%	43%	51%	100%	100%	100%	100%	100%
Sewer Fund	100%	78%	51%	68%	100%	100%	100%	100%	100%	100%
Consolidated	45%	72%	62%	65%	71%	84%	84%	85%	85%	85%

Scenario 2: Managed Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	38%	77%	77%	77%	77%	77%	77%	77%	77%	77%
Water Fund	73%	58%	42%	43%	51%	100%	100%	100%	100%	100%
Sewer Fund	100%	78%	51%	68%	100%	100%	100%	100%	100%	100%
Consolidated	45%	72%	62%	65%	71%	84%	84%	85%	85%	85%

Scenario: 3 - 50% SRV incl. rate peg x 3 Years

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	38%	78%	79%	80%	80%	80%	80%	81%	81%	81%
Water Fund	73%	58%	42%	43%	51%	100%	100%	100%	100%	100%
Sewer Fund	100%	78%	51%	68%	100%	100%	100%	100%	100%	100%
Consolidated	45%	73%	63%	67%	74%	86%	86%	86%	86%	87%

Unrestricted Current Ratio

>1.5x

Bench-mark

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32

Scenario: 1. Unmanaged Decline

Consolidated	3.5	3.0	2.6	2.3	1.3	0.4	-0.6	-1.7	-2.8	-3.8
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Scenario 2: Managed Decline

Consolidated	3.5	3.4	3.4	4.3	4.4	4.6	4.9	5.4	5.8	6.3
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Scenario: 3 - 50% SRV incl. rate peg x 3 Years

Consolidated	3.5	3.2	3.2	3.9	4	4.2	4.4	4.8	5.1	5.4
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Debt Service Cover Ratio

>2x

Bench-mark**Scenario: 1. Unmanaged Decline**

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	3.7	3.5	3.8	4.6	10.3	12.5	15.2	20.7	55.8	68.4
Water Fund	5.4	5.8	6.3	6.8	8.4	9	9.7	11	14	15
Sewer Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Consolidated	4.7	4.7	5.2	6.1	11.6	13.3	15.2	18.7	30.5	33.4

Scenario 2: Managed Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	3.7	4	4.4	5.3	12.2	14.8	18.1	24.5	66	80.8
Water Fund	5.4	5.8	6.3	6.8	8.4	9	9.7	11	14	15
Sewer Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Consolidated	4.7	5.1	5.7	6.6	12.6	14.5	16.6	20.3	33	36.1

Scenario: 3 - 50% SRV incl. rate peg x 3 Years

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	3.7	4	5.1	6.8	17.5	21.3	26.2	35.3	95.2	116.7
Water Fund	5.4	5.8	6.3	6.8	8.4	9	9.7	11	14	15
Sewer Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Consolidated	4.7	5.1	6.2	7.8	15.6	17.9	20.4	24.9	40.3	43.9

Cash Expense Cover Ratio (including restricted cash)

>3 months Bench-mark

Scenario: 1. Unmanaged Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	9	8.2	7	4.6	3	1.7	0.2	0	0	0
Water Fund	34.8	19.2	13	12	14.8	18.3	24.4	29.4	36.9	44.4
Sewer Fund	42.5	37.6	21.1	14.5	16	19.9	23.8	27.7	31.9	36.5
Consolidated	15.4	12.8	9.3	6.7	6.2	6.1	6.3	6.5	7.1	7.9

Scenario 2: Managed Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	9	9.4	9.4	9	9.6	10.2	10.8	11.7	12.7	13.7
Water Fund	34.8	19.2	13	12	14.8	18.3	24.4	29.4	36.9	44.4
Sewer Fund	42.5	37.6	21.1	14.5	16	19.9	23.8	27.7	31.9	36.5
Consolidated	15.4	13.9	11.2	10.1	11.1	12.5	14.3	16.2	18.5	20.9

Scenario: 3 - 50% SRV incl. rate peg x 3 Years

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	9	8.7	8.5	7.6	7.9	8.5	8.9	9.6	10.2	10.9
Water Fund	34.8	19.2	13	12	14.8	18.3	24.4	29.4	36.9	44.4
Sewer Fund	42.5	37.6	21.1	14.5	16	19.9	23.8	27.7	31.9	36.5
Consolidated	15.4	13.2	10.4	8.9	9.7	11.1	12.7	14.3	16.3	18.3

Buildings & Infrastructure Renewals Ratio

>100%

Bench-mark

Scenario: 1. Unmanaged Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	89%	75%	67%	63%	62%	61%	61%	60%	59%	59%
Water Fund	38%	167%	103%	143%	64%	58%	57%	57%	62%	61%
Sewer Fund	65%	80%	70%	70%	93%	68%	67%	64%	64%	63%
Consolidated	77%	92%	74%	78%	66%	61%	61%	60%	60%	60%

Scenario 2: Managed Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	79%	66%	59%	55%	55%	54%	54%	53%	52%	52%
Water Fund	38%	167%	103%	143%	64%	58%	57%	57%	62%	61%
Sewer Fund	64.9%	80%	70%	70%	93%	68%	67%	64%	64%	63%
Consolidated	70%	85%	68%	72%	60%	56%	56%	55%	55%	55%

Scenario: 3 - 50% SRV incl. rate peg x 3 Years

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	79%	75%	76%	94%	93%	91%	89%	88%	88%	86%
Water Fund	38%	167%	103%	143%	64%	58%	57%	57%	62%	61%
Sewer Fund	65%	80%	70%	70%	93%	68%	67%	64%	64%	63%
Consolidated	70%	91%	80%	100%	88%	83%	81%	81%	82%	80%

Infrastructure Backlog Ratio

<2%

Bench-mark**Scenario: 1. Unmanaged Decline**

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	1.80%	1.90%	2.10%	2.20%	2.40%	2.60%	2.80%	3.00%	3.20%	3.40%
Water Fund	1.20%	0.90%	0.90%	0.70%	0.90%	1.10%	1.20%	1.40%	1.60%	1.80%
Sewer Fund	2.60%	2.70%	2.80%	2.90%	3.00%	3.20%	3.40%	3.50%	3.80%	2.40%
Consolidated	1.80%	1.80%	1.90%	2.00%	2.20%	2.30%	2.50%	2.70%	2.90%	3.10%

Scenario 2: Managed Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	1.90%	2.00%	2.20%	2.50%	2.70%	2.90%	3.20%	3.40%	3.70%	4.00%
Water Fund	1.20%	0.90%	0.90%	0.70%	0.90%	1.10%	1.20%	1.40%	1.60%	1.80%
Sewer Fund	2.60%	2.70%	2.80%	2.90%	3.00%	3.20%	3.40%	3.50%	3.80%	2.40%
Consolidated	1.80%	1.90%	2.00%	2.20%	2.40%	2.60%	2.80%	3.10%	3.30%	3.60%

Scenario: 3 - 50% SRV incl. rate peg x 3 Years

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	1.90%	2.00%	2.10%	2.20%	2.20%	2.20%	2.30%	2.40%	2.40%	2.50%
Water Fund	1.20%	0.90%	0.90%	0.70%	0.90%	1.10%	1.20%	1.40%	1.60%	1.80%
Sewer Fund	2.60%	2.70%	2.80%	2.90%	3.00%	3.20%	3.40%	3.50%	3.80%	2.40%
Consolidated	1.80%	1.90%	2.00%	2.00%	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%

Asset Maintenance Ratio

>100%

Bench-mark**Scenario: 1. Unmanaged Decline**

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	88%	88%	88%	93%	100%	100%	100%	100%	100%	100%
Water Fund	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sewer Fund	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Consolidated	91%	91%	91%	95%	100%	100%	100%	100%	100%	100%

Scenario 2: Managed Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Water Fund	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sewer Fund	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Consolidated	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%

Scenario: 3 - 50% SRV incl. rate peg x 3 Years

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	88%	88%	88%	93%	100%	100%	100%	100%	100%	100%
Water Fund	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Sewer Fund	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Consolidated	91%	91%	91%	95%	100%	100%	100%	100%	100%	100%

Real Operating Expenditure per capita

N/A

Bench-mark

Scenario 1: Unmanaged Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	\$2,108	\$1,941	\$1,918	\$1,876	\$1,902	\$1,883	\$1,874	\$1,845	\$1,827	\$1,809
Water Fund	\$373	\$366	\$362	\$357	\$361	\$357	\$352	\$348	\$344	\$340
Sewer Fund	\$277	\$258	\$255	\$253	\$257	\$255	\$252	\$250	\$247	\$251
Consolidated	\$2,773	\$2,579	\$2,548	\$2,498	\$2,534	\$2,507	\$2,492	\$2,455	\$2,430	\$2,468

Scenario 2: Managed Decline

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	\$2,108	\$1,879	\$1,857	\$1,815	\$1,841	\$1,822	\$1,814	\$1,785	\$1,767	\$1,750
Water Fund	\$373	\$366	\$362	\$357	\$361	\$357	\$352	\$348	\$344	\$340
Sewer Fund	\$277	\$258	\$255	\$253	\$257	\$255	\$252	\$250	\$247	\$251
Consolidated	\$2,773	\$2,535	\$2,505	\$2,456	\$2,490	\$2,464	\$2,449	\$2,413	\$2,388	\$2,425

Scenario: 3 - 50% SRV incl. rate peg x 3 Years

	Projected Years									
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
General Fund	\$2,108	\$1,941	\$1,928	\$1,910	\$1,966	\$1,945	\$1,936	\$1,906	\$1,887	\$1,869
Water Fund	\$373	\$366	\$362	\$357	\$361	\$357	\$352	\$348	\$344	\$340
Sewer Fund	\$277	\$258	\$255	\$253	\$257	\$255	\$252	\$250	\$247	\$251
Consolidated	\$2,773	\$2,579	\$2,558	\$2,533	\$2,597	\$2,570	\$2,554	\$2,517	\$2,491	\$2,530

General Fund Scenario Comparison

The comparisons below demonstrate the impact that an SRV would have on the General Fund financial position over time. The comparisons demonstrate that without additional funding, such as an SRV as proposed, key financial indicators cannot meet the required benchmarks.

Option 1: Unmanaged Decline shows:

- The operating performance ratio for the general fund becomes increasingly negative with the year 10 estimate at -14.2%. This indicates an unsustainable position.
- The cash expense cover ratio for the general fund declines to zero by 2029-30 indicating that council no longer has cash to cover monthly expenses.

Option 2: Managed Decline shows:

- The operating performance ratio for the general fund is approximately -9.2% over the term of the LTFP and the benchmark for this KPI is greater than 0%. This result also assumes a \$2 million drop in ongoing operating expenditure from a reduction in service levels.
- The cash position as evidenced by the cash expense cover ratio which remains above the minimum benchmarks but is dependent on a reduction in operating expenditure of \$2 million from 2023-24. and asset renewal is underfunded to the extent of \$7 million per annum. Unrestricted cash is low over the term of the LTFP and remains a risk in light of the level of underfunding of asset renewal.
- The debt service ratio remains above the minimum benchmark.
- The building and infrastructure renewal ratio, general fund, is an average of 58% over the term of the LTFP and shows a declining trend to 52% by 2031-32.
- The infrastructure backlog ratio is above the maximum benchmark of 2% and increases to 4% by 2031-32.
- The asset maintenance ratio remains under the minimum benchmark of 100%.

Conversely, the SRV Scenario would allow all key KPIs except the building and infrastructure renewals ratio to meet the benchmarks by 2025-26.

6.1 Budgeted financial statements

Budgeted Income Statement

This statement outlines:

- All sources of revenue (income).
- All operating expenditure. These expenses relate to operations and do not include capital expenditure although depreciation of assets is included.

The Net Result for the year is a measure of Council's financial performance. This figure is determined by deducting total operating expenditure from total revenue.

The Operating Result shows if the income received is sufficient to pay for both operating expenses and asset renewal (as reflected in depreciation costs). This result is considered the most relevant measure of financial sustainability as it excludes revenue that can only be used for the acquisition of new assets or renewal of existing assets.

Budgeted Balance Sheet

This statement outlines what Council owns (assets) and what it owes (liabilities) at a point in time. Council's net worth is determined by deducting total liabilities from total assets – the larger the net equity, the stronger the financial position.

Budgeted Cash-flow Statement

This statement summarises the actual flows of cash for a period and explains the change in the cash balance held from the start of the period through to the end of the reporting period. The Cash-flow Statement shows the receipt and payment of all operating, investing and financing transactions, and the impact of this on cash balances and the forecast level of unrestricted cash at the end of each reporting period.

Option 1: Unmanaged Decline

INCOME STATEMENT GENERAL FUND Scenario: 1 - Unmanaged Decline	Actuals	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income Continuing Operations											
Revenue:											
Rates & Annual Charges	27,955	28,677	29,632	30,373	31,132	29,655	30,396	31,156	31,935	32,734	33,552
User Charges & Fees	22,031	18,868	11,902	12,194	12,492	12,798	13,111	13,432	13,761	14,097	14,442
Other Revenues	2,637	2,348	2,406	2,467	2,528	2,621	2,687	2,754	2,823	2,894	2,966
Operating Grants & Contributions	15,787	12,102	11,785	11,993	12,206	12,424	12,646	12,872	13,103	13,340	13,581
Capital Grants & Contributions	17,545	70,906	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602
Interest & Investment Revenue	227	787	584	593	566	638	738	848	962	1,099	1,239
Total Income	86,182	133,688	57,911	59,221	60,527	59,737	61,180	62,664	64,186	65,765	67,382
Expenses Continuing Operations											
Employee Benefits & On-Costs	23,238	25,815	25,150	25,778	26,423	27,083	27,761	28,455	29,166	29,895	30,642
Borrowing Costs	969	845	691	536	383	282	238	200	165	144	140
Materials & Contracts	23,680	21,643	16,589	17,028	16,779	17,198	17,628	18,469	18,520	18,983	19,458
Depreciation & Amortisation	17,955	15,835	18,556	19,019	19,495	19,982	20,482	20,994	21,519	22,057	22,608
Other Expenses	1,659	1,836	1,882	1,929	1,977	2,027	2,077	2,129	2,182	2,237	2,293
Total Expenses Continuing Operations	67,501	65,975	62,867	64,291	65,057	66,572	68,185	70,246	71,552	73,317	75,141
Net Operating Result for the Year	18,681	67,713	(4,956)	(5,070)	(4,530)	(6,835)	(7,005)	(7,583)	(7,366)	(7,552)	(7,759)
Net Operating Result before Capital	1,136	(3,193)	(6,558)	(6,672)	(6,132)	(8,437)	(8,607)	(9,184)	(8,968)	(9,154)	(9,361)

BALANCE SHEET GENERAL FUND Scenario: 1 - Unmanaged Decline	Actuals	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS											
Current Assets											
Cash & Cash Equivalents	20,283	23,124	15,575	11,360	1,961	-	-	-	-	-	-
Investments	33,827	16,622	16,622	16,622	16,622	12,003	6,780	1,000	-	-	-
Receivables	7,883	8,650	8,781	8,829	8,879	8,782	8,831	8,880	8,931	8,983	9,036
Inventories	1,691	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632
Contract assets	4,467	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028
Other		697	697	697	697	697	697	697	697	697	697
	739										
Total Current Assets	68,890	53,753	46,334	42,168	32,818	26,142	20,968	15,237	14,288	14,340	14,393
Non-Current Assets											
Receivables		284	284	284	284	284	284	284	284	284	284
	261										
Inventories	1,147	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013
Infrastructure, Property, Plant & Equip		764,959	764,572	760,946	763,274	762,378	759,943	757,627	755,560	753,433	750,817
	755,279										
Right of use assets		240	240	240	240	240	240	240	240	240	240
	532										
Non-current assets		612	612	612	612	612	612	612	612	612	612
Total Non-Current Assets		767,108	766,721	763,095	765,423	764,527	762,092	759,776	757,709	755,582	752,966
	757,219										
TOTAL ASSETS	826,109	820,861	813,055	805,263	798,241	790,669	783,060	775,013	771,997	769,922	767,359
LIABILITIES											

Current Liabilities

Bank Overdraft	-	-	-	-	-	-	-	-	4,674	10,115	15,243
Payables	10,271	8,841	8,841	8,841	8,841	8,841	8,841	8,841	8,841	8,841	8,841
Income received in advance	598	-	-	-	-	-	-	-	-	-	-
Contract liabilities	11,690	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852
Lease liabilities	143	5	2	2	2	3	3	4	4	5	5
Borrowings	2,888	2,970	2,846	2,615	860	726	586	445	85	51	-
Provisions	8,540	7,185	7,185	7,185	7,185	7,185	7,185	7,185	7,185	7,185	7,185
Total Current Liabilities	34,130	25,852	25,725	25,495	23,740	23,607	23,467	23,327	27,641	33,049	38,125

Non-Current Liabilities

Lease liabilities	450	253	251	249	247	244	241	237	232	227	223
Borrowings	11,175	8,213	5,368	2,753	1,893	1,167	581	136	51	-	-
Provisions	10,834	14,863	14,988	15,113	15,238	15,363	15,488	15,613	15,738	15,863	15,988
Total Non-Current Liabilities	22,459	23,330	20,607	18,115	17,378	16,774	16,310	15,986	16,021	16,090	16,211
TOTAL LIABILITIES	56,589	49,182	46,332	43,610	41,118	40,381	39,777	39,312	43,663	49,140	54,336

Net Assets

	769,520	771,679	766,723	761,653	757,123	750,288	743,283	735,701	728,334	720,783	713,023
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EQUITY

Retained Earnings	611,242	681,111	676,155	671,085	666,555	659,720	652,715	645,133	637,766	630,215	622,455
Revaluation Reserves	158,278	90,568	90,568	90,568	90,568	90,568	90,568	90,568	90,568	90,568	90,568
Other Reserves	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	769,520	771,679	766,723	761,653	757,123	750,288	743,283	735,701	728,334	720,783	713,023
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-	-
Total Equity	769,520	771,679	766,723	761,653	757,123	750,288	743,283	735,701	728,334	720,783	713,023

CASH FLOW STATEMENT GENERAL FUND Scenario: 1 - Unmanaged Decline	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	28,677	29,640	30,332	31,090	29,736	30,356	31,114	31,892	32,690	33,507
User Charges & Fees	18,868	11,902	12,194	12,492	12,798	13,111	13,432	13,761	14,097	14,442
Investment & Interest Revenue Received	787	445	586	559	653	731	840	954	1,091	1,231
Grants & Contributions	83,009	13,387	13,595	13,808	14,026	14,247	14,474	14,705	14,941	15,183
Other		2,406	2,467	2,528	2,621	2,687	2,754	2,823	2,894	2,966
	2,348									
Payments:										
Employee Benefits & On-Costs		(25,150)	(25,778)	(26,423)	(27,083)	(27,761)	(28,455)	(29,166)	(29,895)	(30,642)
	(25,815)									
Materials & Contracts		(16,589)	(17,028)	(16,779)	(17,198)	(17,628)	(18,469)	(18,520)	(18,983)	(19,458)
	(21,643)									
Borrowing Costs		(566)	(411)	(258)	(157)	(113)	(75)	(40)	(19)	(15)
	(720)									
Other	(1,836)	(1,882)	(1,929)	(1,977)	(2,027)	(2,077)	(2,129)	(2,182)	(2,237)	(2,293)
Net Cash provided/used in Operating Activities	83,674	13,594	14,026	15,040	13,369	13,553	13,487	14,227	14,578	14,921
Cash Flows from Investing Activities										
Receipts:										

Sale of Investment Securities	-	-	-	-	4,619	5,223	5,780	1,000	-	-
Sale of Infrastructure, Property, Plant & Equip	1,215	1,590	1,578	1,544	1,432	1,420	1,434	1,519	1,774	1,581
Payments:										
Purchase of Infrastructure, Property, Plant & Equip		(19,758)	(16,971)	(23,367)	(20,519)	(19,467)	(20,112)	(20,970)	(21,704)	(21,573)
Net Cash provided/used in Investing Activities	(83,030)	(18,168)	(15,393)	(21,823)	(14,467)	(12,824)	(12,897)	(18,452)	(19,930)	(19,992)
Cash Flows from Financing Activities										
Repayment of Borrowings & Advances	(2,815)	(2,970)	(2,846)	(2,615)	(860)	(726)	(586)	(445)	(85)	(51)
Repayment of lease liabilities (principal repayments)		(5)	(2)	(2)	(2)	(3)	(3)	(4)	(4)	(5)
Net Cash Flow provided/used in Financing	(2,826)	(2,975)	(2,847)	(2,617)	(862)	(729)	(589)	(449)	(89)	(56)
Net Increase/(Decrease) Cash & Equivalents	(2,182)	(7,549)	(4,214)	(9,400)	(1,961)	-	-	(4,674)	(5,441)	(5,127)
plus: Cash & Cash Equivalents - start of year	25,306	23,124	15,575	11,360	1,961	(0)	(0)	(0)	(4,674)	(10,115)
Cash & Cash Equivalents - end of the year	23,124	15,575	11,360	1,961	(0)	(0)	(0)	(4,674)	(10,115)	(15,243)
Cash & Cash Equivalents - end of the year	23,124	15,575	11,360	1,961	(0)	(0)	(0)	(4,674)	(10,115)	(15,243)
Investments - end of the year	16,622	16,622	16,622	16,622	12,003	6,780	1,000	-	-	-
Total - end of the year	39,746	32,197	27,982	18,583	12,003	6,780	1,000	(4,674)	(10,115)	(15,243)

Representing:

- External Restrictions
- Internal Restrictions
- Unrestricted

18,180	15,854	17,000	14,481	15,871	17,789	19,752	21,912	24,120	26,376
18,408	16,010	15,764	17,401	17,064	17,806	18,178	19,331	20,749	22,200
	332	(4,782)	(13,299)	(20,931)	(28,814)	(36,931)	(45,917)	(54,984)	(63,818)
3,158									
39,746	32,197	27,982	18,583	12,003	6,780	1,000	(4,674)	(10,115)	(15,243)

Scenario 2: Managed Decline

INCOME STATEMENT - GENERAL FUND

Projected Years

Scenario: 2 - Managed Decline	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Income Continuing Operations											
Revenue:											
Rates & Annual Charges	27,955	28,677	29,632	30,373	31,132	29,655	30,396	31,156	31,935	32,734	33,552
User Charges & Fees	22,031	18,868	11,902	12,194	12,492	12,798	13,111	13,432	13,761	14,097	14,442
Other Revenues	2,637	2,348	2,406	2,467	2,528	2,621	2,687	2,754	2,823	2,894	2,966
Operating Grants & Contributions	15,787	12,102	11,785	11,993	12,206	12,424	12,646	12,872	13,103	13,340	13,581
Capital Grants & Contributions	17,545	70,906	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602
Interest & Investment Revenue	227	787	584	593	566	638	738	848	962	1,099	1,239
Total Income	86,182	133,688	57,911	59,221	60,527	59,737	61,180	62,664	64,186	65,765	67,382
Expenses Continuing Operations											
Employee Benefits & On-Costs	23,238	25,815	24,150	24,753	25,372	26,007	26,657	27,323	28,006	28,706	29,424
Borrowing Costs	969	845	691	536	383	282	238	200	165	144	140
Materials & Contracts	23,680	21,643	15,589	16,003	15,728	16,121	16,524	17,337	17,361	17,795	18,240
Depreciation & Amortisation	17,955	15,835	18,556	19,019	19,495	19,982	20,482	20,994	21,519	22,057	22,608
Other Expenses	1,659	1,836	1,882	1,929	1,977	2,027	2,077	2,129	2,182	2,237	2,293
Total Expenses Continuing Operations	67,501	65,975	60,867	62,241	62,955	64,418	65,978	67,983	69,233	70,939	72,704
Net Operating Result for the Year	18,681	67,713	(2,956)	(3,020)	(2,429)	(4,681)	(4,798)	(5,320)	(5,047)	(5,174)	(5,322)
Net Operating Result before Capital	1,136	(3,193)	(4,558)	(4,622)	(4,031)	(6,283)	(6,400)	(6,922)	(6,649)	(6,776)	(6,924)

BALANCE SHEET GENERAL FUND Scenario: 2 - Managed Decline	Actuals	Projected Years									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
ASSETS											
Current Assets											
Cash & Cash Equivalents	20,283	23,124	18,925	19,280	17,952	19,596	22,651	26,208	30,069	35,145	40,444
Investments	33,827	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622
Receivables	7,883	8,650	8,781	8,829	8,879	8,782	8,831	8,880	8,931	8,983	9,036
Inventories	1,691	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632
Contract assets	4,467	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028
Other	739	697	697	697	697	697	697	697	697	697	697
Total Current Assets	68,890	53,753	49,684	50,088	48,810	50,357	53,460	57,067	60,979	66,107	71,460
Non-Current Assets											
Receivables	261	284	284	284	284	284	284	284	284	284	284
Inventories	1,147	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013
Infrastructure, Property, Plant & Equipment	755,279	764,959	763,222	757,076	753,434	746,468	737,963	728,572	719,290	709,023	698,417
Right of use assets	532	240	240	240	240	240	240	240	240	240	240
Non-current assets		612	612	612	612	612	612	612	612	612	612
Total Non-Current Assets	757,219	767,108	765,371	759,225	755,583	748,617	740,112	730,721	721,439	711,172	700,566
TOTAL ASSETS	826,109	820,861	815,055	809,313	804,392	798,974	793,573	787,788	782,418	777,279	772,026
LIABILITIES											
Current Liabilities											
Payables	10,271	8,841	8,841	8,841	8,841	8,841	8,841	8,841	8,841	8,841	8,841
Income received in advance	598	-	-	-	-	-	-	-	-	-	-
Contract liabilities	11,690	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852
Lease liabilities	143	5	2	2	2	3	3	4	4	5	5
Borrowings	2,888	2,970	2,846	2,615	860	726	586	445	85	51	-

Provisions	8,540	7,185	7,185	7,185	7,185	7,185	7,185	7,185	7,185	7,185	7,185
Total Current Liabilities	34,130	25,852	25,725	25,495	23,740	23,607	23,467	23,327	22,967	22,934	22,882
Non-Current Liabilities											
Lease liabilities	450	253	251	249	247	244	241	237	232	227	223
Borrowings	11,175	8,213	5,368	2,753	1,893	1,167	581	136	51	-	-
Provisions	10,834	14,863	14,988	15,113	15,238	15,363	15,488	15,613	15,738	15,863	15,988
Total Non-Current Liabilities	22,459	23,330	20,607	18,115	17,378	16,774	16,310	15,986	16,021	16,090	16,211
TOTAL LIABILITIES	56,589	49,182	46,332	43,610	41,118	40,381	39,777	39,312	38,989	39,024	39,093
Net Assets	769,520	771,679	768,723	765,703	763,274	758,593	753,796	748,476	743,429	738,255	732,933
EQUITY											
Retained Earnings	611,242	681,111	678,155	675,135	672,706	668,025	663,228	657,908	652,861	647,687	642,365
Revaluation Reserves	158,278	90,568	90,568	90,568	90,568	90,568	90,568	90,568	90,568	90,568	90,568
Council Equity Interest	769,520	771,679	768,723	765,703	763,274	758,593	753,796	748,476	743,429	738,255	732,933
Total Equity	769,520	771,679	768,723	765,703	763,274	758,593	753,796	748,476	743,429	738,255	732,933

CASH FLOW STATEMENT - GENERAL FUND Scenario: 2 - Managed Decline	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	28,677	29,640	30,332	31,090	29,736	30,356	31,114	31,892	32,690	33,507
User Charges & Fees	18,868	11,902	12,194	12,492	12,798	13,111	13,432	13,761	14,097	14,442
Investment & Interest Revenue Received	787	445	586	559	653	731	840	954	1,091	1,231
Grants & Contributions	83,009	13,387	13,595	13,808	14,026	14,247	14,474	14,705	14,941	15,183
Other	2,348	2,406	2,467	2,528	2,621	2,687	2,754	2,823	2,894	2,966
Payments:										
Employee Benefits & On-Costs	(25,815)	(24,150)	(24,753)	(25,372)	(26,007)	(26,657)	(27,323)	(28,006)	(28,706)	(29,424)
Materials & Contracts	(21,643)	(15,589)	(16,003)	(15,728)	(16,121)	(16,524)	(17,337)	(17,361)	(17,795)	(18,240)
Borrowing Costs	(720)	(566)	(411)	(258)	(157)	(113)	(75)	(40)	(19)	(15)
Other	(1,836)	(1,882)	(1,929)	(1,977)	(2,027)	(2,077)	(2,129)	(2,182)	(2,237)	(2,293)
Net Cash provided/used in Operating Activities	83,674	15,594	16,076	17,142	15,523	15,761	15,750	16,546	16,955	17,357
Cash Flows from Investing Activities										
Receipts:										
Sale of Infrastructure, Property, Plant & Equip	1,215	1,590	1,578	1,544	1,432	1,420	1,434	1,519	1,774	1,581
Purchase of Infrastructure, Property, Plant & Equip	(84,245)	(18,408)	(14,451)	(17,397)	(14,449)	(13,397)	(13,037)	(13,755)	(13,564)	(13,583)
Net Cash provided/used in Investing Activities	(83,030)	(16,818)	(12,873)	(15,853)	(13,017)	(11,977)	(11,603)	(12,236)	(11,790)	(12,002)
Cash Flows from Financing Activities										
Repayment of Borrowings & Advances	(2,815)	(2,970)	(2,846)	(2,615)	(860)	(726)	(586)	(445)	(85)	(51)
Repayment of lease liabilities (principal repayments)	(10)	(5)	(2)	(2)	(2)	(3)	(3)	(4)	(4)	(5)
Net Cash Flow provided/used in Financing	(2,826)	(2,975)	(2,847)	(2,617)	(862)	(729)	(589)	(449)	(89)	(56)

Net Increase/(Decrease) Cash & Equivalents	(2,182)	(4,199)	356	(1,328)	1,644	3,055	3,557	3,861	5,076	5,299
plus: Cash & Cash Equivalents - start of year	25,306	23,124	18,925	19,280	17,952	19,596	22,651	26,208	30,069	35,145
Cash & Cash Equivalents - end of the year	23,124	18,925	19,280	17,952	19,596	22,651	26,208	30,069	35,145	40,444

Cash & Cash Equivalents - end of the year	23,124	18,925	19,280	17,952	19,596	22,651	26,208	30,069	35,145	40,444
Investments - end of the year	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622
Total - end of the year	39,746	35,547	35,902	34,574	36,218	39,273	42,830	46,691	51,767	57,066

Representing:

- External Restrictions	18,180	15,854	17,000	14,481	15,871	17,789	19,752	21,912	24,120	26,376
- Internal Restrictions	18,408	16,010	15,764	17,401	17,064	17,806	18,178	19,331	20,749	22,200
- Unrestricted	3,158	3,682	3,138	2,692	3,284	3,678	4,900	5,448	6,898	8,491
	39,746	35,547	35,902	34,574	36,218	39,273	42,830	46,691	51,767	57,066

Scenario 3:SRV 50% Over 3 Years

INCOME STATEMENT - GENERAL FUND Scenario: 3 - SRV 50% Over 3 Years	Actuals	Projected Years									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Income Continuing Operations											
Revenue:											
Rates & Annual Charges	27,955	28,677	31,605	35,111	39,051	40,027	41,028	42,053	43,105	44,182	45,287
User Charges & Fees	22,031	18,868	11,902	12,194	12,492	12,798	13,111	13,432	13,761	14,097	14,442
Other Revenues	2,637	2,348	2,406	2,467	2,528	2,621	2,687	2,754	2,823	2,894	2,966
Operating Grants & Contributions	15,787	12,102	11,785	11,993	12,206	12,424	12,646	12,872	13,103	13,340	13,581
Capital Grants & Contributions	17,545	70,906	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602	1,602
Interest & Investment Revenue	227	787	568	586	590	687	818	964	1,115	1,287	1,469
Total Income	86,182	133,688	59,869	63,952	68,469	70,159	71,891	73,677	75,509	77,402	79,347
Expenses Continuing Operations											
Employee Benefits & On-Costs	23,238	25,815	25,150	25,778	26,423	27,083	27,761	28,455	29,166	29,895	30,642
Borrowing Costs	969	845	691	536	383	282	238	200	165	144	140
Materials & Contracts	23,680	21,643	16,589	17,353	17,962	19,411	19,896	20,793	20,903	21,426	21,962
Depreciation & Amortisation	17,955	15,835	18,556	19,019	19,495	19,982	20,482	20,994	21,519	22,057	22,608
Other Expenses	1,659	1,836	1,882	1,929	1,977	2,027	2,077	2,129	2,182	2,237	2,293
Total Expenses Continuing Operations	67,501	65,975	62,867	64,616	66,240	68,785	70,453	72,571	73,935	75,759	77,645
Net Operating Result for the Year	18,681	67,713	(2,998)	(664)	2,229	1,374	1,438	1,106	1,574	1,643	1,702
Net Operating Result before Capital	1,136	(3,193)	(4,600)	(2,266)	628	(228)	(164)	(496)	(28)	41	100

BALANCE SHEET GENERAL FUND		Actuals	Projected Years									
Scenario: 3 - SRV 50% Over 3 Years		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	20,283	23,124	17,404	17,415	14,567	16,036	19,239	22,130	25,379	29,114	33,429	
Investments	33,827	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	
Receivables	7,883	8,650	8,910	9,138	9,395	9,459	9,524	9,591	9,660	9,730	9,802	
Inventories	1,691	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	1,632	
Contract assets	4,467	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	3,028	
Other	739	697	697	697	697	697	697	697	697	697	697	
Total Current Assets	68,890	53,753	48,292	48,532	45,942	47,474	50,743	53,700	57,018	60,823	65,210	
Non-Current Assets												
Receivables	261	284	284	284	284	284	284	284	284	284	284	
Inventories	1,147	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	
Infrastructure, Property, Plant & Equip	755,279	764,959	764,572	760,946	763,274	762,378	759,943	757,627	755,560	753,433	750,817	
Right of use assets	532	240	240	240	240	240	240	240	240	240	240	
Non-current assets		612	612	612	612	612	612	612	612	612	612	
Total Non-Current Assets	757,219	767,108	766,721	763,095	765,423	764,527	762,092	759,776	757,709	755,582	752,966	
TOTAL ASSETS	826,109	820,861	815,013	811,627	811,364	812,001	812,835	813,476	814,726	816,405	818,176	
LIABILITIES												
Current Liabilities												
Payables	10,271	8,841	8,841	8,841	8,841	8,841	8,841	8,841	8,841	8,841	8,841	
Income received in advance	598	-	-	-	-	-	-	-	-	-	-	
Contract liabilities	11,690	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	6,852	
Lease liabilities	143	5	2	2	2	3	3	4	4	5	5	
Borrowings	2,888	2,970	2,846	2,615	860	726	586	445	85	51	-	
Provisions	8,540	7,185	7,185	7,185	7,185	7,185	7,185	7,185	7,185	7,185	7,185	

Total Current Liabilities	34,130	25,852	25,725	25,495	23,740	23,607	23,467	23,327	22,967	22,934	22,882
Non-Current Liabilities											
Lease liabilities	450	253	251	249	247	244	241	237	232	227	223
Borrowings	11,175	8,213	5,368	2,753	1,893	1,167	581	136	51	-	-
Provisions	10,834	14,863	14,988	15,113	15,238	15,363	15,488	15,613	15,738	15,863	15,988
Total Non-Current Liabilities	22,459	23,330	20,607	18,115	17,378	16,774	16,310	15,986	16,021	16,090	16,211
TOTAL LIABILITIES	56,589	49,182	46,332	43,610	41,118	40,381	39,777	39,312	38,989	39,024	39,093
Net Assets	769,520	771,679	768,681	768,017	770,246	771,620	773,058	774,164	775,738	777,381	779,083
EQUITY											
Retained Earnings	611,242	681,111	678,113	677,449	679,678	681,052	682,490	683,596	685,170	686,813	688,515
Revaluation Reserves	158,278	90,568	90,568	90,568	90,568	90,568	90,568	90,568	90,568	90,568	90,568
Council Equity Interest	769,520	771,679	768,681	768,017	770,246	771,620	773,058	774,164	775,738	777,381	779,083
Total Equity	769,520	771,679	768,681	768,017	770,246	771,620	773,058	774,164	775,738	777,381	779,083

CASH FLOW STATEMENT GENERAL FUND Scenario: 3 - SRV 50% Over 3 Years	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	28,677	31,505	34,918	38,834	39,973	40,973	41,997	43,047	44,123	45,226
User Charges & Fees	18,868	11,902	12,194	12,492	12,798	13,111	13,432	13,761	14,097	14,442
Investment & Interest Revenue Received	787	409	550	550	677	808	953	1,104	1,276	1,458
Grants & Contributions	83,009	13,387	13,595	13,808	14,026	14,247	14,474	14,705	14,941	15,183
Other	2,348	2,406	2,467	2,528	2,621	2,687	2,754	2,823	2,894	2,966
Payments:										
Employee Benefits & On-Costs	(25,815)	(25,150)	(25,778)	(26,423)	(27,083)	(27,761)	(28,455)	(29,166)	(29,895)	(30,642)
Materials & Contracts	(21,643)	(16,589)	(17,353)	(17,962)	(19,411)	(19,896)	(20,793)	(20,903)	(21,426)	(21,962)
Borrowing Costs	(720)	(566)	(411)	(258)	(157)	(113)	(75)	(40)	(19)	(15)
Other	(1,836)	(1,882)	(1,929)	(1,977)	(2,027)	(2,077)	(2,129)	(2,182)	(2,237)	(2,293)
Net Cash provided/used in Operating Activities	83,674	15,423	18,252	21,592	21,418	21,979	22,158	23,149	23,754	24,363
Cash Flows from Investing Activities										
Receipts:										
Sale of Infrastructure, Property, Plant & Equip	1,215	1,590	1,578	1,544	1,432	1,420	1,434	1,519	1,774	1,581
Purchase of Infrastructure, Property, Plant & Equip	(84,245)	(19,758)	(16,971)	(23,367)	(20,519)	(19,467)	(20,112)	(20,970)	(21,704)	(21,573)
Net Cash provided/used in Investing Activities	(83,030)	(18,168)	(15,393)	(21,823)	(19,087)	(18,047)	(18,678)	(19,451)	(19,930)	(19,992)
Cash Flows from Financing Activities										
Repayment of Borrowings & Advances	(2,815)	(2,970)	(2,846)	(2,615)	(860)	(726)	(586)	(445)	(85)	(51)
Repayment of lease liabilities (principal repayments)	(10)	(5)	(2)	(2)	(2)	(3)	(3)	(4)	(4)	(5)
Net Cash Flow provided/used in Financing	(2,826)	(2,975)	(2,847)	(2,617)	(862)	(729)	(589)	(449)	(89)	(56)

Net Increase/(Decrease) Cash & Equivalents	(2,182)	(5,720)	11	(2,848)	1,469	3,203	2,891	3,249	3,735	4,315
plus: Cash & Cash Equivalents - start of year	25,306	23,124	17,404	17,415	14,567	16,036	19,239	22,130	25,379	29,114
Cash & Cash Equivalents - end of the year	23,124	17,404	17,415	14,567	16,036	19,239	22,130	25,379	29,114	33,429
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Cash & Cash Equivalents - end of the year	23,124	17,404	17,415	14,567	16,036	19,239	22,130	25,379	29,114	33,429
Investments - end of the year	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622	16,622
Total - end of the year	39,746	34,026	34,037	31,189	32,658	35,861	38,752	42,001	45,736	50,051
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Representing:										
- External Restrictions	18,180	15,854	17,000	14,481	15,871	17,789	19,752	21,912	24,120	26,376
- Internal Restrictions	18,408	15,351	13,786	13,222	12,885	13,627	13,999	15,153	16,571	18,021
- Unrestricted	3,158	2,821	3,251	3,486	3,902	4,445	5,000	4,936	5,046	5,655
	39,746	34,026	34,037	31,189	32,658	35,861	38,752	42,001	45,736	50,051

Scenario: Water Fund

INCOME STATEMENT - WATER FUND	Actuals	Projected Years									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations											
Revenue:											
Rates & Annual Charges	3,046	3,192	3,352	3,520	3,696	3,880	4,074	4,278	4,492	4,717	4,952
User Charges & Fees	8,337	9,357	9,821	10,308	10,819	11,356	11,920	12,512	13,133	13,785	14,470
Other Revenues	38	39	40	41	42	43	44	45	46	47	48
Grants & Contributions Operating	(5)	-	-	-	-	-	-	-	-	-	-
Grants & Contributions Capital	2,307	4,888	10,000	20,000	20,000	15,000	-	-	-	-	-
Interest & Investment Revenue	135	374	374	374	374	374	374	374	374	374	374
Total Income from Continuing Operations	13,858	17,850	23,587	34,242	34,931	30,653	16,412	17,209	18,045	18,923	19,844
Expenses from Continuing Operations											
Employee Benefits & On-Costs	1,760	1,715	1,758	1,802	1,847	1,893	1,940	1,989	2,038	2,089	2,141
Borrowing Costs	380	539	510	480	447	414	387	357	327	299	276
Materials & Contracts	3,873	5,722	5,865	6,011	6,162	6,316	6,474	6,635	6,801	6,971	7,146
Depreciation & Amortisation	3,534	3,679	3,713	3,806	3,901	3,998	4,098	4,201	4,306	4,413	4,524
Other Expenses	22	23	23	24	24	25	25	26	27	27	28
Total Expenses from Continuing Operations	9,569	11,677	11,869	12,122	12,380	12,646	12,924	13,208	13,499	13,800	14,115
Net Operating Result for the Year	4,289	6,173	11,718	22,121	22,551	18,007	3,488	4,000	4,546	5,122	5,730
Net Operating Result before Capital	1,982	1,285	1,718	2,121	2,551	3,007	3,488	4,000	4,546	5,122	5,730

BALANCE SHEET - WATER FUND	Actuals	Projected Years									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
ASSETS											
Current Assets											
Cash & Cash Equivalents	-	1,378	-	-	-	2,186	5,124	10,348	14,739	21,023	28,001
Investments	29,010	23,246	13,895	9,631	9,059	9,059	9,059	9,059	9,059	9,059	9,059
Receivables	2,308	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321
Contract assets	244	310	310	310	310	310	310	310	310	310	310
Total Current Assets	31,562	27,255	16,526	12,262	11,690	13,875	16,814	22,038	26,428	32,713	39,691
Non-Current Assets											
Infrastructure, Property, Plant & Equip	193,149	193,115	215,052	240,896	263,445	278,797	278,848	277,098	276,742	275,178	273,505
Total Non-Current Assets	193,149	193,115	215,052	240,896	263,445	278,797	278,848	277,098	276,742	275,178	273,505
TOTAL ASSETS	224,711	220,370	231,578	253,158	275,135	292,672	295,662	299,135	303,170	307,891	313,196
LIABILITIES											
Current Liabilities											
Payables	72	197	197	197	197	197	197	197	197	197	197
Income received in advance	159	-	-	-	-	-	-	-	-	-	-
Contract liabilities	104	-	-	-	-	-	-	-	-	-	-
Borrowings	281	510	541	573	470	498	527	511	402	425	449
Total Current Liabilities	616	707	738	770	667	695	724	708	599	622	646
Non-Current Liabilities											
Borrowings	9,357	8,724	8,183	7,610	7,140	6,642	6,114	5,603	5,201	4,776	4,327
Total Non-Current Liabilities	9,357	8,724	8,183	7,610	7,140	6,642	6,114	5,603	5,201	4,776	4,327
TOTAL LIABILITIES	9,973	9,431	8,921	8,380	7,807	7,337	6,839	6,311	5,800	5,398	4,973

Net Assets	214,738	210,939	222,657	244,778	267,328	285,336	288,824	292,824	297,370	302,493	308,222
EQUITY											
Retained Earnings	194,113	201,044	212,762	234,883	257,433	275,441	278,929	282,929	287,475	292,598	298,327
Revaluation Reserves	20,625	9,895	9,895	9,895	9,895	9,895	9,895	9,895	9,895	9,895	9,895
Other Reserves	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	214,738	210,939	222,657	244,778	267,328	285,336	288,824	292,824	297,370	302,493	308,222
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-	-
Total Equity	214,738	210,939	222,657	244,778	267,328	285,336	288,824	292,824	297,370	302,493	308,222

CASH FLOW STATEMENT - WATER FUND

	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	3,192	3,352	3,520	3,696	3,880	4,074	4,278	4,492	4,717	4,952
User Charges & Fees	9,357	9,821	10,308	10,819	11,356	11,920	12,512	13,133	13,785	14,470
Investment & Interest Revenue Received	374	374	374	374	374	374	374	374	374	374
Grants & Contributions	4,888	10,000	20,000	20,000	15,000	-	-	-	-	-
Other	39	40	41	42	43	44	45	46	47	48
Payments:										
Employee Benefits & On-Costs	(1,715)	(1,758)	(1,802)	(1,847)	(1,893)	(1,940)	(1,989)	(2,038)	(2,089)	(2,141)
Materials & Contracts	(5,722)	(5,865)	(6,011)	(6,162)	(6,316)	(6,474)	(6,635)	(6,801)	(6,971)	(7,146)
Borrowing Costs	(539)	(510)	(480)	(447)	(414)	(387)	(357)	(327)	(299)	(276)
Other	(23)	(23)	(24)	(24)	(25)	(25)	(26)	(27)	(27)	(28)
Net Cash provided/used in Operating Activities	9,852	15,431	25,926	26,451	22,006	7,586	8,201	8,852	9,536	10,253
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	9,351	4,264	572	-	-	-	-	-	-
Payments:										
Purchase of Infrastructure, Property, Plant & Equip	(12,126)	(25,650)	(29,650)	(26,450)	(19,350)	(4,150)	(2,450)	(3,950)	(2,850)	(2,850)
Net Cash provided/used in Investing Activities	(12,126)	(16,299)	(25,386)	(25,878)	(19,350)	(4,150)	(2,450)	(3,950)	(2,850)	(2,850)
Cash Flows from Financing Activities										
Payments:										
Repayment of Borrowings & Advances	(481)	(510)	(541)	(573)	(470)	(498)	(527)	(511)	(402)	(425)
Net Cash Flow provided/used in Financing	(481)	(510)	(541)	(573)	(470)	(498)	(527)	(511)	(402)	(425)

Net Increase/(Decrease) Cash & Equivalents	(2,755)	(1,378)	0	(0)	2,186	2,938	5,224	4,391	6,284	6,979
plus: Cash & Cash Equivalents - start of year	4,133	1,378	(0)	0	0	2,186	5,124	10,348	14,739	21,023
Cash & Cash Equivalents - end of the year	1,378	(0)	0	0	2,186	5,124	10,348	14,739	21,023	28,001
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Cash & Cash Equivalents - end of the year	1,378	(0)	0	0	2,186	5,124	10,348	14,739	21,023	28,001
Investments - end of the year	23,246	13,895	9,631	9,059	9,059	9,059	9,059	9,059	9,059	9,059
Total - end of the year	24,624	13,895	9,631	9,059	11,244	14,183	19,407	23,797	30,082	37,060
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Representing:										
- External Restrictions	2,871	2,871	2,871	2,871	2,871	2,871	2,871	2,871	2,871	2,871
- Internal Restrictions	-	-	-	-	-	-	-	-	-	-
- Unrestricted	21,753	11,024	6,760	6,188	8,373	11,312	16,536	20,926	27,211	34,189
	24,624	13,895	9,631	9,059	11,244	14,183	19,407	23,797	30,082	37,060

Scenario: Sewerage Fund

INCOME STATEMENT - SEWER FUND	Actuals	Projected Years									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
Income from Continuing Operations											
Revenue:											
Rates & Annual Charges	6,608	6,935	7,282	7,646	8,028	8,430	8,851	9,294	9,758	10,246	10,758
User Charges & Fees	254	260	266	273	280	287	294	301	309	316	324
Other Revenues	1,712	2,022	2,072	2,124	2,177	2,232	2,288	2,345	2,403	2,463	2,525
Grants & Contributions Operating	-	-	-	-	-	-	-	-	-	-	-
Grants & Contributions Capital	487	-	2,900	10,000	5,000	-	-	-	-	-	-
Interest & Investment Revenue	104	373	373	373	373	373	373	373	373	373	373
Total Income from Continuing Operations	9,165	9,589	12,893	20,416	15,858	11,321	11,805	12,312	12,843	13,399	13,981
Expenses from Continuing Operations											
Employee Benefits & On-Costs	1,311	1,316	1,349	1,382	1,417	1,452	1,489	1,526	1,564	1,603	1,643
Materials & Contracts	3,593	5,087	5,214	5,345	5,478	5,615	5,756	5,900	6,047	6,198	6,353
Depreciation & Amortisation	1,704	2,275	1,790	1,835	1,881	1,928	1,976	2,026	2,076	2,128	2,181
Total Expenses from Continuing Operations	6,608	8,677	8,353	8,562	8,776	8,995	9,220	9,451	9,687	9,929	10,178
Net Operating Result for the Year	2,557	912	4,540	11,854	7,082	2,325	2,585	2,862	3,156	3,470	3,803
Net Operating Result before Capital	2,070	912	1,640	1,854	2,082	2,325	2,585	2,862	3,156	3,470	3,803

BALANCE SHEET - SEWER FUND	Actuals	Projected Years									
	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000
ASSETS											
Current Assets											
Cash & Cash Equivalents	-	3,166	1,077	-	-	1,093	3,694	6,421	9,244	12,431	16,006
Investments	23,150	19,511	19,511	11,817	8,320	8,320	8,320	8,320	8,320	8,320	8,320
Receivables	254	229	229	229	229	229	229	229	229	229	229
Inventories	941	603	603	603	603	603	603	603	603	603	603
Total Current Assets	24,345	23,509	21,420	12,649	9,152	10,245	12,846	15,573	18,395	21,583	25,157
Non-Current Assets											
Infrastructure, Property, Plant & Equip	109,595	103,144	109,774	130,399	140,978	142,210	142,194	142,329	142,662	142,944	143,173
Total Non-Current Assets	109,595	103,144	109,774	130,399	140,978	142,210	142,194	142,329	142,662	142,944	143,173
TOTAL ASSETS	133,940	126,654	131,194	143,048	150,130	152,455	155,040	157,902	161,058	164,527	168,330
LIABILITIES											
Current Liabilities											
Total Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities											
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
Net Assets	133,940	126,654	131,194	143,048	150,130	152,455	155,040	157,902	161,058	164,527	168,330
EQUITY											
Retained Earnings	121,401	120,327	124,867	136,721	143,803	146,128	148,713	151,575	154,731	158,200	162,003
Revaluation Reserves	12,539	6,327	6,327	6,327	6,327	6,327	6,327	6,327	6,327	6,327	6,327
Total Equity	133,940	126,654	131,194	143,048	150,130	152,455	155,040	157,902	161,058	164,527	168,330

CASH FLOW STATEMENT - SEWER FUND

	Projected Years									
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	6,935	7,282	7,646	8,028	8,430	8,851	9,294	9,758	10,246	10,758
User Charges & Fees	260	266	273	280	287	294	301	309	316	324
Investment & Interest Revenue Received	373	373	373	373	373	373	373	373	373	373
Grants & Contributions	-	2,900	10,000	5,000	-	-	-	-	-	-
Other	2,022	2,072	2,124	2,177	2,232	2,288	2,345	2,403	2,463	2,525
Payments:										
Employee Benefits & On-Costs	(1,316)	(1,349)	(1,382)	(1,417)	(1,452)	(1,489)	(1,526)	(1,564)	(1,603)	(1,643)
Materials & Contracts	(5,087)	(5,214)	(5,345)	(5,478)	(5,615)	(5,756)	(5,900)	(6,047)	(6,198)	(6,353)
Net Cash provided/used in Operating Activities	3,187	6,330	13,689	8,963	4,253	4,561	4,887	5,232	5,598	5,984
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	7,694	3,497	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equip	(1,550)	(8,420)	(22,460)	(12,460)	(3,160)	(1,960)	(2,160)	(2,410)	(2,410)	(2,410)
Net Cash provided/used in Investing Activities	(1,550)	(8,420)	(14,766)	(8,963)	(3,160)	(1,960)	(2,160)	(2,410)	(2,410)	(2,410)
Cash Flows from Financing Activities										
Net Increase/(Decrease) Cash & Equivalents	1,637	(2,090)	(1,077)	-	1,093	2,601	2,727	2,822	3,188	3,574
plus: Cash & Cash Equivalents - start of year	1,530	3,166	1,077	(0)	(0)	1,093	3,694	6,421	9,244	12,431
Cash & Cash Equivalents - end of the year	3,166	1,077	(0)	(0)	1,093	3,694	6,421	9,244	12,431	16,006

Cash & Cash Equivalents - end of the year	3,166	1,077	(0)	(0)	1,093	3,694	6,421	9,244	12,431	16,006
Investments - end of the year	19,511	19,511	11,817	8,320	8,320	8,320	8,320	8,320	8,320	8,320
Total - end of the year	22,677	20,588	11,817	8,320	9,413	12,014	14,741	17,563	20,751	24,325

Representing:

- External Restrictions	2,258	2,258	2,258	2,258	2,258	2,258	2,258	2,258	2,258	2,258
- Internal Restrictions	-	-	-	-	-	-	-	-	-	-
- Unrestricted	20,419	18,330	9,559	6,062	7,155	9,756	12,483	15,305	18,493	22,067
	22,677	20,588	11,817	8,320	9,413	12,014	14,741	17,563	20,751	24,325

7. Risk and sensitivity analysis

Council has undertaken a basic sensitivity analysis to determine factors likely to be sensitive to variables and known major risks. These are listed and described below.

Inflation

If the current high inflation rate in Australia impacted Council and increased the cost of materials and contracts in the General Fund operating budget by 5% this would add approximately \$530,000 to overall costs and would likely have a compounding effect. It would be expected that such impacts would be taken into account when determining the rate peg, however, this is unknown and presents an area of risk. While inflation risk also exists for the Water and Sewerage Funds the ability to amend charging levels to offset the impact of increased costs exists in those funds unlike the General Fund.

Financial Assistance Grants

The NSW Government from time to time reviews the grant methodology in line with NSW policy to direct the general purpose component of the grant to councils with greatest relative need. Council receives approximately \$7 million in financial assistance grants and any change to the allocation of these grants or a change in government policy that affects the value and timing of when these grants are paid would have a significant impact.

If, for example, Council experienced a 10% reduction in the level of these grants then it would immediately result in an operating deficit of over \$700,000 and would also impact unrestricted cash.

Unexpected Events

While a range of possible scenarios can be modelled, Council's largest risk is from the impact of unexpected events, particularly where they have a financial impact within the year they are identified. Such risks included:

- Project cost overruns due to unforeseen factors,
- Changes to government funding policies (e.g. removal of advance payment of financial assistance grants or reduction in grant funding sources),
- Severe weather events (not declared disaster events) causing significant damage to road infrastructure (e.g. landslips, blocked stormwater drains, potholes),
- Unexpected shifting of costs from other levels of government, and
- Downturn in the economy resulting in lower revenues from user charges and fees (e.g. landfill fees and development approval fees).

As most of these impacts would significantly affect the General Fund, it has been identified as an important strategy to increase the level of unrestricted cash to act as a buffer against these types of events.

8. Performance monitoring

Council monitors performance against the budget and LTFP by way of Key Performance Indicators (KPIs) through the following methods:

- Actual audited KPI results as at 30 June each year,
- Estimated KPI results through development of the annual Operational Plan and update of the LTFP; and
- Updated estimated KPIs through the quarterly budget review process.

DRAFT

Asset Management Maturity
Assessment Report
October 2022



RESTORE & THRIVE

ARMIDALE
Regional Council

QUALITY CONTROL		
OUR PURPOSE	Together, proud to deliver to the highest possible standards for ARC in all we do	
KEY DIRECTION	Strong Region (Engagement and Responsibility)	
GOAL	S2 - Strong governance and leadership that supports our region to grow and prosper	
STRATEGY	S2.2 - Ensure that strategic directions are informed by, and with, the community and stakeholders and are delivered effectively, and in consideration of available resources	
RESPONSIBLE OFFICER	Coordinator Strategic Infrastructure Planning	
REVIEW DATE	2024	
DATE	ACTION	RESOLUTION No
08/08/2022	PWA – First Draft finalised	N/A
19/08/2022	PWA – Second Draft finalised	N/A
14/09/2022	PWA – Final Draft finalised	N/A
12/10/2022	ARC – Draft reviewed	N/A
21/10/2022	ARC – Documents endorsed by COAS	N/A
TBC	Council - Public Exhibition	TBC
TBC	Council - Adoption	TBC
NOTES	Nil	

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1. EXECUTIVE SUMMARY

In July 2022, Armidale Regional Council (ARC) engaged the Advisory and Partnerships Group of Public Works, Department of Regional NSW to carry out an Asset Management Maturity Assessment (AMMA) of its Asset Management System. An Asset Management System is defined as:

‘a set of **inter-acting elements** of an organisation to establish AM policies and objectives, and processes to achieve those objectives’ **(Formal definition ISO 55000)**

or

‘how we do things around here – the way people, processes, data and systems are used to manage assets and services.’ **(Informal definition ISO 55000)**

1.1 Scope and Purpose

The scope of the assessment was the asset management (AM) practices within ARC’s Asset Management System – particularly – the way people, processes, data and systems are used to manage assets and services’ against the best practice requirements of ISO 55000 Asset Management Standards.

The purpose of the assessment was threefold:

1. To determine the appropriate level of advancement (maturity) of AM practices;
2. To identify the maturity gaps within the system that ARC would need to address to lift capability To appropriate levels of asset management maturity; and
3. To develop a list of improvement actions for ARC to undertake over a defined timeframe to achieve the appropriate level of asset management maturity.

The list of improvement actions in each AM practice area would assist in driving an improvement plan.

1.2 Assessment methodology

The International Infrastructure Management Manual (IIMM, 2020) Asset Management Maturity Assessment tool was used for this assessment. The tool uses the IIMM Asset Management Maturity Framework.

A self-assessment was first undertaken by ARC representatives, then followed by an all day workshop style interview session facilitated by Public Works expert reviewers, with ARC’s asset management services representatives. Invited to the Workshop were:

- Acting Coordinator, Strategic Infrastructure Planning;

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- Acting Manager, Roads & Parks;
- Manager, Plant and Facilities;
- Acting Coordinator, Town and Public Spaces;
- Manager, Utilities (Water, Sewerage and Solid Waste); and
- Relief Manager, Airport (unable to attend in person).

The assessment scope covered the portfolio of infrastructure assets owned and managed by ARC under a single governance structure. These included transport, stormwater, buildings, water & sewerage, solid waste, parks, recreation and other assets.

1.3 Key findings

The assessment covered three elements of the IIMM Asset Management Maturity Framework with each element having five to six AM practice areas, which were assessed and scored using the five point AM maturity scale (Figure 1):

Figure 1. AM Maturity Scale

Aware	Basic	Core	Intermediate	Advanced
0-20	21-40	41-60	61-80	81-100

In the self-assessment, two scores were provided. A current score which was the current (self-assessed) state of AM maturity; and, the target score which was the score considered appropriate for the organisation which the organisation is aiming to achieve. A third score, the maturity gap score, is the gap between the current and target scores which the organisation needs to address (from improvement actions) to close the gap between the current score and target score.

As this is the organisation's first maturity assessment, ARC has set as a minimum target of Core (41-60 score) AM maturity level, which they believe they can achieve within the desired timeframe of 1-2 years. The targets reflect what is realistically achievable within a reasonable timeframe as well as the importance of the assets and is set at a level where the benefits of achieving a targeted level of maturity can be justified by the costs and other resources involved. This has been taken into consideration when the minimum maturity level targets were set for each AM practice area.

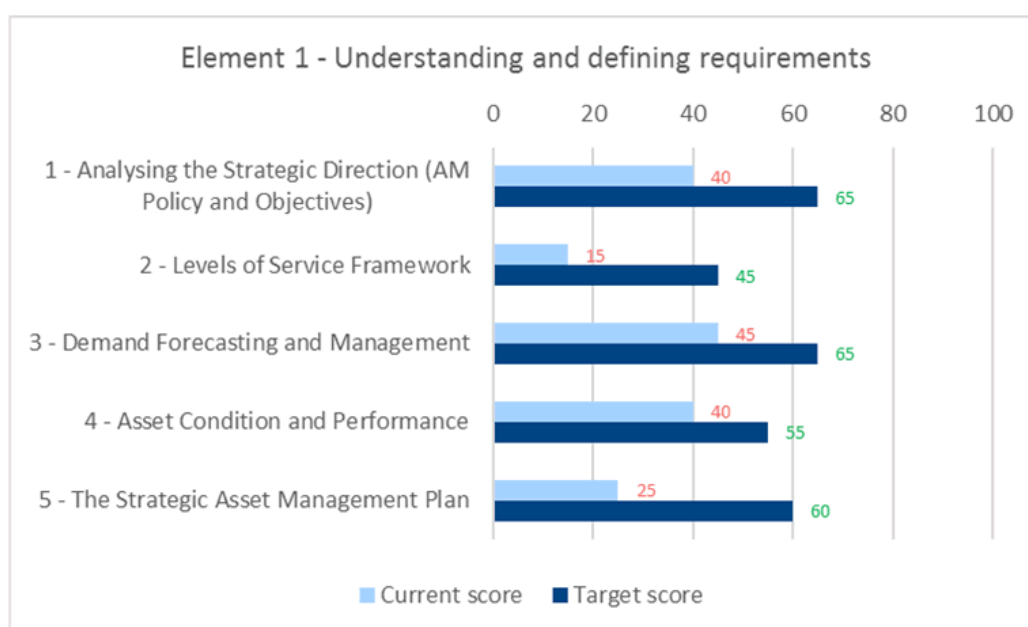
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In Element 1, Understanding and Defining Requirements, five AM practice areas were assessed with Levels of Service Framework given the lowest maturity level of 15 (Aware). An Aware maturity level means that the organisation is aware of the need to establish Levels of Service Framework, but has not yet implemented, the process or practice for the assets under its control and management.

The next second lowest maturity level score of 25 (Basic) is the Strategic Asset Management Plan (SAMP). The SAMP is currently a work in progress. There is still a fair bit of work to be done to bring the SAMP to the desired level of maturity. There are significant gaps in most of the AM practice areas, which need to be addressed to complete the SAMP documentation. The Basic level of maturity means that only the minimum level processes and practices are in place for the SAMP.

Figure 2 shows the resulting current and target scores for the five AM practice areas in Element 1.

Figure 1. Element 1 - Understanding and defining requirements

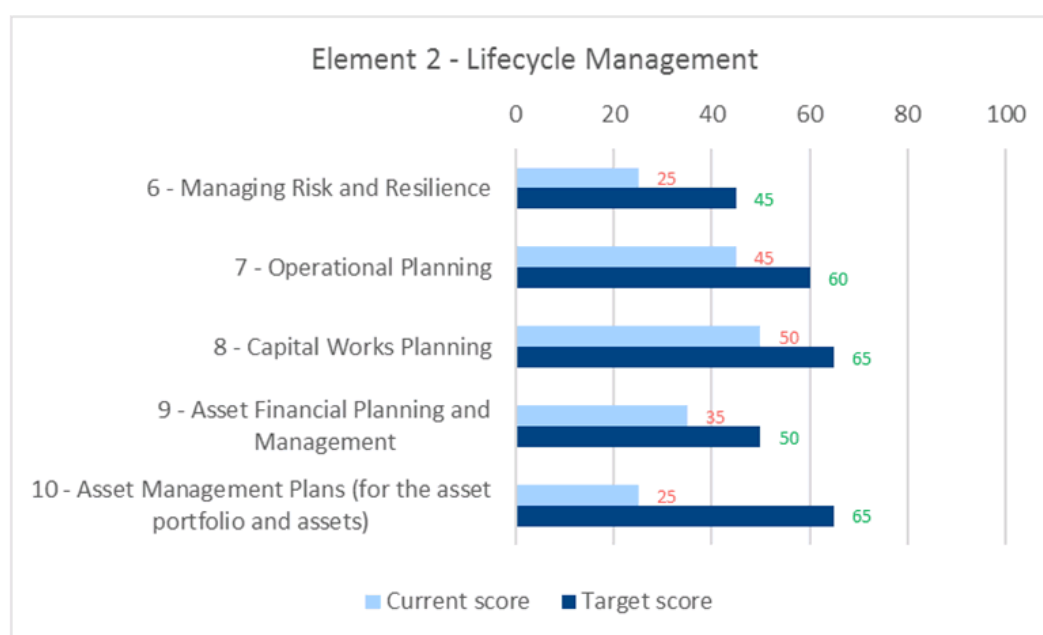


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In Element 2, Lifecycle Management, five AM practice areas were assessed and both Managing Risk and Resilience and AM Plans were given the lowest maturity level score of 25 (Basic). At the Basic level of maturity, ARC has a risk management policy in place but has not fully developed nor consistently implemented risk assessment processes and methodologies for the management of its assets. Asset Management Plans for each of its asset classes are currently works in progress but like the SAMP, there is a fair bit of work to be done on the AMPs to meet the AM practice requirements.

Figure 3 shows the resulting current and target scores for the five AM practice areas in Element 2.

Figure 2. Element 2 - Lifecycle management

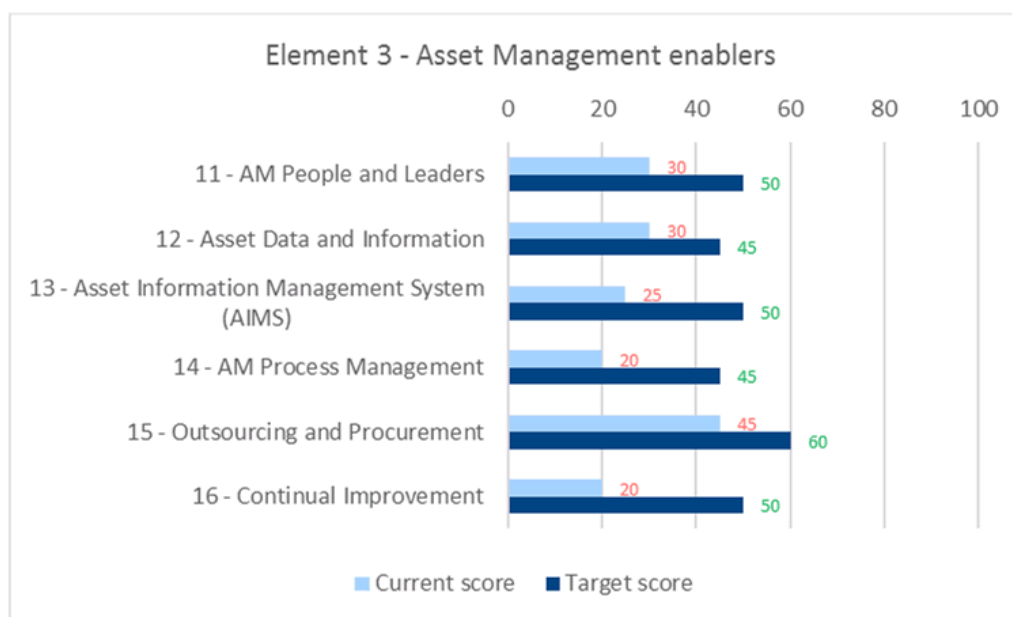


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In Element 3, AM Enablers, six AM practice areas were assessed and both AM Process Management and Continual Improvement were given the lowest maturity level score of 20 (Aware). At the Aware level of maturity, ARC's AM processes and practices have not been well documented and implementation is inconsistent across the portfolio of assets. While they have acknowledged the need to improve practice, there has been no or slow progress on improvement actions.

Figure 4 shows the resulting current and target scores for the six AM practice areas in Element 3.

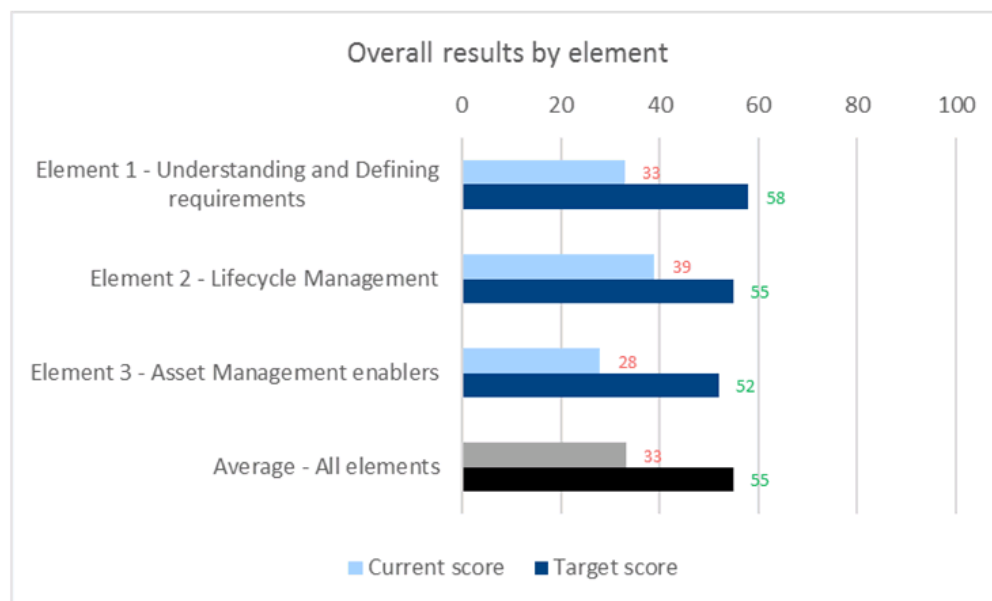
Figure 3. Element 3 - Asset management enablers



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ARC's overall AM maturity score is 32 (Basic) and Maturity Gap is 23 (Basic). ARC has an overall Basic AM Maturity level – minimum level processes and practices in place. (Figure 5). The variance from the overall target score is 41%.

Figure 4. Overall results by Element



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There are gaps in all the AM practice areas within each of the elements (Figure 6). Large gaps exist in AM Plans, Levels of Service Framework and Continual Improvement. ARC will need to give priority to addressing the gaps in the AM practice areas that will need to feed into the AMP and SAMP documentation.

Figure 5. Summary results by AM Area



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ARC's AM Maturity Rating for each of the AM practice areas are shown in Figure 7.

Figure 6. Asset Management Maturity Rating



ARC should give due consideration to the costs, benefits and feasibility of closing gaps between current and target scores. Best practice asset management is about targeting a level of maturity that is appropriate for ARC. Gaps between current and target scores provide the basis for a realistic and achievable improvement plan that has been developed as part of this assessment.

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Table 1 shows the five AM maturity levels. Current AM Practices within the organisation are at AWARE, BASIC and CORE maturity levels with the majority at Basic maturity level (Table 2):

Table 1. AM Maturity Levels

Aware	The organisation is aware, but has not yet implemented the process or practice
Basic	Minimum level processes and practices in place
Core	Well defined and clearly linked processes and practices in place
Intermediate	Well defined and clearly linked processes and practices are in place and well understood through the organisation
Advanced	Integrated processes and practices use advanced techniques and are being continually improved to deliver optimum performance

Table 2. The Organisation's current maturity levels in AM Areas

Aware	Basic	Core
Levels of Service Framework	Analysing the Strategic Direction (AM Policy & Objectives)	Demand Forecasting and Management
AM Process Management	Asset Condition and Performance	Operational Planning
Continual Improvement	The SAMP	Capital Works Planning
	Managing Risk and Resilience	Outsourcing and Procurement
	Asset Financial Planning and Management	
	AM Plans	
	AM People and Leaders	
	Asset Data and Information	
	Asset Management Information System (AMIS)	

To lift their capability to appropriate levels of asset management maturity, ARC has set target maturity levels for each AM practice area that are considered realistic and achievable within a 1-2 year period (Table 3):

Table 3. Target maturity levels of the organisation

AM practice areas	Current maturity level	Target maturity level (1-2 years)
Analysing the Strategic Direction (AM Policy & Objectives)	Basic	Intermediate
Levels of service framework	Aware	Core
Demand Forecasting and Management	Core	Intermediate
Asset Condition and Performance	Basic	Core
The Strategic Asset Management Plan	Basic	Core
Managing Risk and Resilience	Basic	Core
Operational Planning	Core	Core
Capital Works Planning	Core	Intermediate
Asset Financial Planning and Management	Basic	Core

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AM Plans	Basic	Core
AM People and Leaders	Basic	Core
Asset Data and Information	Basic	Core
Asset Management Information System (AMIS)	Basic	Core
AM Process Management	Aware	Core
Outsourcing and Procurement	Core	Core
Continual Improvement	Aware	Core

To track and monitor progress over time, AM maturity assessments will be conducted yearly. The numeric scores resulting from the assessment are useful in monitoring progress over time. ARC will then set higher target AM Maturity scores in each of the AM practice areas once the current target maturity levels have been achieved.

1.4 Opportunities for Improvement

The Asset Management Policy, Strategic Asset Management Plan and Asset Management Plans are mandatory ISO 55001 artefacts. While these, together with the Asset Management Framework are high priority improvement actions for the organisation, there are opportunities for improvement in all AM practice areas that could lift the organisation's asset management capability to their target levels of maturity. The table (Table 4) below summarises the opportunities in each AM practice area. Further details are in the Improvement Plan on pages 36-39 of this Report.

Table 4. Opportunities for improvement

AM practice area	Opportunities for Improvement
Analysing the Strategic Direction (AM Policy & Objectives)	Update as well as consider amending the Asset Management Policy to align with the minimum requirements of ISO 55001 for an AM Policy. Provide short statements that clearly demonstrate alignment and support for the organisational objectives; the asset management principles; the organisation's commitment and expectations concerning asset management; and, commitment to continuous improvement.
Levels of Service Framework	Consider developing appropriate Levels of Service (LoS) Framework for each asset class, a decision-making framework and key performance measures for LoS for each asset class.
Demand Forecasting and Management	Include a demand management summary in SAMP and AMPs. It is important to articulate the demand drivers of change and how these were used in the expenditure planning processes.
Asset Condition and Performance	Consider establishing as standard best practice, asset inspection regime for each stage of the asset lifecycle that is specific for each asset class, and use the inspection results to inform forward works programs as well as long term financial forecasts. Establish an Asset Inspection Policy mandated by Council with accompanying implementation/procedures manual to ensure consistency in the inspection processes.
The Strategic Asset Management Plan	Update and improve SAMP by incorporating important elements as per ISO 55001 guidelines. Develop asset management objectives

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AM practice area	Opportunities for Improvement
	that are aligned with organisational goals/objectives in the Community Strategic Plan. Incorporate Asset Management Framework in further updates of the SAMP.
Managing Risk and Resilience	Following the implementing of the Risk Management Framework, consider the development of risk registers and application of ISO 55001 compliant risk management approaches to assessment of risks for all asset classes. Formalise these processes and procedures for implementation in asset management planning for all asset classes.
Operational Planning	Document operational asset management activities for each asset class in AMPs.
Capital Works Planning	Establish and implement a capital works prioritisation process for capital works planning and document process in AMPs.
Asset Financial Planning and Management	Establish and implement a decision-making framework for asset related expenditure funding and use asset valuations to prioritise asset renewal investment decisions.
AM Plans	Improve AMP by including asset specific activities.
AM People and Leaders	Consider an evaluation and audit of resource capability. Where there are evident knowledge and skills gaps, implement professional development programs to upskill staff in asset management. Clarify and communicate roles and responsibilities in AM practice areas.
Asset Data and Information	Consider undertaking a region-wide inventory of all assets to fully capture asset data records as well as undertake an asset data cleansing exercise to maintain data integrity.
Asset Management Information System (AMIS)	Urgent attention should be given to improving the asset data management processes i.e. capturing, recording, maintaining, updating and handling of asset data. Establish a data management policy to ensure consistency in asset data management practices within all the asset classes. Invest in an enterprise asset management information system for all asset classes linked to the financial system so there is a single repository for asset information.
AM Process Management	Consider developing operational procedures manuals covering processes for risk management, emergency management (also resilience management) as well as business continuity plans and communication plans. Communicate and clearly articulate processes and procedures for management of assets. This should be consistent across all asset classes.
Outsourcing and Procurement	Consider developing KPIs for contractor performance evaluation and establish regular performance assessment regime for contractors. Document LoS requirements in contracts to ensure performance is aligned with AM Objectives.
Continual Improvement	Incorporate Improvement Plan in SAMP and AMP. Conduct maturity assessments annually to track and monitor progress on improvement actions and maturity level ratings.

2. IIMM ASSET MANAGEMENT MATURITY FRAMEWORK

The IIMM, 2020 edition is based on the ISO 55000 Series Asset Management Standards, which provide a set of requirements for asset management. The Asset Management Maturity (AMMA) tool was developed using the IIMM AMMA Table.

This tool can either be used by an organisation to self-assess their maturity levels or by expert reviewers to assess an organisation's maturity. Undertaking an assessment helps highlight areas where an organisation might invest, to lift asset management capability to appropriate levels of maturity and should be used by an organisation as an input into future improvement planning and monitoring work.

This assessment tool looks at the gap between current and target or appropriate levels of asset management maturity. The rationale is that sustainable, cost effective asset or investment performance is likely to be a function of the quality of underlying asset management practices, systems and culture in those organisations.

In the self-assessment, ARC representatives provided the scores (current and target scores) against each of the 16 AM practice areas within the three IIMM model elements of the tool:

- **Element 1 - Understanding and defining requirements**

Covering five AM practice areas: Strategic direction (AM Policy and Objectives), Levels of Service Framework, Demand Forecasting and Management, Asset Condition and Performance, Strategic Asset Management Plan (SAMP).

- **Element 2 - Lifecycle management**

Covering five AM practice areas: Managing Risk and Resilience, Operational Planning, Capital Planning, Asset Financial Planning and Management, Asset Management Plans (AMPs).

- **Element 3 - AM Enablers**

Covering six AM practice areas: AM People and Leaders, AM Data and Information, Asset Management Information Systems (AMIS), AM Process Management, Outsourcing and Procurement, Continual Improvements.

Under each AM practice area, questions were provided in the tool to enable people involved in the assessment to understand the intent of the maturity element; and, provide the evidence required to support the scores.

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2.1 Scoring

The framework provides for a scoring system based on defined asset management maturity scales. (Table 5)

Table 4. IIMM AMMA Scoring System

Aware	Basic	Core	Intermediate	Advanced
0-20	21-40	41-60	61-80	81-100

Aware	The organisation is aware, but has not yet implemented the process or practice
Basic	Minimum level processes and practices in place
Core	Well defined and clearly linked processes and practices in place
Intermediate	Well defined and clearly linked processes and practices are in place and well understood through the organisation
Advanced	Integrated processes and practices use advanced techniques and are being continually improved to deliver optimum performance

Scoring was provided in multiples of five. Three scores were evident:

- Current Score - current state of the asset management maturity (self-assessed);
- Target Score - score that the organisation aims to achieve. Note: Targets take explicit account of the scale, type, and criticality of assets and investments that the organisation is responsible for, now and in the future; and,
- Maturity Gap – gap between the current and target score.

An upper level score for a maturity assessment (20 for Aware, 40 for Basic, 60 for Core, 80 for Intermediate and 100 for Advanced) requires that all the requirements outlined at and below the maturity level are achieved with processes being well embedded, regularly reviewed and applied in all parts of the organisation within the scope of the assessment.

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3. DETAILED ASSESSMENT RESULTS

3.1 Element 1: Understanding and Defining requirements

Assessment of this element is to confirm the organisation's understanding of its important role in interpreting how the strategic organisational environment and objectives will impact infrastructure asset management and establishing the appropriate AM policy and objectives to align with the organisation's strategic goals.

Five AM practice areas were assessed in Element 1.

3.1.1 1 - Analysing the Strategic Direction (AM Policy and Objectives)

Questions	<ol style="list-style-type: none"> How well does your organisation analyse its strategic environment to understand potential AM implications and risks? How well does the organisation articulate its AM Policy objectives in alignment with the organisation's strategic direction?
Evidence	<ol style="list-style-type: none"> AM Policy AM Objectives (which should be documented in the SAMP or AMP). Corporate information such as a Strategic Plan outlining strategic goals and objectives and 'environmental scans' of external trends and influences.
Implications /risks of not achieving appropriate maturity	<ol style="list-style-type: none"> There is no clear leadership or understanding of AM expectations and unclear organisational goals, limiting AM progress and AM benefits are not achieved.

Self-assessment:

Current Score	40 (Basic)
Appropriate Target	65 (Intermediate)
Reason for Scores (Current and Target)	<p>Current: AM Policy adopted in June 2021, with clear objectives to meet the Integrated Planning and Reporting legislation.</p> <p>Target: AM Policy aligned with AM practices and Council objectives. AM Policy to be reviewed for alignment with new Community Strategic Plan (CSP).</p>
Evidence to support Scores	Asset Management Policy Adopted June 2021.
Improvement actions planned or underway	The AM policy and objectives are being actively applied. The AM policy to be reviewed and aligned with new Community Strategic Plan (CSP).

Expert assessment:

Identified Gaps
<ol style="list-style-type: none"> While there is an updated Community Strategic Plan, the AM Policy still refers to the old CSP so is no longer aligned with the current Community Strategic Plan 2022-2032 The AM policy lacks the details on the principles and commitment required in an AM Policy. It also contains a lot of information that is usually covered in the SAMP. ISO 55001 states:
<p>"The Asset management policy is a short statement that sets out the principles by which the organisation intends to apply asset management to achieve its organisational objectives.</p>

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The policy should set out the organisation's commitment and expectations for decisions, activities and behaviour concerning asset management. It should be aligned to and demonstrate support for the organisational objectives. "	
Recommended improvement actions	
1.	In its review and update of the AM Policy, ARC should consider:
	<ul style="list-style-type: none"> Including a short statement of the principles by which the organisation intends to apply asset management to achieve its organisational objectives; Include organisation's commitment and expectations for decisions, activities and behaviour concerning asset management – organisational policies e.g. WHS and risks, stakeholder requirements, lifecycle management of assets as well as resources to support asset management processes; Include organisation's commitment to continuous improvement of asset management processes and performance; and Ensure that statements clearly demonstrate the alignment to support organisational objectives.

3.1.2 2 - Levels of Service Framework

Questions	<ol style="list-style-type: none"> How well does your organisation: <ul style="list-style-type: none"> Determine the appropriate level of service for its customers? Ensure that asset performance measures are appropriate and aligned to service levels? Incorporate levels of service criteria into decision-making?
Evidence	<ol style="list-style-type: none"> The AMP has level of service statements and performance measures with historic results and future targets over the planning period. AMP or SAMP summarises customer issues / expectations. Detailed evidence of the inputs into service levels such as service planning outputs, customer engagement results. AM Performance Management Database containing data on historic results and future targets for each performance measure. The Communications Plan for engagement with internal and external customers.
Implications /risks of not achieving appropriate maturity	<ol style="list-style-type: none"> Increased risk of customer dissatisfaction with services provided. Increased risk of failing to meet defined level of service and performance expectations. Risk of delivering more than required at unnecessary cost to customers.

Self-assessment:

Current Score	15 (Aware)
Appropriate Target	45 (Core)
Reason for Scores (Current and Target)	<p>Current: ARC tracks community needs and provides an "acceptable level of service" for its assets, but these are not defined in a clear and measurable way.</p> <p>Target: Establish measurable ways to determine the level of service and periodically review it.</p>
Evidence to support Scores	ARC's strategic documents mention an "acceptable level of service" for assets, but there is no definition behind it. There is no documentation to support score, because there is no documents developed on this, it needs to be an item on the improvement plan
Improvement actions planned or underway	Together with asset owners, determine what is and how to measure the level of service for each area across the Council. To be an item included in the improvement plan, this is due for review in the near future.

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Expert assessment:

Identified Gaps	
1.	Appropriate Levels of Service (LoS) and measurable targets have not been adequately defined for each asset class.
2.	Decision making criteria incorporated in LoS has not been articulated. ISO 55001 states: <i>Asset management decisions are made across all levels within an organization, i.e. at strategic, tactical and operational levels. It is important for the organization to establish a decision-making framework that comprises decision-making processes and decision criteria, to ensure consistency and alignment between its decisions.</i>
Recommended improvement actions	
3.	Consider developing appropriate LoS Frameworks for each asset class – Regulatory LoS for the organisation, Customer LoS and Technical LoS.
4.	Consider developing a decision-making framework and key performance measures for LoS for each asset class.

3.1.3 3 - Demand Forecasting and Management

Questions	<ol style="list-style-type: none"> How well does your organisation: <ul style="list-style-type: none"> Forecast demand for its services? Assess the possible impact on its asset portfolios? Evaluate demand management options as part of its network and/or project analysis?
Evidence	<ol style="list-style-type: none"> The AMP: documented output of all maturity statements with links to more detailed evidence such as population /demographic analysis. Demand information databases: containing information on historic and projected demand scenarios by network and/or facility. Future demand is consistently shown in long term planning documents. Network strategies and /or project business cases demonstrate that Demand Management has been considered as an option to physical asset upgrades at a network and major project level.
Implications /risks of not achieving appropriate maturity	<ol style="list-style-type: none"> The organisation does not adequately predict and plan for demand changes, possibly resulting in service shortages, demand constraints, unexpected funding requirements, reduced levels of service.

Self-assessment:

Current Score	45 (Core)
Appropriate Target	65 (Intermediate)
Reason for Scores (Current and Target)	<p>Current: Demand forecasts are developed using ARC's growth targets, based on historical data and staff knowledge. There is currently no AMP supporting these decision-making processes.</p> <p>Target: Develop AMPs that will provide supporting evidence to achieve ARC's growth and development targets.</p>
Evidence to support Scores	Resourcing Strategy - June 2022
Improvement actions planned or underway	In developing AMPs, present demand forecasts with supporting assumptions, risk associated and defined strategies.

Expert assessment:

Identified Gaps	
1.	While environmental scans appear to be used to guide development of long-term plans, it is unclear if demand management options are considered as part of its network and/or project analysis.
Recommended improvement actions	
2.	Include demand management summary in SAMP and AMPs for each asset class.

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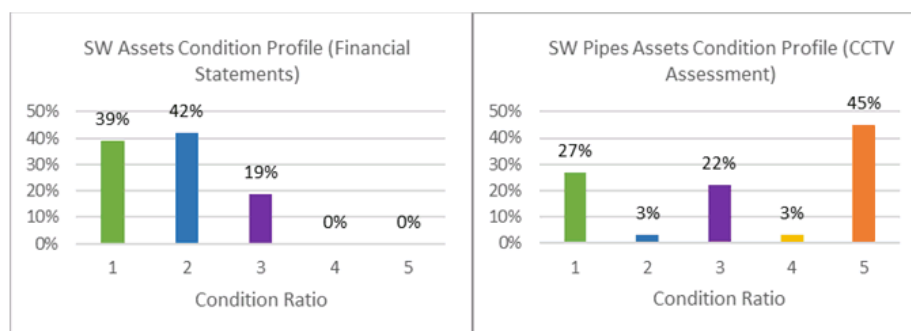
3.1.4 4 - Asset Condition and Performance

Questions	<ol style="list-style-type: none"> How well does your organisation: <ul style="list-style-type: none"> Measure and report on the condition and performance of its assets? Monitor the physical health of its network over time, in order to inform risk and investment decisions?
Evidence	<ol style="list-style-type: none"> An electronic asset register or registers containing the information stated for each maturity level. The condition of assets, especially critical assets, is measured and recorded against each asset.
Implications /risks of not achieving appropriate maturity	<ol style="list-style-type: none"> Data is not available to support AM Planning, resulting in: <ul style="list-style-type: none"> Reactive and non-optimal asset treatment approaches; Higher risk of unexpected asset failures; and Inefficient work practices (data is hard to access).

Self-assessment:

Current Score	40 (Basic)
Appropriate Target	55 (Core)
Reason for Scores (Current and Target)	<p>Current: The condition rating within Council's financial statements do not reflect truly the current state of Council's assets. Inspections and operations staff feedback indicate that the condition of most Council's assets are worse than indicated in the financial reports. Figure 8 shows an example of SW assets condition profile reported using financial statements data and a condition profile reported through a CCTV assessment.</p> <p>Target: Routinely capture and update the condition and performance of all asset.</p>
Evidence to support Scores	Asset Registers, Financial Statements, Inspection Reports.
Improvement actions planned or underway	Establish a condition and performance monitoring process in all areas. Areas that do not meet targets should be prioritized for short-term maintenance and renovation plans.

Figure 8. Gap in asset condition data



Expert assessment:

Identified Gaps	<ol style="list-style-type: none"> Condition assessments of some asset classes but it not consistent practice. It is unclear if this is used to fully inform asset management planning processes. This has not been documented. It is also unclear if this will be a regular planning activity or just an ad hoc one off activity for long term planning purposes. As confirmed in the workshop session, there's no centralised asset information management program and so the system varies and is not consistent across all departments. Repairs needed as informed by the condition assessments are not being completed consistently. There are several
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systems (in the past, TAMS¹ for water and sewerage) being used. Technology One was introduced in 2013 but not consistently used and regularly updated. A policy needs to be established, on mandatory use of a system for all asset classes which should inform operational budgets. This needs to be a council initiative.

Recommended improvement actions

1. ARC should consider establishing as standard best practice - an asset inspection regime for each stage of the asset lifecycle that is specific for each asset class and use inspection results to inform forward works programs and long term financial forecasts. This would ensure that a regular asset condition assessment and monitoring regime is consistently implemented for all asset classes, forward works programs are supported by evidence and investments in asset repairs, maintenance, renewals and/or upgrades are appropriately justified.
2. Establish an Asset Inspection Policy mandated by Council with accompanying implementation/procedures manual to ensure consistent processes and procedures are followed for each asset class.

3.1.5 5 - The Strategic Asset Management Plan

Questions	<ol style="list-style-type: none"> 1. How well does your organisation develop, communicate, resource and action its Strategic AM Plan? 2. How effectively does the SAMP define the AM System and link organisational and AM Objectives?
Evidence	<ol style="list-style-type: none"> 1. SAMP 2. SAMP review and approval sign-offs. 3. Where a SAMP isn't developed, the required SAMP content may be in the AMP, Infrastructure Strategy, Asset Strategy, Property Strategy, AM Systems Manual or other AM documents (as long as this is clearly defined in a documented 'scope of the AM System').
Implications /risks of not achieving appropriate maturity	<ol style="list-style-type: none"> 1. There is no clear framework or understanding of the AM System, limiting AM progress and achievement of AM benefits. 2. The organisation does not adequately predict and plan for long-term strategic changes, possible resulting in unexpected funding requirements, reduced levels of service, increased asset failures.

Self-assessment:

Current Score	25 (Basic)
Appropriate Target	60 (Core)
Reason for Scores (Current and Target)	Current: The process for the establishing the AM System has commenced. Target: Develop and use SAMP to support decision-making on long-term strategies.
Evidence to support Scores	SAMP is under development. AM Framework is under development.
Improvement actions planned or underway	Development of SAMP. Actively work in the AM improvement plan defined.

Expert assessment:

Identified Gaps
<ol style="list-style-type: none"> 1. There is a SAMP (but is more a strategy than a plan) which needs updating and improvement. It does not document Asset Management objectives derived from organisational objectives and AM processes, the AM Framework, LoS Framework and decision-making Framework. 2. While AM objectives have been documented in the AM Strategy, alignment with organisational objectives/priorities/goals is unclear and not sufficiently articulated. ISO 55000 states:

¹ Transport Asset Management Software

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<ul style="list-style-type: none"> Asset Management objectives are the “results to be achieved” so they are the results the organisation wants the Asset Management System to achieve; Asset management objectives should be SMART (Specific, Measurable, Achievable, Realistic and Time-bound); AM objectives are Strategic (high level, long term); Tactical (mid-level, medium term); and, Operational (lower-level, short term).
<p>3. While there is no requirement in ISO55001 to document and formalise an Asset Management Framework, ARC would benefit from having one. An AM Framework helps guide key decision points about asset management activities through various levels of the organisation – i.e. from senior executives, to business and process levels, to operations and delivery. An AM Framework is a representation of what is, essentially, the organisation’s Asset Management System (AMS) comprising of the set of interacting elements that include the AM Policy, AM objectives, AM Strategy/Strategic AM Plan, AM Plans and the processes to achieve the asset management objectives. ARC has indicated that an AM Framework is currently a work in progress.</p>
<p>Recommended improvement actions</p>
<p>4. Update and improve SAMP and incorporate important elements as per ISO 55001 guidelines. Within the SAMP documentation, the 6 important elements of the organisation’s Asset Management System should be described:</p> <ul style="list-style-type: none"> The organisational environment - governance structure, policy, stakeholders, internal and external environment, decision making criteria, scope of the asset management system and asset management objectives; Planning processes; Support processes; Operational processes; Performance evaluation processes; and, On-going continuous improvement processes.
<p>5. Consider a review of AM Objectives to ensure alignment with the organisational objectives articulated in the organisation’s Community Strategic Plan.</p>
<p>6. Continue with development of the Asset Management Framework and incorporate framework in SAMP.</p>

3.2 Element 2: Lifecycle Management

The assessment of this element is to confirm the organisation’s current and future requirements for infrastructure assets and services (defined through Asset Management Objectives and levels of service) and its understanding of the capability of the network to meet those requirements.

Five AM practice areas were assessed in Element 2.

3.2.1 6 - Managing Risk and Resilience

Questions	1. How well is risk management and resilience planning integrated into your asset management decision making?
Evidence	1. The risk / resilience section of the AMP, SAMP and/or Asset Strategy.
	2. Organisational risk management policy and framework.
	3. Risk register/s.
	4. Asset criticality and risk information in AMIS.
	5. Risk and/or Resilience Plan.

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Implications /risks of not achieving appropriate maturity	6. Decision/business case frameworks.
	1. Higher risk that AM objectives will not be achieved (through multiple failures, critical asset failures).
	2. Sub-optimal investment – e.g. too much focus on non-critical assets or vice versa.

Self-assessment:

Current Score	25 (Basic)
Appropriate Target	45 (Core)
Reason for Scores (Current and Target)	Current: Risk Management Policy updated in March 2021 to align with AS ISO 31000:2018. Risk Assessments in place for some asset classes. Target: The risk register is regularly updated, actions monitored and reported to management.
Evidence to support Scores	Risk Management Policy.
Improvement actions planned or underway	Governance is in the process of implementing the Risk Management Framework for Council including operational, strategic and climate change risk.

Expert assessment:

Identified Gaps	
1.	There is a Risk Management Policy but risk assessments or risk management processes are not in place for all asset classes and it is unclear if incorporated in asset management decision making processes and is consistently practised. ISO 55001 states: Risk management is essential in developing asset management objectives and plans, and ensuring decision making is in line with organisational objectives and stakeholder requirements. The guidelines given in ISO 31000 and IEC 31010 can be applied to defining and establishing a risk management approach that conforms to ISO 55001. Based on the risk attitude of the organisation's top management, asset managers should establish a framework, including decision-making criteria, to illustrate the relationship between this risk attitude and value creation within the risk management approach.
Recommended improvement actions:	
1.	Following the implementing of the Risk Management Framework, ARC should consider development of risk registers and application of ISO 55001 compliant risk management approaches to assessment of risks for all asset classes.
2.	Consider development of Risk Management Procedures Manual and incorporate risk assessment processes in asset management planning for all asset classes.

3.2.2 7 - Operational Planning

Question	1. How well does the organisation plan and manage its operations and maintenance activity to keep assets in service and meet AM objectives?
Evidence	1. Operational and maintenance strategies and plans, including O&M manuals, incident / emergency / business continuity plans.
	2. Operations review reports (e.g. review of structure, logistical arrangements).
	3. Resource plans and schedules (or contract specifications relating to this where outsourced)

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Implications /risks of not achieving appropriate maturity	1. Sub-optimal investment – e.g.: too much focus on non-critical assets or reactive maintenance vice versa, or on new transformational investment as the expense of maintaining existing assets.
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Self-assessment:

Current Score	45 (Core)
Appropriate Target	60 (Core)
Reason for Scores (Current and Target)	<p>Current: Operational Plan established annually, with incident and emergency management plans aligned with legislation and licensing requirements, but future planning is still an exercise that council needs to improve.</p> <p>Target: Decision making framework for prioritizing and optimizing expenditures in planned and unplanned maintenance and renovation programs.</p>
Evidence to support Scores	Operational Plan and Budget 2022-2023
Improvement actions planned or underway	<ol style="list-style-type: none"> 1. Align operational objectives with AM objectives. 2. Analyse trends in planned and unplanned maintenance and renewal activities and consider trade-offs in determining optimal maintenance and renewal frequencies.

Expert assessment:

Identified Gaps	<ol style="list-style-type: none"> 1. Operational plan exists but what is not articulated is the operational planning processes within asset management activities. It is not clear how the budget was derived when the operational asset management activities (for each asset class) have not been quantified.
Recommended improvement actions:	<ol style="list-style-type: none"> 1. Articulate and document operational asset management activities of each asset class in AMPs. 2. Consider documenting operational asset management activities in procedures manual relevant to each asset class to ensure consistency in processes.

3.2.3 8 - Capital Works Planning

Question	1. How well does the organisation plan and prioritise capital expenditure, including renewal programmes?
Evidence	<ol style="list-style-type: none"> 1. Capital Renewal strategies and plans. 2. Capital project databases / schedules (the 'pipeline'). 3. Capital Renewal projects are supported by robust Renewal models (spreadsheets or other predictive modelling software) and reports. 4. Business cases. 5. Capital Improvement projects to increase service levels are supported by robust evidence for service level requirements (e.g. safety or legislative change). 6. Capital Improvement projects to increase network capacity are supported by robust evidence for increased demand (e.g. from growth).
Implications /risks of not achieving appropriate maturity	1. Risk that planned capital projects will not meet renewal, level of service or growth needs for the activity.

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Self-assessment:

Current Score	50 (Core)
Appropriate Target	65 (Intermediate)
Reason for Scores (Current and Target)	<p>Current: Long-term capital investments are conceptually identified with broad cost estimates available, but a lot of the projects are not shovel ready and cost estimates exercises needs to be improved.</p> <p>Capital projects with their costs are tracked in a Capital projects register.</p> <p>Renewals are based on resource availability (cash and staff). Assets with the highest risk of failure take priority, but due to the lack of confidence in asset register, a lot of works are undertaken reactively.</p> <p>Target: A formal prioritisation framework is routinely applied to all capital projects and programmes (utilising a multi-criteria or benefit-cost approach).</p>
Evidence to support Scores	<ol style="list-style-type: none"> 1. Capital Projects Register. 2. 10 Year Capital Plan 2021-2031. 3. Long-term financial plan. 4. Delivery Program 2022-2026.
Improvement actions planned or underway	<ol style="list-style-type: none"> 1. Improve cost-estimation for Capital Projects. 2. Implement a capital delivery / options evaluation framework and a formal prioritisation framework.

Expert assessment:

Identified Gaps	<ol style="list-style-type: none"> 1. There is a capital delivery program but the prioritisation processes for planning these projects should be articulated. While there is an acknowledgement that a formal prioritisation process is applied, it is not documented so the justification for these projects is unclear.
Recommended improvement actions:	<ol style="list-style-type: none"> 1. Establish and implement a capital works prioritisation framework for capital works planning and document process in AMPs. 2. Consider documenting operational asset management activities relevant to each asset class to ensure consistency in processes.

3.2.4 9 - Asset Financial Planning and Management

Questions	<ol style="list-style-type: none"> 1. How well does the organisation: <ul style="list-style-type: none"> • Plan for asset-related expenditure and funding? • Revalue its assets and consider depreciation in its funding strategy? • Consider the whole of life cost of asset investments?
Evidence	<ol style="list-style-type: none"> 1. Financial forecasts and documented assumptions and confidence levels (typically in the AMP). 2. Asset revaluation reports. 3. Asset replacement costing reports. 4. Financial indicators (e.g. financial sustainability indicators). 5. Financial policies (e.g. capitalisation). 6. Expenditure forecasts are provided for all expensed and capital expenditure types (e.g. operations, maintenance, capital renewals and capital improvements)

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Implications /risks of not achieving appropriate maturity	1. The organisation retains a short-term view of financial requirements with risk of deferred backlog of works and reduced levels of service.
	2. Risk that future customers are faced with meeting generational funding shortfalls.
	3. Lack of understanding of loss of service potential (depreciation) leads to underfunding of renewals.

Self-assessment:

Current Score	35 (Basic)
Appropriate Target	50 (Core)
Reason for Scores (Current and Target)	Current: Financial budget separated for Operational and Capital. Depreciated replacement cost according to finance register calculations. Target: Asset and financial data and reporting are fully integrated or regularly reconciled. Long-term asset funding options are regularly reviewed.
Evidence to support Scores	1. Finance register. 2. Operational Plan & Budget 2022-2023.
Improvement actions planned or underway	1. Once Council is able to have one source of truth for asset data, the planning of future works will be done proactively. Works have commenced for the improvement of data.

Expert assessment:

Identified Gaps	
1.	Asset related expenditure and funding has been articulated in the LTFP. However, the process for planning expenditure is unclear. Asset valuations are carried out but valuation results do not appear to be used to inform investment in asset renewals. There is an apparent disconnect between finance asset depreciation and operational leads records. Finance has stepped in over some operational departments.
Recommended improvement actions:	
1.	Establish and implement a decision making framework for asset related expenditure and funding and utilise asset valuations results to guide investments in asset renewals.

3.2.5 10 - Asset Management Plans

Question	1. How well does your organisation develop, communicate, resource and action its asset management plans?
Evidence	1. Portfolio Asset Management Plans (AMPs covering the whole network and activity). 2. Asset Management Plans (for specific asset types). Note: the above may be within a single document. 3. Information Systems Strategic Plan (ISSP). 4. AMP main contributors or authors shown. 5. Review and approval sign-offs. 6. Corporate long-term financial plans. 7. Minutes from meetings and workshops with governance and leaders.
Implications /risks of not achieving appropriate maturity	1. Lack of documented evidence to support long term financial forecasts leading to: <ul style="list-style-type: none"> Risk that required funding will not be provided; AM needs not being adequately communicated and addressed.

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Self-assessment:

Current Score	25 (Basic)
Appropriate Target	65 (Intermediate)
Reason for Scores (Current and Target)	Current: ARC only have AMPs developed by Morrison Low. Target: Develop AMPs that the asset owners can follow and use on a regular basis to undertake their program of works and services.
Evidence to support Scores	1. Asset Management Plans prepared by Morrison & Low, 2020.
Improvement actions planned or underway	1. Updated Asset Management Plans currently being prepared that will address deficiencies in existing AMPs.

Expert assessment:

Identified Gaps	
1.	There are AMPs for all asset classes but with very limited asset specific information. The AMPs do not detail operational, maintenance, renewal and capital upgrades activities relevant to the asset classes.
Recommended improvement actions:	
1.	Update and improve AMP and provide asset specific information as per ISO 55001 guidelines. The AMP is as important as the SAMP. The SAMP is developed to deliver the asset management objectives and the AMPs contain activities necessary to deliver the asset management objectives.

3.3 Element 3: Asset Management Enablers

Assessment of this element confirms the organisation's capacity in implementing best practice asset management and its resource capability in asset management which includes people (internal and external), data, information systems and processes the organisation needs for effective asset management; and, its approach in ensuring asset management practices are subject continuous improvement.

Six AM practice areas were assessed in Element 3.

3.3.1 11 - AM People and Leaders

Questions	1. What is the level of organisational commitment to asset management? 2. How is this reflected in existing organisation structure, responsibilities and resourcing of AM competencies?
Evidence	1. AM governance structure, team and role descriptions are in place. 2. Governance and Leadership communications. 3. Internal Communications Plan (may be part of a broader 'Communications Plan' required in Section 2). 4. Capability and Capacity Assessment Report. 5. Evidence that recommendations from the above have been progressed, e.g.: role revision, training.
Implications /risks of not achieving appropriate maturity	1. People will not have the authority, capability or capacity to manage and improve the AM System and achievement if AM benefits (described in Element 1) are not achieved.

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	2. Staff are dissatisfied through lack of role clarity, purpose and leadership support.
	3. Governance does not adequately monitor asset risks, costs or performance. The organisation lacks adequate capability, capacity and direction in AM practice.

Self-assessment:

Current Score	30 (Basic)
Appropriate Target	50 (Core)
Reason for Scores (Current and Target)	Current: Leadership team started to be more involved in the AM coordination, but this is still a work in progress. Some employees involved in AM functions are receiving training. Target: Once AM Framework is implemented, promote continual improvement of AM. Awareness of AM purpose across most of the organisation. Incorporate the main AM roles in position descriptions and provide suitable training to those roles.
Evidence to support Scores	1. Under the leadership of the chief officer, Assets and Services are building the AM Framework and finding/fixing gaps in the processes currently performed in asset management.
Improvement actions planned or underway	Pending outcomes of organisational re-structure in progress.

Expert assessment:

Identified Gaps	1. As with most local government organisations, resource capability in asset management is common issue. In the self-assessment, a huge gap in score is evident. While there is an acknowledgement of recent involvement of the organisational leadership, resource capability in asset management, however, still needs some attention. Skills and resource capability needs to be evaluated to appropriately address resource needs and knowledge and skills gaps in asset management.
Recommended improvement actions:	1. Consider an evaluation and audit of resource capability and where there are evident knowledge and skills gaps, develop professional development programs to upskill staff in asset management. 2. Clarify and communicate roles and responsibilities in AM practice areas.

3.3.2 12 - Asset Data and Information

Questions	1. How well does your organisation define its asset data requirements? 2. What asset information does the organisation collect? 3. How does our organisation ensure the information has the requisite quality (accuracy, consistency, reliability)?
Evidence	1. An electronic asset register or registers. 2. Information Strategy, or other document summarizing the asset information needs analysis. 3. Asset data management procedures. 4. Asset data is used to support asset decisions such as business cases and renewal forecasts. 5. The hierarchy, granularity and attributes of asset data is adequate to support asset and financial planning.

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	6. Asset data confidence or quality is shown in terms of data accuracy, completeness and currency.
Implications /risks of not achieving appropriate maturity	1. Data is not available to support AM Planning, resulting in: <ul style="list-style-type: none"> Reactive and non-optimal asset treatment approaches. Higher risk of unexpected asset failures.
	2. Inefficient work practices (data is hard to access).

Self-assessment:

Current Score	30 (Basic)
Appropriate Target	45 (Core)
Reason for Scores (Current and Target)	Current: For most areas, the only asset register existent is the Finance register (Excel Spreadsheet). There is basic physical asset information and enough information to calculate the depreciated replacement cost. However, this information is of low accuracy as there may be assets missing from this list or missing some information (e.g. year of acquisition, remaining useful life, etc.). Target: Have of a single source of truth, with a reliable and updated register of physical, financial and risk attributes recorded. Knowledge of asset criticality and risk supports the regularity of data collection and updating.
Evidence to support Scores	1. Finance register.
Improvement actions planned or underway	1. ARC is in the process to start investigating a platform/system to improve the process of adding, storing and managing assets.

Expert assessment:

Identified Gaps
1. Asset data are stored in excel spreadsheets, asset registers are poorly managed. Data integrity is lost when asset details are missing, are not fully captured and asset information is spread over multiple copies of excel spreadsheets. There may still be several assets that have not been tracked or recorded in asset registers.
Recommended improvement actions:
1. Consider undertaking a region-wide inventory of all assets to fully capture and update asset data records.
2. Consider investing in enterprise asset management information system.
3. Consider undertaking an asset data cleansing exercise to maintain data integrity.

3.3.3 13 - Asset Information Management System (AIMS)

Question	1. How well does your organisation ensure appropriate information systems are in place and fit-for-purpose considering complexity of assets and AM maturity level required?
Evidence	1. Information Systems Strategy. 2. Information Systems specifications and user guides. 3. Information System reports.
Implications /risks of not achieving appropriate maturity	1. Unable to support appropriate level of AM analysis, leading to non-optimal decisions, inefficient work practices.

Self-assessment:

TRIM: TBA

Current Score	25 (Basic)
Appropriate Target	50 (Core)
Reason for Scores (Current and Target)	Current: For most areas, the only asset register existent is the Finance register (Excel Spreadsheet). Target: Asset information reports can be manually generated for AM Plan input. AMIS provides basic AM reporting capability - condition / performance, renewal forecasts, valuations.
Evidence to support Scores	1. We currently do not have an AMIS, asset registers/ data are maintained mostly in excel spreadsheets.
Improvement actions planned or underway	1. ARC is starting the process and analysing proposals from companies to implement a platform/system to improve the process of adding, storing and managing assets.

Expert assessment:

Identified Gaps
1. There appears to be no common electronic Asset Information Management System.
Recommended improvement actions:
2. Urgent attention should be given to improving the asset data management processes i.e. capturing, recording, maintaining, updating and handling of asset data.
3. Invest in an enterprise asset management information system for all asset classes linked to the financial system so there is a single repository of asset information.
4. Establish a data management policy and procedures to ensure consistency in asset data management practices within all the asset classes.
5. Other improvement actions for this are recommended in 2. Asset Data and Information.

3.3.4 14 - AM Process Management

Questions	1. How well does your organisation: <ul style="list-style-type: none"> Define and implement appropriate AM process documentation? Review and improve AM processes? Align AM processes with those in other 'Management Systems'?
Evidence	1. Asset Management Plans (for some high-level AM process documentation). 2. SAMP or AM Systems Manual, outlining integration of management systems and boundary conditions. 3. Quality management systems (e.g. evidence of use of process mapping tools, document management systems and intranet).
Implications /risks of not achieving appropriate maturity	1. Risks that processes are not being followed leading to non-optimal decisions, higher risks of asset or operational failures, inefficient work practices.

Self-assessment:

Current Score	20 (Basic)
Appropriate Target	45 (Core)
Reason for Scores (Current and Target)	Current: AM processes are not clearly defined. Maintenance and renewals are done when necessary/requested or through the knowledge of the team. Target: Define and manage AM process interfaces with other teams. Identify critical AM processes documented, monitored and subject to review.
Evidence to support Scores	1. SAMP and AMPs under development. 2. ARC is analysing AMIS available options in the market.

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Improvement actions planned or underway	Pending outcomes of organisational re-structure
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Expert assessment:

Identified Gaps	
1.	As indicated in preceding sections, there are no established or clearly defined asset management processes in place. Asset management activities are poorly documented. Inspection manuals are available in some departments. AM Planning groups planning how to create consistency across asset classes.
Recommended improvement actions:	
1.	Consider developing asset specific operational procedures manuals covering processes for risk management, emergency management (also resilience management) as well as business continuity plans and communication plans.
2.	Processes and procedures for management of assets should be communicated and clearly articulated. This should be consistent across all asset classes.

3.3.5 15 - Outsourcing and Procurement

Questions	<ol style="list-style-type: none"> How well does your organisation: <ul style="list-style-type: none"> Procure assets and asset-related services like maintenance and consumables for different classes of assets? Exercise control over outsourced asset management services?
Evidence	<ol style="list-style-type: none"> Internal Service Level Agreements. Network management contracts, and other types of contracts. Procurement strategy. Tendering procedures. Example of evaluation of procurement options considered for recent major contracts. Contract performance monitoring reports. Levels of service are documented within contracts.
Implications /risks of not achieving appropriate maturity	<ol style="list-style-type: none"> Higher contracting costs. Balance of risk not understood, risks of unintended cost coverage. Poor contractor performance. Performance not aligned with AM objectives.

Self-assessment:

Current Score	45 (Core)
Appropriate Target	60 (Core)
Reason for Scores (Current and Target)	<p>Current: Procurement policy in place. ARC has a procurement portal to manage all purchases.</p> <p>Target: Procurement and contract management processes are regularly audited and improvements identified.</p>
Evidence to support Scores	1. Council Procurement Policy
Improvement actions planned or underway	Procurement and contract improvements identified form audit in progress.

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Expert assessment:

Identified Gaps	
1.	There is a procurement policy. However, processes should be regularly audited, reviewed and improved to ensure value for money is achieved.
2.	Unclear how contracts are reviewed or if contractors are subject to KPIs and performance evaluated.
Recommended improvement actions:	
1.	Consider developing KPIs for contractor performance evaluation and establish regular performance assessment regime for contractors. This is to ensure performance is aligned with AM Objectives.
2.	Ensure LoS requirements are documented in contracts.

3.3.6 16 - Continual Improvement

Questions	1. How well does your organisation ensure that it continues to develop its asset management capability towards an appropriate level of maturity?
Evidence	1. A documented AM System Maturity Gap Assessment (current maturity of its AM people, processes, practices, data and technology compared to desired maturity), and associated AM processes report and recommendations. 2. The AM Improvement Plan, which will usually be a component of a SAMP (the corporate-wide improvement plan) and AMP (the more detailed activity-specific improvement plan). 3. A monitoring process for the Improvement Plan. 4. Progress reports on AM Improvement Plan implementation.
Implications /risks of not achieving appropriate maturity	1. Required changes will not be implemented, none of the AM benefits will be realised. 2. Unable to demonstrate benefits of AM improvements to governance and leaders. 3. The organisation will not learn and adapt to changing circumstances.

Self-assessment:

Current Score	20 (Aware)
Appropriate Target	50 (Core)
Reason for Scores (Current and Target)	Current: Recognition of the need for AM improvement process, evident in responses to review questions. Target: Core 41-60 maturity level.
Evidence to support Scores	1. Engagement with PWA to build SAMP, AMPs and AM maturity assessment.
Improvement actions planned or underway	1. Under the leadership of the chief officer, Assets and Services are building the AM Framework and finding/fixing gaps in the processes currently performed in asset management.

Expert assessment:

Identified Gaps	
1.	This is the first AM Maturity Assessment of ARC. Gaps have been identified. An improvement plan is being developed as components of the SAMP and AMP.
Recommended improvement actions:	
1.	Ensure timeframes for implementation of improvement actions are achievable.
2.	Conduct maturity assessment annually to track and monitor progress on improvement actions and maturity level ratings.
3.	Incorporate Improvement Plan in SAMP and AMP.

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4. CONCLUSIONS AND RECOMMENDATIONS

As this is their first maturity assessment, ARC has set as a minimum target of Core (41-60 score) AM maturity level, which they believe they can achieve within the desired timeframe of 1-2 years. The targets reflect what is realistically achievable within a reasonable timeframe as well as the importance of the assets and is set at a level where the benefits of achieving a targeted level of maturity can be justified by the costs and other resources involved. This has been taken into consideration when the minimum maturity level targets were set for each AM practice areas.

ARC will prioritise completion of the improvement actions within 1 to 2 years. The recommended improvement actions are intended to assist the organisation in closing the gap score to achieve the desired maturity level.

4.1 Summary findings

ARC's current overall AM maturity score is 32 (Basic) and Maturity Gap is 23 (Basic). Overall, ARC has a Basic AM Maturity level – minimum level processes and practices in place. The overall variance from the target is 41%. Table 6 shows a summary of the scores in areas assessed.

Current AM Practices within the organisation are at AWARE, BASIC and CORE maturity levels:

Aware	The organisation is aware, but has not yet implemented the process or practice
Basic	Minimum level processes and practices in place
Core	Well defined and clearly linked processes and practices in place

Aware	Basic	Core
Levels of Service Framework	Analysing the Strategic Direction (AM Policy & Objectives)	Demand Forecasting and Management
AM Process Management	Asset Condition and Performance	Operational Planning
Continual Improvement	The SAMP	Capital Works Planning
	Managing Risk and Resilience	Outsourcing and Procurement
	Asset Financial Planning and Management	
	AM Plans	
	AM People and Leaders	
	Asset Data and Information	
	Asset Management Information System (AMIS)	

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Table 5. Summary of scores in areas assessed

IIMM ref	Question/ Area	Current score	Target score	Maturity gap
Detailed results				
2.1	1 - Analysing the Strategic Direction	40	65	25
2.2	2 - Levels of Service Framework	15	45	30
2.3	3 - Demand Forecasting and Management	45	65	20
2.4	4 - Asset Condition and Performance	40	55	15
2.5	5 - The Strategic Asset Management Plan	25	60	35
3.2	6 - Managing Risk and Resilience	25	45	20
3.3	7 - Operational Planning	45	60	15
3.4	8 - Capital Works Planning	50	65	15
3.5	9 - Asset Financial Planning and Management	35	50	15
3.6	10 - Asset Management Plans	25	65	40
4.1	11 - AM People and Leaders	30	50	20
4.2	12 - Asset Data and Information	30	45	15
4.3	13 - Asset Information Management System (AIMS)	25	50	25
4.4	14 - AM Process Management	20	45	25
4.5	15 - Outsourcing and Procurement	45	60	15
4.6	16 - Continual Improvement	20	50	30
	OVERALL SCORE	32	55	23
Detailed results				
2	Understanding and defining requirements	33	58	25
3	Lifecycle Management	36	57	21
4	Asset Management enablers	28	50	22
	OVERALL SCORE	32	55	23

% variance from target: 42%

While the overall target score is at CORE maturity level, ARC has set specific high priority AM areas that are targeted to achieve an INTERMEDIATE (65) maturity level, such as:

- Analysing the Strategic Direction (AM Policy and Objectives);
- Demand Forecasting and Management;
- Capital Works Planning; and
- AM Plans.

The Asset Management Policy, Strategic Asset Management Plan and Asset Management Plans are mandatory ISO 55001 artefacts. These, together with the Asset Management Framework are high priority improvement actions for the organisation.

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The AM Maturity Assessment can support decision making on which areas to focus on first, in line with the Council's objectives and by analysing the gaps in the AM maturity report (Figure 9).

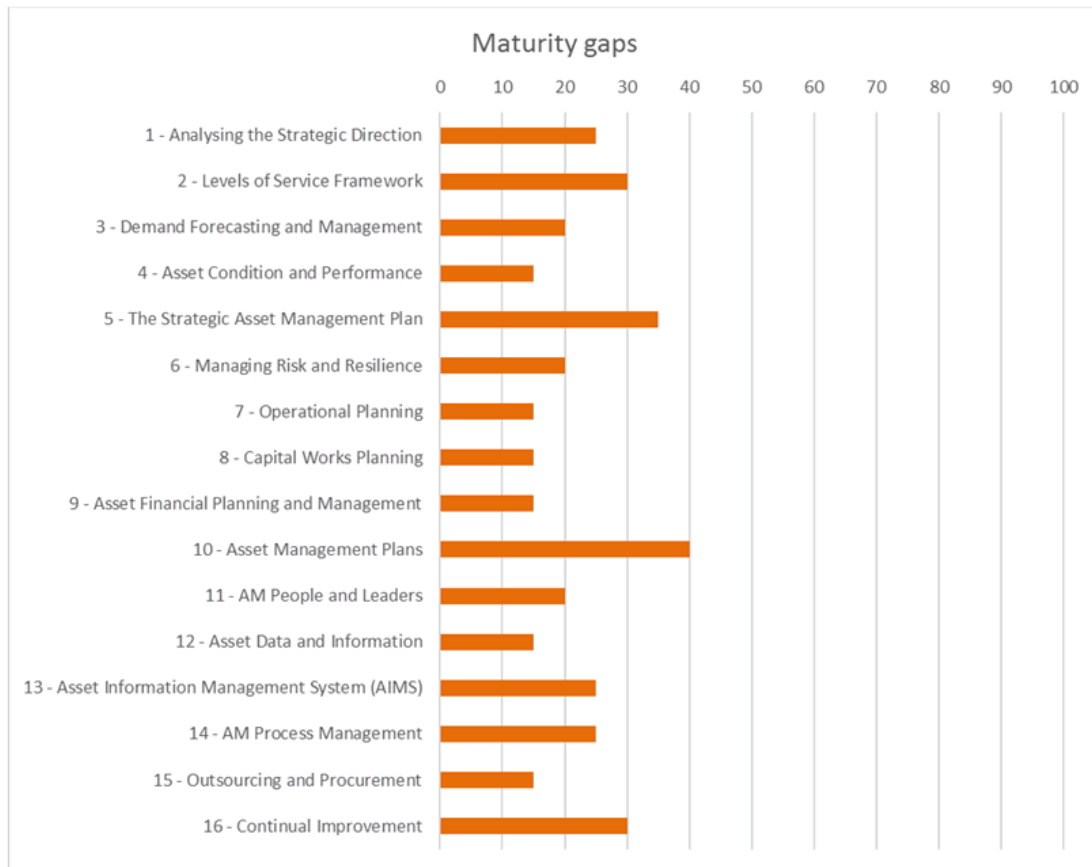
Figure 9. Current scores vs target scores in AM areas



TRIM: TBA

Maturity gaps in the AM areas are shown in Figure 10.

Figure 10. Maturity gaps in AM areas



ARC will need to give due consideration to the costs, benefits and achievability of closing the gaps between current and target scores. Best practice asset management is about targeting a level of maturity that is appropriate for ARC. Gaps between current and target scores provide the basis for a realistic and achievable improvement plan, which has been developed as part of this assessment exercise.

The most significant gaps are:

- AM Plans (40);
- The Strategic Asset Management Plan (35);
- Levels of Service Framework (30); and
- Continual Improvement (30).

TRIM: TBA

To lift their capability to appropriate levels of asset management maturity, ARC has set target maturity levels for each AM practice area that are considered realistic and achievable within a 1-2 year period (Table 7):

Table 6. AM practice areas target maturity levels in 1-2 years

AM practice areas	Target maturity level (1-2 years)
Analysing the Strategic Direction (AM Policy & Objectives)	Intermediate
Levels of service framework	Core
Demand Forecasting and Management	Intermediate
Asset Condition and Performance	Core
The Strategic Asset Management Plan	Core
Managing Risk and Resilience	Core
Operational Planning	Core
Capital Works Planning	Intermediate
Asset Financial Planning and Management	Core
AM Plans	Intermediate
AM People and Leaders	Core
Asset Data and Information	Core
Asset Management Information System (AMIS)	Core
AM Process Management	Core
Outsourcing and Procurement	Core
Continual Improvement	Core

To track and monitor progress over time, AM maturity assessments will be conducted yearly. The numeric scores resulting from the assessment are useful in monitoring progress over time. ARC will then set higher target AM Maturity scores in each of the AM practice areas once the current target maturity levels have been achieved.

4.2 Improvement Plan

The organisation is aiming to achieve a minimum overall CORE (41-60 score) AM Maturity level within a timeframe of 1-2 years. To close the gaps in all 16 AM practice areas and lift their capability in asset management, some improvement actions have been developed as shown in Tables 8 and 9.

The Improvement Plan comprises of:

- Recommended improvement actions to close the gaps between the current and target scores; and,
- The proposed delivery timeframe for the actions.

This plan is an essential component of the SAMP and the AMP currently being prepared and improved as recommended in this assessment. This plan was developed for inclusion in the SAMP and AMP.

TRIM: TBA

Table 7. Improvement Actions 2022-2023

		Timeframe: 1 year, FY 2022-2023
Element	AM Practice Area	Improvement Actions
1	1. Analysing the Strategic Direction (AM Policy & Objectives)	<p>In its review and update of the AM Policy, ARC should consider:</p> <ul style="list-style-type: none"> Including a short statement of the principles by which the organisation intends to apply asset management to achieve its organisational objectives; Include organisation's commitment and expectations for decisions, activities and behaviour concerning asset management – organisational policies e.g. WHS and risks, stakeholder requirements, lifecycle management of assets as well as resources to support asset management processes; Include organisation's commitment to continuous improvement of asset management processes and performance; and Ensure that statements clearly demonstrate the alignment to and support for the organisational objectives.
	2. Levels of Service Framework	<ul style="list-style-type: none"> Consider developing appropriate Levels of Service Framework for each asset class – Regulatory -LoS for the organisation, Customer LoS and Technical LoS. Consider developing a decision-making framework and key performance measures for LoS for each asset class.
	3. Demand Forecasting and Management	<ul style="list-style-type: none"> Clearly articulate demand management option in SAMP and AMP for each asset class.
	5. The Strategic Asset Management Plan	<ul style="list-style-type: none"> Update and improve SAMP and incorporate important elements as per ISO 55001 guidelines. Within the SAMP documentation, the 6 important elements of the organisation's Asset Management System should be described - the organisational environment - governance structure, policy, stakeholders, internal and external environment, decision making criteria, scope of the asset management system and asset management objectives; planning processes; support processes; operational processes; performance evaluation processes; and, on-going continuous improvement processes.

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		<ul style="list-style-type: none"> Consider a review of AM Objectives to ensure alignment with the organisational objectives articulated in the organisation's Community Strategic Plan. Continue with development of the Asset Management Framework and incorporate framework in future version of SAMP.
2	6. Managing Risk and Resilience	<ul style="list-style-type: none"> Following the implementing of the Risk Management Framework, ARC should consider development of risk registers and application of ISO 55001 complaint risk management approaches to assessment of risks for all asset classes. Consider development of Risk Management Procedures Manual and incorporate risk assessment processes in asset management planning for all asset classes.
2	7. Operational Planning	<ul style="list-style-type: none"> Articulate and document operational asset management activities of each asset class in AMPs. Consider documenting operational asset management activities relevant to each asset class to ensure consistency in processes.
2	8. Capital Works Planning	<ul style="list-style-type: none"> Establish and implement a capital works prioritisation process for capital works planning and document process in AMPs. Consider documenting operational asset management activities relevant to each asset class to ensure consistency in processes.
2	10. AM Plans (for the Asset Portfolio and Assets)	<ul style="list-style-type: none"> Update and improve AMP and provide asset specific information as per ISO 55001 guidelines. The AMP is as important as the SAMP. The SAMP is developed to deliver the asset management objectives and the AMPs contain activities necessary to deliver the asset management objectives.
3	15. Outsourcing and Procurement	<ul style="list-style-type: none"> Consider developing KPIs for contractor performance evaluation and establish regular performance assessment regime for contractors. This is to ensure performance is aligned with AM Objectives. Ensure LoS requirements are documented in contracts.
3	16. Continual Improvement	<ul style="list-style-type: none"> Incorporate Improvement Plan in SAMP and AMP. Conduct maturity assessments annually to track and monitor progress on improvement actions and maturity level ratings.

TRIM: TBA

Table 8. Improvement Actions 2022-2024

		Timeframe: 2 years, FY 2022-2024
Element	AM Practice Area	Improvement Actions
1	4. Asset Condition and Performance	<ul style="list-style-type: none"> ARC should consider establishing as standard best practice - asset inspection regime for each stage of the asset lifecycle that is specific for each asset class to inform forward works programs and long term financial forecasts. This would ensure that a regular asset condition assessment and monitoring regime is consistently implemented for all asset classes, forward works programs are supported by evidence and investments in asset repairs, maintenance, renewals and/or upgrades are appropriately justified. Establish an Asset Inspection Policy mandated by Council with accompanying implementation/ procedures manual to ensure consistent processes and procedures are followed for each asset class.
2	9. Asset Financial Planning and Management	<ul style="list-style-type: none"> Establish and implement a decision making framework for asset related expenditure and funding and utilise asset valuation results to guide investments in asset renewals.
3	11. AM People and Leaders	<ul style="list-style-type: none"> Consider an evaluation and audit of resource capability and where there are evident knowledge and skills gaps, develop professional development programs to upskill staff in asset management. Clarify and communicate roles and responsibilities in AM practice areas.
3	12. Asset Data & Information	<ul style="list-style-type: none"> Consider undertaking a region-wide inventory of all assets to fully capture and update asset data records. Consider investing in an enterprise asset management information system. Consider undertaking an asset data cleansing exercise to maintain data integrity.
3	13. Asset Management Information Systems (AMIS)	<ul style="list-style-type: none"> Urgent attention should be given to improving the asset data management processes i.e. capturing, recording, maintaining, updating and handling of asset data. Invest in an enterprise asset management information system for all asset classes linked to the financial system so there is a single repository for asset information. Establish an information management policy and procedures to ensure consistency in asset data management practices within all the asset classes.

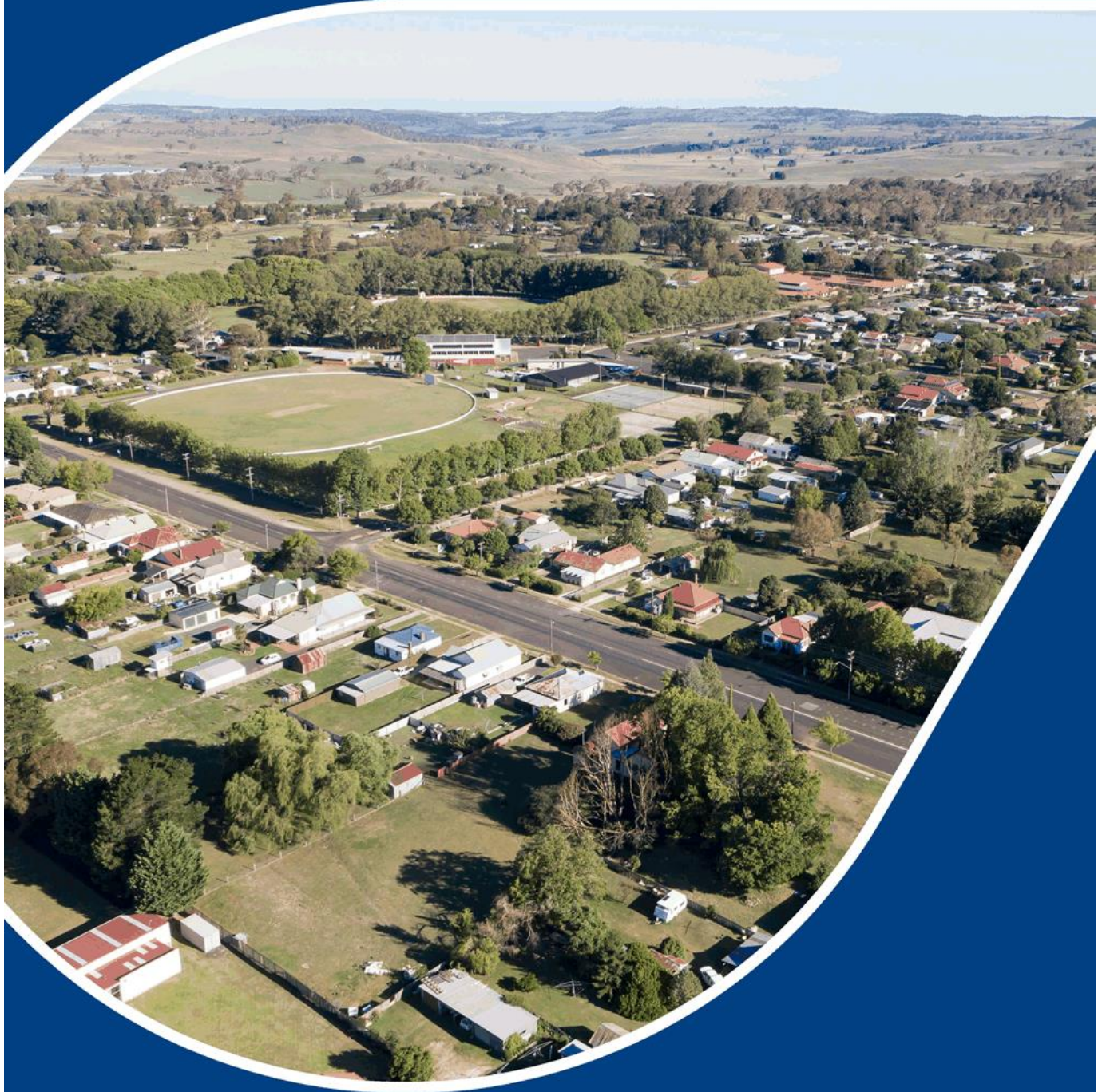
TRIM: TBA

Timeframe: 2 years, FY 2022-2024		
Element	AM Practice Area	Improvement Actions
		<ul style="list-style-type: none"> Other improvement actions for this are recommended in 2. Asset Data and Information.
3	14. AM Process Management	<ul style="list-style-type: none"> Consider developing asset specific operational procedures manuals covering processes for risk management, emergency management (also resilience management) as well as business continuity plans and communication plans. Communicate and clearly articulate processes and procedures for management of assets. This should be consistent across all asset classes.



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Strategic Asset Management Plan October 2022



RESTORE & THRIVE

ARMIDALE
Regional Council

QUALITY CONTROL		
OUR PURPOSE	Together, proud to deliver to the highest possible standards for ARC in all we do	
KEY DIRECTION	Strong Region (Engagement and Responsibility)	
GOAL	S2 - Strong governance and leadership that supports our region to grow and prosper	
STRATEGY	S2.2 - Ensure that strategic directions are informed by, and with, the community and stakeholders and are delivered effectively, and in consideration of available resources	
RESPONSIBLE OFFICER	Coordinator Strategic Infrastructure Planning	
REVIEW DATE	2024	
DATE	ACTION	RESOLUTION No
30/08/2022	PWA – First Draft finalised	N/A
13/09/2022	PWA – Final Draft finalised	N/A
12/10/2022	ARC – Draft reviewed	N/A
21/10/2022	ARC – Documents endorsed by COAS	N/A
TBC	Council - Public Exhibition	TBC
TBC	Council - Adoption	TBC
NOTES	Nil	

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1. EXECUTIVE SUMMARY

This Strategic Asset Management Plan (SAMP), is one of three mandatory ISO 55001 Asset Management Standard documents which has been prepared to meet the requirements of Armidale Regional Council's (ARC) Asset Management Framework (AMF). The framework is currently being developed and finalised for implementation in the 2022/23 Financial Year (FY). It includes three key documents: Asset Management (AM) Policy, Strategic Asset Management Plan (SAMP) and Asset Management Plans (AMPs) for each of the asset classes owned and managed by Council. The asset classes covered by this SAMP are the airport, buildings, water supply, stormwater, sewerage, solid waste, parks, recreation and other assets which have a total replacement value \$1.19 billion (as at June 2022).

The AM Policy, SAMP and AM Plans, together with the AMF, are priority improvement actions for Council.

1.1 Key issues

Council recognises that *sustainable, cost effective asset management performance is likely to be a function of the quality of underlying asset management practices, systems and culture in the organisation¹*; and, that to achieve its organisational goals, it must address the strategic issues that impact on the management of its infrastructure assets.

1.1.1 Strategic Issue 1

Council needs to lift its capability in asset management by addressing the gaps in AM practices identified in the Asset Management Maturity Assessment conducted in July 2022. The Improvement Plan on page 36 of this SAMP, contains 30 recommended improvement actions for Council.

Based on a 55 target maturity level score, Council's overall AM maturity score is currently at 32 (Basic) – i.e. minimum level processes and practices in place with a Maturity Gap of 23 (Basic). The variance between the current and target scores is 41%.

Council has made a commitment to improve its asset management capability through the establishment of an Asset Management Framework (AMF) that aligns with the organisation's AM Policy and complies with the requirements of ISO 55001 AM standards.

Council's AM Strategy states:

Development of an Asset Management Framework is an improvement action for Council and will remain a focus from 2022 onward. Until there is a robust implementation of the Framework across Council, this will remain a critical risk.

¹ IIMM Asset Management Maturity Framework

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An AM Policy currently exists. It was adopted by Council in June 2021, but needs to be updated to align with the new Advancing Our Region Your Community Plan 2022-2032 and amended to comply with the minimum requirements of the ISO 55001 standards. Only the infrastructure asset classes funded from the General Funds i.e. Airport, Buildings, Parks & Recreation, Transport, Solid Waste, Stormwater and other Assets are being prepared. Water and Sewerage AMPs (asset classes funded under Water and Sewerage Funds) are currently being prepared as part of the IWCM² Strategy.

Response – Strategic Issue 1:

1. Council aims to improve its level of maturity to a minimum Core level (Score of 41-60) i.e. set up well defined and clearly linked processes in place within 1-2 years by carrying the 30 improvement actions recommended in the Improvement Plan.
2. Council aims to implement a robust AM Framework in 2023/24 FY.

1.1.2 Strategic Issue 2

Council needs to increase the level of maintenance and renewal activities to achieve the industry benchmark renewal ratio of $\geq 100\%$.

Council's AM Strategy states:

Council has a shortfall in funding available for the capital program to fully address asset renewal funding requirements and a shortfall of funding to maintain operational services.

Council's relatively low population density means that it has a lower rate base than city-based regions from which to raise revenues to maintain infrastructure and provide services. Underpinning this challenge is the NSW local government environment of rate capping, which limits the amount of taxation-based revenue that can be raised as well as the restrictions placed on types of charges that can be raised and setting of amounts for statutory fees and charges.

Council does not have a sufficient level of funding to deliver the required level of service from an asset maintenance and renewal perspective. Council ratios are unable to be improved without additional funding being sought through a special rate variation (SRV) process.

As at 30 June 2021, the buildings and infrastructure asset renewal ratio was at 43.35% which is way below the industry benchmark. Council's Long Term Financial Plan (LTFP) 2022-2032 also forecasts an asset renewal average ratio over the next ten years of 58% under their current funding model. To achieve the industry benchmark ratio of $\geq 100\%$, Council will need to secure additional revenue to raise the level of maintenance and renewal activities over the 10 year period of the LTFP.

² Integrated Water Cycle Management

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Response – Strategic Issue 2:

1. In 2022/23 financial year Council will be seeking a Special Rate Variation (SRV) to raise the level of maintenance and renewal activities and eventually close the asset renewal funding gaps over the 10 year period of the LTFP.

1.1.3 Strategic Issue 3

Council has made a commitment in its AM Policy to adopt a life cycle approach to managing assets.

Council's AM Policy states:

Council will develop a life cycle approach to managing assets, which will allow Council to perform better financial planning. Decisions to accept, acquire or construct new assets will consider the full life cycle costs (operation, maintenance and the need to renew the asset at the end of its useful life).

All asset renewal, upgrade or new projects are to include full lifecycle costs including maintenance as part of the project planning phase. By using full life cycle methods, Council will identify and prioritize the lowest cost life cycle options in decision-making.

This approach will ensure all assets maximise value for money through the implementation of a life-cycle approach, allowing Council to better plan and evaluate alternate solutions from acquisition, operation, maintenance and renewal, through to disposal.

Council's AM Strategy states:

Lifecycle costs are a crucial consideration when determining whether to invest in new assets as the ongoing costs of operation, maintenance and renewal are often greater than the initial construction costs of the asset.

Response – Strategic Issue 3:

In 2022/23 financial year:

1. A lifecycle approach will be applied in choosing asset creation options that maximise asset performance over the life cycle.
2. All asset-related decisions will be based on lifecycle management principles.

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1.1.4 Strategic Issue 4

Council must achieve financial sustainability to maintain the desired levels of service and infrastructure agreed with its community over the LTFP.

Council's Resourcing Strategy states:

A critical issue for local government areas is remaining financially sustainable whilst managing ageing assets that require renewal and replacement. Managing ageing assets is a major challenge for Council. Infrastructure such as roads, bridges, pathways, kerbs, stormwater drains and public buildings present particular challenges as their condition and longevity can be difficult to determine.

Achieving financial sustainability for local government is critical as they are responsible for directly providing the community with a wide range of public services and community infrastructure and facilities. This requires local governments to hold and maintain a significant base of infrastructure assets, which necessitates not only substantial initial investments but also expenditure to maintain and renew assets over the course of their respective useful lives.

- Council has recognised that financial sustainability requires the following:
- Council must achieve a fully funded operating position;
- Council must maintain sufficient cash reserves;
- Council must have an appropriately funded capital program;
- Council must adequately maintain its asset portfolio; and
- Expenditure on assets should be driven by asset management plans.

Response – Strategic Issue 4:

In 2022/23 financial year:

1. Financial sustainability in the long term can only be achieved through a SRV;
2. Council will implement financial improvement strategies with the aim of closing the funding gaps within a reasonable timeframe; and
3. Council will use the AMPs to drive expenditure on assets.

1.1.5 Strategic Issue 5

To deliver the range of diverse services, Council needs to build the culture, capability and capacity of its workforce to meet its long-term service commitment to the community.

As Council's Workforce Management Plan states:

Council has an aging workforce with a reactive approach to workforce planning that is limited by a prescriptive industrial environment. The quality and consistency of leadership across operations is

TRIM: TBA

evolving and is supported by the current Culture and Values program (OPARC) which is seeing some tangible improvements in culture across Council. However, there is an increasing need to provide robust development opportunities for staff which has been lacking in recent years due to financial constraints.

To address the renewals gap, Council will not only require additional funding but also need to build up the capability and capacity of its workforce. The current renewals gap is significant enough to require a growth in qualified staff numbers to effectively address the skills shortages particularly in program management, project management and delivery.

As Council's Workforce Management Plan states:

It is critical to the effective and efficient delivery of Council services that the quality and performance of our operations improve significantly in the short and medium term so as not to hinder the delivery of Council's many and varied external services. The ability to make any real change will be largely dependent on the provision of adequate resources and skills in order to deliver the core business of Council.

Response – Strategic Issue 5:

1. In 2022/23 financial year Council will address the capability and capacity of its workforce to meet its long-term service commitment to the community.

Council's responses to the above strategic issues have informed the development of the five AM Objectives which have demonstrated alignment with the organisational goals set in Advancing Our Region Community Plan 2022-2032. The AM Objectives, which have been developed for the purposes of this SAMP, are currently in DRAFT and have yet to be adopted by Council.

1.2 Rationale

This SAMP is intended to give effect to the AM Policy and establish the AM Objectives, setting out how Council will achieve its AM Objectives and providing direction for downstream activities and programs of work documented in the asset specific AM Plans.

This SAMP combines a strategy and a strategic plan. It outlines Council's high level strategic intentions for the asset portfolio for its customers and stakeholders as contained in its AM Strategy; and, Council's Plan for delivering strategic outcomes through its AMS as articulated in its AMF.

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1.3 Highlights of the SAMP

The highlights of this SAMP are:

- Development of Council's AMF;
- Governance;
- Council's Asset portfolio – composition, replacement value, performance, challenges, risks and opportunities
- Development of the five AM Objectives;
- Alignment of Council's organisational goals and priorities with the AM Objectives;
- Council's plan for delivering on its AM Objectives; and,
- Improvement Plan – improvement actions for Council to lift AM capability and improve AM practices.

2. INTRODUCTION

Armidale Regional Council, referred to as the 'Council' in this Plan, was established on 12 May 2016 from the amalgamation of the former Armidale Dumaresq Council and Guyra Shire Council. As a result of the amalgamation, Council took over the responsibility for managing a large rural road network as well as providing the appropriate levels of service to a ratepayer community of 13,000 rateable assessments.

Council's key economic indicators are as follows:

- It has a population of 29,484 persons as of June 2021;
- Its land area covers 7,818 square kilometres;
- Its population density is 3.77 persons per square kilometre;
- Its Gross Regional Product: \$1.62 billion; and,
- Its largest industries are Education and Training, Agriculture, Forestry and Fishing, Health Care and Social Assistance.

The purpose of the Council is to provide the governance and management of the Armidale region at the local level. Armidale Regional Council's objectives are to promote the economic development of its region, in an environmentally sustainable way, to attract new investment and talent, which will boost population growth and tourism. The main goals for the next five years are:

1. Develop the AMF to improve the management of \$1.19 billion in infrastructure assets;
2. Target to grow 1,000 jobs in the next 5 years and 4,000 jobs by 2040, with a focus on agriculture, education, and energy; and,
3. Deliver the IWCM Strategy, which is currently underway, to increase resilience in future droughts and to provide the necessary infrastructure for population growth. This will be done either by raising the wall of the Malpas Dam, purchasing and commissioning the Oaky River Dam or, alternatively, building the River Styx outlet.

Within ARC's local government area, there are 651 kilometres of sealed roads, 1077 kilometres of unsealed roads and 122 kilometres of regional roads, all of which are maintained by Council. Council is responsible for managing \$1.19 billion in infrastructure assets - roads, bridges, stormwater, footpaths, buildings, water supply, sewerage and airport; and other assets such as land, parks, landfills, plant and equipment. Council provides services through the utilisation of these assets and to continue to provide these services, it needs to apportion funds for the operation, maintenance, renewal, replacement and upgrade of these assets.

To realise value from the use of its assets, Council needs to ensure the assets are effectively and efficiently managed to achieve its long-term goals and priorities. It will need to have an asset management system that will achieve its long-term goals and deliver the best service outcomes for the community it serves.

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2.1 Scope and Purpose

This SAMP covers all infrastructure assets referred to as “assets” in this Plan. These, are owned, managed and controlled by Council under a single governance structure.

2.2 Timeframe

This SAMP covers a 10-year planning period (2022-2032). It will be reviewed annually and updated on a three yearly basis. The planning period is aligned with Council’s Long Term Financial Plan process.

2.3 Terms and Definitions

The following terms and definitions apply in this document (Table 1):

Table 1. Terms and definitions

Terms	Definitions
Asset	An item, thing or entity that has potential or actual value to an organisation (Such as plant, machinery, buildings, etc.)
Asset class	A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.
Asset management (AM)	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management Framework (AMF)	The over-arching AM hierarchy comprising of a set of interrelated or interacting policies, resources, systems and processes that addresses the organisation’s asset management responsibilities. The framework is a representation of the organisation’s Asset Management System.
Asset management objectives	Results to be achieved with respect to asset management.
Asset management plan (AM Plan)	Long term plans (usually 10-20 years or more for infrastructure assets) that outline the asset activities and programmes for each service area and resources applied to provide a defined level of service in the most cost effective way; or documented information that specifies the activities, resources and timescales required for an individual asset or a grouping of assets, to achieve the organisation’s asset management objective.
Asset management policy (AM Policy)	A high level statement of the organisation’s principles and approach to asset management.
Asset Management System (AMS)	The set of interrelated elements of an organisation to establish AM policies and objectives, and processes to achieve those objectives.

TRIM: TBA

Terms	Definitions
Infrastructure assets	Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally, the components and hence the assets have long lives. They are fixed and generally have no separate market value.
Key performance indicator (KPI)	A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.
Level of service (LoS)	The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.
Life Cycle	The time interval that commences with the identification of the need for an asset and terminates with the decommission of the asset or any liabilities thereafter.
Life Cycle Cost (LCC)	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
Maintenance	All actions necessary for retaining an asset as near as practicable to an appropriate service condition, including regular ongoing day-to-day work necessary to keep assets operating, e.g. road patching, but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.
Maintenance expenditure	Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.
Operations	Regular activities to provide services such as public health, safety and amenity, e.g. street sweeping, grass mowing and street lighting.
Renewal	Works to replace existing assets or facilities of equivalent capacity or performance capability.
Replacement	The complete replacement of an asset that has reached the end of its life, so as to provide a similar, or agreed alternative, level of service.
Stakeholder	A person or entity that can effect, be affected by, or perceive themselves to be affected by a decision or activity.
Strategic Asset Management Plan (SAMP)	Plan that documents and specifies how the organisational objectives are to be converted into AM objectives, the approach to developing AM Plans and the role of the AM system in supporting the achievement of the AM objectives.

TRIM: TBA

Terms	Definitions
Strategic Plan	A Plan containing the long term goals and strategies of an organisation. Strategic plans have a strong external focus, cover major portions of the organisation and identify major targets, actions and resource allocations relating to the long term survival, value and growth of the organisation.
Sustainability	Sustainability is the capacity to endure; in the context of AM, it is about meeting the needs of the future by balancing social, economic, cultural and environmental outcomes or needs when making decisions today.
Top Management (Executive Leadership Team)	The person or group of people who directs and controls an organisation at the highest level.
Valuation	The process of determining the worth of an asset or liability. Assessed asset value may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels, market value for lifecycle costing and optimised deprival value for tariff setting.

3. ORGANISATIONAL CONTEXT AND STAKEHOLDERS

Local government authorities, such as Armidale Regional Council, perform various functions as required under statutory and regulatory Acts. Some of these functions are:

- Facilitate the role of Council as required by the Local Government Act;
- Facilitate the collection, management and spending of public funds on community services (regulatory and non-regulatory),
- Carry out functions in a way that facilitates a local community that is strong, healthy and prosperous (including principles of sound financial management);
- Prepare strategic and operational plans;
- Advocate on behalf of the community to other levels of government;
- Planning and Regulatory Authority in the local government area;
- Water Supply Authority;
- Roads Authority Manager of Public (Community) and Crown Land; and,
- Regulatory Waste functions.

3.1 Community Vision

Council's vision is set out in the Advancing Our Region Community Plan 2022-2032:

'We want a harmonious region which celebrates diversity and uniqueness of our communities, provides opportunities for all people to reach their potential, encourages engagement with our environment, cultures and lifestyles while supporting growth, opportunity and innovation.'

3.2 Legislative Requirements

The legislative requirements that apply to Council's management of assets are as follows:

- Local Government Act 1993 (NSW)
- Local Government (General) Regulation 2005
- Local Government Amendment (Planning and Reporting) Act 2009
- Environmental Planning and Assessment Act 1979
- Civil Liability Act 2002
- Public Works Act 1912
- Environmental Protection Act 1994
- Work, Health and Safety Act and Regulations
- Commonwealth Disability Discrimination Act 1992 (DDA)
- NSW Anti-Discrimination Act 1997
- State Records Act 1998 (NSW)
- Public Records Act 2002
- Privacy and Personal Information Protection Act 1998 (NSW)
- Government Information (Public Access) Act 2009 (NSW)
- AS 1428 (Set) – 2003 Design for Access and Mobility
- AS/NZS 4360 – 2004 Risk Management

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- Road Transport (General) Act 2005
- Road Transport (Safety and Traffic Management) Act 1999
- Roads Act 1993
- NSW Road Rules 2008
- Valuation of Land Act 1916
- Australian Accounting Standards
- Environmentally Hazardous Chemicals Act 1985
- Water Management Act 2000
- Heritage Act 1977
- Plant Protection Act 1989
- Threatened Species Conservation Act, 1995
- Protection of the Environment Operations Act 1997
- National Parks and Wildlife Act (1974)
- Native Vegetation Act 2003
- Crown Lands Act 1989
- Building Code of Australia
- Building Fire and Safety Regulation 1991
- Electrical Safety Act 2002
- Building Regulation 2003
- Plumbing and Drainage Act 2002
- Rural Fires Act, 1997
- Dangerous Goods Safety Management Act 2001
- Fire and Rescue Service Act 1990
- Surveillance Devices Act
- International Infrastructure Management Manual (IPWEA)
- Australian Infrastructure Financial Management Guidelines (IPWEA)
- ISO 55000, 55001 & 55002 Series of Asset Management Standards

3.3 Governance

Armidale Regional Council manages a significant portfolio of assets. The Council is currently undertaking an organisational restructure and changes in roles and responsibilities as well as reporting lines may change when the new structure is in place. The current structure is shown in Figure 1.

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Figure 1. Organisational Structure



3.3.1 Assets and Services

Currently, asset management services are provided by the Assets and Services Department under the leadership of the Chief Officer, Assets and Services.

- Strategic Infrastructure Planning Unit within Assets and Services is responsible for delivering key business outcomes of asset management capability, which includes the development and maintenance of Council's asset management framework and coordination of infrastructure strategy and capital works planning.
- Investigation and Design is responsible for the investigation and delivery of civil infrastructure design projects to meet Council's expectations across all asset areas for capital works and maintenance activities. The department plays a pivotal role in providing technical advice on infrastructure design and engineering matters to the rest of the organisation.
- Plant, Fleet and Facilities is responsible for the delivery of plant and fleet operations and maintenance services as well as facilities management of Council facilities and buildings.
- Major Projects Management is responsible for project management and delivery of capital funded construction projects.
- Parks and Recreation is responsible for a wide range of function areas such as maintenance of parks, aquatic facilities and recreation centres.
- Transport Infrastructure operates within the Roads and Parks Service area, the Roads and Drainage Construction and Maintenance program and is responsible for the planning, coordination of Council's roads, drainage capital and operational program.

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- Sewerage Operations have responsibility for managing and maintaining the sewerage network, treatment plants and pumping stations.
- Waste Services provides waste and recycling services and environmentally responsible waste disposal facilities.
- Water Services manage the supply of water services to the Armidale and Guyra community.

3.3.2 Corporate and Strategy

Currently, airport facilities management is provided by the Corporate Strategy Department under the leadership of the Chief Officer, Corporate and Strategy.

- Airport Services have responsibility for managing and maintaining airport facilities.

3.4 Asset Management Framework

The purpose of the AM Framework is to coordinate and manage Council's asset-related activities over the asset lifecycle stages and ensure alignment with Council's broader organisational objectives. The Framework is a representation of what is, essentially, the organisation's Asset Management System (AMS) comprising of the set of interacting elements that include the AM Policy, AM objectives, Strategy/Strategic AM Plan, AM Plans and the processes to achieve the asset management objectives.

3.5 Asset Management Policy

The AM Policy sets out the principles and approach to asset management – how Council will develop and implement the SAMP and AM Plans. Council's current AM Policy was adopted in June 2021 but the current version needs updating to align with the current Community Strategic Plan 2022-2032 and the minimum requirements of the ISO 55001 standard. This is currently an improvement action for Council.

3.6 Asset Management Plans

Asset Management Plans will be developed covering six asset classes – airport, buildings, transport, stormwater, solid waste, parks, recreation and other assets. Each plan will outline the asset activities, programs and timescales for each service area and the resources applied to provide a defined level of service in the most cost effective way. These Asset Management Plans will be used to drive expenditure in assets.

3.7 Key stakeholders for asset management

There are eight key stakeholders for asset management (Table 2).

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Table 2. Key stakeholders

Key Stakeholders	Role in Asset Management
Councillors	Represent the needs of community/stakeholders Allocate resources to meet the organisation's objectives in providing services while managing risks. Ensure the organisation is financially stable
General Manager	Overall responsibility for the management of Council's Assets
Directors	Responsibility for management and delivery of Council's services
ARC Staff	Responsibility for providing assets services
Community	End users of Council's assets and beneficiaries of its services
Visitors	End users of Council's assets and beneficiaries of its services
Public Utility Providers	Utilisation of assets for public utilities infrastructure
Emergency Services	End users of Council's assets and beneficiaries of its services
Local and National Business	End users of Council's assets and beneficiaries of its services

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4. ASSET PORTFOLIO

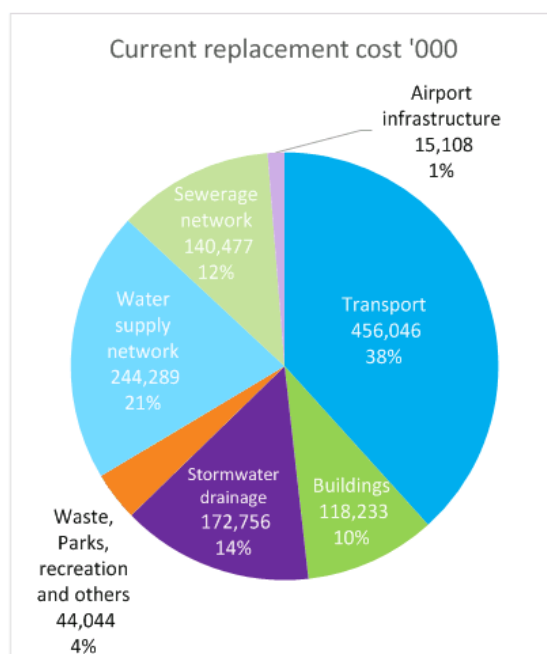
Council's total asset portfolio inclusive of all infrastructure assets, land, landfill, plant and equipment comprises of (Table 3):

Table 3. Asset portfolio

	Asset Class	Quantity
1	Sealed roads	651 kilometres
2	Unsealed roads	1,077 kilometres
3	Bridges	112 nos
4	Footpaths	130 kilometres
5	Kerb & gutter	271 kilometres
6	Water network	60,627 assets
7	Sewer network	22,159 assets
8	Stormwater	119 kilometres
9	Land/Property	342 assets
10	Buildings	264 nos
11	Other structures	300 nos
12	Plant & equipment	480 nos

Figure 2 shows the Infrastructure asset classes' percentage (%) composition of the current replacement cost.

Figure 2. Asset composition (%) of current replacement cost



Source: ARC Asset Strategy, 2022

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Infrastructure assets as at June 2021 valuation, had a total replacement value of \$1.19 billion – roads, bridges, footpaths, buildings, stormwater, water supply, sewerage and airport infrastructure (Table 4).

Table 4. Asset Replacement Value

Asset Class	Replacement Value (as at end June 2021 valuation) \$,000
Airport	\$15,108
Buildings	\$118,233
Parks, Recreation and other assets	\$32,540
Sewerage	\$140,477
Solid waste	\$11,504
Stormwater	\$172,756
Transport	\$456,046
Water supply	\$244,289
TOTAL	\$1,190,953

4.1 Asset Condition

The condition of assets is not regularly inspected, monitored or assessed. This is an improvement action for Council and should be addressed when Council implements its asset lifecycle approach to management of assets. Currently, condition is monitored informally and since cyclic condition inspections of all asset classes are not regular practice, there exists a very low data confidence in current condition of assets.

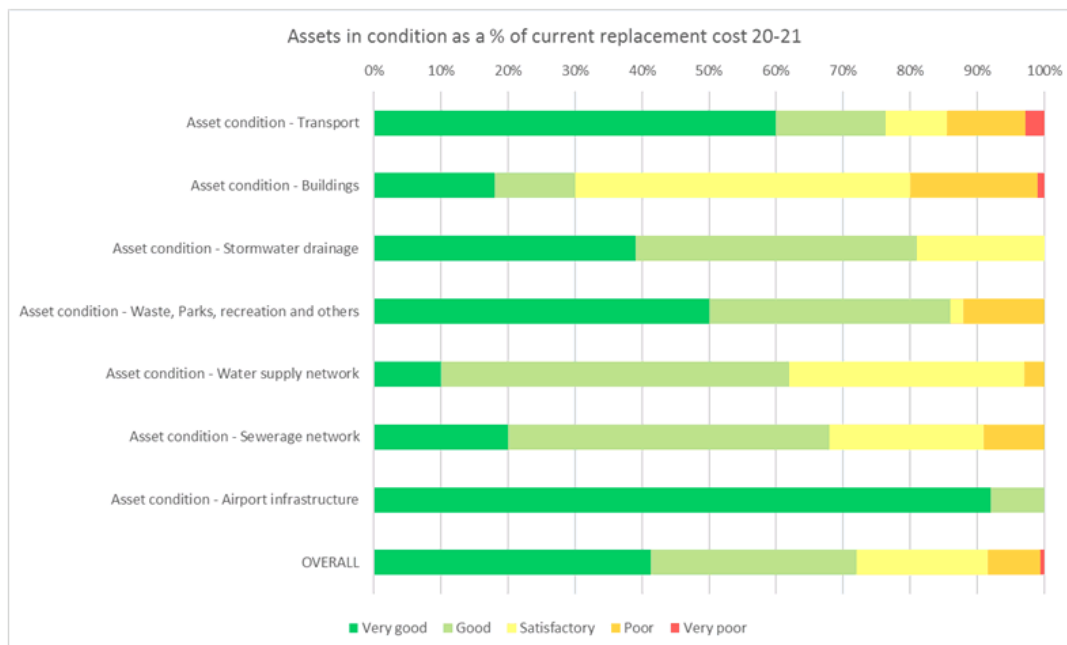
Best available data was obtained in June 2021 for financial reporting purposes. Assets were condition rated according to the IIMM condition rating scale:

- Rating 1: Excellent/very good – only normal maintenance is required
- Rating 2: Good – minor maintenance is required
- Rating 3: Satisfactory – Maintenance to enable an asset to provide an acceptable level of service
- Rating 4: Poor – significant renewal/upgrade required
- Rating 5: Very poor – urgent renewal/upgrade required

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In FY 2020-21, assets classes in condition rating as percentage of gross replacement cost are shown in Figure 3.

Figure 3. Asset Condition



Source: Audited Financial Statements 2021

4.2 Levels of Service

Council has yet to develop a Levels of Service (LoS) framework for its assets. This is another improvement action for Council.

Levels of service need to be defined and key performance indicators (KPIs) need to be developed for:

- Condition: How good is the service? What is the condition or quality of the service?
- Function: Is it suitable for its intended purpose? Is it right for the service?
- Capacity/Use: Is the service over or under used? Do we need more or less of these assets?

4.3 Asset performance

Council needs to allocate funds annually to ensure that assets such as roads are maintained in a fit for purpose condition. Transport infrastructure was also first in the rankings for services the community wanted to improve in the Region.

The importance of critical assets such as roads, means that Council will to continue investment in the maintenance and improvement of roads. Transport is not only Council's highest value asset but is of vital importance to the Armidale community as it provides access to economic development

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opportunities for the Region. Hence, ongoing regular investment in road improvement programs are important for the Armidale community, such as:

- Unsealed road gravel resheeting;
- Resealing asphalt roads;
- Road rehabilitation; and,
- Renewal or replacement of kerb and gutter, footpaths and stormwater.

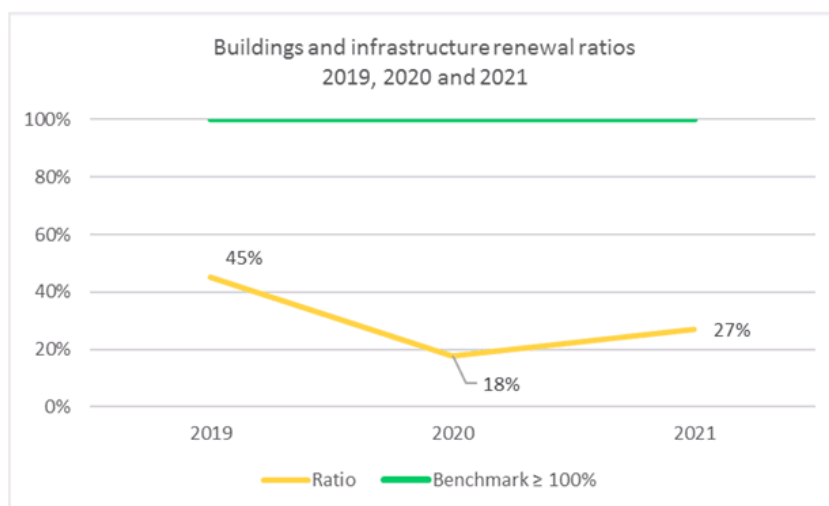
Council needs adequate funding to ensure that Infrastructure assets that provide services to the regional community continue to perform to expectations.

4.3.1 Buildings and Infrastructure renewals

Council is seeking to address the asset renewals funding gap, which was a result of the decrease in renewals works expenditure of \$1.0 million compared to 2019-2020 FY. Infrastructure, Property, Plant and Equipment (IPPE) expenditure for renewals was \$4 million. Council reduced renewals expenditure for the 2020-2021 FY to focus on other work in accordance with its infrastructure management plans and funding agreements.

At FY ending June 2021, the buildings and infrastructure renewals ratio was 26.98%. Although the renewals ratio increased slightly compared to 2020 (Figure 4), it was still way below the $\geq 100\%$ ³ industry benchmark. The ratio indicates that expenditure for renewals was below the rate of depreciation. For 2020-2021 FY, total renewal expenditure was \$14.2 million⁴.

Figure 4. Buildings and infrastructure renewals ratio



Source: Audited Financial Statements 2021

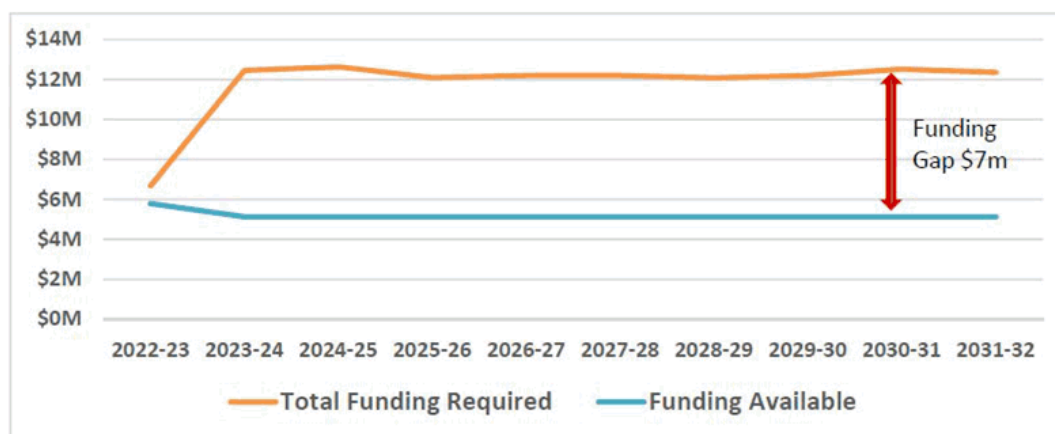
³ Code of Accounting Practice and Financial Reporting

⁴ Audited Financial Statements 2021, p 93

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The total funding required to fully fund the asset renewal requirement identified in the General Fund Ten Year Capital Works Program for the 2022-2032 LTFP against the level of funding available, is shown in Figure 5. The renewals funding gap was estimated at \$7.0 million per year⁵.

Figure 5. Asset renewals funding gap in FY 2020-21



Source: LTFP, 2022-2032

Council has considered external funding sources for its maintenance and renewal activities. However, the funding requirement for asset renewal cannot be sourced from grants alone⁶. The General Fund can only fully fund renewals if a permanent SRV is achieved for the LTFP.

4.3.2 Infrastructure Backlog

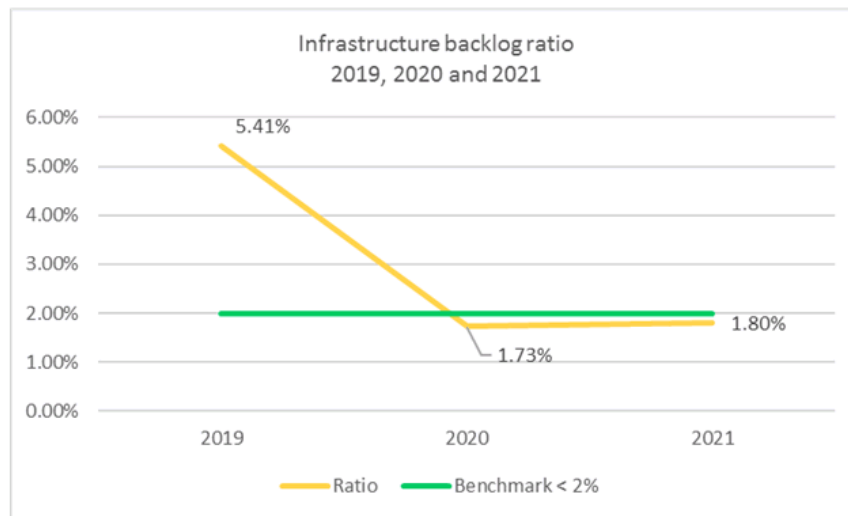
In 2021, the estimated cost to bring assets to a satisfactory standard was \$15.42 million. Figure 6 shows what proportion of the backlog is against the total value of assets of Council's infrastructure. The ratios in 2020 and 2021 are below 2%, which indicates that for the two years, it has achieved the benchmark. However, Council will need to implement some financial strategies to ensure the benchmark is maintained for subsequent years.

⁵ Resourcing Strategy, p 59

⁶ Resourcing Strategy, p 58

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Figure 6. Infrastructure backlog ratio

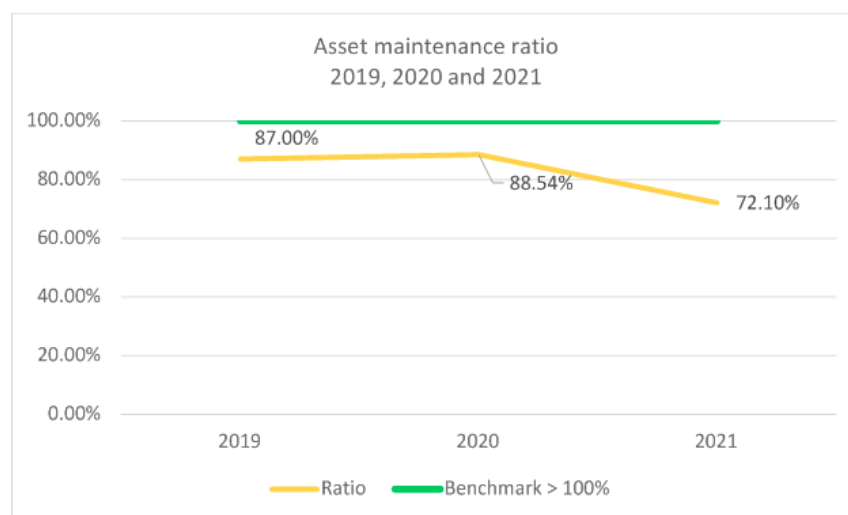


Source: Audited Financial Statements 2021

4.3.3 Asset maintenance

From 2019-2021, Council's investment in maintenance activities has been less than what was required. In 2021, that investment was reduced even further compared to previous years. Figure 7 compares the actual versus required annual asset maintenance. A ratio below the benchmark of > 100% indicates that Council is under investing in maintenance and has not stopped the maintenance backlog from increasing.

Figure 7. Asset maintenance ratio



Source: Audited Financial Statements 2021

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Council has for many years adopted a reactive maintenance or run to failure policy where assets are repaired or replaced only after they fail. Oftentimes assets are repaired or replaced when they become subject of a contentious issue or community complaint.

Assets deteriorate over time and when they are not maintained regularly, these often leads to complete failure requiring urgent replacement. It is more cost-effective to maintain and repair an asset regularly to extend its useful life for as long as it can be justified to replace it. Eventually, there will be a point in time in the lifecycle of an asset, when it will be more cost-effective to replace the asset than to continue maintaining and repairing it.

In a reactive maintenance policy, it is more difficult to forecast or control asset maintenance costs over the long term. Council recognises that a lifecycle approach or a proactive maintenance approach to managing assets maximises the cost effectiveness and efficiency of the assets during the asset lifecycle.

More importantly, the approach will assist Council in making informed decisions on planning investments in asset maintenance and capital upgrades. It will also enable Council to predict likely future scenarios in relation to how assets are ageing, allowing Council to take positive and well planned investments in asset maintenance and replacements and have more control on their investments. The approach is intended to assist in improving Council's financial position over the long term.

4.4 Challenges

One major challenge for Council is achieving financial sustainability under its current funding model.

Achieving the long-term vision of Council to retain future generations in the region and attract new residents to the region to generate population growth that will achieve the critical mass necessary to generate infrastructure investment from all levels of government, is a major challenge for Council.

The 2022-2023 budget and LTFP has been prepared in response to the direction set by the new Council elected in December 2021, who have a vision to grow jobs in the Armidale local government area by 4,000 by 2040.

However, Council's financial outlook and position has been poor for many years. Council has not been able to meet the benchmarks for the Fit for the Future indicators determined by the Office of Local Government. To deliver on the new Council's vision, Council must have a strong financial position. Council needs an SRV to achieve a strong financial position in the long term.

If Council fails to address the unsustainable financial position, this will place Council in contravention of S.8b of the Local Government Act 1993 (the Act) and compel Council to cut and/or reduce services to ease the unfavourable gap between income and expenditure.

Currently, Council is not in a financial sustainable position to deliver on Council's vision, particularly due to the poor financial outlook of the General Fund. The General Fund provides the funding for most of Council services (excluding water and sewerage) i.e. the maintenance of critical assets such as roads, bridges, pathways, kerbs, stormwater drains and public buildings. The Water and Sewerage

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funds, which provide funding for water and sewerage services, are not under the same capped revenue constraints as the General Fund.

Council has considered its financial position and is commencing an SRV process with a view to make an application to IPART by February 2023. It also intends to implement a financial improvement plan that seeks to return the General Fund, which currently has a significant operating deficit, to a surplus position, that fully addresses the asset renewal funding requirement and also provide for the ability to build financial capacity to invest in growth and activation initiatives.

Another major challenge for Council is addressing the capability and capacity of its Workforce in asset management.

Council has acknowledged that in order to deliver on its service commitment to the community, it needs to address issues concerning the capability and capacity of its workforce, most importantly, in the delivery of asset management services in support of its Asset Management Framework. Growth in numbers of skilled workers is inevitable to keep up with the demand for improvements in the delivery of asset management services.

Council has already addressed some issues that were raised in its workforce audit such as, the quality and consistency of leadership across operations, supported by the current Culture and Values program (OPARC). However, there is still a need to provide training and development opportunities for staff, which is still lacking due to financial constraints.

While Council is currently undertaking an organisational re-structure to address the resource capacity issue, it is also important for Council to address, through this re-structure, the capability issue. Council acknowledges that, to successfully, deliver on this SAMP, Council needs to lift capability in asset management by addressing the skills gap and improve capacity by increasing skilled staff numbers and providing planning and support systems to improve the delivery of asset management services.

The asset maturity assessment conducted in July 2022 has identified specific asset management practice areas that need improvement. The list of improvement actions that Council will be implementing are contained in an Improvement Plan on pages 36-40 of this SAMP.

4.5 Risks and opportunities

The SRV Council is seeking is anticipated to address the shortfall in funding for the next ten years. However, if an SRV is not achieved by 2022-23 FY, the consequence for Council would be a drop in both operational and capital expenditure from 2023-24. The impact on service levels and infrastructure will be⁷:

Services:

- Operational service levels are estimated to decrease by \$2 million per annum which will mean significant reductions and/or removal of services;

⁷ Resourcing Strategy, p 65

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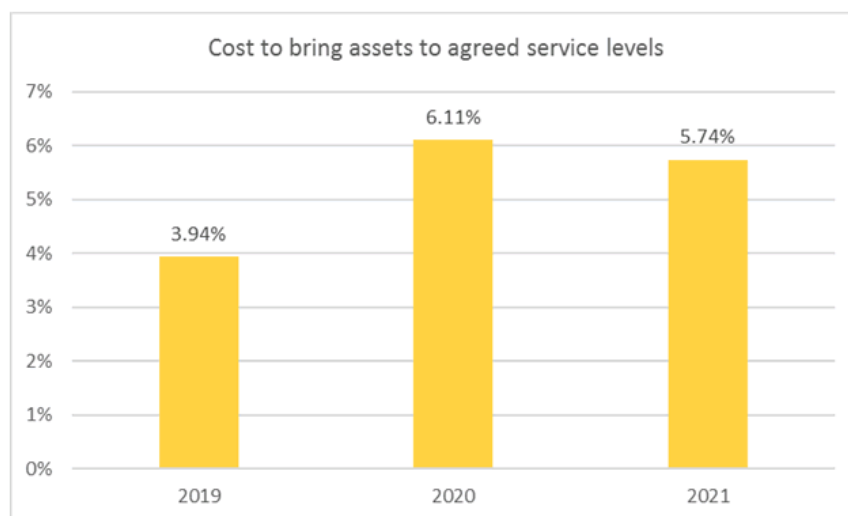
- Core maintenance service levels will continue to be under-funded; and,
- Capital service levels cannot be funded up to approximately \$6 million per annum and this is reflected against the funding requirement for asset renewal.

Infrastructure:

- The condition of infrastructure will deteriorate with the reduction in maintenance activities;
- Infrastructure maintenance backlog will increase; and,
- It will cost more in the long term to return assets to the agreed service level.

In 2021, the proportion of outstanding renewal work compared to the total value of assets under Council's care and stewardship was 5.74%. This was higher in 2020 and lower in 2019 (Figure 8). This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Figure 8. Cost to bring assets to agreed service level



Source: Source: Audited Financial Statements 2021

If a permanent SRV of 50% is achieved over three years commencing in the 2023-2024 FY, this would result in a cumulative 58.81% SRV including the rate peg. This additional funding would mitigate the service risks resulting from the shortfall in funding⁸. This would allow Council to:

- Maintain existing service levels;

⁸ Resourcing Strategy, p 65

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- Improve core maintenance service levels to meet the asset maintenance ratio;
- Fully fund the capital program;
- Over time, build financial capacity that can be used to improve services (e.g. invest in infrastructure);
- Upgrades and allow for the build-up of internal reserves; and,
- Ensure all key KPIs meet the benchmarks by 2024-2025.

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5. STRATEGIC ALIGNMENT

Two documents have provided strategic direction for this SAMP – NSW Premier's Priorities and the Integrated Planning and Report Framework.

5.1 State and Regional Priorities

There were 17 over-arching priorities and plans that guide State and regional NSW considered in the Community Strategic Plan. Four of the 17 NSW Premier's Priorities have direct impacts on the management of assets (Table 5).

Table 5. Impact of NSW Premier's Priorities on Asset Management

Premier's priority	Why this is important to regional NSW	Direct Impact on Asset Management
Greener public spaces	<p>Quality green, open and public spaces are important to everyone.</p> <p>They are our free and publicly accessible parks, gardens and sports fields, walkable shady streets and plazas, and the libraries, museums and galleries at the heart of our communities. Our public spaces make our local neighbourhoods more welcoming and accessible.</p>	<ul style="list-style-type: none"> Infrastructure and asset management requirements for public parks and recreational spaces Maintaining the quality of parks and recreational spaces through asset management initiatives
Greening our city	<p>Trees play an important role in creating great places for our communities, enhancing outdoor recreation and exercise opportunities, and making the places we live and work greener, cooler, and more connected. Green canopy enhances the amenity of local parks and streets and is crucial in providing vital shade that reduces ambient temperatures and mitigates the urban heat island effect.</p> <p>Trees improve local character and enhance property values. They extend habitat, increasing the biodiversity of cities serving as a home for animals and birds. Air</p>	<ul style="list-style-type: none"> Infrastructure and asset management requirements for public parks and recreational spaces Maintaining the quality of the natural environment through asset management initiatives

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Premier's priority	Why this is important to regional NSW	Direct Impact on Asset Management
	quality is improved by removing fine particles from the air and trees mitigate the impact of climate change, acting as a storehouse for carbon dioxide.	
Government made easy	<p>The NSW Government is committed to improving the customer experience for all kinds of services.</p> <p>Our aim with Government Made Easy is to ensure that customers only need to tell us once and do not need to repeat information about themselves or their circumstances over and over.</p> <p>This means you can choose to tell us once about you, when things change or when you need help. We want to make sure that you receive high-quality, integrated services as seamlessly as possible.</p>	<ul style="list-style-type: none"> Delivering quality asset management services to the community Applying best practice asset management to improve delivery of services to the community
World class public service	<p>Belonging, inclusion and diversity are core foundations that underpin a world-class public service. When we foster a culture of belonging and inclusion, we see improvements in our workplace culture, productivity, and customer satisfaction.</p>	<ul style="list-style-type: none"> Effective asset management through strengthening accountability, performance, and capability across the local government sector

5.2 Integrated Planning and Reporting Framework

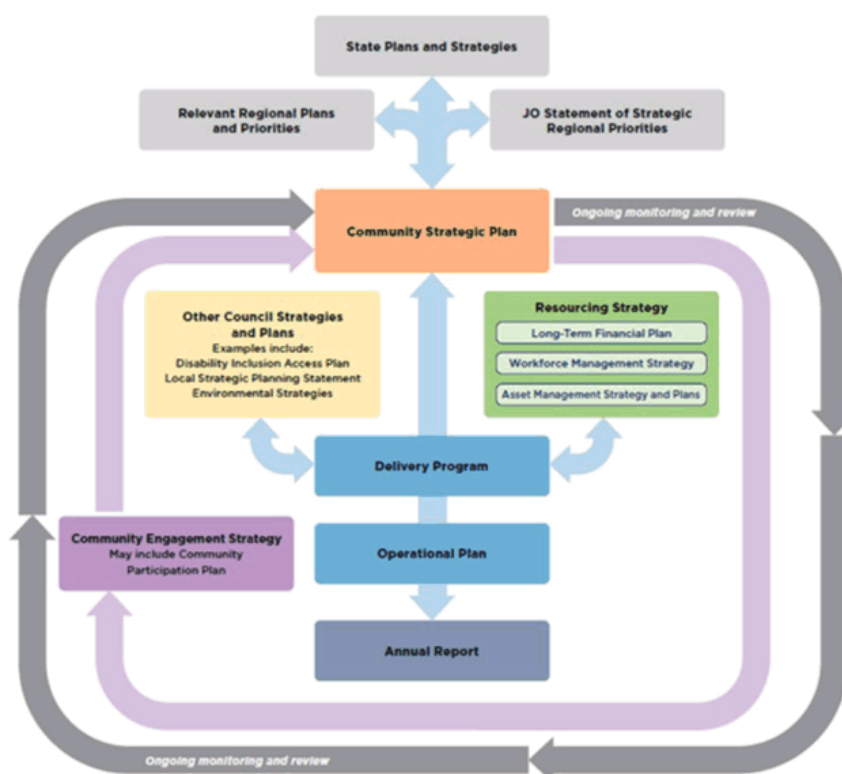
Under the Integrated Planning and Reporting (IP&R) Framework, all NSW Councils are required to develop and report on a set of plans and strategies in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2021.

Council's plans and reports under the IP&R Framework (Figure 9) that feed into the development of the SAMP and AMPs are shown in Table 6.

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Table 6. IP&R Framework documents

Document title	Description
Advancing Our Region Your Community Plan 2022-2032	A ten year plan that outlines the goals and aspirations of the community, captured through extensive community engagement.
Delivery Program 2022-2026	A program of Council-led initiatives, across four years, that achieve the strategies of the Community Plan that are in Council's remit.
Resourcing Strategy includes Asset Management Strategy, Workforce Management Plans, Long Term Financial Plan	A set of plans and strategies that ensure Council has the necessary resources and assets, and Council plans for the future accordingly.
Operational Plan and Budget 2022-2023	An annual plan of actions that support the Delivery Program and includes the annual budget allocations to support the activities to be undertaken.

Figure 9. Integrated Planning and Reporting Framework⁹⁹ Resourcing Strategy, p. 2

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5.3 Organisational Objectives

Council's goals are set out in the Advancing Our Region Your Community Plan 2022-2032. It is Council's 10 year plan that aims to clearly identify the community's priorities and future aspirations, and the strategies required to achieve them. The Community Plan has six key pillars and within each Pillar are two goals – which are the key community aspirations that Council seeks to achieve (Table 7).

Table 7. Key community goals

Pillars	Goals	Strategies
Thriving Region – Economy and Vision	Goal 1. A strong economy, sustainable growth and opportunity	<ul style="list-style-type: none"> • Attract new job creating investment to the region; • Support existing businesses and local industries to grow, prosper, change and adapt; • Plan and enable sustainable job and economic growth; • Champion local employers to provide employment and training opportunities; and, • Foster a culture of lifetime education and ensure local education services meet the needs of our community.
	Goal 2. A destination of choice, renowned for its beauty, heritage and unique attractions	<ul style="list-style-type: none"> • Promote a regional approach to tourism that grows our reputation as a destination of choice in NSW; • Promote and enhance the extraordinary natural assets, beauty, climate, and location that our region enjoys; • Provide attractions and events that enhance our region's offering to locals and Tourists; and, • Encourage locals to shop in the region, and make our region the choice for shopping in the broader New England area.
Connected Region – Transport and Technology	Goal 1. Quality infrastructure that makes it safe and easy to travel around our region	<ul style="list-style-type: none"> • Build and maintain quality, safe, and accessible road transport infrastructure including roads; • footpaths, kerbs, bus stops and parking facilities; and,

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Pillars	Goals	Strategies
Future Region – Sustainability & Resilience	Goal 2. Transport and technology that enable connectivity both locally and outside the region	<ul style="list-style-type: none"> Support the implementation and usage of active transport infrastructure across the region.
		<ul style="list-style-type: none"> Provide access to public and private transport services that link our community to our local towns and villages, other regions, our local attractions, and lifestyle infrastructure; Promote and encourage the establishment and uptake of sustainable transport options and services; and, Utilise our access to the high-speed data and advancing technology to increase connectivity within and outside our region.
	Goal 1. A flourishing natural environment that is protected and enhanced	<ul style="list-style-type: none"> Promote and support biodiversity protection and management; Protect and enhance our waterways, catchments and creek lands; and, Foster collaborations that improve understanding and action to protect our natural environment.
	Goal 2. A clean, green, and responsible region	<ul style="list-style-type: none"> Proactively adapt to and mitigate the local impacts of climate change; Promote and increase use of renewable resources and alternative energy sources; Collect, handle, dispose, recycle and reuse waste responsibly and Innovatively; Create a cleaner, healthier environment with good air quality; Ensure the community is provided with safe and accessible water that is sustainably managed now and into the future; and,

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Pillars	Goals	Strategies
Liveable Region – Places and Spaces	Goal 1. Public spaces and infrastructure that facilitate health, community connections and opportunities	<ul style="list-style-type: none"> • Prepare for, prevent, and manage natural disasters. • Provide appropriate, planned and maintained facilities that allow people to meet, congregate and learn; • Enhance the public spaces and natural landscapes that are a part of our region's identity and provide beauty, vibrancy, community connection and healthy ecosystem; • Foster towns and villages that are vibrant, well-served and supported to achieve their localised priorities; • Enhance and maintain sporting facilities to meet the needs of our local community and neighbouring regions, and to entice regional, state, and national events; and, • Enhance and maintain recreation spaces to offer quality of life, entertainment and family-friendly activities to residents and visitors.
	Goal 2. Proactive, responsible, and innovative regional planning that grows us sustainably	<ul style="list-style-type: none"> • Plan for and enable growth that supports a sustainable local economy; • Ensure adequate and available housing to meet community needs; • Preserve and enhance our architecture and heritage; and, • Protect prime agricultural land and support future innovations and industries.
Enriched Region – Community and Culture	Goal 1. Access to the services and support that facilitate quality of life	<ul style="list-style-type: none"> • Ensure health and community service provision meets the needs of our growing and ageing population; • Recognise and support the diverse needs of our community; and, • Foster safety and security within our community and

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Pillars	Goals	Strategies
		support the provision of basic needs.
	Goal 2. A proud, inclusive and cohesive community that celebrates our region in all its diversity and culture.	<ul style="list-style-type: none"> • Support artistic endeavours, events, and celebrations, creating a thriving arts and culture scene; • Provide public access to facilities that enhance our learning, social and culture fulfilment; • Celebrate our local Aboriginal history and traditions, and support cultural understanding and development; • Celebrate our rich regional history and heritage; • Create an inclusive and cohesive community that celebrates differences and similarities; and, • Encourage, support, and promote community groups and volunteers in their invaluable contributions to community life.
Strong Region – Engagement and Responsibility	Goal 1. An informed and activity engaged community that builds partnerships and shapes its future	<ul style="list-style-type: none"> • Help the community to be informed and have input into decisions about its region and future; • Create partnerships between our community, levels of government and businesses that contribute to our growth and development; and, • Empower the community and our leaders to make positive change and to unify the region.
	Goal 2. Strong governance and leadership that supports our region to grow and prosper.	<ul style="list-style-type: none"> • Provide a strong, transparent, sustainable, and responsive governance for our region; • Ensure that strategic directions are informed by, and with, the community and are delivered in consideration of available resources; • Manage public resources responsibly and efficiently for

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Pillars	Goals	Strategies
		the benefit of the community; and, <ul style="list-style-type: none"> • Make open and transparent decisions that are informed by stakeholders, leading practices, systems, and technologies.

Council delivers services to the community through the effective use of its assets. The primary role of assets is to support the delivery of these services. To achieve the community goals through the use of its assets, Council has developed asset management objectives derived from organisational objectives to ensure the assets continue to provide level of service expectations.

5.4 Asset Management Objectives

The development of asset management objectives aligned with organisational goals and priorities is another improvement action for Council. Draft asset management objectives have been proposed in this SAMP, which Council will need to consider and adopt in due course. The objectives are shown in Table 8 with their demonstrated alignment with the organisational goals:

Table 8. Asset management objectives

Asset Management Objectives		Aligns with:
1	Lift capability in asset management by 41% within 1-2 years	Goals 1 and 2 <ul style="list-style-type: none"> • Strong Region – Engagement and Responsibility
2	Increase the level of maintenance and renewal activities to achieve the industry benchmark renewal ratio of $\geq 100\%$.	Goals 1 and 2 <ul style="list-style-type: none"> • Thriving Region – Economy and Vision • Connected Region – Transport and Technology • Future Region – Sustainability & Resilience • Liveable Region – Places and Spaces • Enriched Region – Community and Culture
3	Apply lifecycle principles to asset management decisions	Goals 1 and 2 <ul style="list-style-type: none"> • Thriving Region – Economy and Vision • Connected Region – Transport and Technology

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Asset Management Objectives		Aligns with:
		<ul style="list-style-type: none"> • Future Region – Sustainability & Resilience • Liveable Region – Places and Spaces • Enriched Region – Community and Culture • Strong Region – Engagement and Responsibility
4	Ensure the levels of service and infrastructure agreed with the community are consistently maintained.	Goals 1 and 2 <ul style="list-style-type: none"> • Thriving Region – Economy and Vision • Connected Region – Transport and Technology • Future Region – Sustainability & Resilience • Liveable Region – Places and Spaces • Enriched Region – Community and Culture
5	Lift capability and capacity of the workforce to meet the long-term service commitments to the community.	Goals 1 and 2 <ul style="list-style-type: none"> • Thriving Region – Economy and Vision • Connected Region – Transport and Technology • Future Region – Sustainability & Resilience • Liveable Region – Places and Spaces • Enriched Region – Community and Culture • Strong Region – Engagement and Responsibility

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6. ROLES AND RESPONSABILITIES

Since Council is currently undertaking an organisational re-structure, the roles and responsibilities for this SAMP will most likely change in the near future. Further details on this will be provided in future updates of this SAMP when details of the new structure are available.

Based on the current structure, roles and responsibilities are as follows (Table 9):

Table 9. SAMP roles and responsibilities

General Manager	SAMP approver
Chief Officer, Assets and Services	SAMP owner and lead implementer
Acting Coordinator, Strategic Infrastructure Planning	Dissemination, update, monitoring and reporting of improvement actions
Asset Services management staff	Implement processes and activities

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7. PERFORMANCE MONITORING

In delivering this SAMP, Council will implement a performance-monitoring regime to track the improvements in asset management practice and delivery of the asset management objectives.

The monitoring regime provides assurance to Council that it is monitoring the aspects that can compromise the value of assets and delivery of the asset management objectives. In developing this monitoring regime, Council will give consideration to:

- Stakeholder and other applicable reporting requirements;
- Asset management objectives; and,
- Decision making criteria and methodology.

To track improvements in asset management practice, Council will conduct Asset Management Maturity Assessments yearly to with the annual update of this SAMP.

The asset management objectives presented in this SAMP are in DRAFT form and will need to be adopted by Council.

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8. IMPROVEMENT PLAN

The Asset Management Maturity Assessment conducted in July 2022 identified some improvement actions in the asset management practice areas for implementation in the next 1-2 years. These actions and the implementation timeframes are presented in the Improvement Plan below (Table 10).

Table 10. Improvement Plan

		Timeframe: 1 year, FY 2022-2023
Element	AM Practice Area	Improvement Actions
1	1. Analysing the Strategic Direction (AM Policy & Objectives)	<p>In its review and update of the AM Policy, ARC should consider:</p> <ul style="list-style-type: none"> Including a short statement of the principles by which the organisation intends to apply asset management to achieve its organisational objectives; Include organisation's commitment and expectations for decisions, activities and behaviour concerning asset management – organisational policies e.g. WHS and risks, stakeholder requirements, lifecycle management of assets as well as resources to support asset management processes; Include organisation's commitment to continuous improvement of asset management processes and performance; and Ensure that statements clearly demonstrate the alignment to and support for the organisational objectives.
	2. Levels of Service Framework	<ul style="list-style-type: none"> Consider developing appropriate Levels of Service Framework for each asset class – Regulatory -LoS for the organisation, Customer LoS and Technical LoS. Consider developing a decision-making framework and key performance measures for LoS for each asset class.
	3. Demand Forecasting and Management	<ul style="list-style-type: none"> Clearly articulate demand management option in SAMP and AMP for each asset class.
	5. The Strategic Asset Management Plan	<ul style="list-style-type: none"> Update and improve SAMP and incorporate important elements as per ISO 55001 guidelines. Within the SAMP documentation, the 6 important elements of the organisation's Asset Management

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		<p>System should be described - the organisational environment - governance structure, policy, stakeholders, internal and external environment, decision making criteria, scope of the asset management system and asset management objectives; planning processes; support processes; operational processes; performance evaluation processes; and, on-going continuous improvement processes.</p> <ul style="list-style-type: none"> Consider a review of AM Objectives to ensure alignment with the organisational objectives articulated in the organisation's Community Strategic Plan. Continue with development of the Asset Management Framework and incorporate framework in future version of SAMP.
2	6. Managing Risk and Resilience	<ul style="list-style-type: none"> Following the implementing of the Risk Management Framework, ARC should consider development of risk registers and application of ISO 55001 complaint risk management approaches to assessment of risks for all asset classes. Consider development of Risk Management Procedures Manual and incorporate risk assessment processes in asset management planning for all asset classes.
2	7. Operational Planning	<ul style="list-style-type: none"> Articulate and document operational asset management activities of each asset class in AMPs. Consider documenting operational asset management activities relevant to each asset class to ensure consistency in processes.
2	8. Capital Works Planning	<ul style="list-style-type: none"> Establish and implement a capital works prioritisation process for capital works planning and document process in AMPs. Consider documenting operational asset management activities relevant to each asset class to ensure consistency in processes.
2	10. AM Plans (for the Asset Portfolio and Assets)	<ul style="list-style-type: none"> Update and improve AMP and provide asset specific information as per ISO 55001 guidelines. The AMP is as important as the SAMP. The SAMP is developed to deliver the asset management objectives and the AMPs contain activities necessary to deliver the asset management objectives.
3	15. Outsourcing and Procurement	<ul style="list-style-type: none"> Consider developing KPIs for contractor performance evaluation and establish regular performance assessment regime for contractors. This is to ensure performance is aligned with AM Objectives. Ensure LoS requirements are documented in contracts.

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3	16. Continual Improvement	<ul style="list-style-type: none"> Incorporate Improvement Plan in SAMP and AMP. Conduct maturity assessments annually to track and monitor progress on improvement actions and maturity level ratings.
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		Timeframe: 2 years, FY 2022-2024
Element	AM Practice Area	Improvement Actions
1	4. Asset Condition and Performance	<ul style="list-style-type: none"> ARC should consider establishing as standard best practice - asset inspection regime for each stage of the asset lifecycle that is specific for each asset class to inform forward works programs and long term financial forecasts. This would ensure that a regular asset condition assessment and monitoring regime is consistently implemented for all asset classes, forward works programs are supported by evidence and investments in asset repairs, maintenance, renewals and/or upgrades are appropriately justified. Establish an Asset Inspection Policy mandated by Council with accompanying implementation/ procedures manual to ensure consistent processes and procedures are followed for each asset class.
2	9. Asset Financial Planning and Management	<ul style="list-style-type: none"> Establish and implement a decision making framework for asset related expenditure and funding and utilise asset valuation results to guide investments in asset renewals.
3	11. AM People and Leaders	<ul style="list-style-type: none"> Consider an evaluation and audit of resource capability and where there are evident knowledge and skills gaps, develop professional development programs to upskill staff in asset management. Clarify and communicate roles and responsibilities in AM practice areas.
3	12. Asset Data & Information	<ul style="list-style-type: none"> Consider undertaking a region-wide inventory of all assets to fully capture and update asset data records. Consider investing in an enterprise asset management information system. Consider undertaking an asset data cleansing exercise to maintain data integrity.
3	13. Asset Management Information Systems (AMIS)	<ul style="list-style-type: none"> Urgent attention should be given to improving the asset data management processes i.e. capturing, recording, maintaining, updating and handling of asset data. Invest in an enterprise asset management information system for all asset classes linked to the

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Timeframe: 2 years, FY 2022-2024		
Element	AM Practice Area	Improvement Actions
		<p>financial system so there is a single repository for asset information.</p> <ul style="list-style-type: none"> Establish an information management policy and procedures to ensure consistency in asset data management practices within all the asset classes. Other improvement actions for this are recommended in 2. Asset Data and Information.
3	14. AM Process Management	<ul style="list-style-type: none"> Consider developing asset specific operational procedures manuals covering processes for risk management, emergency management (also resilience management) as well as business continuity plans and communication plans. Communicate and clearly articulate processes and procedures for management of assets. This should be consistent across all asset classes.

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9. REFERENCES

- Armidale Regional Council, Advancing Our Region Your Community Plan 2022-2032
- Armidale Regional Council, Asset Management Policy, June 2021
- Armidale Regional Council, Asset Management Strategy 2022
- Armidale Regional Council, Audited Financial Statement 2021
- Armidale Regional Council, Long Term Financial Plan 2022-2032
- Armidale Regional Council, Resourcing Strategy 2022
- Armidale Regional Council, Workforce Management Plan 2022
- IPWEA, International Infrastructure Management Manual, 2020
- Public Works, Armidale Regional Council Asset Management Maturity Assessment Report, July 2022

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ACRONYMS

AM	Asset Management
AMF	Asset Management Framework
AMP	Asset Management Plan
ARC	Armidale Regional Council
FY	Financial Year
IP&R	Integrated Planning and Reporting
LTFP	Long Term Financial Plan
CSP	Community Strategic Plan
SAMP	Strategic Asset Management Plan
SRV	Special Rate Variation



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Airport Asset Management Plan October 2022



RESTORE & THRIVE

ARMIDALE
Regional Council

QUALITY CONTROL		
OUR PURPOSE	Together, proud to deliver to the highest possible standards for ARC in all we do	
KEY DIRECTION	Strong Region (Engagement and Responsibility)	
GOAL	S2 - Strong governance and leadership that supports our region to grow and prosper	
STRATEGY	S2.2 - Ensure that strategic directions are informed by, and with, the community and stakeholders and are delivered effectively, and in consideration of available resources	
RESPONSIBLE OFFICER	Coordinator Strategic Infrastructure Planning	
REVIEW DATE	2024	
DATE	ACTION	RESOLUTION No
September 2022	PWA – First Draft finalised	N/A
October 2022	PWA – Second Draft finalised	N/A
12/10/2022	ARC – Draft reviewed and complete	N/A
21/10/2022	ARC – Documents endorsed by COAS	N/A
TBC	Council - Public Exhibition	TBC
TBC	Council - Adoption	TBC
NOTES	Nil	

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1. EXECUTIVE SUMMARY

1.1 Purpose of the Plan

This Asset Management Plan (AMP) details information about Armidale Regional Council's airport infrastructure assets with actions required to provide an agreed level of service to ensure safety, security and compliance with legislation in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required over the 2022-2032 year planning period. The AMP will link to Council's Long-Term Financial Plan (LTFP) which typically considers a 10 year planning period.

The AMP aligns with the Strategic Asset Management Plan (SAMP), which:

- Contains the longer term high level strategic initiatives that the organisation must take, in order to execute its asset management strategy, and
- Provides direction for development of asset management plans.

1.2 Asset Description

This plan covers the infrastructure assets that provide airport services. This comprises of:

- Terminal Building 3,304 square metres
- Old Terminal Building 445 square metres
- Airport Boundary 1,206,642 square metres
- Main Runway 05/30 1,738 x 30 metres
- Grass Runway 09/27 1,116 x 30 metres
- Other facilities and improvements within the airport boundary

The above infrastructure assets have replacement value estimated at \$15.1 million.

1.3 Levels of Service

The allocation of the planned budget in this Plan, is based on the assumption that a permanent Special Rate Variation (SRV) of 50% for the General Fund is not achieved over three years commencing in 2023-2024 financial year.

No SRV funding beyond 2022-23 will result in a reduction in both operational and capital expenditure from 2023/24. Without the SRV Council will have to start managing decline, which means levels of service may be reduced, impacting operations, maintenance and capital expenditure.

Council is not generating enough income to invest in its infrastructure. If it doesn't secure additional income from an SRV, it will have no choice but to free up existing funds by cuts to operational services as part of a 'managed decline' strategy. This is not Council's preferred option as service cuts will have significant impact on the community.

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The main service consequences for Council's infrastructure assets from 2023-2024 will be: ¹

- Operational service levels will require significant reductions and/or removal of services,
- Core maintenance service levels may remain underfunded,
- The condition of infrastructure will deteriorate with reduced maintenance activities,
- Capital works will be reduced as funding will be limited, and
- The infrastructure backlog will increase and it will cost more in the long run to return assets to the agreed service level.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Airport safety and security levels,
- Council financial sustainability,
- Infrastructure resourcing,
- Essential regulatory airport trained staff,
- Regulations and legislative changes,
- Climate change/environmental sustainability,
- Market,
- Technology,
- Passenger numbers and aircraft movements,
- Aircraft type changes,
- Tenants/airport users, and
- New airport infrastructure (e.g. new runway).

These demands will be addressed using a combination of managing and/or upgrading existing assets and providing new assets when needed. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for the airport asset class is estimated as \$30.2 million or \$3 million on average per year.

¹ From Resourcing Strategy, p 65.

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1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period, including Operations, Maintenance and Capital Works, is \$28.4 million or \$2.8 million on average per year as per the Long-Term Financial plan or Planned Budget. This is 94% of the cost to sustain the current level of service at the lowest lifecycle cost.

The reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks. The risk of not maintaining or replacing/updating assets is that the airport becomes unsafe or not in compliance to be able to operate.

The anticipated Planned Budget for the airport asset class leaves a shortfall of \$180,000 on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the Long-Term Financial Plan. The forecast lifecycle costs and planned budgets is shown in figure 1.6.1.

Figure 1.6.1: Forecast Lifecycle Costs and Planned Budget

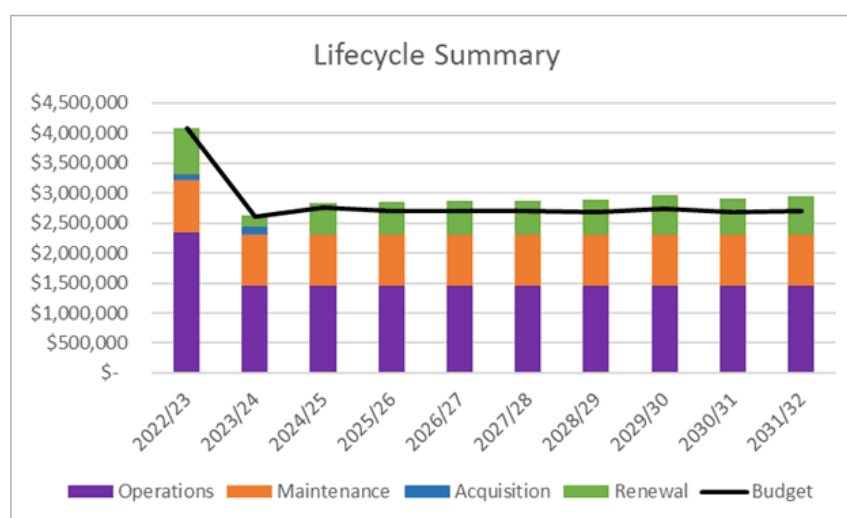


Figure values are in 2022 dollar value.

We plan to provide airport asset services for the following:

- Operation, maintenance and renewal of airport facilities to meet levels of service set by Council in annual budgets,
- Capital upgrades and major renewal work within the 10-year planning period, and
- Airport condition maintenance, services and upgrades that are determined by the Armidale Aerodrome Manual and Transport Security Program and aerodrome regulation administered

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by International Civil Aviation Organisation (ICAO), Civil Aviation Safety Authority (CASA) and Home Affairs.

1.6.2 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years unless the SRV is adopted. These include:

- Fully fund capital upgrades and replacements,
- Mitigate all risks,
- Meet maintenance requirements of any new assets that are acquired by donation or as a result of a transfer of responsibility, and
- Increase the levels of operations, maintenance and renewal activities to achieve industry benchmark ratios.

1.6.3 Managing the risks

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Non-compliance with Manual of Standards 139 (MOS 139), CASA and/or Home Affairs,
- Major surface damage of runway and taxiway,
- Security screening breakdown,
- Lack of resources, and
- Aerodrome lighting and navigation PAPI failure.

Existing known issues (Refer Aerodrome Technical Inspection):

- Runway 05/23 reseal and reline marking,
- Taxiway A requires widening, and
- Grass runway surface needs upgrading.

We will endeavour to manage these risks within available funding by:

- Ensuring sufficient resources including Airport Reporting Officers (ARO) are trained and skilled,
- Major works repairs, and
- Replacement of faulty equipment and lighting.

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1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum and compliant service levels required,
- Budgets have been allocated based on the best available data on assets.

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Alternate method was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a low level of data confidence.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- A Levels of Service (LoS) Framework will be adopted which includes defined Customer and Technical LoS and performance measures so levels of service can be assessed and used to inform asset management planning and expenditure investment. Customer LoS and Technical LoS information will be included in future iterations of this AMP,
- A region-wide inventory of assets will be carried out to capture all data on assets. This, as well as all data recorded in the Assets database will be consolidated to link with financial information. Council is investigating various models of Enterprise Asset Management Software that have the ability to consolidate or link financial and non-financial data on all asset classes so a complete inventory of assets is maintained. This will enable assets and finance departments to access one single repository of asset information, track and monitor asset condition, ensure transparency in planning processes and plan evidence based investments. Asset registers will be used to inform the next LTFP cycle to inform future iterations of this AMP,
- Council is currently undertaking an organisational re-structure to address resource planning. Resources will be allocated and staff will be appropriately trained to lift capability in asset management,
- The Asset Management Policy will be updated and AM Framework will be established. This will be used to inform future iterations of the AMP,
- Formal asset lifecycle management processes and systems will be implemented to improve asset management planning. This will be used to inform future iterations of the AMP,

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- Formal AM planning processes will be established across each asset group to ensure consistency in information included in the AMP,
- Customer satisfaction surveys will be undertaken to inform development of the LoS performance measured in the AMP,
- Consistent processes for asset condition assessments will be established and asset performance monitoring will be implemented to monitor, report and inform investments in future LTFP cycles and iterations of this AMP,
- Formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades will be established to inform development of long term forward works program for the LTFP and the future iterations of this AMP,
- AMPs will be used in the future to drive expenditure in assets so the information used to develop programs of work must be evidence based with a high degree of accuracy to justify the need for the investment. Council will specify their standard requirements for future AMPs, and
- Regulated airport inspections, including non-conforming and unsafe assets and necessary corrective actions. In addition to the CASA surveillance update in future updates of this AMP.

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2. INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Armidale Regional Council's planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Integrated Planning Framework which includes Advancing Our Region Your Community Plan 2022-2032,
- Resourcing Strategy which includes the Workforce Management Plan and Asset Management Strategy 2022, and
- The Strategic Asset Management Plan (SAMP).

Council undertook an Asset Management Maturity Assessment in July 2022. Based on a 55 (Core) target maturity level score, Council's overall AM maturity score is 32 (Basic) – i.e. minimum level processes and practices in place with a Maturity Gap of 23 points. The variance between the current and target score is 41%.

Council aims to lift its capability in asset management by addressing the gaps in AM practices identified in the Assessment. The Improvement Plan in the SAMP, contains 30 recommended improvement actions for Council achievable within 1-2 year period.

The infrastructure assets covered by this AMP include all airport assets, which are used to provide airport services. The infrastructure assets included in this plan have a total replacement value of \$15.1 million.

Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AMP

KEY STAKEHOLDERS	ROLE IN AMP
Councillors	<ul style="list-style-type: none"> • Represent needs of community, • Allocate resources to meet the organisation's objectives in providing services while managing risks, • Ensure organisation is financial sustainable.
General Manager	<ul style="list-style-type: none"> • Ensures ARC is aligned with the organisation's infrastructure services requirements and community expectations, • Allocate resources to meet the organisation's objectives in providing services while managing risks.
Chief Officer Corporate Strategy	<ul style="list-style-type: none"> • Overall responsibility for Asset Management,

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KEY STAKEHOLDERS	ROLE IN AMP
	<ul style="list-style-type: none"> • Ensure funds are invested appropriately to ensure best value for money is delivered to the community, • Provide leadership in influencing decision making processes related to Asset Management.
Airport Manager	<ul style="list-style-type: none"> • Provide Leadership for effective Asset Management, • Ensuring Asset Management services are provided in accordance with Corporate Plan and organisation priorities, • Ensuring the airport is safe, secure and compliant with its certification to remain open for business, • Ensure the customer experience and services are a high priority, • Delivering nominated renewal, upgrade projects, • Manages the regulatory requirements, safety management system, aerodrome operations and transport safety program, • Ensure assets are clean and well maintained, • Comply with Australian standards, Aerodrome Manual, MOS 139, CASR 139, CASR 175 and TSP, • Ensure environment issues are managed, • Reviews, updates and manages regulatory manuals, risk register, and airport operational matters, • Ensures the airport is adequately resourced as the Accountable Manager in the Airport's Safety Management System and stakeholders are engaged in safety and security meetings, • Responsible for reviewing and keeping AMP up to date, • Responsible for preparing budget submissions in accordance with the AMP.
Airport Reporting Officers	<ul style="list-style-type: none"> • Inspect, report on aerodrome serviceability and lighting, • Manage aerodrome operations, • Repair and maintain aerodrome airside and landside, • Issues Notice to Airmen (NOTAM) when assets are unsafe, • Facilitate as Works Safety Officers during airside works, • Ensure assets are safe, secure, clean and well maintained.
Assets Team and Asset Owners	<ul style="list-style-type: none"> • Preparation of AMP, • Responsible for reviewing and keeping AMP up to date, • Responsible for keeping asset data up to date, • Maintenance of corporate software.
Finance Team	<ul style="list-style-type: none"> • Maintenance of corporate software, • Financial accounting for assets.
State and Federal Government	<ul style="list-style-type: none"> • Promote best practice asset management, • Recognises the importance of LGA Assets to the community and provide funding and other assistance to sustain.
Community	<ul style="list-style-type: none"> • Be aware of levels of service and costs, • Participate in consultation processes, • Provide feedback on services.
Airlines	<ul style="list-style-type: none"> • Allocate resources and assets to ensure airlines provide a safe, secure and efficient service for the aerodrome operator, community and region.
Emergency and Aeromedical Services	<ul style="list-style-type: none"> • Allocate resources and assets to ensure emergency and aeromedical services provide a safe, secure and efficient service for the aerodrome operator, community and region.

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KEY STAKEHOLDERS	ROLE IN AMP
General Aviation	<ul style="list-style-type: none"> Allocate resources and assets to ensure General Aviation services provide a safe and efficient service for the aerodrome operator, community and region.
Airport Stakeholders (airside business / airpark)	<ul style="list-style-type: none"> Allocate resources and assets to ensure stakeholders provide safe and efficient service for the aerodrome operator, community and region.

Our organisational structure for service delivery from infrastructure assets is detailed below:



2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for current and future population. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to develop compliant and cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required and affordable forecast costs and how they will be allocated.

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Key elements of the planning framework are:

- Stakeholder engagement,
- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015²
- ISO 55000³

² Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13

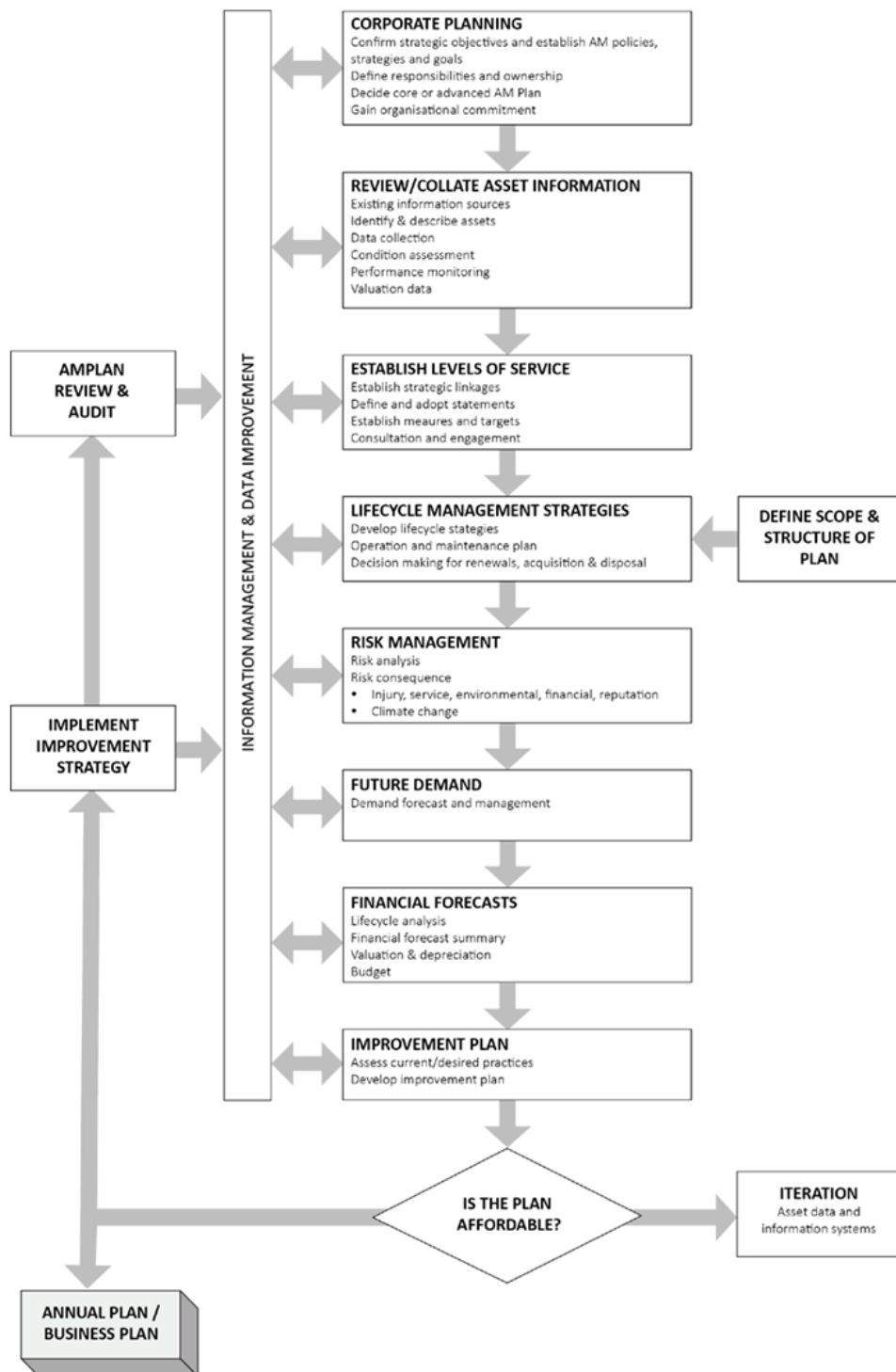
³ ISO 55000 Overview, principles and terminology

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A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by the Armidale Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

Management plays an important role in ensuring Council delivers the agreed levels of service⁴ to the community and provides a high level of customer and passenger experience by allocating budgets that are informed by levels of service requirements to enable delivery of those projects that have been investigated and assessed to be of high risk to people or property.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Community vision, mission, goals and objectives.

Our vision is:

'We want a harmonious region which celebrates diversity and uniqueness of our communities, provides opportunities for all people to reach their potential, encourages engagement without environment, cultures and lifestyles while supporting growth, opportunity and innovation.'

This AMP is prepared to meet Council's purpose, visionary goal and values.

Council's purpose is:

'Together, we are proud to deliver to the highest possible standards for ARC in all that we do.'

Council's visionary goal is:

'As a result of having a high performing team, by January 2023 we will be connected across the organisation with aligned priorities.'

Council's values are:

- Inclusion
- Wellbeing
- Transparency
- Commitment

⁴ Levels of Service Framework for all asset classes has yet to be developed and adopted by Council.

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Strategic goals have been set by Council in Advancing Our Region Your Community Plan 2022-2032 and the State of The Environment Report. The Community Plan has six key pillars and within each Pillar are two goals (G1 & G2) – which are the key community aspirations that Council seeks to achieve. The AM objectives are aligned with the goals of each Pillar. The Pillars are as follows:

- P1: Thriving Region – Economy and Vision
- P2: Connected Region – Transport and Technology
- P3: Future Region – Sustainability and Resilience
- P4: Liveable Region – Places and Spaces
- P5: Enriched Region – Community and Culture
- P6: Strong Region – Engagement and Responsibility

Strategic goals have been set in Advancing Our Region Your Community Plan 2022-2032. A summary of how they are addressed in this AMP is shown in table 3.2.

Table 3.2: Goals and how these are addressed in the Asset Management Plans

GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
P1, G1. A strong economy, sustainable growth and opportunity	AMO 2. Increase the level of maintenance and renewal activities to achieve the industry benchmark renewal ratio of $\geq 100\%$.	A program of works that reflects an increase in the level of maintenance and renewal activities.
P1, G2. A destination of choice, renowned for its beauty, heritage and unique attractions		This is a Plan that will address the renewals backlog over time to extend the life of the assets, and increase maintenance activities to ensure the assets continued operation.
P2, G1. Quality infrastructure that makes it safe and easy to travel around our region		
P2, G2. Transport and technology that enable connectivity both locally and outside the region	AMO 3. Apply lifecycle principles to asset management decisions	A Plan that applies lifecycle principles in the development of the program of works for asset maintenance, renewals and capital upgrades.
P3, G1. A flourishing natural environment that is protected and enhanced		While this Plan requires an increase in investment in asset maintenance and renewals, the lifecycle approach will ensure Council is making informed decisions on its investment and achieve the value for money from its investment in the long term.
P3, G2. A clean, green, and responsible region		
P4, G1. Public spaces and infrastructure that facilitate health, community		A lifecycle approach to asset management will also help Council achieve the financial sustainability over time.

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GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
connections and opportunities		
P4, G2. Proactive, responsible, and innovative regional planning that grows us sustainably	AMO 4. Ensure the levels of service and infrastructure agreed with the community are consistently maintained.	A Plan that meets the community, customer and passenger levels of service expectations and experience. While the Levels of Service measures have yet to formally adopted and agreed with the community, this Plan, has been developed with the aim of achieving a consistently high levels of service.
P5, G1. Access to the services and support that facilitate quality of life		
P5, G2. A proud, inclusive and cohesive community that celebrates our region in all its diversity and culture		
P6, G1. An informed and activity engaged community that builds partnerships and shapes its future.	AMO 1. Lift capability in asset management by 41% within 1-2 years. AMO 5. Lift capability and capacity of the workforce to meet the long term service commitments to the community.	This Plan has been developed in parallel with the establishment of an AM Framework and planned improvements in AM practice areas to lift capability in delivering asset management services.
P6, G2. Strong governance and leadership that supports our region to grow and prosper.		This is a Plan that is responsive to the needs of the community. This Plan is informed by the Council's Workforce Management Plan, which addresses the need to improve workforce capacity and capability to enable Council to efficiently and effectively manage its assets and meet its long term service commitments to the community and customers.

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the airport services are outlined in Table 3.3.

Table 3.3: Legislative Requirements

LEGISLATION	REQUIREMENT	AUTHORITY
Local Government Act NSW (2002, amended 2009)	<ul style="list-style-type: none"> Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. 	Armidale Regional Council

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LEGISLATION	REQUIREMENT	AUTHORITY
Civil Aviation Act (CAA) 1988 and Civil Aviation Safety Regulations (CASR)	<ul style="list-style-type: none"> Armidale Regional Council is certified by CASA to operate Armidale Regional Airport (YARM) Certificate No CASA.ADCERT.0211 dated 12 May 2017. This certification ensures that the airport is able to operate. 	Civil Aviation Safety Authority (CASA)
Civil Aviation Act (CAA) 1988 and Civil Aviation Safety Regulations (CASR)	<ul style="list-style-type: none"> CASR Part 139 – Manual of Standards (MOS) Part 139 sets out the requirements and standards for aerodromes with published instrument flight procedures. These requirements include standards for aerodrome facilities, obstacle control, operational procedures, emergency planning and safety management. Advisory Circulars (AC) provide recommendations and guidance to aerodrome operators. The advisories explain certain regulatory requirements by providing interpretive and explanatory material. 	CASA
Civil Aviation Act (CAA) 1988 and Civil Aviation Safety Regulations (CASR)	<ul style="list-style-type: none"> CASR Part 175 - Sets out the requirements for managing aeronautical information. This is based on the ICAO Annex 15 Aeronautical Information Services (AIS). CASR 175 establishes standards and legislative requirements for the quality and integrity of airport data and information used in air navigation delivered by Air Services. 	CASA
Airspace Act 2007	<ul style="list-style-type: none"> Air services provides aerodrome information to airport users through its Aeronautical Information Package (AIP) including En Route Supplement Australia (ERSA), Runway Data Supplement (RDS) and Departure and Approach Procedures, and Notice to Airmen (NOTAM) for airport users e.g. when runway is closed. 	Air services Australia
Transport Safety Investigation Act 2003	<ul style="list-style-type: none"> The Australian Transport Safety Bureau (ATSB) conducts its investigations for accidents and incidents on airports in accordance with the provisions of the Act. The airport must report these to the ATSBs either in the Mandatory or Voluntary capacity. 	ATSB
Aviation Transport Security Act 2004 , Aviation Transport Security Regulations 2005 and Aviation Screening Notice 2013	<ul style="list-style-type: none"> Armidale Regional Airport is a security controlled airport and must comply with legislation and the Aerodrome Operator must have a Transport Security Program (TSP). This TSP covers all aviation security related activities at the airport and sets out the measures and procedures employed to protect and safeguard assets aircraft, operations and people This includes measures and procedures to: <ul style="list-style-type: none"> Manage security at the airport, and Prevent an act of unlawful interference with aviation occurring at Armidale Regional Airport or in relation to the aviation operations it services. 	Home Affairs
Chicago Convention 1944	<ul style="list-style-type: none"> Provides international standards and recommended practices for airports many of which are accepted by CASA. Annex 14 - Aerodrome design, Lighting, Signs and Markings, emergency planning process requirements, detail services needed to operate an 	International Civil Aviation Organisation (ICAO)

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LEGISLATION	REQUIREMENT	AUTHORITY
	aerodrome such as firefighting, Wildlife strike hazard reduction, ground handling, safety management and managing non-compliance through safety assessment.	
Australian Accounting Standards	<ul style="list-style-type: none"> Establishes the financial reporting standards for the valuation, revaluation and depreciation of assets. 	Standards Australia
Work Health and Safety Act 2011	<ul style="list-style-type: none"> Promote improvements in work health and safety practices whilst assisting in the preservation of public health and safety in all undertakings of the organisation. 	
Environmental Planning and Assessment Act 1979	<ul style="list-style-type: none"> Promote social and economic welfare for the community and a better environment by proper management, development and conservation of the State's natural and other resources, Facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment, Promote the orderly and economic use and development of land, Protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats, Promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage), Promote good design and amenity of the built environment, Promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants, Promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the State and to provide increased opportunity for community participation in environmental planning and assessment. 	New South Wales Government
Protection of the Environment Operations Act 1997	<ul style="list-style-type: none"> Protect, restore and enhance the quality of the environment in New South Wales, having regard to the need to maintain ecologically sustainable development, Provide increased opportunities for public involvement and participation in environment protection, Ensure that the community has access to relevant and meaningful information about pollution, Reduce risks to human health and prevent the degradation of the environment by the use of mechanisms that promote pollution prevention and cleaner production, reduction to harmless levels of the 	New South Wales Government

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LEGISLATION	REQUIREMENT	AUTHORITY
	<p>discharge of substances likely to cause harm to the environment, elimination of harmful waste, reduction in the use of materials and the re-use, recovery or recycling of materials, making of progressive environmental improvements, including the reduction of pollution at source and monitoring and reporting of environmental quality on a regular basis,</p> <ul style="list-style-type: none"> • Rationalise, simplify and strengthen the regulatory framework for environment protection, • Improve the efficiency of administration of the environment protection legislation, and • Assist in the achievement of the objectives of the Waste Avoidance and Resource Recovery Act 2001. 	
ISO 31000:2018 Risk Management – Principles and Guidelines, and ISO 9001 Quality Management Systems	<ul style="list-style-type: none"> • Risk Management is defined in ISO 31000:2018 / ISO Quality Management Systems as: 'coordinated activities to direct and control with regard to risk'. 	Armidale Regional Airport Safety Management System
Environmentally Hazardous Chemicals Act 1985	<ul style="list-style-type: none"> • Provide control of the effect on the environment of chemicals and chemical waste. 	Armidale Regional Airport Aerodrome Manual and Safety Management System

3.4 Customer Values

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

Customer Values indicate:

- What aspects of the service is important to the customer,
- Whether they see value in what is currently provided, and
- The likely trend over time based on the current budget provision.

Community consultation has been undertaken for the preparation of the new long term community strategic plan and outcomes of the consultation and the values have been defined as follows:

What customer love and value about our region:

1. Our Natural Environment – our climate, seasons, natural beauty, Wildlife and National Parks.
2. Our Location – Halfway between Sydney and Brisbane, and a short drive to the Coast.
3. Our Community – The people diversity and volunteers that make up our community.
4. Parks and Playgrounds – Our many beautiful outdoor spaces including parks, gardens and local playgrounds.

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5. Arts and Culture and Heritage – Beautiful architecture, local history and the many arts organisations, events and performances in the region.
6. Education and Training – Long established university, TAFE digital hub, and variety of local schools.

Our community's 2032 vision for our Region (ranked in priority order):

1. Economically robust
2. Environmentally sustainable
3. Led through good governance
4. Strong tourism sector
5. A cohesive community

What the community wants improved in our Region (ranked in priority order):

1. Transport and Infrastructure
2. Environmental Sustainability
3. Economic Development
4. Shopping
5. Tourism

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

- **Condition** How good is the service ... what is the condition or quality of the service?
- **Function** Is it suitable for its intended purpose Is it the right service?
- **Capacity/Use** Is the service over or under used ... do we need more or less of these assets?

Customer Level of Service including performance measures have not yet been agreed and adopted by Council. A Levels of Service review will be included as an improvement action within this AMP.

3.6 Technical Levels of Service

To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. airport apron light modification) or a new service that did not exist previously (e.g. a new hangar)

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- **Operation** – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, utilities, inspections, etc.)
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. building and structure repairs)
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. runway and taxiway renewal).

Technical Level of Service including performance measures have not yet been agreed and adopted by Council. A Levels of Service review will be included as an improvement action within this AMP.

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4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as demographic change, regulations, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 4.3.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management

DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
Infrastructure resourcing	The Council's current LTFP and Federal funding does not meet the budget required to continue to provide the current level of service.	Investment in airport infrastructure to support growth is required. Will need federal funding to support this.	Without improved infrastructure this will impact on safety and regulatory drivers and has the potential to drive away airline business.
Council financial sustainability	The Council's current LTFP meets the budget required to continue to provide a satisfactory level of service.	This plan anticipates the financial support of Council and Federal Government funding.	Without funding safety and regulatory obligations will be impacted. Community service level expectations will not be met, staff turnover will increase with resources not meeting the growing demand and safety will be impacted.

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DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
Have essential aviation trained staff	Council is filling operational positions. Gap in operations and project management roles.	Hire staff with suitable knowledge and invest in their training to increase employee retention rates.	Downtime and limited ability to carry out projects to improve services. Retiring AROs will impact services and compliance.
Regulations and Legislation changes	There is not enough staff capable of ensuring operating processes and procedures meet current legislation and compliance.	To have more employees able to endorse new legislation/statutory requirements.	Failure to apply current legislation may cause significant safety issues, delays in operations, fines and possible legal repercussions and loss of certification.
Climate change/Environment sustainability	Environmental obligations are up to date with current legislation.	Increase the number of sustainable practices and strategies.	Reduction in negative environmental impact.
Market	Passenger numbers and airline service routes are just below pre Covid numbers, and are predicted to be pre Covid by November 2022.	More competition from Airlines, more destinations and increased passenger numbers.	Increased revenue, staff numbers, tourism, and increase maintenance and asset costs.
Technology	Currently stable, but airport navigation technology is improving.	Install improved navigational guidance systems Ground Based Navigational Systems.	Improved operations and safety.

4.4 Asset Programs to meet Demand

New assets required to meet demand may be acquired, donated or constructed. Additional assets are presented in appendix B.

Acquiring new assets will commit the Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan.

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.⁵

⁵ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

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As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.⁶

Risk and opportunities identified to date are shown in Table 4.5.

Table 4.5 Managing the Impact of Climate Change on Assets and Services

CLIMATE CHANGE DESCRIPTION	PROJECTED CHANGE	POTENTIAL IMPACT ON ASSETS AND SERVICES	MANAGEMENT
Higher / recurrent rainfall events	High rainfall and increasing rainfall days annually. Rainfall more frequent causing recurrent flood events.	Drainage systems may not have sufficient capacity to manage flood events. Overflows can potentially cause flooding resulting in damage to equipment, accident, injury, and potential disruption of services.	Develop strategies to manage flood events and prevent overflows.
Temperature variation	Warmer summer and colder winters	Large temperature variations are causing extreme temperature conditions, which can impact on thermal comfort of buildings and potentially disrupt services.	Renew or upgrade building environmental systems to ensure these adapt to temperature variations.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change,
- Services can be sustained, and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AMP.

⁶ Council has yet to develop asset resilience strategies for its assets.

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5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

This AMP includes the Airport boundary and its buildings, runways and facilities. It has a current replacement cost of \$15.1 million. Currently, there is no single asset register that includes all assets in this asset group. This is an improvement action for this AMP.

5.1.2 Asset age profile

Construction dates of airport assets, are not all available. The asset age profile could not be provided for this AMP. Construction dates will need to be captured in a region-wide exhaustive inventory of assets, which is an improvement action for Council. Once all construction dates are available, an Age Profile Graph can be provided in future revisions of this AMP.

5.1.3 Asset capacity and performance

Assets are generally required to meet design standards where available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.3.

Table 5.1.3: Known Service Performance Deficiencies

LOCATION	SERVICE DEFICIENCY
Office	Lack of skilled and trained aviation staff and resources to manage the operations, safety management system, new projects and to apply for and manage capital project grants.
Office	High turnover of airport managers over the last 10 years has resulted in many items not being put into Content Manager and manuals not being updated and compliant.
05/23 Runway distance too short and too narrow for larger aircraft	Limits our ability as an airport to keep up with market demand and growth. It does not have the available land in its current position for the runway strip and cannot lengthen the current runway.
05/23 Runway	Defect in that it has an elevation where two aircrafts cannot see each other at opposite ends of the runway. Also, it does not have Runway End Safety Areas (RESA).
Obstacle Limitation Surface (OLS)	OLS Infringements - When the Qantas Link Dash 8 – 400 parks on the main apron its tail height infringes the OLS, Apron lights too high,

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LOCATION	SERVICE DEFICIENCY
	The road to Saumarez House infringes transitional surfaces and is inside the runway strip of 280m.
Main Apron	Slope/grade is steeper in parts.
Grass runway	Is often unusable because of soft wet surfaces and a cross runway is ideal for training and encourage more general aviation. The surface needs remediation to keep it open more often.
Cafe	Leasing the café soon would be beneficial to the customer experience and a source of revenue for the airport. Its lack of operation has led to customer dissatisfaction.
Carpark	There have been some complaints on the ticketing machines and the airport could improve the customer experience by making the instructions more user friendly and staff helping out users. The machine App could also be implemented as the Rangers cannot use the NSW App at the airport making it difficult to review people not paying. A parking strategy needs to be implemented with least cost in the first instance.
Airport roads	Speed limit is same as the New England Highway and should be reduced to 25kph.
Ground transport	No bus service to and from the airport.
Routes and destinations	Armidale regular public transport (RPT) is only available to and from Sydney and Brisbane.
Workshop	Needs to be constructed in south west of airport as existing is just a carport.
Maintenance plant and equipment assets	The current equipment assets are insufficient, unreliable and ageing to maintain the airport e.g. mower is a small ride on mower and grass needs to be kept very low on airports.
Airport Conditions of Use	There is no Conditions of Use according to staff which would govern the use of assets by users.
Airline Flight Changes	When airline flights change unexpectedly it creates poor airport reputation, means the council pays extra for screening staff, security, airport staff and the assets are used longer as people wait around.
Terminal Cleaning	Has been increased recently from 24 hours per week to 38 hours as flights increase and will need to increase to 45 when flights get to pre Covid.
Airport Operations	The airport operations needs one more vehicle as current practices mean one ARO take the other home and returns. The AROs sometimes use their personal vehicles to go to do the runway inspections. The AROs would normally also wait until the last flight has left and this does not occur although they are on 24 hour duty. At RPT airports this would be normal practice.
Airport Airside Boundary Road	The boundary road condition does not allow a full fence inspection as a security controlled airport should. It is a breach of the TSP and fineable.
Departures and Arrivals 'Lounge	With passenger numbers increasing the departures lounge is too small and the arrivals area too big.

The above service deficiencies were identified from ad hoc inspections conducted by staff.

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5.1.4 Asset condition

Condition is currently monitored informally and since cyclic condition inspections of all asset classes are not a regular practice, there exists a very low data confidence in current condition of assets. Overall, airport assets are not regularly inspected, monitored or assessed. This is an improvement action for Council and will be addressed when Council implements its asset lifecycle approach to management of assets.

Best available data was obtained in June 2021 for financial reporting purposes. Assets were condition rated according to the IIMM condition rating scale as shown in Table 5.1.4.

Condition is measured using a 1 – 5 grading system⁷ as detailed in Table 5.1.4. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

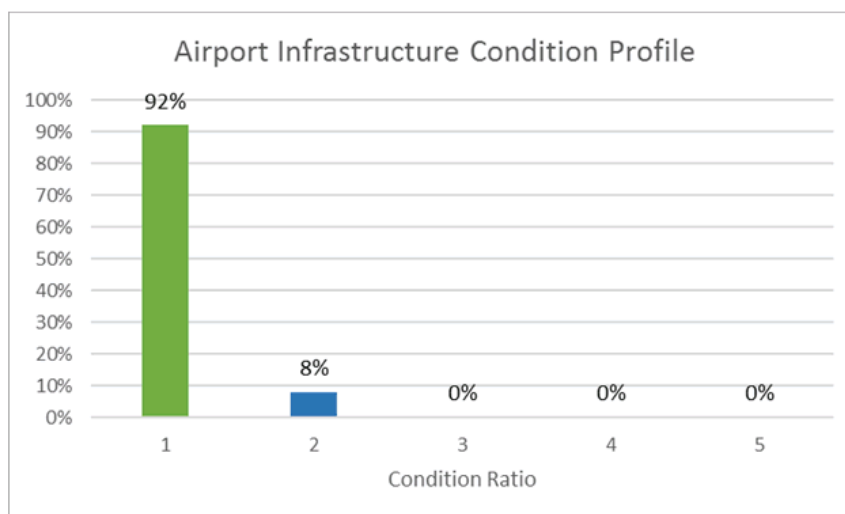
Table 5.1.4: Condition Grading System

CONDITION GRADING	DESCRIPTION OF CONDITION
1	Very Good: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Fair: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely
5	Very Poor: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of the airport infrastructure assets is reported in ARC's annual financial statement as a percentage of gross replacement cost. According to the latest financial statement from June 2021, the condition of airport infrastructure assets is shown in Figure 5.1.4.

⁷ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

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Figure 5.1.4: Asset Condition Profile⁸

As identified in the Asset Management Maturity Assessment Report, Council does not have a centralised asset register. Data is held in separate locations and there is no clear and regulated audit trail between data sets. As a consequence, condition ratings used for operational purposes do not match condition ratings for financial reporting purposes, distorting the condition ratings. The condition ratings provided are aligned with Council's financial reporting requirements however Council inspections and operational feedback is indicating that the condition of most of Council's asset classes are lower than indicated. The condition ratings for this asset class are an example of that trend.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include runway and taxiway inspections, allocation of aircraft parking and aircraft escorts and utility costs. These should be programmed or planned.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include maintenance of pavements, maintenance of visual aids and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.

⁸ Report on infrastructure assets in Audited Financial Statements June 2021, p7

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Table 5.2: Maintenance Budget Trends

YEAR	MAINTENANCE BUDGET
FY 2020-2021	\$693,000
FY 2021-2022	\$716,000
FY 2022-2023	\$858,636

Maintenance budget levels are considered to be inadequate to meet projected service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

5.2.1 Asset hierarchy

An asset hierarchy is a logical index of all equipment, machines, and components, and how they work together. It is critical for understanding how action on one asset affects other assets, establishing a parent-child relationship amongst multiple assets. Building and understanding the asset hierarchy is critical to efficiently track, schedule, and identify the root causes of problems.

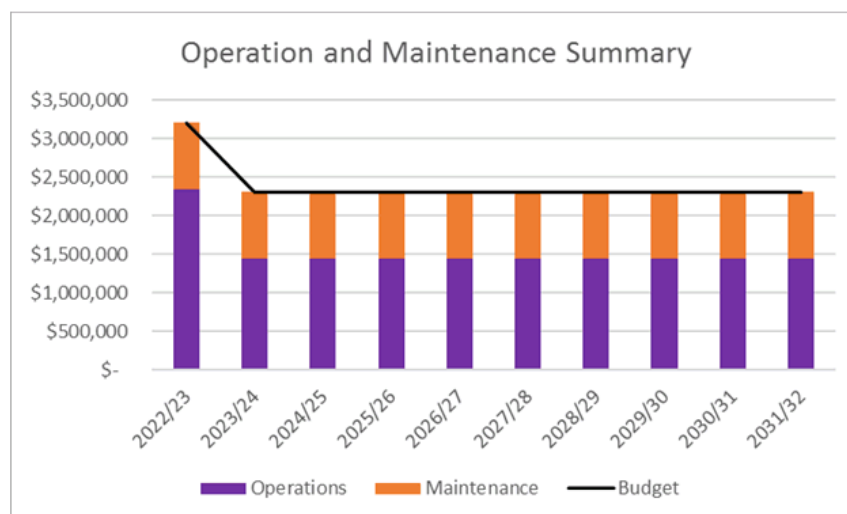
The asset hierarchy is unavailable and is an improvement action for this AMP.

5.2.2 Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs may increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

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Figure 5.2.2: Operations and Maintenance Summary



All forecast values are shown in 2022 dollar value.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3.

Table 5.3: Useful Lives of Assets

ASSET (SUB) CATEGORY	USEFUL LIFE
Terminal building	20 years
Runway	10 years
Security Boundary Fence and gates	10 years

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Taxiways	10 years
Security screening	5 years
Carpark machines	1 year
Fleet	5 years
Runway navigation systems	5 years

The estimates for renewals in this AMP were based on the alternate method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. asphalt overlay on the runway), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. runway condition).⁹

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.¹⁰

Ranking criteria is unavailable for this AMP.

5.3.2 Summary of future renewal costs

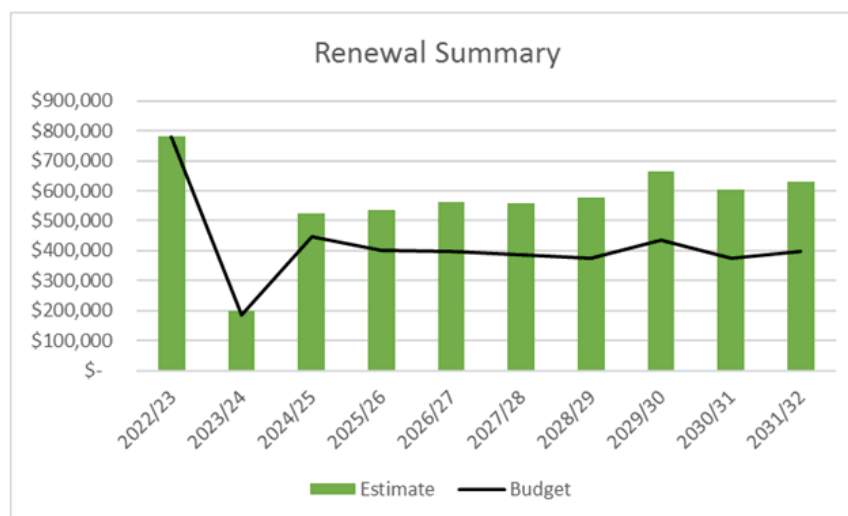
Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.3.2. A detailed summary of the forecast renewal costs is shown in Appendix C.

⁹ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

¹⁰ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

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Figure 5.3.2: Forecast Renewal Costs



All forecast values are shown in 2022 dollar value.

5.4 Acquisition Plan

Acquisition reflects new assets that did not previously exist or works that will upgrade or improve an existing asset beyond its current capacity. It may be a result of growth, demand, social or environmental needs. Assets may also be donated to ARC.

5.4.1 Selection criteria

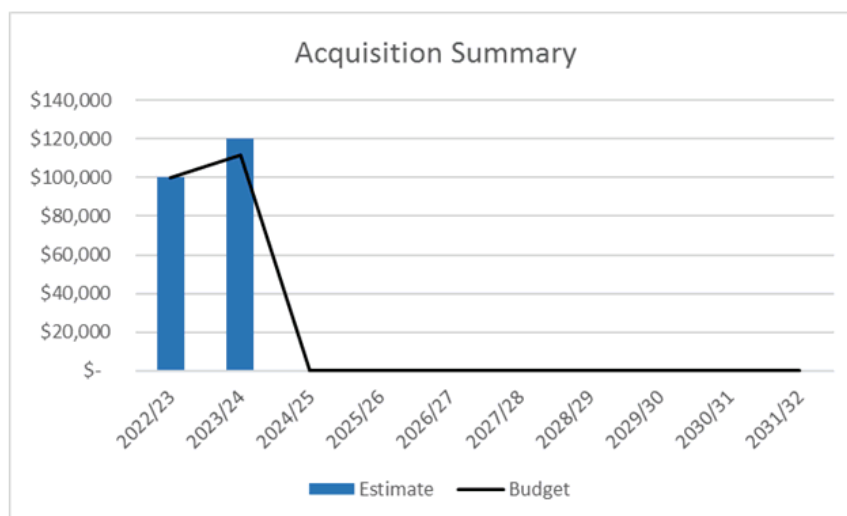
Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Council needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes.

5.4.2 Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.4.2 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix B.

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Figure 5.4.2: Acquisition Summary



All forecast values are shown in 2022 dollar value.

Committing to new assets implies committing to future operating, maintenance and renewal costs. Future depreciation must also be taken into account when analysing long-term sustainability. Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.5.

Table 5.5: Assets Identified for Disposal

ASSET	REASON FOR DISPOSAL	TIMING	DISPOSAL COSTS	OPERATIONS & MAINTENANCE ANNUAL SAVINGS
Security Screening Equipment	Obsolescence	5 years	\$150,000	Data not available
Machinery, vehicle, mowers, tractor and slasher	End of life	5 years	\$150,000	Data not available

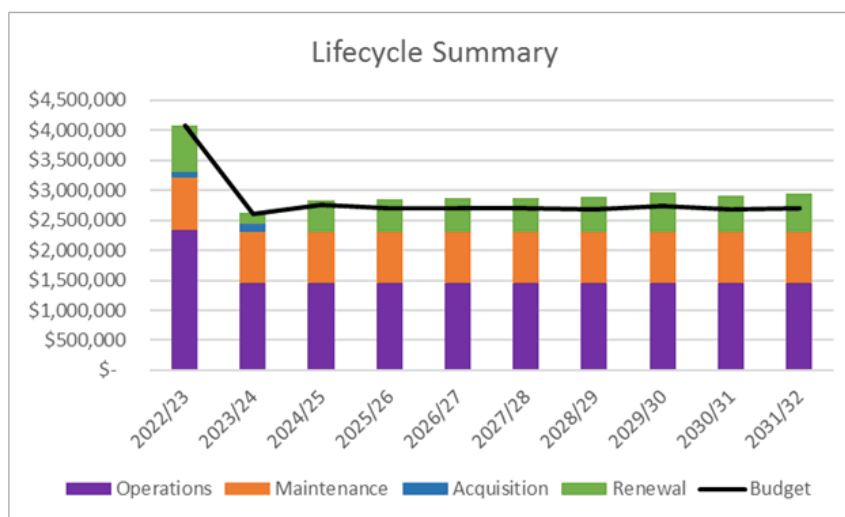
5.6 Summary of asset forecast costs

The financial projections of this AMP are shown in Figure 5.6 and detailed in Appendix A. These projections include forecast costs of acquisition, operation, maintenance, renewal, and disposal. The forecast costs are displayed in relation to the proposed budget.

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The forecast costs are represented by the bars, while the proposed budget line indicates the estimated available funding (no SRV) for the next 10 years. The gap between the forecast and the proposed budget is the basis of the SRV proposal to meet the financial need to cover all projects planned for the next 10 years.

Figure 5.7: Lifecycle Summary



All forecast values are shown in 2022 dollar value.

The proposed budget for the projects included in the 10-year planning corresponds to the expected costs, since all projects presented are essential to keep the airport sector operating, as well as its level of service. If there are new acquisitions, renewals, or changes to the 10-year plan, these will be added to future updates of this AMP.

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6. RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'.¹¹

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1: Critical Assets

CRITICAL ASSETS	CRITICAL FAILURE MODE	OPERATIONS & MAINTENANCE ACTIVITIES
New boundary road requires repair	Regulatory impact / WHS impact	Road does not comply with transport security program TSP and MOS 139 regulations
Apron lights require repair due to OLS impact.	Regulatory impact	Does not meet MOS 139 regulations
Replacement and upgrade of security screening equipment	Regulatory impact	Will need to comply with Aviation Security Transport Act.

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

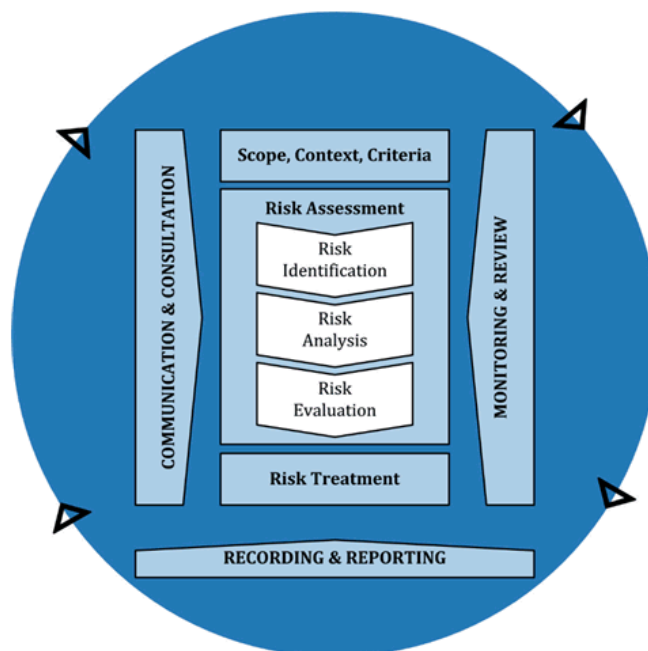
It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

¹¹ ISO 31000:2009, p 2

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The process is based on the fundamentals of International Standard ISO 31000:2018.

Figure 6.2: Risk Management Process – Abridged



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan.¹² The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

¹² An Infrastructure Risk Management Plan has yet to be developed in accordance with Council's Risk Policy. This is an improvement action for Council.

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Table 6.2: Risks and Treatment Plan

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN	RESIDUAL RISK *	TREATMENT COSTS
Runway	Minor surface damage	L	Temporary repair	L	\$20,000
Runway	Major surface damage	VH	Major repair works	M	\$2,000,000
Taxiway	Minor	L	Temporary repair	L	\$5,000
Taxiway	Major surface damage	VH	Major repair works	L	\$20,000
Security screening	Breakdown	VH	Replace equipment	L	\$20,000 per day
Runway lighting and navigation PAPI failure	Generator major failure	VH	Replace equipment and or lights	M	\$20,000 per day

Note * the residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service. Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership have yet to be undertaken and developed by Council.

ARC currently do not measure resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Fully fund capital upgrades and replacements,
- Mitigate all risks,

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- Meet maintenance requirements of any new assets that are acquired by donation or as a result of a transfer of responsibility cannot be funded under current budgets of this LTFP period, and
- Increase the levels of operations, maintenance and renewal activities to achieve industry benchmark ratios.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- We will need to prioritise maintenance and renewal works to components that have a very high safety risks and defer work components with low to medium safety risks.

These actions and expenditures are considered and included in the forecast costs.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- Asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- Medium term forecast costs/proposed budget (over 10 years of the planning period).

7.1.2 Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have $\geq 100\%$ of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix C.

7.1.3 Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$30.2 million, while the budget for the same period is \$28.4 million. This creates a shortfall of \$1.8 million over the 10 year planning period. This indicates that 94% of the forecast costs needed to provide the services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

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7.1.4 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.4 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the gap by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Table 7.1.4: Forecast Costs (Outlays) for the Long-Term Financial Plan

YEAR	ACQUISITIONS	OPERATIONS	MAINTENANCE	RENEWALS	DISPOSAL	TOTAL
2022	\$100,000	\$2,345,000	\$858,636	\$780,000	\$150,000	\$4,383,636
2023	\$120,000	\$1,451,000	\$858,636	\$197,500	\$0	\$2,627,136
2024	\$0	\$1,451,000	\$858,636	\$525,000	\$0	\$2,834,636
2025	\$0	\$1,451,000	\$858,636	\$537,500	\$0	\$2,847,136
2026	\$0	\$1,451,000	\$858,636	\$563,500	\$0	\$2,873,136
2027	\$0	\$1,451,000	\$858,636	\$560,000	\$0	\$2,869,636
2028	\$0	\$1,451,000	\$858,636	\$578,920	\$0	\$2,888,556
2029	\$0	\$1,451,000	\$858,636	\$662,665	\$0	\$2,972,301
2030	\$0	\$1,451,000	\$858,636	\$602,665	\$0	\$2,912,301
2031	\$0	\$1,451,000	\$858,636	\$632,665	\$0	\$2,942,301
TOTALS	\$220,000	\$15,404,000	\$8,586,360	\$5,640,415	\$150,000	\$30,150,775

Forecast costs are shown in 2022 dollar value.

7.2 Funding Strategy

The proposed funding for assets is outlined in Council's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

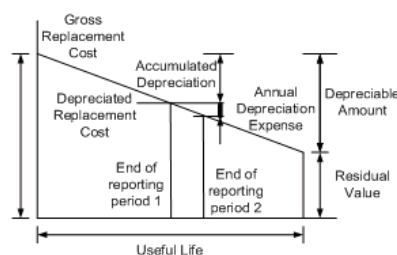
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7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value at cost to replace service capacity:

Replacement Cost (Current/Gross)	\$15,018,000
Depreciable Amount	\$12,167,000
Depreciated Replacement Cost ¹³	\$2,941,000
Depreciation	\$373,000



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum service levels required,
- Budgets have been allocated based on the best available data on assets.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A - E level scale¹⁴ in accordance with Table 7.5.1.

¹³ Also reported as Written Down Value, Carrying or Net Book Value.

¹⁴ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

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Table 7.5.1: Data Confidence Grading System

CONFIDENCE GRADE	DESCRIPTION
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AMP

DATA	CONFIDENCE ASSESSMENT	COMMENT
Demand drivers	B	Historical and industry data
Growth projections	B	Historical and industry data
Operations expenditures	B	Historical and industry data
Maintenance expenditures	C	Historical and industry data
Projected Renewal		
- Asset values	B	Historical and industry data
- Asset residual values	B	Historical and industry data
- Asset useful lives	C	Historical and industry data
- Condition modelling	C	Historical and industry data
- Network renewals	C	Historical and industry data
- Defect repairs	A	Historical and industry data
Upgrade/New expenditures	A	Historical and industry data
Disposal expenditures	A	Historical and industry data

The estimated confidence level and reliability of data used in this AMP are considered low confidence.

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8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁵

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is Technology One.

8.1.2 Asset management data sources

This AMP also utilises asset management data from Council asset records.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
1	Investigate service deficiencies of all assets and document it in future iterations of this AMP.	Airport Manager	Airport Manager, contractors	2022-24
2	Carry out resilience assessment of assets and formalise resilience strategies for adoption by Council. Document in future iterations of this AMP.	Airport Manager	Airport Manager, contractors	2022-24
3	Prepare Infrastructure Risk Management Plan in accordance with Council's Risk Policy and risk management procedures. Plan to be informed by the assessment of risks of the airport asset class.	Airport Manager	Airport Manager, contractors	2022-24
4	Assess criticality of assets. By identifying critical assets and failure modes Council can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets. Document in future iterations of this AMP.	Airport Manager	Airport Manager, contractors	2022-24

¹⁵ ISO 55000 Refers to this as the Asset Management System

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
5	Adopt a Levels of Service Framework which include defined Customer and Technical LoS and performance measures and incorporate in future iterations of this AMP.	Airport Manager	Assets, Airport Manager	2022-24
6	Regulated airport inspections, including non-conforming and unsafe assets and necessary corrective actions. In addition to the CASA surveillance update in future updates of this AMP.	Airport Manager	Airport Manager, contractors	2022-24
7	Council to invest in Enterprise Asset Management Software that links assets data with financial information. The assets department needs to take ownership of the system, record and manage asset data and activities, and maintain complete and accurate inventory of assets. Incorporate in next AMP update.	Chief Officer Corporate and Community	Finance and corporate management	2022-24
8	Allocate resources and train staff to lift capability in asset management. Define roles and responsibilities to manage assets, systems and monitor development and implementation of the AMP.	Corporate management	Assets, finance and corporate management	2022-24
9	Communicate asset valuation results to designated asset planners so these can be used to inform planning of renewal activities in forward works program. Monitor AMP implementation.	Assets	Assets and finance	2022-24
10	Update Asset Management Policy and establish AM Framework. Incorporate in next AMP update.	Assets	Assets, finance and corporate management	2022-24
11	Establish asset lifecycle management processes and set up systems to implement life cycle approaches in asset management planning. Incorporate in future iterations of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
12	Establish standard asset management planning processes across the organization to ensure consistency in the information generated within each department.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
13	Carry out customer satisfaction surveys to inform the development of levels of service performance measured by Council.	Communications	Communications, Assets and Airport Manager	2022-24
14	Establish formal processes to assess asset condition and asset performance monitoring. These will be used to plan investments in the LTFP and future iterations of this AMP.	Airport Manager, assets	Assets and finance	2022-24

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
15	Set up formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades to inform development of long term forward works program for the LTFP and incorporate in the next iteration of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
16	AMPs in the future will be used to drive expenditure in assets so the information used to develop the works programs must be evidence based with a high degree of accuracy to justify the need for the investment. Council must set their standard requirements for AMPs.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within 2 years of each Armidale Regional Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The number of complaints and requests for service,
- The number of issues resolved,
- The response time to address issues and complaints, and
- The change in backlog, asset maintenance and renewal ratios.

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9. REFERENCES

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- Armidale Regional Council, Long Term Financial Plan Budgets 2022-2032
- Armidale Regional Council, Resourcing Strategy 2022

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10. APPENDICES

10.1 Appendix A - Expenditure Forecast 2022-2032

AIRPORT

10 Year forecast 2022-2032

ACTIVITY	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total 10 Years
OPERATIONS & MAINTENANCE											
Operations	\$2,345,000	\$1,451,000	\$1,451,000	\$1,451,000	\$1,451,000	\$1,451,000	\$1,451,000	\$1,451,000	\$1,451,000	\$1,451,000	\$15,404,000
Maintenance	\$ 858,636	\$ 858,636	\$ 858,636	\$ 858,636	\$ 858,636	\$ 858,636	\$ 858,636	\$ 858,636	\$ 858,636	\$ 858,636	\$ 8,586,360
Sub-total Operations & Maintenance	\$3,203,636	\$2,309,636	\$2,309,636	\$2,309,636	\$2,309,636	\$2,309,636	\$2,309,636	\$2,309,636	\$2,309,636	\$2,309,636	\$23,990,360
RENEWALS											
All airport assets	\$ 780,000	\$ 184,006	\$ 447,045	\$ 400,176	\$ 396,801	\$ 385,387	\$ 375,264	\$ 434,669	\$ 376,643	\$ 398,344	\$ 4,178,334
Sub-total Renewals	\$ 780,000	\$ 197,500	\$ 525,000	\$ 537,500	\$ 563,500	\$ 560,000	\$ 578,920	\$ 662,665	\$ 602,665	\$ 632,665	\$ 5,640,415
UPGRADE & NEW											
All airport assets	\$ 100,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,000
Sub-total Upgrade & New	\$ 100,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,000
DISPOSAL											
All airport assets	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Sub-total Disposal	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Total	\$4,383,636	\$2,627,136	\$2,834,636	\$2,847,136	\$2,873,136	\$2,869,636	\$2,888,556	\$2,972,301	\$2,912,301	\$2,942,301	\$30,150,775

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10.2 Appendix B - Acquisition Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE '000
2022	1	Apron Lighting Modification	\$100
	2	Café upgrade in preparation for new tenant*	\$20
	3	Levelling and filling section of the boundary road *	\$15
2022	TOTAL		\$135
2023	1	New Hangers Supply erect and lease out hangers for future airport income	\$100
	2	Upgrade of Airport Terminal carpark lighting	\$20
	3	Establishment of GA Parking Area Lighting and Boom gates*	\$450
	4	Airside security fencing extension for runway extension *	\$161
	5	Infrastructure extensions to commercial sites*	\$89
	6	Aerodrome perimeter road upgrade*	\$375
	7	New Saumarez Road & highway intersection *	\$1,078
	8	Airport Terminal Carpark upgrade*	\$1,125
	9	Airside perimeter road extension*	\$282
2023	TOTAL		\$3,680
2024	1	Establishment of bollards across Airport Terminal facade*	\$120
	2	Loop apron edge taxiway to expanded apron*	\$240
	3	Helipad for visiting helicopters & service road*	\$250
	4	Airport Terminal Carpark upgrade *	\$1,125
	5	Airside perimeter road extension*	\$282
	6	Second stage extension to RPT apron with drainage, apron lighting, markings *	\$300
2024	TOTAL		\$2,317
2025	1	New Security Screening equipment - upgraded every five years*	\$200
	2	Café expansion area - expanding the sterile area to include the cafe*	\$200
	3	Relocate Aero Club*	\$537
	4	Establishment of ARC owned hangar 30x30 for GA Rental *	\$375
	5	Second stage extension to RPT apron with drainage, apron lighting, markings *	\$300
	6	Second stage extension to RPT apron with drainage, apron lighting, markings,*	\$300
	7	Expand passenger terminal 2 *	\$1,320
2025	TOTAL		\$3,232
2026	1	New Carpark - Scope of Works & location TBC - Required to facilitate New Runway & future increases in passenger numbers *	\$1,128
	2	Establishment of ARC owned hangar 30x30 for GA Rental*	\$375
	3	Expand passenger terminal 2*	\$1,320
2026	TOTAL		\$2,823
2027	1	Airport New Terminal Replace Roller Shutters on Café Area*	\$27
	2	Expand passenger terminal 2 *	\$1,320
	3	Provide RESA at both runway ends*	\$670
	4	New Carpark - Scope of Works & location TBC - Required to facilitate New Runway & future increases in passenger numbers *	\$1,128
2027	TOTAL		\$3,145
2028	1	*Code A service taxi lane*	\$81
	2	*Expand passenger terminal 2*	\$1,320

TRIM: TBA

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE '000
	3	*Upgrade engineering services*	\$389
	4	*Infrastructure extensions to commercial sites*	\$94
	5	*Provide RESA at both runway ends*	\$670
	6	New Carpark - Scope of Works & location TBC - Required to facilitate New Runway & future increases in passenger numbers *	\$1,128
2028	TOTAL		\$3,682
		Nil	
2029	TOTAL		\$0
2030	1	Upgrade car park and terminal access road system *	\$603
2030	TOTAL		\$603
2031	1	Extend Code C parallel taxiway to full length (Stage 1/4) *	\$1,085
	2	New runway (90 million) *	\$90,000
2031	TOTAL		\$91,085

*Note: Potentially grant funded. Not included in the LTFP.

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10.3 Appendix C - Renewal Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE
2022	1	Asphalt Overlay Main Runway	\$750,000
	2	Replace Secondary Windsocks	\$30,000
	3	Apron floor lights requires repair due to compliance OLS issues*	\$30,000
2022	TOTAL		\$810,000
2023	1	Bay 4 Main Apron works to rectify non-conformance	\$138,000
	2	RE coat Fuel resistant coating on A/C Parking Bays	\$35,000
	3	Mower/Gardening Equipment Replacement	\$25,000
	4	Airside Works Stage 1 PJ 272024 – Co contribution funding*	\$726,000
2023	TOTAL		\$924,000
2024	1	Airport Toilet Upgrade	\$23,000
	2	Bay 4 Main Apron works to rectify non-conformances	\$328,000
	3	Levelling and filling of SE section of aerodrome	\$175,000
2024	TOTAL		\$526,000
2025	1	Bay 4 Main Apron Works to rectify non-conformances	\$338,000
	2	Levelling and filling of SE section of aerodrome	\$200,000
2025	TOTAL		\$538,000
2026	1	Airport Apron Flood Lighting - 61644	\$25,000
	2	Bay 4 main Apron works to rectify non-conformances	\$513,000
	3	Airport Effluent Disposal - 61636	\$26,000
2026	TOTAL		\$564,000
2027	1	Bay 4 Apron works to rectify non-conformances	\$560,000
	2	Code A service taxi lane	\$81,000
2027	TOTAL		\$641,000
2028	1	Airport New Terminal Replace Roller Shutters in Café area	\$27,000
	2	Airport New Terminal Painting	\$60,000
	3	Airport Apron - 61635	\$441,000
	4	Airport Street Lighting to Carpark - 61638	\$51,000
2028	TOTAL		\$579,000
2029	1	Airport New Terminal Painting	\$60,000
	2	Airport Runway & taxiways - 61637	\$603,000
2029	TOTAL		\$663,000
2030	1	Airport Runway & Taxiways - 616637	\$603,000
2030	TOTAL		\$603,000
2031	1	Renewal allocation	\$633,000
2031	TOTAL		\$633,000

*Note: Potentially grant funded. Not included in the LTFP.

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10.4 Appendix D - Disposal Summary

Equipment forecast for disposal in LTFP 2022-2032 – due to obsolescence and end of life.

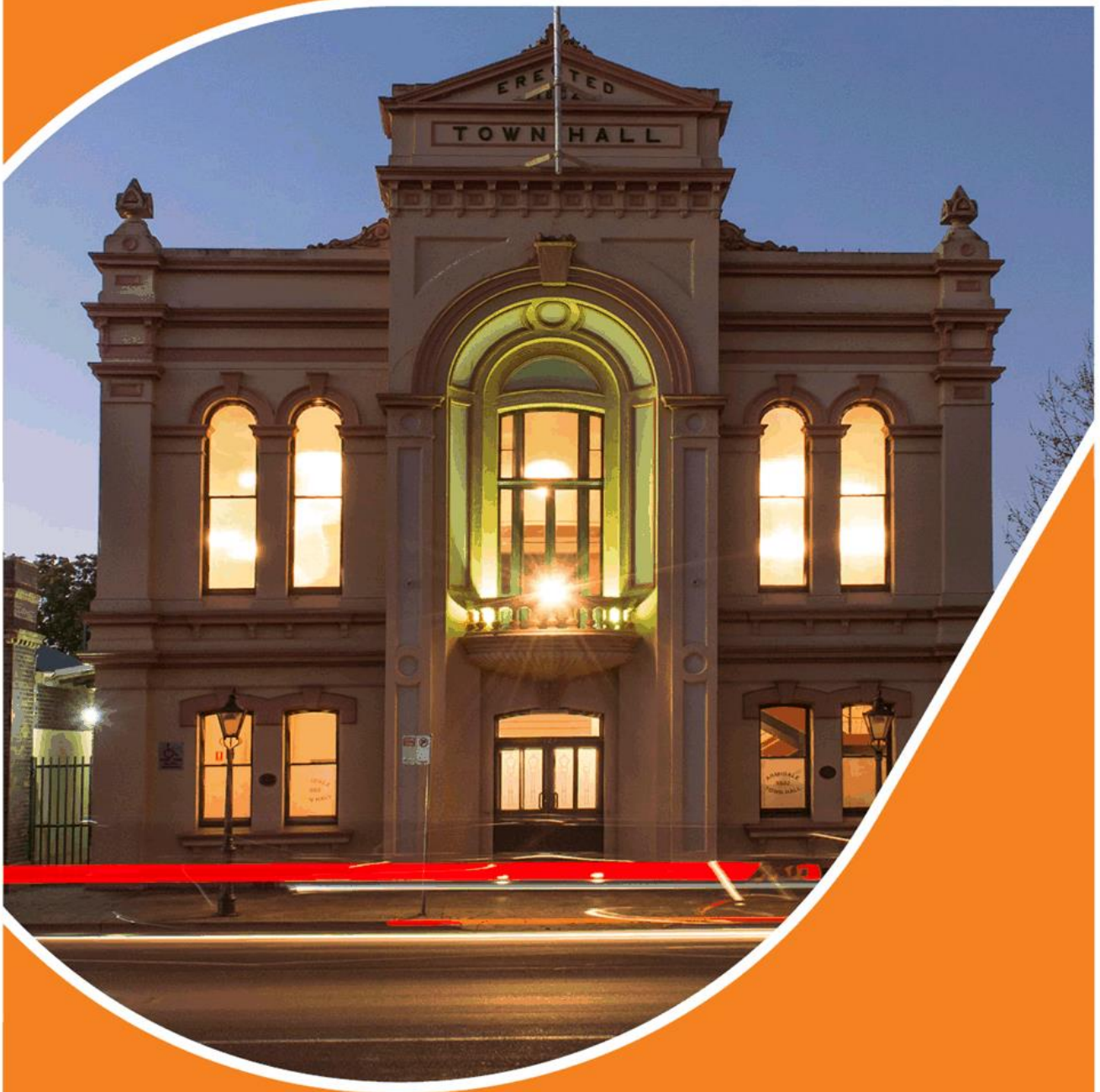
Table E3 – Disposal Activity Summary

YEAR	DISPOSAL FORECAST	DISPOSAL BUDGET
2022-2023	\$ 150,000	\$150,000



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Buildings Asset Management Plan October 2022



RESTORE & THRIVE

ARMIDALE
Regional Council

QUALITY CONTROL		
OUR PURPOSE	Together, proud to deliver to the highest possible standards for ARC in all we do	
KEY DIRECTION	Strong Region (Engagement and Responsibility)	
GOAL	S2 - Strong governance and leadership that supports our region to grow and prosper	
STRATEGY	S2.2 - Ensure that strategic directions are informed by, and with, the community and stakeholders and are delivered effectively, and in consideration of available resources	
RESPONSIBLE OFFICER	Coordinator Strategic Infrastructure Planning	
REVIEW DATE	2024	
DATE	ACTION	RESOLUTION No
September 2022	PWA – First Draft finalised	N/A
October 2022	PWA – Second Draft finalised	N/A
12/10/2022	ARC – Draft reviewed and complete	N/A
21/10/2022	ARC – Documents endorsed by COAS	N/A
TBC	Council - Public Exhibition	TBC
TBC	Council - Adoption	TBC
NOTES	Nil	

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1. EXECUTIVE SUMMARY

1.1 Purpose of the Plan

This Asset Management Plan (AMP) details information about Armidale Regional Council's facilities infrastructure assets with actions required to provide an agreed level of service to ensure safety, security and compliance with legislation in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required over the 2022-2032 year planning period. The AMP will link to Council's Long-Term Financial Plan (LTFP) which typically considers a 10 year planning period.

The AMP aligns with the Strategic Asset Management Plan (SAMP), which:

- Contains the longer term high level strategic initiatives that the organisation must take, in order to execute its asset management strategy, and
- Provides direction for development of asset management plans.

1.2 Asset Description

This plan covers the infrastructure assets that provide facilities services. This comprises of:

- Aged care,
- Child care,
- Airport,
- Library,
- Rental properties,
- Recreation services,
- Community services, and
- ARC facilities.

The above infrastructure assets have replacement value estimated at \$118.2 million.

1.3 Levels of Service

The allocation of the planned budget in this Plan, is based on the assumption that a permanent Special Rate Variation (SRV) of 50% for the General Fund is not achieved over three years commencing in 2023-2024 financial year.

No SRV funding beyond 2022-23 will result in a reduction in both operational and capital expenditure from 2023/24. Without the SRV Council will have to start managing decline, which means levels of service may be reduced, impacting operations, maintenance and capital expenditure.

Council is not generating enough income to invest in its infrastructure. If it doesn't secure additional income from an SRV, it will have no choice but to free up existing funds by cuts to operational services

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as part of a 'managed decline' strategy. This is not Council's preferred option as service cuts will have significant impact on the community.

The main service consequences for Council's infrastructure assets from 2023-2024 will be: ¹

- Operational service levels will require significant reductions and/or removal of services,
- Core maintenance service levels may remain underfunded,
- The condition of infrastructure will deteriorate with reduced maintenance activities,
- Capital works will be reduced as funding will be limited,
- The infrastructure renewal backlog will increase and it will cost more in the long run to return assets to the agreed service level, and
- Disposing of property, and decommissioning community buildings and facilities.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Regulations and legislation changes,
- Population growth,
- Council financial sustainability,
- Technology,
- Climate change/environmental sustainability,
- Community expectations, and
- Lack of investment in the Facilities Portfolio.

These demands will be addressed using a combination of managing and/or upgrading existing assets and providing new assets when needed. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for the buildings asset class is estimated at \$39 million or \$3.9 million on average per year.

¹ From Resourcing Strategy, p 65.

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1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$34.3 million or \$3.43 on average per year as per the Long-Term Financial plan or Planned Budget. This is 88% of the cost to sustain the current level of service at the lowest lifecycle cost.

The reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for buildings assets leaves a shortfall of \$470,000 on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the Long-Term Financial Plan. The forecast lifecycle costs and planned budgets is shown in figure 1.6.1.

Figure 1.6.1: Forecast Lifecycle Costs and Planned Budget

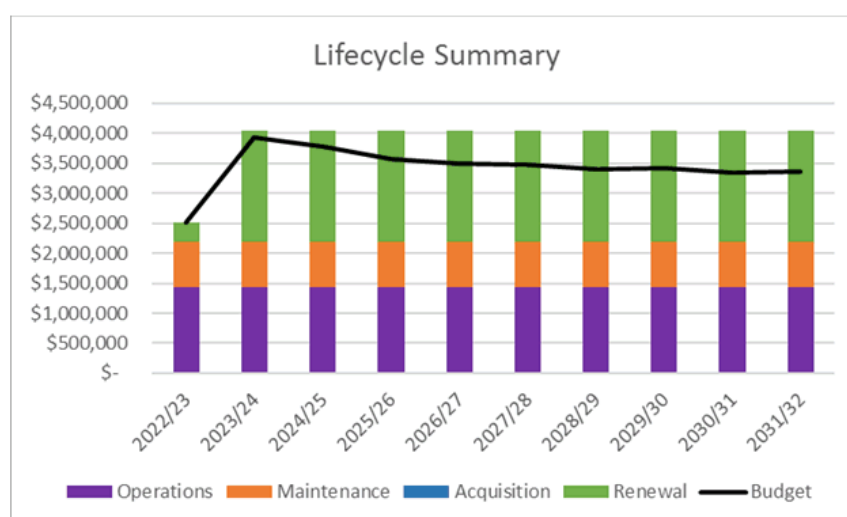


Figure values are in 2022 dollar value.

We plan to provide facilities asset services for the following:

- Operation, maintenance and renewal of building assets to meet service levels set by Council in annual budgets, and
- Capital upgrades and major renewal work within the 10-year planning period.

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1.6.2 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years unless the SRV is adopted. These include:

- Fully fund capital upgrades and replacements,
- Mitigate all risks,
- Meet maintenance requirements of any new assets that are acquired by donation or as a result of a transfer of responsibility,
- Increase the levels of operations, maintenance and renewal activities to achieve industry benchmark ratios,
- Maintain the current level of fees for the preschool, airport, home support service, and
- Maintain the current level of commercial and community lease fees.

1.6.3 Managing the risks

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Facilities will need to prioritise maintenance and renewal works to components that have a very high safety risks and defer work components with low to medium safety risks. This will mean that any community complaints on these components and additional request for services will not be attended to and deferred due to the lack of funds.

We will endeavour to manage these risks within available funding by:

- Regular monitoring and condition inspections,
- Minor repairs and preventative maintenance if required.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum and compliant service levels required,
- Budgets have been allocated based on the best available data on assets.

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

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The Alternate method was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a medium level of data confidence.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- A Levels of Service (LoS) Framework will be adopted which includes defined Customer and Technical LoS and performance measures so levels of service can be assessed and used to inform asset management planning and expenditure investment. Customer LoS and Technical LoS information will be included in future iterations of this AMP,
- A region-wide inventory of assets will be carried out to capture all data on assets. This, as well as all data recorded in the Assets database will be consolidated to link with financial information. Council is investigating various models of Enterprise Asset Management Software that have the ability to consolidate or link financial and non-financial data on all asset classes so a complete inventory of assets is maintained. This will enable assets and finance departments to access one single repository of asset information, track and monitor asset condition, ensure transparency in planning processes and plan evidence based investments. Asset registers will be used to inform the next LTFP cycle to inform future iterations of this AMP,
- Council is currently undertaking an organisational re-structure to address resource planning. Resources will be allocated and staff will be appropriately trained to lift capability in asset management,
- The Asset Management Policy will be updated and AM Framework will be established. This will be used to inform future iterations of the AMP,
- Formal asset lifecycle management processes and systems will be implemented to improve asset management planning. This will be used to inform future iterations of the AMP,
- Formal AM planning processes will be established across each asset group to ensure consistency in information included in the AMP,
- Customer satisfaction surveys will be undertaken to inform development of the LoS performance measured in the AMP,
- Consistent processes for asset condition assessments will be established and asset performance monitoring will be implemented to monitor, report and inform investments in future LTFP cycles and iterations of this AMP,
- Formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades will be established to inform development of long term forward works program for the LTFP and the future iterations of this AMP, and
- AMPs will be used in the future to drive expenditure in assets so the information used to develop programs of work must be evidence based with a high degree of accuracy to justify the need for the investment. Council will specify their standard requirements for future AMPs.

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2. INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Armidale Regional Council's planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Integrated Planning Framework which includes Advancing Our Region Your Community Plan 2022-2032,
- Resourcing Strategy which includes the Workforce Management Plan and Asset Management Strategy 2022, and
- The Strategic Asset Management Plan (SAMP).

Council undertook an Asset Management Maturity Assessment in July 2022. Based on a 55 (Core) target maturity level score, Council's overall AM maturity score is 32 (Basic) – i.e. minimum level processes and practices in place with a Maturity Gap of 23 points. The variance between the current and target score is 41%.

Council aims to lift its capability in asset management by addressing the gaps in AM practices identified in the Assessment. The Improvement Plan in the SAMP, contains 30 recommended improvement actions for Council achievable within 1-2 year period.

Infrastructure assets covered by this AMP include all facilities assets and have a total replacement value of \$118.2 million. These assets are used to provide services such as Aged Care, Child Care, Airport, Library, rental properties, recreation services and community services.

Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AMP

KEY STAKEHOLDERS	ROLE IN AMP
Councillors	<ul style="list-style-type: none"> • Represent needs of community, • Allocate resources to meet the organisation's objectives in providing services while managing risks, • Ensure organisation is financial sustainable.
General Manager	<ul style="list-style-type: none"> • Ensures ARC is aligned with the organisation's infrastructure services requirements and community expectations, • Allocate resources to meet the organisation's objectives in providing services while managing risks.
Chief Officer Assets and Services	<ul style="list-style-type: none"> • Overall responsibility for Asset Management, • Ensure funds are invested appropriately to ensure best value for money is delivered to the community,

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KEY STAKEHOLDERS	ROLE IN AMP
	<ul style="list-style-type: none"> Provide leadership in influencing decision making processes related to Asset Management.
Manager Plant & Facilities	<ul style="list-style-type: none"> Provide Leadership for effective Asset Management, Ensuring Asset Management services are provided in accordance with Corporate Plan and organisation priorities, Ensure the customer experience and services are a high priority, Responsible for preparing budget submissions in accordance with the AMP, Manages the regulatory requirements and safety management system, Ensures the overall programme proposed in the AMP is achievable and is aligned with the organisation's service requirements and the LTFP.
Team Leader - Facilities	<ul style="list-style-type: none"> Delivering nominated renewal, upgrade projects, Ensure assets are safe, secure, clean and well maintained, Ensure environment issues are managed.
Assets Team and Asset Owners	<ul style="list-style-type: none"> Preparation of AMP, Responsible for reviewing and keeping AMP up to date, Responsible for keeping asset data up to date, Maintenance of corporate software.
Finance Team	<ul style="list-style-type: none"> Maintenance of corporate software, Financial accounting for assets.
State and Federal Government	<ul style="list-style-type: none"> Promote Best Practice Asset management, Recognises the importance of LGA Assets to the community and provide funding and other assistance to sustain.
Community	<ul style="list-style-type: none"> Be aware of levels of service and costs, Participate in consultation processes, Provide feedback on services.
Crown lands	<ul style="list-style-type: none"> Seek funding opportunities where they achieve Community Plan Goals and Strategies or agreed priorities.
Local Area Committees	<ul style="list-style-type: none"> Support recognised local groups and advocate on behalf of the community to seek grants and project manage upgrades of local facilities and infrastructure.

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Our organisational structure for service delivery from infrastructure assets is detailed below:



2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for current and future population. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to develop compliant and cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required and affordable forecast costs and how they will be allocated.

Key elements of the planning framework are:

- Stakeholder engagement,
- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,

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- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015²
- ISO 55000³

² Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13

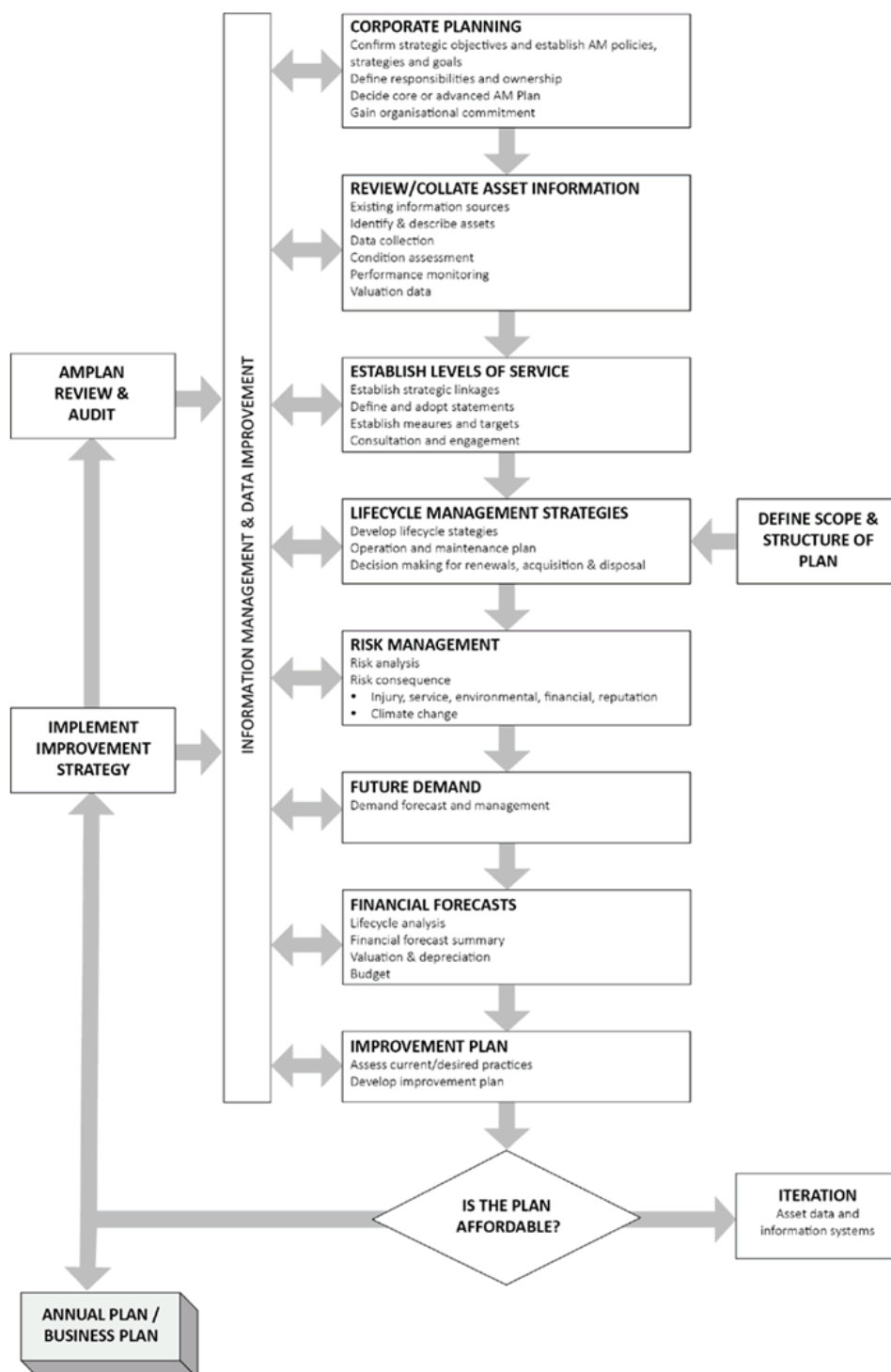
³ ISO 55000 Overview, principles and terminology

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A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



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3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by the Armidale Regional Council. Management plays an important role in ensuring Council delivers the agreed levels of service to the community by allocating budgets that are informed by levels of service requirements to enable delivery of those projects that have been investigated and assessed to be of high risk to people or property. The latest community satisfaction survey level on ARC facilities is shown in Table 3.1.

Table 3.1: Community Satisfaction Survey Levels

PERFORMANCE MEASURE	OVERALL SATISFACTION LEVEL (%)
Sport Facilities	60
Libraries	54
Council Pools	50
Arts, culture & Heritage facilities & service	50
Community Information	23
Child Care	19
Youth Facilities	16

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Community vision, mission, goals and objectives.

Our vision is:

‘We want a harmonious region which celebrates diversity and uniqueness of our communities, provides opportunities for all people to reach their potential, encourages engagement without environment, cultures and lifestyles while supporting growth, opportunity and innovation.’

This AMP is prepared to meet Council’s purpose, visionary goal and values.

Council’s purpose is:

‘Together, we are proud to deliver to the highest possible standards for ARC in all that we do.’

Council’s visionary goal is:

‘As a result of having a high performing team, by January 2023 we will be connected across the organisation with aligned priorities.’

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Council's values are:

- Inclusion
- Wellbeing
- Transparency
- Commitment

Strategic goals have been set by Council in Advancing Our Region Your Community Plan 2022-2032 and the State of The Environment Report. The Community Plan has six key pillars and within each Pillar are two goals (G1 & G2) – which are the key community aspirations that Council seeks to achieve. The AM objectives are aligned with the goals of each Pillar. The Pillars are as follows:

- P1: Thriving Region – Economy and Vision
- P2: Connected Region – Transport and Technology
- P3: Future Region – Sustainability and Resilience
- P4: Liveable Region – Places and Spaces
- P5: Enriched Region – Community and Culture
- P6: Strong Region – Engagement and Responsibility

Strategic goals have been set in Advancing Our Region Your Community Plan 2022-2032. A summary of how they are addressed in this AMP is shown in table 3.2.

Table 3.2: Goals and how these are addressed in the Asset Management Plans

GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
P1, G1. A strong economy, sustainable growth and opportunity	AMO 2. Increase the level of maintenance and renewal activities to achieve the industry benchmark renewal ratio of $\geq 100\%$.	A program of works that reflects an increase in the level of maintenance and renewal activities.
P1, G2. A destination of choice, renowned for its beauty, heritage and unique attractions		This is a Plan that will address the renewals backlog over time to extend the life of the assets, and increase maintenance activities to ensure the assets continued operation.
P2, G1. Quality infrastructure that makes it safe and easy to travel around our region	AMO 3. Apply lifecycle principles to asset management decisions	A Plan that applies lifecycle principles in the development of the program of works
P2, G2. Transport and technology that enable connectivity both locally and outside the region		

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GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
<p>P3, G1. A flourishing natural environment that is protected and enhanced</p> <p>P3, G2. A clean, green, and responsible region</p> <p>P4, G1. Public spaces and infrastructure that facilitate health, community connections and opportunities</p>	<p>AMO 4. Ensure the levels of service and infrastructure agreed with the community are consistently maintained.</p>	<p>for asset maintenance, renewals and capital upgrades.</p> <p>While this Plan requires an increase in investment in asset maintenance and renewals, the lifecycle approach will ensure Council is making informed decisions on its investment and achieve the value for money from its investment in the long term.</p> <p>A lifecycle approach to asset management will also help Council achieve the financial sustainability over time.</p>
<p>P4, G2. Proactive, responsible, and innovative regional planning that grows us sustainably</p>		<p>A Plan that meets the community levels of service expectations.</p>
<p>P5, G1. Access to the services and support that facilitate quality of life</p>		<p>While the Levels of Service measures have yet to formally adopted and agreed with the community, this Plan, has been developed with the aim of achieving a consistently high levels of service.</p>
<p>P5, G2. A proud, inclusive and cohesive community that celebrates our region in all its diversity and culture</p>		
<p>P6, G1. An informed and activity engaged community that builds partnerships and shapes its future.</p>	<p>AMO 1. Lift capability in asset management by 41% within 1-2 years.</p>	<p>This Plan has been developed in parallel with the establishment of an AM Framework and planned improvements in AM practice areas to lift capability in delivering asset management services.</p>
<p>P6, G2. Strong governance and leadership that supports our region to grow and prosper.</p>	<p>AMO 5. Lift capability and capacity of the workforce to meet the long term service commitments to the community.</p>	<p>This is a Plan that is responsive to the needs of the community.</p> <p>This Plan is informed by the Council's Workforce Management Plan, which addresses the need to improve workforce capacity and capability to enable Council to efficiently and effectively manage its assets and meet its long term service commitments to the community.</p>

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3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of facilities services are outlined in Table 3.3.

Table 3.3: Legislative Requirements

LEGISLATION	REQUIREMENT
Local Government Act NSW (2002, amended 2009)	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
NSW Security Act 1997 and Regulations 2016.	Apply Chain of Evidence and other controls to the management and operation of the City Safe CCTV program.
Building Code of Australia	To apply all appropriate building and structural requirements to council facilities in regards to new constructions, upgrades and alterations and maintenance.
NSW State Records Act 1998	The proper use, storage and access of documents generated and received in relation to the Facilities Portfolio business and operations.
Australian Standards	To be applied in all new constructions, upgrades and alterations and maintenance of building structures.
Environmental Planning and Assessment Act 1979	Fire Safety regulations and appropriate accesses for public buildings.
Environmental Protection Act 1994	Application of licences for the operation of livestock selling complexes and the like.

3.4 Customer Values

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

Customer Values indicate:

- What aspects of the service is important to the customer,
- Whether they see value in what is currently provided, and
- The likely trend over time based on the current budget provision.

Community consultation has been undertaken for the preparation of the new long term community strategic plan and outcomes of the consultation and the values have been defined as follows:

What customer love and value about our region:

1. Our Natural Environment – our climate, seasons, natural beauty, Wildlife and National Parks.
2. Our Location – Halfway between Sydney and Brisbane, and a short drive to the Coast.
3. Our Community – The people diversity and volunteers that make up our community.
4. Parks and Playgrounds – Our many beautiful outdoor spaces including parks, gardens and local playgrounds.

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5. Arts and Culture and Heritage – Beautiful architecture, local history and the many arts organisations, events and performances in the region.
6. Education and Training – Long established university, TAFE digital hub, and variety of local schools.

Our community's 2032 vision for our Region (ranked in priority order):

1. Economically robust
2. Environmentally sustainable
3. Led through good governance
4. Strong tourism sector
5. A cohesive community

What the community wants improved in our Region (ranked in priority order):

1. Transport and Infrastructure
2. Environmental Sustainability
3. Economic Development
4. Shopping
5. Tourism

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

- **Condition** How good is the service ... what is the condition or quality of the service?
- **Function** Is it suitable for its intended purpose Is it the right service?
- **Capacity/Use** Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

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Table 3.5: Community Levels of Service/ Values

SERVICE ATTRIBUTE	SERVICE OBJECTIVE	PERFORMANCE MEASURE PROCESS	CURRENT PERFORMANCE	EXPECTED POSITION IN 10 YEARS BASED ON CURRENT LTFP
COMMUNITY OUTCOME: Liveable Region - Public spaces & Infrastructure that facilitates Health, Community Connection & Opportunity				
Accessibly	Well defined access.	Buildings entrance / exit are clear and adequate to users. Appropriate weather protection in place.	80% Compliance	100% Compliance
Accessibly	Conforming to disable access standards.	Relevant codes. No obstructions	80% Compliance	100% Compliance
Health and Safety	BWOF held (where required). Identified hazards are responded.	Building Warrant of fitness or any required certification. The use of internal reporting prioritising and follow up systems.	70% Compliance Quarterly Inspections to 60% of properties.	100% Compliance Quarterly inspections to 100% of properties.
Public Safety	To provide a system of surveillance for the CBD and other specified areas for the safety of residents and visitors.	Provide 3 working day turn around to CCTV image requests for Police investigations.	80% compliance rates	80% compliance rates
Quality	The provision of a maintenance and a minor contracts (cleaning – hygiene – security) service for council buildings.	Progressive short and medium term maintenance is carried out with minimal disruption to staff and the public. Urgent matters within 24 hours, and others within 10 working days.	80% Compliant levels	80% Compliance Levels
Quality	All upgrades, alterations and maintenance complies with relevant codes, is conducted by qualified trades' people and incorporates advances in technology.	Compliance with relevant codes and standards.	100% Compliance	100% Compliance

3.6 Technical Levels of Service

To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. upgrading equipment) or a new service that did not exist previously (e.g. a new building)

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- **Operation** – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc).
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. building and structure repairs)
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. replacement building components).

Table 3.6 shows the activities expected to be provided under the current 10 year planned budget allocation, and the forecast activity requirements being recommended in this AMP. The proposed position is to be agreed by the Council, following by community consultation, trade-off of levels of service performance and costs and risk within available resources in the long-term financial plan.

Table 3.6: Technical Levels of Service

SERVICE ATTRIBUTE	SERVICE OBJECTIVE	ACTIVITY MEASURE PROCESS	CURRENT PERFORMANCE*	DESIRED FOR OPTIMUM LIFECYCLE COST **	AGREED SUSTAINABLE POSITION ***
Operations	Building assets and surrounds are presented in a clean, safe and hygienic state.	Staff Activity Procedures.	As per procedures	As per procedures	Daily
	Venues set up as per client requirements. Conditions of Use enforced. Venue reinstated at completion of function.	Outlook Booking Schedule.	As per booking schedule	As per booking schedule	As required per booking schedule
	Building access system databases and registers maintained.	Salto Card Access. Provide access controls and audit trails. Maintain in line with On boarding and Off boarding.	Bi-monthly	Monthly	Monthly
	Asset condition inspections conducted quarterly and meet user needs.	As per quarterly inspection schedule.	All building assets inspected as per inspection schedule	SPM Assets database updated regularly	All building assets inspected as per inspection schedule
	All building security and property protection systems	Security System Access Registers.	Bi-Monthly	Monthly	Monthly

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SERVICE ATTRIBUTE	SERVICE OBJECTIVE	ACTIVITY MEASURE PROCESS	CURRENT PERFORMANCE*	DESIRED FOR OPTIMUM LIFECYCLE COST**	AGREED SUSTAINABLE POSITION***
	maintained and certified.	Provide access controls and audit trails. Maintain in line with On boarding and Off boarding.			
	All building public safety provisions maintained and certified.	Annual Fire Safety and Essential Services.	Minor contract for this service	Contract renewed/reviewed every 3 years	Contract renewed/reviewed every 3 years
Maintenance	Respond to requests for maintenance.	Reactive/routine service completed within required response time.	80%	80%	80%
		Budget	\$500K per year		
Upgrade/New	All buildings	Condition rating 3 or better.	Condition rating moving towards 4-5	Condition rating between 1-3	Condition rating 3
		Budget	\$560K per year over 10years	\$2 m per year over 10 years	\$1,865,000 per year over 10 years

Note: * Current activities and costs (currently funded).

** Desired activities and costs to sustain current service levels and achieve minimum life cycle costs (not currently funded).

*** Activities and costs communicated and agreed with the community as being sustainable (funded position following trade-offs, managing risks and delivering agreed service levels and approval of a SRV rate increase).

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4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as demographic change, regulations, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 4.3.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management

DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
Regulation	Currently complying with core regulation requirements in relation to Fire and Safety and accessibility.	Building are aging and some requiring major works impacting on the structure. To ensure the building meet current standards will incur significant cost and impact on the use of the building asset.	Some building asset are heritage listed and require DA approval for any structural / moderate work that will impact on the building appearance. The cost and complexity of bringing these types of building assets up to modern standard will have to be reviewed on a case by case basis.
Population Growth	Predicted population growth with the potential to increase revenue through fees and charges	Slow growth over the next ten years in rural communities.	Better utilisation potential for multiple user groups.

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DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
Education	Joint venture with UNE – Business Hub Rural halls utilised by state funded educational child care business operator.	Opportunity to consolidate building to educational based users.	Impact may be negligible in the next 5 years.
Demand Substitution	Some buildings have low utilisation, are in poor condition with peppercorn leases (i.e. lease not reflected the value of the property) that have limited capacity.	Building will become non-compliant.	Some services will need to consolidate to appropriate buildings and facilities.

4.4 Asset Programs to meet Demand

New assets required to meet demand may be acquired, donated or constructed. Acquiring new assets will commit the Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan. However, no new assets were planned for facilities in the LTFP.

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.⁴

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.⁵

Risk and opportunities identified to date are shown in Table 4.5.

⁴ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

⁵ Council has yet to develop asset resilience strategies for its assets.

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Table 4.5 Managing the Impact of Climate Change on Assets and Services

CLIMATE CHANGE DESCRIPTION	PROJECTED CHANGE	POTENTIAL IMPACT ON ASSETS AND SERVICES	MANAGEMENT
Higher / recurrent rainfall events	High rainfall and increasing rainfall days annually. Rainfall more frequent causing recurrent flood events.	Drainage systems may not have sufficient capacity to manage flood events. Potential flooding events can result in damage to buildings and property assets.	Develop new strategies to manage flood events and prevent overflows.
Temperature variation	Warmer summer and colder winters	Large temperature variations are causing extreme temperature conditions which will impact on thermal comfort of buildings.	Renew or upgrade building environmental systems to ensure these adapt to temperature variations.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change,
- Services can be sustained, and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AMP.

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

This AMP includes building assets comprising of aged care, child care, airport, library, rental properties, recreation services and community services. It has a current replacement cost of \$118.2 million. Currently, there is no single asset register that includes all assets in this asset group. This is an improvement action for this AMP.

5.1.2 Asset age profile

The SPM database holds a registry of building component data which includes data on date acquired for individual components of the buildings e.g. downpipes, gutters, roofing, air-conditioning. It does not hold data on construction dates of the buildings themselves, so age data cannot be provided for this AMP. Construction dates will need to be captured in a region-wide exhaustive inventory of assets, which is an improvement action for Council. Once construction dates are available, an Age Profile Graph can be provided in future revisions of this AMP.

5.1.3 Asset capacity and performance

Assets are generally required to meet design standards where available. However, there is insufficient resources to address all known deficiencies. No known service performance deficiencies have been identified for this AMP which is included as an improvement action.

5.1.4 Asset condition

A condition assessment for buildings was conducted in June 2021. Assets were condition rated according to the IIMM condition rating scale as shown in Table 5.1.3.

Condition is measured using a 1 – 5 grading system⁶ as detailed in Table 5.1.4. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

⁶ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

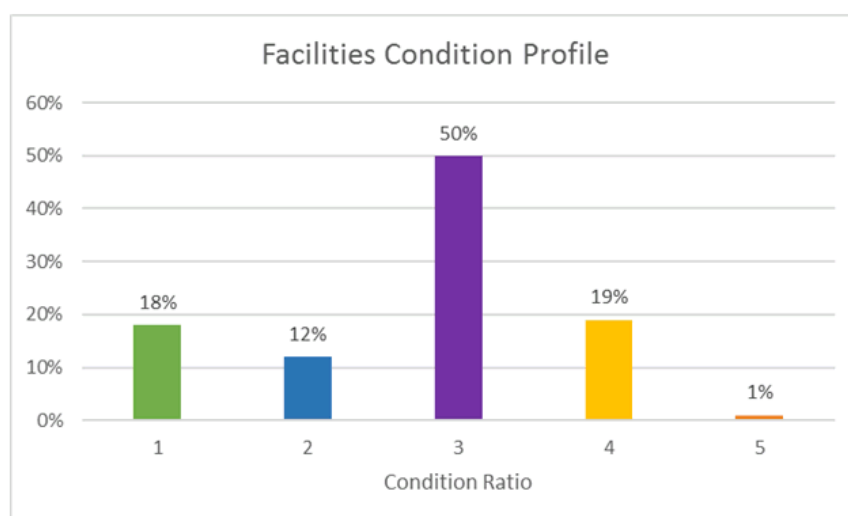
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Table 5.1.4: Condition Grading System

CONDITION GRADING	DESCRIPTION OF CONDITION
1	Very Good: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Fair: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely
5	Very Poor: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of facilities assets is reported in ARC's annual financial statement as a percentage of gross replacement cost. According to the latest financial statement from June 2021, the condition of facilities infrastructure assets is shown in Figure 5.1.4.

Figure 5.1.4: Asset Condition Profile



As identified in the Asset Management Maturity Assessment Report, Council does not have a centralised asset register. Data is held in separate locations and there is no clear and regulated audit trail between data sets. As a consequence, condition ratings used for operational purposes do not match condition ratings for financial reporting purposes distorting the condition ratings. The condition ratings provided are aligned with Council's financial reporting requirements however Council inspections and operational feedback is indicating that the condition of most of Council's asset classes are lower than indicated. The condition ratings for this asset class are an example of that trend.

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5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, asset inspection, and utility costs. These should be programmed or planned.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. An examples of typical maintenance activities includes equipment repairs.

The trend in maintenance budgets is shown in Table 5.2.

Table 5.2: Maintenance Budget Trends

YEAR	MAINTENANCE BUDGET
FY 2020-2021	\$1,265,000
FY 2021-2022	\$1,078,000
FY 2022-2023	\$758,000

Maintenance budget levels are considered to be inadequate to meet projected service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

5.2.1 Asset hierarchy

An asset hierarchy is a logical index of all equipment, machines, and components, and how they work together. It is critical for understanding how action on one asset affects other assets, establishing a parent-child relationship amongst multiple assets. Building and understanding the asset hierarchy is critical to efficiently track, schedule, and identify the root causes of problems.

The asset hierarchy is unavailable and is an improvement action for this AMP. However, facilities have a service hierarchy, which is shown in Table 5.2.1.

Table 5.2.1: Asset Service Hierarchy

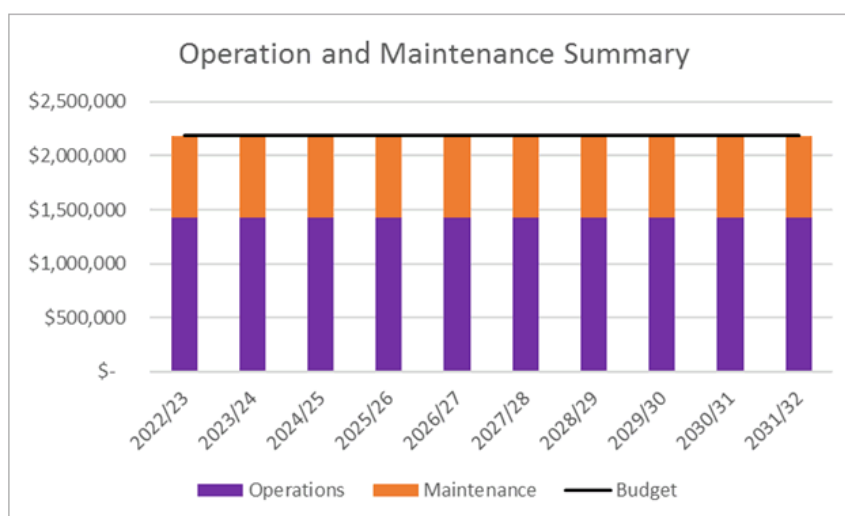
Service Hierarchy	Service Level Objective
Non Critical Responses	As needed
Faults – maintenance and repairs	Respond to service request within standard response time of 3 working days and urgent response within 24 hours.

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5.2.2 Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs may increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2.2: Operations and Maintenance Summary



All forecast values are shown in 2022 dollar value.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3.

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Table 5.3: Useful Lives of Assets

ASSET (SUB) CATEGORY	USEFUL LIFE
Masonry/concrete	80-100 years
Metal Cladding	60 years
Gyprock	40 years
Timber	60 years
Paint	10 years
Footpaths	20 years
Carpets/Vinyl	10 Years
Electrical	20 Years
Plumbing	40 Years
Cabinetry	15 Years
Air Conditioning	20 Years
Retaining structures	80 years

The estimates for renewals in this AMP were based on the alternate method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. renovate buildings), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a building).⁷

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁸

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

⁷ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁸ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

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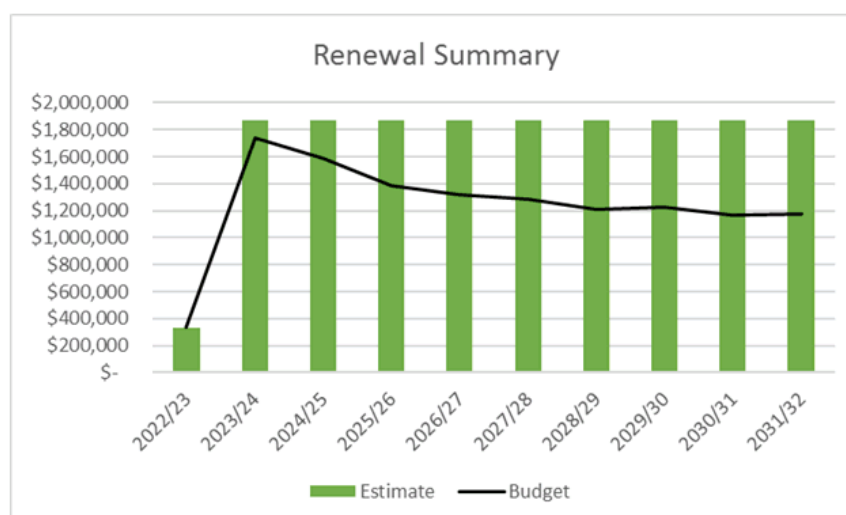
Table 5.3.1: Renewal Priority Ranking Criteria

CRITERIA	WEIGHTING
Age and Condition	25%
Asset Hierarchy	25%
Safety	25%
Fit for Purpose	25%
Total	100%

5.3.2 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.3.2. A detailed summary of the forecast renewal costs is shown in Appendix C.

Figure 5.3.2: Forecast Renewal Costs



All forecast values are shown in 2022 dollar value.

As at 30 June 2021, the buildings and infrastructure asset renewal ratio was at 43.35% which is way below the industry benchmark of $\geq 100\%$. Council's Long Term Financial Plan (LTFP) 2022-2032 also forecasts an asset renewal average ratio over the next ten years of 58% in the planned budget. Council can only fully fund renewals if a permanent SRV of 50% is achieved as forecasted.

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5.4 Acquisition Plan

Acquisition reflects new assets that did not previously exist or works that will upgrade or improve an existing asset beyond its current capacity. It may be a result of growth, demand, social or environmental needs. Assets may also be donated to ARC.

5.4.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Council needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

Table 5.4.1: Acquired Assets Priority Ranking Criteria

CRITERIA	WEIGHTING
Priority service need	50%
Fit for Purpose	25%
Community Expectations	25%
Total	100%

5.4.2 Summary of future asset acquisition costs

There are no forecast asset acquisition costs reported in the LTFP.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. There are no forecast disposals in LTFP 2022-2032, however Council is preparing a divestment strategy and outcomes will be incorporated in the next review of this AMP.

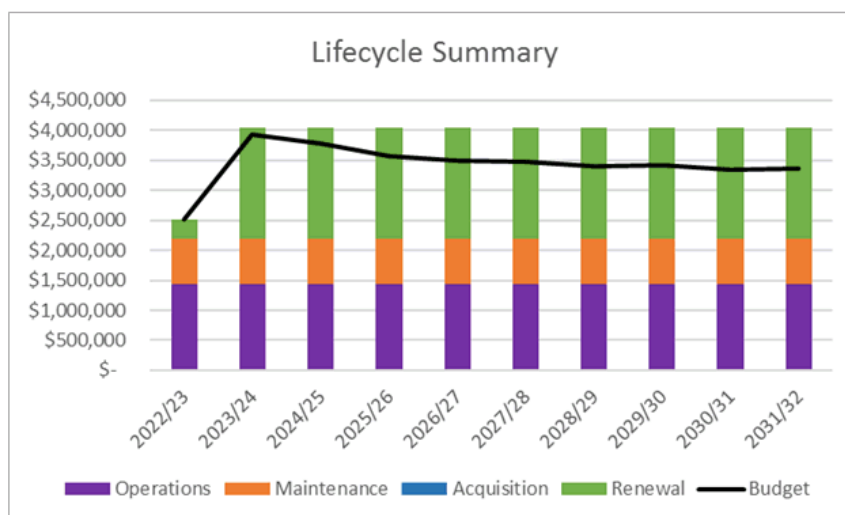
5.6 Summary of asset forecast costs

The financial projections of this AMP are shown in Figure 5.6 and detailed in Appendix A. These projections include forecast costs of acquisition, operation, maintenance, renewal, and disposal. The forecast costs are displayed in relation to the proposed budget.

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The forecast costs are represented by the bars, while the proposed budget line indicates the estimated available funding (no SRV) for the next 10 years. The gap between the forecast and the proposed budget is the basis of the SRV proposal to meet the financial need to cover all projects planned for the next 10 years.

Figure 5.7: Lifecycle Summary



All forecast values are shown in 2022 dollar value.

The proposed budget for the projects included in the 10-year planning corresponds to the expected costs, since all projects presented are essential to keep facilities assets operating, as well as its level of service. If there are new acquisitions, renewals, or changes to the 10-year plan, these will be added to future updates of this AMP.

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6. RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'.⁹

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1: Critical Assets

CRITICAL ASSETS	CRITICAL FAILURE MODE	OPERATIONS & MAINTENANCE ACTIVITIES
Armidale Civic Administration Building	Natural Disaster, Fire/Arson, Terrorism	Business Operations
Guyra Civic Administration Building	Natural Disaster, Fire/Arson, Terrorism	Business Operations

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

⁹ ISO 31000:2009, p 2

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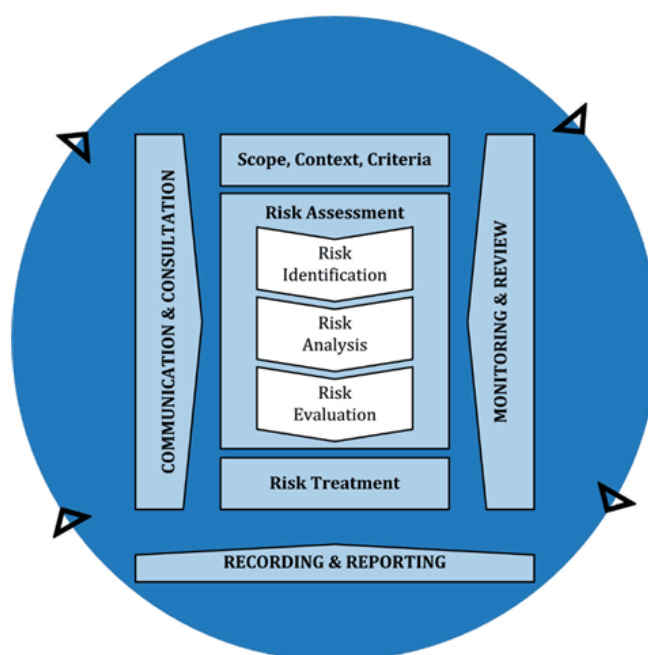
6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

Figure 6.2: Risk Management Process – Abridged



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan.¹⁰ The

¹⁰ An Infrastructure Risk Management Plan has yet to be developed in accordance with Council's Risk Policy. This is an improvement action for Council.

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residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

Table 6.2: Risks and Treatment Plan

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN	RESIDUAL RISK*	TREATMENT COSTS
Building assets	Electrical Failure	H	Reactive maintenance - Renewal/Replacement	Low	< \$50,000
Building assets	Plumbing Failure	H	Reactive maintenance - Renewal/replacement	Low	< \$50,000
Building Assets	Structural Failure	H	Renewal/Replacement	Low	> \$300,000
Building Assets	Fire Event	H	Renewal/Repairs	Low	> \$200,000
Building Assets	Malicious Damage	H	Repairs	Low	< \$100,00
Building Assets	Weather Event	H	Repair/Replacement	Low	> \$500,000
CCTV	Malicious Damage	H	Replace	Low	< \$5,000

Note * the residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service. Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership have yet to be undertaken and developed by Council.

ARC currently do not measure resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Fully fund capital upgrades and replacements,
- Mitigate all risks,

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- Meet maintenance requirements of any new assets that are acquired by donation or as a result of a transfer of responsibility cannot be funded under current budgets of this LTFP period,
- Increase the levels of operations, maintenance and renewal activities to achieve industry benchmark ratios,
- Maintain the current level of fees for the preschool, airport, home support service, and
- Maintaining the current level commercial and community lease fees.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- We will need to prioritise maintenance and renewal works to components that have a very high safety risks and defer work components with low to medium safety risks.

These actions and expenditures are considered and included in the forecast costs.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- Asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- Medium term forecast costs/proposed budget (over 10 years of the planning period).

7.1.2 Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have $\geq 100\%$ of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix C.

7.1.3 Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$39 million, while the budget for the same period is \$34.3 million. This creates a shortfall of \$4.7 million over the 10 year planning period. This indicates that 88% of the forecast costs needed to provide the reduced services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

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7.1.4 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.4 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the gap by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Table 7.1.4: Forecast Costs (Outlays) for the Long-Term Financial Plan

YEAR	ACQUISITIONS	OPERATIONS	MAINTENANCE	RENEWALS	DISPOSAL	TOTAL
2022	\$0	\$1,428,000	\$758,000	\$332,607	\$0	\$2,518,607
2023	\$0	\$1,428,000	\$758,000	\$1,866,983	\$0	\$4,052,983
2024	\$0	\$1,428,000	\$758,000	\$1,866,983	\$0	\$4,052,983
2025	\$0	\$1,428,000	\$758,000	\$1,866,983	\$0	\$4,052,983
2026	\$0	\$1,428,000	\$758,000	\$1,866,983	\$0	\$4,052,983
2027	\$0	\$1,428,000	\$758,000	\$1,866,983	\$0	\$4,052,983
2028	\$0	\$1,428,000	\$758,000	\$1,866,983	\$0	\$4,052,983
2029	\$0	\$1,428,000	\$758,000	\$1,866,983	\$0	\$4,052,983
2030	\$0	\$1,428,000	\$758,000	\$1,866,983	\$0	\$4,052,983
2031	\$0	\$1,428,000	\$758,000	\$1,866,983	\$0	\$4,052,983
TOTALS	\$0	\$14,280,000	\$7,580,000	\$17,135,454	\$0	\$38,995,454

Forecast costs are shown in 2022 dollar values.

7.2 Funding Strategy

The proposed funding for assets is outlined in Council's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

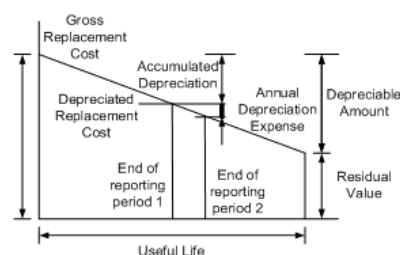
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7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value at cost to replace service capacity:

Replacement Cost (Current/Gross)	\$118,233,000
Depreciable Amount	\$58,617,000
Depreciated Replacement Cost ¹¹	\$59,616,000
Depreciation	\$3,194,000



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum service levels required,
- Budgets have been allocated based on the best available data on assets.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is

¹¹ Also reported as Written Down Value, Carrying or Net Book Value.

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current and accurate. Data confidence is classified on an A - E level scale¹² in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

CONFIDENCE GRADE	DESCRIPTION
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AMP

DATA	CONFIDENCE ASSESSMENT	COMMENT
Demand drivers	B	Based on local corporate knowledge and Central government projections
Growth projections	B	Based on Central government projections
Operations expenditures	B	Council records
Maintenance expenditures	B	Assets condition assessment 2021 by SPM Building Plus
Projected Renewal		
- Asset values	C	Asset residual as insured
- Asset useful lives	B	Accurate data on useful and utilisation
- Condition modelling	B	Condition based on Inspector's reports - SPM
Disposal expenditures	B	Based on Inspector's reports - SPM

The estimated confidence level and reliability of data used in this AMP are considered medium confidence.

¹² IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

TRIM: TBA

8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹³

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is Technology One and SPM Building Plus.

8.1.2 Asset management data sources

This AMP also utilises asset management data from Council asset records.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
1	Investigate and document service deficiencies of all facilities assets and document in future iterations of this AMP	Facilities Manager	Facilities Manager, contractors	2022-24
2	Carry out resilience assessment of facilities and formalise some resilience strategies for adoption by Council. Document in future iterations of this AMP	Facilities Manager	Facilities Manager, contractors	2022-24
3	Prepare Infrastructure Risk Management Plan in accordance with Council's Risk Policy and risk management procedures. Plan to be informed by the assessment of risks of the facilities asset class.	Facilities Manager	Facilities Manager, contractors	2022-24
4	Adopt a Levels of Service Framework which include defined Customer and Technical LoS and performance measures and incorporate in future iterations of this AMP.	Facilities Manager	Assets, Facilities Manager	2022-24

¹³ ISO 55000 Refers to this as the Asset Management System

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
5	Council to invest in Enterprise Asset Management Software that links assets data with financial information. The assets department needs to take ownership of the system, record and manage asset data and activities, and maintain complete and accurate inventory of assets. Incorporate in next AMP update.	Chief Officer Assets and Services	Finance and corporate management	2022-24
6	Allocate resources and train staff to lift capability in asset management. Define roles and responsibilities to manage assets, systems and monitor development and implementation of the AMP.	Corporate management	Assets, finance and corporate management	2022-24
7	Communicate asset valuation results to designated asset planners so these can be used to inform planning of renewal activities in forward works program. Monitor AMP implementation.	Assets	Assets and finance	2022-24
8	Update Asset Management Policy and establish AM Framework. Incorporate in next AMP update.	Assets	Assets, finance and corporate management	2022-24
9	Establish asset lifecycle management processes and set up systems to implement life cycle approaches in asset management planning. Incorporate in future iterations of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
10	Establish standard asset management planning processes across the organization to ensure consistency in the information generated within each department.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
11	Carry out customer satisfaction surveys to inform the development of levels of service performance measured by Council.	Communications	Communications, Assets and Facilities Manage	2022-24
12	Establish formal processes to assess asset condition and asset performance monitoring. These will be used to plan investments in the LTFP and future iterations of this AMP.	Facilities Manager, assets	Assets and finance	2022-24
13	Set up formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades to inform development of long term forward works program for the LTFP and incorporate in the next iteration of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
14	AMPs in the future will be used to drive expenditure in assets so the information used to develop the works programs must be evidence based with a high degree of accuracy to justify the need for the investment. Council must set their standard requirements for AMPs.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within 2 years of each Armidale Regional Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The number of complaints and requests for service,
- The number of issues resolved,
- The response time to address issues and complaints, and
- The change in backlog, asset maintenance and renewal ratios.

TRIM: TBA

9. REFERENCES

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- Armidale Regional Council, Engineering Code Design Specification 2016
- Armidale Regional Council, Long Term Financial Plan Budgets 2022-2032
- Armidale Regional Council, Resourcing Strategy 2022

TRIM: TBA

10. APPENDICES

10.1 Appendix A - Expenditure Forecast 2022-2032

FACILITIES

10 Year forecast 2022-2032

ACTIVITY	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total 10 Years
OPERATIONS & MAINTENANCE											
Operations	\$ 1,428,000	\$ 1,428,000	\$ 1,428,000	\$ 1,428,000	\$ 1,428,000	\$ 1,428,000	\$ 1,428,000	\$ 1,428,000	\$ 1,428,000	\$ 1,428,000	\$ 14,280,000
Maintenance	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 758,000	\$ 7,580,000
Sub-total Operations & Maintenance	\$ 2,186,000	\$ 2,186,000	\$ 2,186,000	\$ 2,186,000	\$ 2,186,000	\$ 2,186,000	\$ 2,186,000	\$ 2,186,000	\$ 2,186,000	\$ 2,186,000	\$ 21,860,000
RENEWALS											
All facilities assets	\$ 332,607	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 17,135,454
Sub-total Renewals	\$ 332,607	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 1,866,983	\$ 17,135,454
UPGRADE & NEW											
All facilities assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total Upgrade & New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,518,607	\$ 4,052,983	\$ 4,052,983	\$ 4,052,983	\$ 4,052,983	\$ 4,052,983	\$ 4,052,983	\$ 4,052,983	\$ 4,052,983	\$ 4,052,983	\$ 38,995,454

TRIM: TBA

10.2 Appendix B - Acquisition Project Summary

There are no forecast acquisitions in LTFP 2022-2032.

TRIM: TBA

10.3 Appendix C - Renewal Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE 000'
2022	1	Facilities renewals	\$233
	2	Armidale Library Roof	\$100
	3	Community Facilities	\$138
	4	Community Halls	\$26
	5	Council Services	\$55
	6	Recreational facilities	\$51
	7	Rental properties	\$121
	8	Show Ground - Crown lands	\$189
2022	TOTAL		\$913
2023	1	Community Facilities	\$253
	2	Community Halls	\$71
	3	Council Services	\$40
	4	Recreational facilities	\$238
	5	Rental properties	\$62
	6	Show Ground - Crown lands	\$97
2023	TOTAL		\$761
2024	1	Community Facilities	\$341
	2	Community Halls	\$83
	3	Council Services	\$481
	4	Recreational facilities	\$471
	5	Rental properties	\$135
	6	Show Ground - Crown lands	\$89
2024	TOTAL		\$1,600
2025	1	Community Facilities	\$421
	2	Community Halls	\$114
	3	Council Services	\$297
	4	Recreational facilities	\$422
	5	Rental properties	\$310
	6	Show Ground - Crown lands	\$110
2025	TOTAL		\$1,674
2026	1	Community Facilities	\$700
	2	Community Halls	\$90
	3	Council Services	\$615
	4	Recreational facilities	\$343
	5	Rental properties	\$582
	6	Show Ground - Crown lands	\$212
2026	TOTAL		\$2,542
2027	1	Community Facilities	\$522
	2	Community Halls	\$90
	3	Council Services	\$859
	4	Recreational facilities	\$683
	5	Rental properties	\$276
	6	Show Ground - Crown lands	\$215
2027	TOTAL		\$2,645
2028	1	Community Facilities	\$847
	2	Community Halls	\$153
	3	Council Services	\$758
	4	Recreational facilities	\$260
	5	Rental properties	\$381
	6	Show Ground – Crown lands	\$580

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2028	TOTAL		\$2,979
2029	1	Community Facilities	\$181
	2	Community Halls	\$174
	3	Council Services	\$295
	4	Recreational facilities	\$170
	5	Rental properties	\$311
	6	Show Ground - Crowns lands	\$194
2029	TOTAL		\$1,325
2030	1	Community Facilities	\$587
	2	Community Halls	\$274
	3	Council Services	\$762
	4	Recreational facilities	\$371
	5	Rental properties	\$193
	6	Show Ground - Crown lands	\$216
2030	TOTAL		\$2,403
2031	1	Community Facilities	\$456
	2	Community Halls	\$569
	3	Council Services	\$460
	4	Recreational facilities	\$444
	5	Rental properties	\$556
	6	Show Ground - Crown lands	\$144
2031	TOTAL		\$2,629

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10.4 Appendix D - Disposal Summary

No forecast disposals in LTFP 2022-2032.



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Parks, recreation and other assets
Asset Management Plan
October 2022



RESTORE & THRIVE

ARMIDALE
Regional Council

QUALITY CONTROL		
OUR PURPOSE	Together, proud to deliver to the highest possible standards for ARC in all we do	
KEY DIRECTION	Strong Region (Engagement and Responsibility)	
GOAL	S2 - Strong governance and leadership that supports our region to grow and prosper	
STRATEGY	S2.2 - Ensure that strategic directions are informed by, and with, the community and stakeholders and are delivered effectively, and in consideration of available resources	
RESPONSIBLE OFFICER	Coordinator Strategic Infrastructure Planning	
REVIEW DATE	2024	
DATE	ACTION	RESOLUTION No
September 2022	PWA – First Draft finalised	N/A
October 2022	PWA – Second Draft finalised	N/A
12/10/2022	ARC – Draft reviewed and complete	N/A
21/10/2022	ARC – Documents endorsed by COAS	N/A
TBC	Council - Public Exhibition	TBC
TBC	Council - Adoption	TBC
NOTES	Nil	

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1. EXECUTIVE SUMMARY

1.1 Purpose of the Plan

This Asset Management Plan (AMP) details information about Armidale Regional Council's parks, recreation and other assets with actions required to provide an agreed level of service to ensure safety, security and compliance with legislation in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required over the 2022-2032 year planning period. The AMP will link to Council's Long-Term Financial Plan (LTFP) which typically considers a 10 year planning period.

The AMP aligns with the Strategic Asset Management Plan (SAMP), which:

- Contains the longer term high level strategic initiatives that the organisation must take, in order to execute its asset management strategy, and
- Provides direction for development of asset management plans.

1.2 Asset Description

This plan covers the infrastructure assets that provide parks, recreation and ancillary services. This comprises:

- 55 Passive parks - public recreation including reserves ,
- 18 Active parks - sports fields,
- 23 Playgrounds,
- 2 Aquatic Centres,
- 12 Cemeteries, and
- Outdoor structures/equipment (e.g. public lighting, fencing, furniture).

The above infrastructure assets have replacement value estimated at \$22.9 million.

1.3 Levels of Service

The allocation of the planned budget in this Plan, is based on the assumption that a permanent Special Rate Variation (SRV) of 50% for the General Fund is not achieved over three years commencing in 2023-2024 financial year.

No SRV funding beyond 2022-23 will result in a reduction in both operational and capital expenditure from 2023/24. Without the SRV Council will have to start managing decline, which means levels of service may be reduced, impacting operations, maintenance and capital expenditure.

Council is not generating enough income to invest in its infrastructure. If it doesn't secure additional income from an SRV, it will have no choice but to free up existing funds by cuts to operational services

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as part of a 'managed decline' strategy. This is not Council's preferred option as service cuts will have significant impact on the community.

The main service consequences for Council's infrastructure assets from 2023-2024 will be: ¹

- Operational service levels will require significant reductions and/or removal of services,
- Core maintenance service levels may remain underfunded,
- The condition of infrastructure will deteriorate with reduced maintenance activities,
- Capital works will be reduced as funding will be limited, and
- The infrastructure backlog will increase and it will cost more in the long run to return assets to the agreed service level.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Infrastructure resourcing,
- Council financial sustainability,
- Technology,
- Climate change/environmental sustainability,
- Sport participation, and
- Regulations and legislation changes.

These demands will be addressed using a combination of managing and/or upgrading existing assets and providing new assets when needed. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for the parks, recreation and other asset classes is estimated at \$39.1 million or \$3.9 million on average per year.

¹ From Resourcing Strategy, p 65.

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1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period, including Operations, Maintenance and Capital Works, is \$36.4 million or \$3.6 million on average per year as per the Long-Term Financial plan or Planned Budget. This is 93% of the cost to sustain the current level of service at the lowest lifecycle cost.

The reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks. The risk of not maintaining or replacing/updating assets is that they become unsafe or not in compliance to be able to operate.

The anticipated Planned Budget for parks, recreation and other asset classes leaves a shortfall of \$270,000 on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the Long-Term Financial Plan. The forecast lifecycle costs and planned budgets is shown in figure 1.6.1

Figure 1.6.1: Forecast Lifecycle Costs and Planned Budget

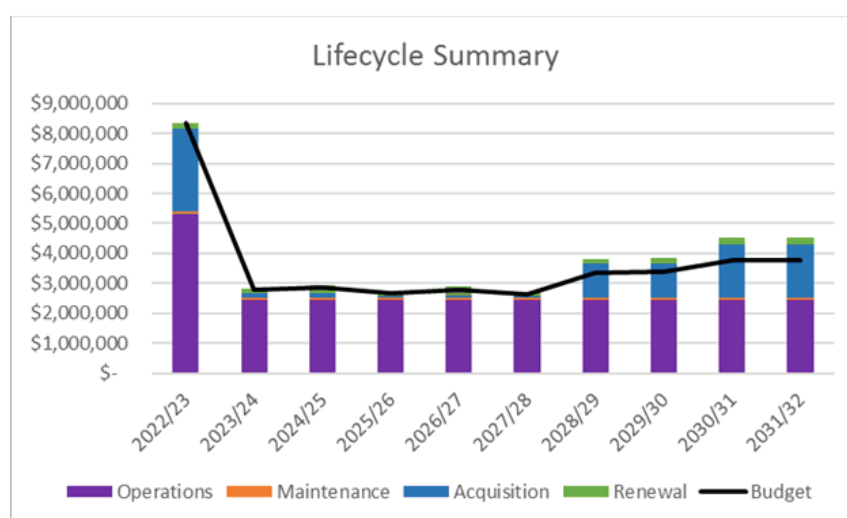


Figure values are in 2022 dollar value.

We plan to provide parks, recreation and other asset services for the following:

- Operation, maintenance and renewal of parks, recreation and other assets to meet service levels set by Council in annual budgets.
- Capital upgrades and major renewal work within the 10-year planning period.

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1.6.2 What we cannot do

We have not allocated enough budget to sustain these services at the proposed standard. The Planned budget is based on a no SRV forecast. What we cannot do: ²

- Fully fund capital upgrades and replacements,
- Mitigate all risks,
- Refurbish and upgrade Armidale Aquatic Centre facilities to improve site functionality for the community and replace end-of-life assets, and
- Inspections, assessments, pruning, removal and replacement of potentially dangerous trees (funds are only sufficient to do highest risk at the moment), ageing trees and increasing extreme weather events adds to problems.

1.6.3 Managing the risks

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Hazards are not clearly defined leading to incidents and liability issues in parks and recreation facilities,
- Trees become structurally unsafe and fall causing damage and injury.

We will endeavour to manage these risks within available funding by:

- Tree removal,
- Major works repairs,
- Replacement and installation of appropriate hazard warning signs.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum and compliant service levels required,
- Budgets have been allocated based on the best available data on assets.

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,

² From Resourcing Strategy, p 65.

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- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Alternate method was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a low level of confidence information.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- A Levels of Service (LoS) Framework will be adopted which includes defined Customer and Technical LoS and performance measures so levels of service can be assessed and used to inform asset management planning and expenditure investment. Customer LoS and Technical LoS information will be included in future iterations of this AMP,
- A region-wide inventory of assets will be carried out to capture all data on assets. This, as well as all data recorded in the Assets database will be consolidated to link with financial information. Council is investigating various models of Enterprise Asset Management Software that have the ability to consolidate or link financial and non-financial data on all asset classes so a complete inventory of assets is maintained. This will enable assets and finance departments to access one single repository of asset information, track and monitor asset condition, ensure transparency in planning processes and plan evidence based investments. Asset registers will be used to inform the next LTFP cycle to inform future iterations of this AMP,
- Council is currently undertaking an organisational re-structure to address resource planning. Resources will be allocated and staff will be appropriately trained to lift capability in asset management,
- The Asset Management Policy will be updated and AM Framework will be established. This will be used to inform future iterations of the AMP,
- Formal asset lifecycle management processes and systems will be implemented to improve asset management planning. This will be used to inform future iterations of the AMP,
- Formal AM planning processes will be established across each asset group to ensure consistency in information included in the AMP,
- Customer satisfaction surveys will be undertaken to inform development of the LoS performance measured in the AMP,
- Consistent processes for asset condition assessments will be established and asset performance monitoring will be implemented to monitor, report and inform investments in future LTFP cycles and iterations of this AMP.
- Formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades will be established to inform development of long term forward works program for the LTFP and the future iterations of this AMP, and
- AMPs will be used in the future to drive expenditure in assets so the information used to develop programs of work must be evidence based with a high degree of accuracy to justify the need for the investment. Council will specify their standard requirements for future AMPs.

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2. INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Armidale Regional Council's planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Integrated Planning Framework which includes Advancing Our Region Your Community Plan 2022-2032,
- Resourcing Strategy which includes the Workforce Management Plan and Asset Management Strategy 2022, and
- The Strategic Asset Management Plan (SAMP).

Council undertook an Asset Management Maturity Assessment in July 2022. Based on a 55 (Core) target maturity level score, Council's overall AM maturity score is 32 (Basic) – i.e. minimum level processes and practices in place with a Maturity Gap of 23 points. The variance between the current and target score is 41%.

Council aims to lift its capability in asset management by addressing the gaps in AM practices identified in the Assessment. The Improvement Plan in the SAMP, contains 30 recommended improvement actions for Council achievable within 1-2 year period.

The infrastructure assets covered by this AMP include all park, recreation and other assets, which are used to provide park and recreation services. The infrastructure assets included in this plan have a total replacement value of \$22.9 million.

Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AMP

KEY STAKEHOLDERS	ROLE IN AMP
Councillors	<ul style="list-style-type: none"> • Represent needs of community, • Allocate resources to meet the organisation's objectives in providing services while managing risks, • Ensure organisation is financial sustainable.
General Manager	<ul style="list-style-type: none"> • Ensures ARC is aligned with the organisation's infrastructure services requirements and community expectations, • Allocate resources to meet the organisation's objectives in providing services while managing risks.
Chief Officer Assets and Services	<ul style="list-style-type: none"> • Overall responsibility for Asset Management, • Ensure funds are invested appropriately to ensure best value for money is delivered to the community,

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KEY STAKEHOLDERS	ROLE IN AMP
	<ul style="list-style-type: none"> Provide leadership in influencing decision making processes related to Asset Management.
Coordinator Town & Public Spaces	<ul style="list-style-type: none"> Ensures the overall programme proposed in the AMP is achievable and is aligned with the organisation's service requirements and the LTFP.
Supervisor Parks and Open Spaces	<ul style="list-style-type: none"> Ensures BAU delivery requirements are aligned with AMP.
Assets Team and Asset Owners	<ul style="list-style-type: none"> Preparation of AMP, Responsible for reviewing and keeping AMP up to date, Responsible for keeping asset data up to date, Maintenance of corporate software.
Finance Team	<ul style="list-style-type: none"> Maintenance of corporate software, Financial accounting for assets.
State and Federal Government	<ul style="list-style-type: none"> Promote Best Practice Asset management, Recognises the importance of LGA Assets to the community and provide funding and other assistance to sustain.
Community	<ul style="list-style-type: none"> Be aware of levels of service and costs, Participate in consultation processes, Provide feedback on services.

Our organisational structure for service delivery from infrastructure assets is detailed below:



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2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for current and future population. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to develop compliant and cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to the Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Stakeholder engagement,
- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015³
- ISO 55000⁴

³ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

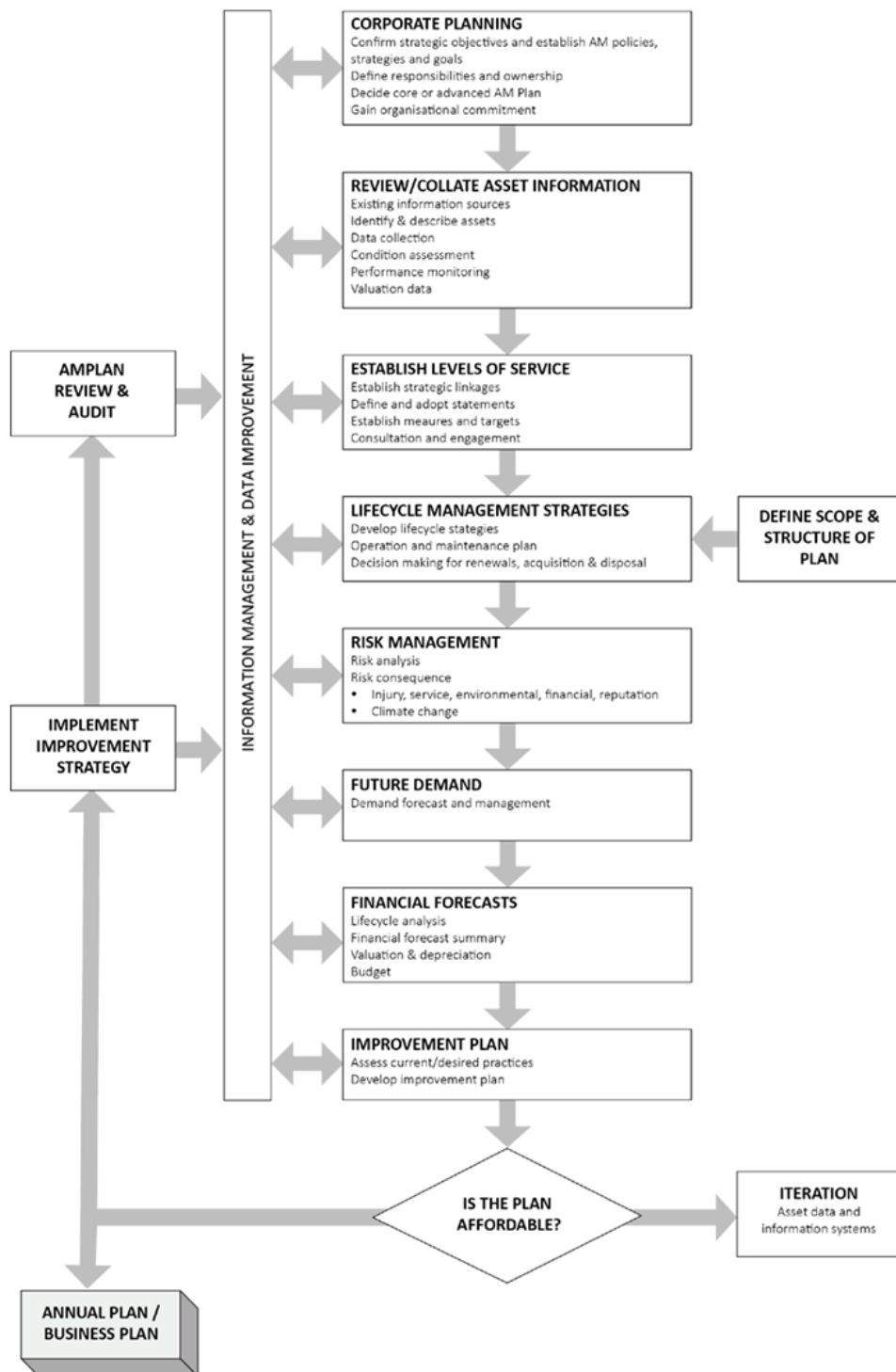
⁴ ISO 55000 Overview, principles and terminology

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A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



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3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by the Armidale Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

Management plays an important role in ensuring Council delivers the agreed levels of service⁵ to the community by allocating budgets that are informed by levels of service requirements to enable delivery of those projects that have been investigated and assessed to be of high risk to people or property.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Community vision, mission, goals and objectives.

Our vision is:

'We want a harmonious region which celebrates diversity and uniqueness of our communities, provides opportunities for all people to reach their potential, encourages engagement without environment, cultures and lifestyles while supporting growth, opportunity and innovation.'

This AMP is prepared to meet Council's purpose, visionary goal and values.

Council's purpose is:

'Together, we are proud to deliver to the highest possible standards for ARC in all that we do.'

Council's visionary goal is:

'As a result of having a high performing team, by January 2023 we will be connected across the organisation with aligned priorities.'

Council's values are:

- Inclusion
- Wellbeing
- Transparency
- Commitment

⁵ Levels of Service Framework for all asset classes has yet to be developed and adopted by Council.

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Strategic goals have been set by Council in Advancing Our Region Your Community Plan 2022-2032 and the State of The Environment Report. The Community Plan has six key pillars and within each Pillar are two goals (G1 & G2) – which are the key community aspirations that Council seeks to achieve. The AM objectives are aligned with the goals of each Pillar. The Pillars are as follows:

- P1: Thriving Region – Economy and Vision
- P2: Connected Region – Transport and Technology
- P3: Future Region – Sustainability & Resilience
- P4: Liveable Region – Places and Spaces
- P5: Enriched Region – Community and Culture
- P6: Strong Region – Engagement and Responsibility

Strategic goals have been set in Advancing Our Region Your Community Plan 2022-2032. A summary of how they are addressed in this AMP is shown in table 3.2.

Table 3.2: Goals and how these are addressed in the Asset Management Plans

GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
P1, G1. A strong economy, sustainable growth and opportunity	AMO 2. Increase the level of maintenance and renewal activities to achieve the industry benchmark renewal ratio of $\geq 100\%$.	A program of works that reflects an increase in the level of maintenance and renewal activities.
P1, G2. A destination of choice, renowned for its beauty, heritage and unique attractions		This is a Plan that will address the renewals backlog over time to extend the life of the assets, and increase maintenance activities to ensure the assets continued operation.
P2, G1. Quality infrastructure that makes it safe and easy to travel around our region		
P2, G2. Transport and technology that enable connectivity both locally and outside the region	AMO 3. Apply lifecycle principles to asset management decisions	A Plan that applies lifecycle principles in the development of the program of works for asset maintenance, renewals and capital upgrades.
P3, G1. A flourishing natural environment that is protected and enhanced		While this Plan requires an increase in investment in asset maintenance and renewals, the lifecycle approach will ensure Council is making informed decisions on its investment and achieve the value for money from its investment in the long term.
P3, G2. A clean, green, and responsible region		
P4, G1. Public spaces and infrastructure that facilitate health, community		A lifecycle approach to asset management will also help Council

TRIM: TBA

GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
connections and opportunities		achieve the financial sustainability over time.
P4, G2. Proactive, responsible, and innovative regional planning that grows us sustainably	AMO 4. Ensure the levels of service and infrastructure agreed with the community are consistently maintained.	A Plan that meets the community levels of service expectations.
P5, G1. Access to the services and support that facilitate quality of life		While the Levels of Service measures have yet to formally adopted and agreed with the community, this Plan, has been developed with the aim of achieving a consistently high levels of service.
P5, G2. A proud, inclusive and cohesive community that celebrates our region in all its diversity and culture		
P6, G1. An informed and activity engaged community that builds partnerships and shapes its future.	AMO 1. Lift capability in asset management by 41% within 1-2 years.	This Plan has been developed in parallel with the establishment of an AM Framework and planned improvements in AM practice areas to lift capability in delivering asset management services.
P6, G2. Strong governance and leadership that supports our region to grow and prosper.	AMO 5. Lift capability and capacity of the workforce to meet the long term service commitments to the community.	This is a Plan that is responsive to the needs of the community. This Plan is informed by the Council's Workforce Management Plan, which addresses the need to improve workforce capacity and capability to enable Council to efficiently and effectively manage its assets and meet its long term service commitments to the community.

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the parks and recreation services are outlined in Table 3.3.

Table 3.3: Legislative Requirements

LEGISLATION	REQUIREMENT
Local Government Act	<ul style="list-style-type: none"> Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.

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LEGISLATION	REQUIREMENT
Crown Land Management Act 2016 No 58	<ul style="list-style-type: none"> Provides for the ownership, use and management of the Crown land of New South Wales, and the clarity concerning the law applicable to Crown land and the requirement of environmental, social, cultural heritage and economic considerations to be taken into account in decision-making about Crown land and to provide for the consistent, efficient, fair and transparent management of Crown land for the benefit of the people of New South Wales.
Cemeteries and Crematoria Act 2013 No 105	<ul style="list-style-type: none"> Ensures that cemeteries and crematoria on Crown land are managed in accordance with the principles of Crown Land management specified in section 1.4 of the Crown Land Management Act 2016.
Kid Safe Playground Standards	<ul style="list-style-type: none"> Adhere to the current Australian Standards for Playgrounds and Playground Equipment.
Sport 2030 National Sport Plan	<ul style="list-style-type: none"> Provides a vision for sport in Australia – to ensure we are the world’s most active and healthy nation, known for our integrity and sporting success. Building a more active Australia, Achieving sporting excellence, Strengthening Australia’s Sport Industry.
Office of Sport – Strategic Plan 2020-2024	<ul style="list-style-type: none"> The Office of Sport aims to increase the levels of physical activity of the people of NSW by providing the leadership, policies, programs, funding and infrastructure necessary to enable higher rates of participation in sport and active recreation. Their Strategic Plan provides the following vision: “Sport and active recreation creating healthier people, connecting communities and making a stronger NSW”. Everyone in NSW participating in sport and active recreation throughout their whole life, Everyone in NSW can access places and spaces for sport and active recreation.
New England North West Regional Plan 2036 – NSW Government	<ul style="list-style-type: none"> Provides a 20-year blueprint for the future of the New England North West Region. The NSW Government’s vision for the New England North West Region is: “Nationally valued landscapes and strong, successful communities from the Great Dividing Range to the rich black soil plains”. Goal 1: A strong and dynamic regional economy, Direction 9: Coordinate growth in the cities of Armidale and Tamworth, Goal 2: A healthy environment with pristine waterways, Direction 10: Sustainably manage and conserve water resources, Goal 4: Attractive and thriving communities, Direction 19: Support healthy, safe, socially engaged and well-connected communities.
New England North West Sport and Active Recreation Plan 2018-2023 – Office of Sport	<ul style="list-style-type: none"> The Office of Sport has developed Regional Sport and Active Recreation Plans, including a plan for New England North West. It provides the following vision: “North West and New England is a healthy community with high participation in sport and recreation through our quality infrastructure and services accessible to everyone”. Outcome 1: Increased Participation (of adults and children in regular sport and active recreation) Strategy 1.3: Plan for and promote child safe and child friendly environments.

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LEGISLATION	REQUIREMENT
	<ul style="list-style-type: none"> • Outcome 2: Improved Access (to sport and active recreation for everyone in the region, regardless of background or ability) • Strategy 2.4: Identify inclusion opportunities for people with disabilities, • Strategy 2.5: Provide support to under-represented groups to access sport and active recreation opportunities, • Strategy 2.6: Support sport and active recreation clubs to attract new participants, • Strategy 2.7: Focus on people not currently participating in any form of sport and active recreation. • Outcome 4: Fit for Purpose Facilities (in the region) • Strategy 4.5: Develop new or upgrade existing infrastructure, • Strategy 4.6: Plan for female-friendly sporting facilities. • Outcome 5: Valued Regional Sporting Events (which are valued by the region) • Strategy 5.1: "Big sky country, big sports country", • Strategy 5.4: Work with key stakeholders on events activation and legacy planning. • Outcome 6: Effective Collaboration (within the sport and active recreation sector) • Strategy 6.4: Explore commercial partnerships.
Australian Water Safety Strategy 2030 – Australian Water Safety Council	<ul style="list-style-type: none"> • The Strategy provides a framework covering five priority areas: People, Places, Activities, Populations and Risk Factors, with three areas of focus in each priority area. The AWSS 2030 commits to an aspirational goal of reducing drowning by 50 per cent by 2030. • Places • Aquatic Facilities • Increased availability and sustainability of aquatic facilities. • Risk Factors • Swimming and water safety skills • World leading swimming and water safety skills for children and young adults, • Equitable access to swimming and water safety education programs in all States and Territories. • Populations • Regional and remote communities • Expansion in availability of programs and services in regional and remote areas.

3.4 Customer Values

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

Customer Values indicate:

- What aspects of the service is important to the customer,
- Whether they see value in what is currently provided, and
- The likely trend over time based on the current budget provision.

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Community consultation has been undertaken for the preparation of the new long term community strategic plan and outcomes of the consultation and the values have been defined as follows:

What customer love and value about our region:

1. Our Natural Environment – our climate, seasons, natural beauty, Wildlife and National Parks.
2. Our Location – Halfway between Sydney and Brisbane, and a short drive to the Coast.
3. Our Community – The people diversity and volunteers that make up our community.
4. Parks & Playgrounds – Our many beautiful outdoor spaces including parks, gardens and local playgrounds.
5. Arts and Culture and Heritage – Beautiful architecture, local history and the many arts organisations, events and performances in the region.
6. Education and Training – Long established university, TAFE digital hub, and variety of local schools.

Our community's 2032 vision for our Region (ranked in priority order):

1. Economically robust
2. Environmentally sustainable
3. Led through good governance
4. Strong tourism sector
5. A cohesive community

What the community wants improved in our Region (ranked in priority order):

1. Transport and Infrastructure
2. Environmental Sustainability
3. Economic Development
4. Shopping
5. Tourism

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

- **Condition** How good is the service ... what is the condition or quality of the service?
- **Function** Is it suitable for its intended purpose Is it the right service?
- **Capacity/Use** Is the service over or under used ... do we need more or less of these assets?

Customer Level of Service including performance measures have not yet been agreed and adopted by Council. A Levels of Service review will be included as an improvement action within this AMP.

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3.6 Technical Levels of Service

To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. recreational area upgrades) or a new service that did not exist previously (e.g. a new playground)
- **Operation** – the regular activities to provide services (e.g. opening hours, cleaning, mowing grass, energy, inspections, etc.).
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. structure repairs)
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. aquatic centre renewals).

Technical Level of Service including performance measures have not yet been agreed and adopted by Council. A Levels of Service review will be included as an improvement action within this AMP.

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4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as demographic change, regulations, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 4.3.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management

DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
Infrastructure resourcing	The Council's current LTFP and Federal funding does not meet the budget required to continue to provide the current level of service.	ARC is to complete a strategic recreational plan in the next 12 months that will identify the infrastructure development needs to be safe and compliant, but also the wants of the community to help the town thrive.	Without improved infrastructure this will impact on safety and regulatory drivers and has the potential to drive away business and sport participation
Council financial sustainability	The Council's current LTFP meets the budget required to continue to provide a satisfactory level of service	This plan anticipates the financial support of Council and Federal Government funding.	Without funding safety and regulatory obligations will be impacted. Community service level expectations will not be met, staff turnover will increase with resources

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DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
			not meeting the growing demand and safety will be impacted.
Technology	Not meeting the requirements to facilitate efficient operating practices.	Upgrade to record keeping systems to appropriately review assets and determine value, maintenance schedules and life cycle.	Without and upgrade to this area, ARC is not able to accurately provide a valuation of assets which can impact insurance and regular maintenance requirements as per standards
Climate change/Environment sustainability	Environmental and waste obligations are up to date and with current legislation	Increase the number of sustainable practices and strategies	Increased revenue and reduced environmental footprint.
Sport participation increases	Current participation numbers are still below pre-Covid levels, but rising.	More participation per capita with a national focus on sports ahead of the 2032 Brisbane Olympics	Increased, revenue, increased maintenance requirements, increased demand for more playing fields
Regulations and Legislation changes	Updating staffing qualifications to meet the demands of each area of expertise, following a changeover of staff in this area.	History shows that compliancy expectations and qualifications to deem competency is increasing. Future planning by requesting that these competency levels are met when on-boarding and provide budget current staff to continue to meet statutory requirements are essential.	Failure to apply current legislation may cause significant safety issues, delays in operations, fines and criminal repercussions

4.4 Asset Programs to meet Demand

New assets required to meet demand may be acquired, donated or constructed. Additional assets are presented in Appendix B.

Acquiring new assets will commit the Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan.

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4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.⁶

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.⁷

Risk and opportunities identified to date are shown in Table 4.5.

Table 4.5 Managing the Impact of Climate Change on Assets and Services

CLIMATE CHANGE DESCRIPTION	PROJECTED CHANGE	POTENTIAL IMPACT ON ASSETS AND SERVICES	MANAGEMENT
Higher / recurrent rainfall events	High rainfall and increasing rainfall days annually. Rainfall more frequent causing recurrent flood events.	Drainage systems may not have sufficient capacity to manage flood events. Overflows from stormwater pipes, rivers, lakes and all water bodies could potentially cause flooding resulting in damage to equipment, accident, injury, and potential disruption of services.	Develop strategies to manage flood events and prevent overflows.
Temperature variation	Warmer summer and colder winters	Large temperature variations is causing extreme temperature conditions could potentially disrupt services.	Maintain assets' environmental systems to ensure they adapt to temperature variations.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change,
- Services can be sustained, and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AMP.

⁶ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

⁷ Council has yet to develop asset resilience strategies for its assets.

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5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

This AMP includes public recreation parks, reserves, playgrounds, sports fields, aquatic centres, cemeteries and outdoor structure and equipment. It has a current replacement cost of \$22.9 million. Currently, there is no single asset register that includes all assets in this asset group. This is an improvement action for this AMP.

5.1.2 Asset age profile

Construction dates of parks, recreation and other assets, are not available. Asset age profile cannot be provided for this AMP. Construction dates will need to be captured in a region-wide inventory of assets, which is an improvement action for Council. Once construction dates are available, an Age Profile Graph can be provided in future revisions of this AMP.

5.1.3 Asset capacity and performance

Assets are generally required to meet design standards where available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.3.

Table 5.1.3: Known Service Performance Deficiencies

LOCATION	SERVICE DEFICIENCY
Office and Parks Supervisor Staff	Changeover of skilled and experienced staff that did not report all information. Loss of intellectual property for continuity.
Cemetery	Armidale Cemetery is running out of space to place lots.
Numerous Armidale LGA Children Playgrounds	Do not comply with accessibility and safety standards.
Monkton Pool	Children's splash park and swim pool in poor condition.

The above service deficiencies were identified from ad hoc inspections conducted by staff.

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5.1.4 Asset condition

Condition is currently monitored informally and since cyclic condition inspections of all asset classes are not a regular practice, there exists a very low data confidence in current condition of assets. Overall, parks, recreation and other assets are not regularly inspected, monitored or assessed. This is an improvement action for Council and will be addressed when Council implements its asset lifecycle approach to management of assets.

Condition is measured using a 1 – 5 grading system⁸ as detailed in Table 5.1.4. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

Table 5.1.4: Condition Grading System

CONDITION GRADING	DESCRIPTION OF CONDITION
1	Very Good: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Fair: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely
5	Very Poor: physically unsound and/or beyond rehabilitation, immediate action required

Park, recreation and other assets were not condition rated. The condition profile of these assets is therefore, unavailable and cannot be provided in the AMP.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, lawn mowing, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include inspecting and repairing amenities such as playgrounds, picnic tables, and benches.

The trend in maintenance budgets are shown in Table 5.2.

⁸ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

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Table 5.2: Maintenance Budget Trends

YEAR	MAINTENANCE BUDGET
FY 2020-2021	\$53,000
FY 2021-2022	\$53,000
FY 2022-2023	\$53,000

Maintenance budget levels are considered to be inadequate to meet projected service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

5.2.1 Asset hierarchy

An asset hierarchy is a logical index of all equipment, machines, and components, and how they work together. It is critical for understanding how action on one asset affects other assets, establishing a parent-child relationship amongst multiple assets. Building and understanding the asset hierarchy is critical to efficiently track, schedule, and identify the root causes of problems.

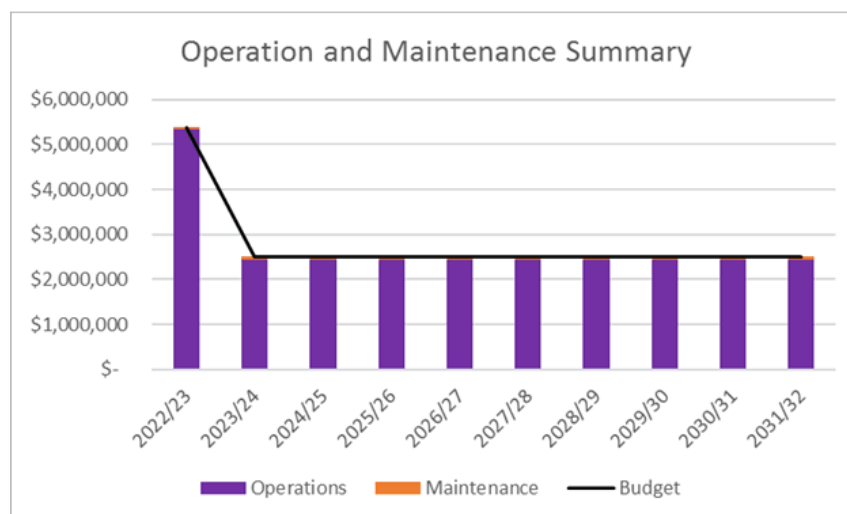
The asset hierarchy is unavailable and is an improvement action for this AMP.

5.2.2 Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs may increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

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Figure 5.2.2: Operations and Maintenance Summary



All forecast values are shown in 2022 dollar value

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3.

Table 5.3: Useful Lives of Assets

ASSET (SUB) CATEGORY	USEFUL LIFE
Fleet	5 years
Street Sweeper	4 years
Mowers	4 years

The estimates for renewals in this AMP were based on the alternate method.

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5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. ensure facility capacity is adequate for a growing population), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).⁹

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.¹⁰

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

Table 5.3.1: Renewal Priority Ranking Criteria

CRITERIA	WEIGHTING
Fleet	45%
Street Sweeper	35%
Mowers	20%
Total	100%

5.3.2 Summary of future renewal costs

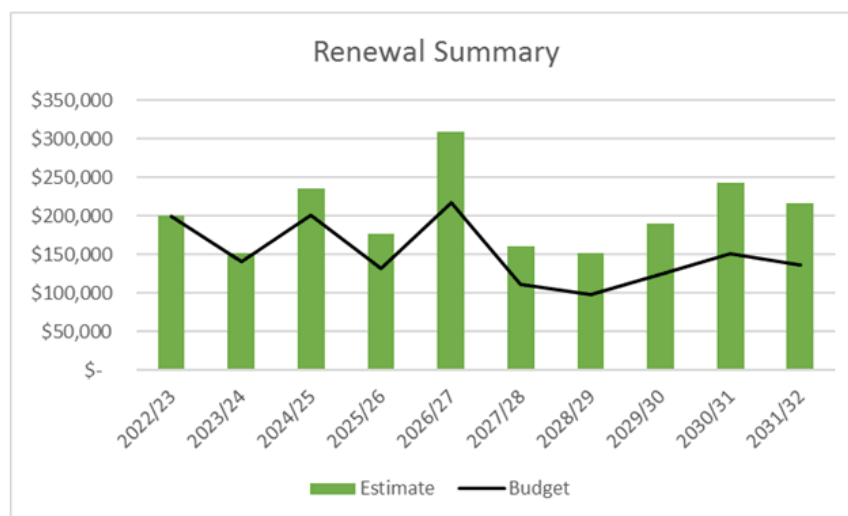
Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.3.2. A detailed summary of the forecast renewal costs is shown in Appendix C.

⁹ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

¹⁰ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

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Figure 5.3.2: Forecast Renewal Costs



All forecast values are shown in 2022 dollar value.

5.4 Acquisition Plan

Acquisition reflects new assets that did not previously exist or works that will upgrade or improve an existing asset beyond its current capacity. It may be a result of growth, demand, social or environmental needs. Assets may also be donated to ARC.

5.4.1 Selection criteria

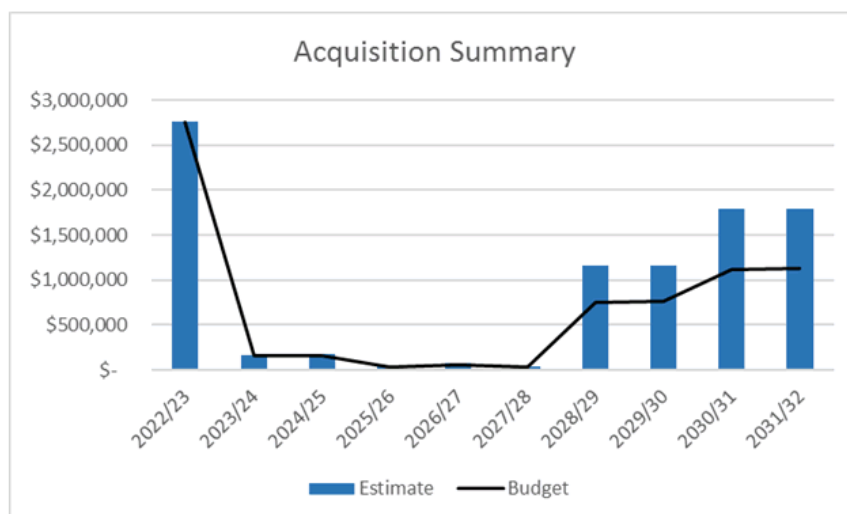
Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Council needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes.

5.4.2 Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.4.2 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix B.

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Figure 5.4.2: Acquisition Summary



All forecast values are shown in 2022 dollar value.

Committing to new assets implies committing to future operating, maintenance and renewal costs. Future depreciation must also be taken into account when analysing long-term sustainability. Regarding the long-term impacts of acquiring assets. Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. There are no forecast disposals in LTFP 2022-2032 to be reported in this AMP.

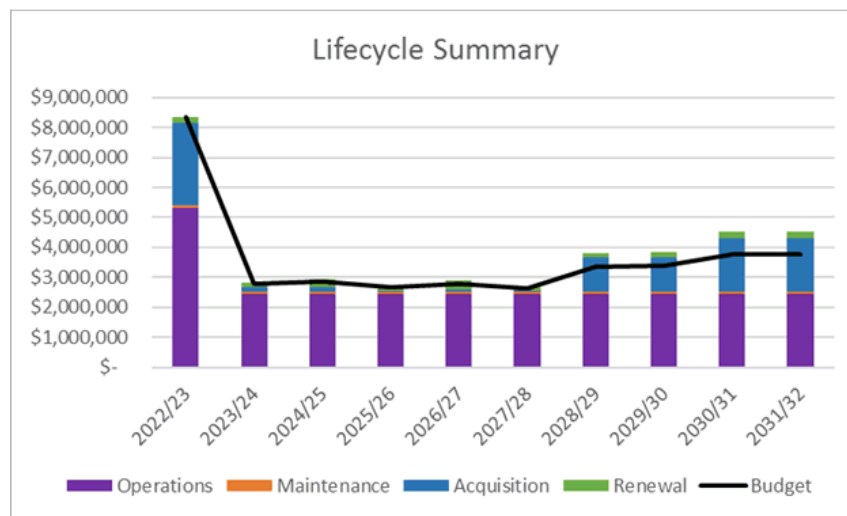
5.6 Summary of asset forecast costs

The financial projections of this AMP are shown in Figure 5.6 and detailed in Appendix A. These projections include forecast costs of acquisition, operation, maintenance, renewal, and disposal. The forecast costs are displayed in relation to the proposed budget.

The forecast costs are represented by the bars, while the proposed budget line indicates the estimated available funding (no SRV) for the next 10 years. The gap between the forecast and the proposed budget is the basis of the SRV proposal to meet the financial need to cover all projects planned for the next 10 years.

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Figure 5.7: Lifecycle Summary



All forecast values are shown in 2022 dollar value.

The proposed budget for the projects included in the 10-year planning corresponds to the expected costs, since all projects presented are essential to keep the parks, recreations and other assets sector operating, as well as its level of service. If there are new acquisitions, renewals, or changes to the 10-year plan, these will be added to future updates of this AMP.

TRIM: TBA

6. RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’.¹¹

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1: Critical Assets

CRITICAL ASSETS	CRITICAL FAILURE MODE	OPERATIONS & MAINTENANCE ACTIVITIES
Armidale Cemetery	Community service impact. Fundamental human right impact.	Operations & Maintenance in compliance with Cemeteries and Crematoria Act 2013 No 105 & Crown Land Management Act 2016.
Guyra Cemetery	Community service impact. Fundamental human right impact.	Operations & Maintenance in compliance with Cemeteries and Crematoria Act 2013 No 105 & Crown Land Management Act 2016.
Black Mountain Cemetery	Community service impact. Fundamental human right impact.	Operations & Maintenance in compliance with Cemeteries and Crematoria Act 2013 No 105 & Crown Land Management Act 2016.
Kilcoy Cemetery	Community service impact. Fundamental human right impact.	Operations & Maintenance in compliance with Cemeteries and Crematoria Act 2013 No 105 & Crown Land Management Act 2016.

¹¹ ISO 31000:2009, p 2

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Ben Lomond Cemetery	Community service impact. Fundamental human right impact.	Operations & Maintenance in compliance with Cemeteries and Crematoria Act 2013 No 105 & Crown Land Management Act 2016.
Ebor Cemetery	Community service impact. Fundamental human right impact.	Operations & Maintenance in compliance with Cemeteries and Crematoria Act 2013 No 105 & Crown Land Management Act 2016.

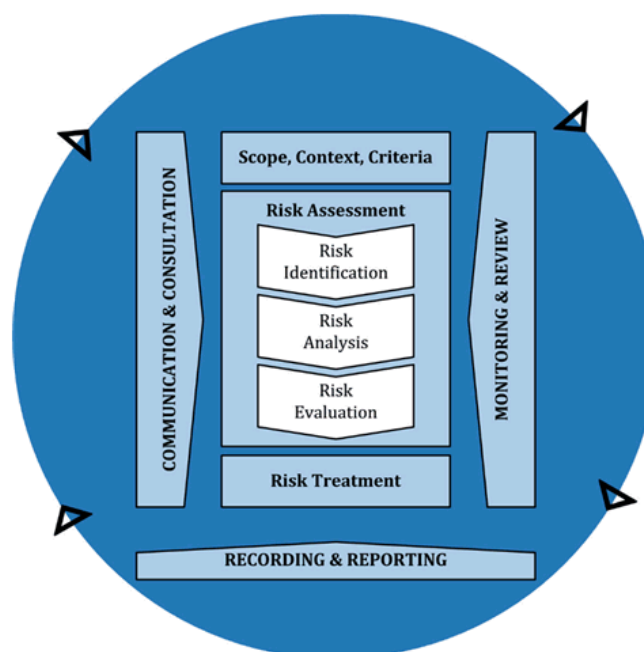
6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

Figure 6.2: Risk Management Process – Abridged



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

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An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan¹². The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

Table 6.2: Risks and Treatment Plan

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN	RESIDUAL RISK*	TREATMENT COSTS
Sports Ground Grandstand	Structural review	M	Structural review of the current conditions of the grandstand is required as requested by staff. If findings show structure issues, it will need to be closed until safety works can be carried out.	L	\$8,000 – \$20,000
Key System	Inaccurate key register system which creates safety concerns and increases theft opportunity	H	Full review of the current system and a changeover of the current key management processes for more oversight and penalties if community clubs do not comply.	L	\$20,000 – \$30,000
Safety Signage	Hazards are not clearly defined leading to incidents and liability issues	VH	A process to assess all parks and rec grounds is being completed in line with the current risk management expectations from our insurance.	L	\$10,000
High Priority Tree Removal Backlog	Trees become structurally unsafe and fall causing damage and injury	VH	Prioritise the backlog of trees in with our BAU with a program of works GAANT confirmed and adhered to.	L	\$70,000

Note * the residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service. Resilience

¹² An Infrastructure Risk Management Plan has yet to be developed in accordance with Council's Risk Policy. This is an improvement action for Council.

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recovery planning, financial capacity, climate change risk assessment and crisis leadership have yet to be undertaken and developed by Council.

ARC currently do not measure resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Fully fund capital upgrades and replacements,
- Mitigate all risks,
- Refurbish and upgrade of the Armidale Aquatic Centre facility to improve the functionality of the site for community and replace assets at the end of their life, and
- Inspections, assessments, pruning, removal and replacement of potentially dangerous trees (funds are only sufficient to do highest risk), ageing trees and increasing extreme weather events adds to problems.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- We will need to prioritise maintenance and renewal works to components that have a very high safety risks and defer work components with low to medium safety risks. This will mean that any community complaints on these components or additional service requests will not be attended to due to the lack of funds.

These actions and expenditures are considered and included in the forecast costs.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- Asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- Medium term forecast costs/proposed budget (over 10 years of the planning period).

7.1.2 Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have $\geq 100\%$ of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix C.

7.1.3 Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$39.1 million, while the budget for the same period is \$36.4 million. This creates a shortfall of \$2.7 million over the 10 year planning period. This indicates that 93% of the forecast costs needed to provide the reduced services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

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7.1.4 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.4 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the gap by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Table 7.1.4: Forecast Costs (Outlays) for the Long-Term Financial Plan

YEAR	ACQUISITIONS	OPERATIONS	MAINTENANCE	RENEWALS	TOTAL
2022	\$2,756,000	\$5,331,000	\$53,000	\$200,000	\$8,340,000
2023	\$164,000	\$2,445,000	\$62,000	\$150,670	\$2,821,670
2024	\$180,000	\$2,445,000	\$62,000	\$235,507	\$2,922,507
2025	\$40,000	\$2,445,000	\$62,000	\$175,670	\$2,722,670
2026	\$74,840	\$2,445,000	\$62,000	\$308,676	\$2,890,516
2027	\$40,000	\$2,445,000	\$62,000	\$160,922	\$2,707,922
2028	\$1,165,000	\$2,445,000	\$62,000	\$150,670	\$3,822,670
2029	\$1,165,000	\$2,445,000	\$62,000	\$189,530	\$3,861,530
2030	\$1,790,000	\$2,445,000	\$62,000	\$242,089	\$4,539,089
2031	\$1,790,000	\$2,445,000	\$62,000	\$215,810	\$4,512,810
TOTALS	\$9,164,840	\$27,336,000	\$611,000	\$2,029,544	\$39,141,384

Forecast costs are shown in 2022 dollar values.

7.2 Funding Strategy

The proposed funding for assets is outlined in Council's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

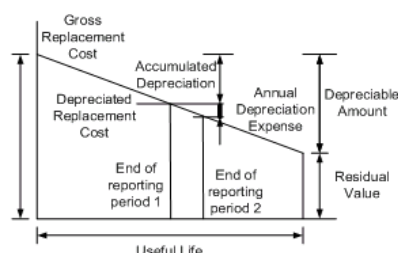
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7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value at cost to replace service capacity:

Replacement Cost (Current/Gross)	\$22,888,000
Depreciable Amount	\$18,393,000
Depreciated Replacement Cost ¹³	\$4,495,000
Depreciation	\$632,000



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum service levels required, and
- Budgets have been allocated based on the best available data on assets.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is

¹³ Also reported as Written Down Value, Carrying or Net Book Value.

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current and accurate. Data confidence is classified on an A - E level scale¹⁴ in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

CONFIDENCE GRADE	DESCRIPTION
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AMP

DATA	CONFIDENCE ASSESSMENT	COMMENT
Demand drivers	B	Historical and industry data – Community Engagement driven
Growth projections	B	Historical and industry data
Operations expenditures	B	Historical and industry data
Maintenance expenditures	B	Historical and industry data
Projected Renewal	B	Historical and industry data
- Asset values		
- Asset residual values	C	Historical and industry data
- Asset useful lives	C	Historical and industry data
- Condition modelling	B	Historical and industry data
- Network renewals	C	Historical and industry data
- Defect repairs	A	Historical and industry data
Upgrade/New expenditures	C	Historical and industry data
Disposal expenditures	B	Historical and industry data

The estimated confidence level and reliability of data used in this AMP are considered low confidence.

¹⁴ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

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8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁵

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is Technology One.

8.1.2 Asset management data sources

This AMP also utilises asset management data from Council asset records.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
1	Investigate service deficiencies of all assets and document it in future iterations of this AMP.	Coordinator Town & Public Spaces	Parks and Facilities Team	2022-24
2	Carry out resilience assessment of assets and formalise resilience strategies for adoption by Council. Document in future iterations of this AMP.	Coordinator Town & Public Spaces	Parks and Facilities Team	2022-24
3	Prepare Infrastructure Risk Management Plan in accordance with Council's Risk Policy and risk management procedures. Plan to be informed by the assessment of risks of the parks asset class.	Coordinator Town & Public Spaces	Parks and Facilities Team	2022-24
4	Assess criticality of assets. By identifying critical assets and failure modes Council can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets. Document in future iterations of this AMP.	Coordinator Town & Public Spaces	Parks and Facilities Team	2022-24

¹⁵ ISO 55000 Refers to this as the Asset Management System

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
5	Adopt a Levels of Service Framework which include defined Customer and Technical LoS and performance measures and incorporate in future iterations of this AMP.	Coordinator Town & Public Spaces	Assets, Coordinator Town & Public Spaces	2022-24
6	Council to invest in Enterprise Asset Management Software that links assets data with financial information. The assets department needs to take ownership of the system, record and manage asset data and activities, and maintain complete and accurate inventory of assets. Incorporate in next AMP update.	Chief Officer Corporate and Community	Finance and corporate management	2022-24
7	Allocate resources and train staff to lift capability in asset management. Define roles and responsibilities to manage assets, systems and monitor development and implementation of the AMP.	Corporate management	Assets, finance and corporate management	2022-24
8	Communicate asset valuation results to designated asset planners so these can be used to inform planning of renewal activities in forward works program. Monitor AMP implementation.	Assets	Assets and finance	2022-24
9	Update Asset Management Policy and establish AM Framework. Incorporate in next AMP update.	Assets	Assets, finance and corporate management	2022-24
10	Establish asset lifecycle management processes and set up systems to implement life cycle approaches in asset management planning. Incorporate in future iterations of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
11	Establish standard asset management planning processes across the organization to ensure consistency in the information generated within each department.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
12	Carry out customer satisfaction surveys to inform the development of levels of service performance measured by Council.	Communications	Communications, Assets and Coordinator Town & Public Spaces	2022-24
13	Establish formal processes to assess asset condition and asset performance monitoring. These will be used to plan investments in the LTFP and future iterations of this AMP.	Coordinator Town & Public Spaces, Assets	Assets and finance	2022-24
14	Set up formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades to inform	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
	development of long term forward works program for the LTFP and incorporate in the next iteration of this AMP.			
15	AMPs in the future will be used to drive expenditure in assets so the information used to develop the works programs must be evidence based with a high degree of accuracy to justify the need for the investment. Council must set their standard requirements for AMPs.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within 2 years of each Armidale Regional Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The number of complaints and requests for service,
- The number of issues resolved,
- The response time to address issues and complaints, and
- The change in backlog, asset maintenance and renewal ratios.

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9. REFERENCES

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- Armidale Regional Council, Resourcing Strategy 2022

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10. APPENDICES

10.1 Appendix A - Expenditure Forecast 2022-2032

PARKS, RECREATION AND OTHER ASSETS 10 Year forecast 2022-2032

ACTIVITY	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	TOTAL 10 Years
OPERATIONS & MAINTENANCE											
Operations	\$ 5,331,000	\$2,445,000	\$2,445,000	\$2,445,000	\$2,445,000	\$2,445,000	\$2,445,000	\$2,445,000	\$2,445,000	\$2,445,000	\$27,336,000
Maintenance	\$ 53,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 611,000
Sub-total Operations & Maintenance	\$ 5,384,000	\$2,507,000	\$2,507,000	\$2,507,000	\$2,507,000	\$2,507,000	\$2,507,000	\$2,507,000	\$2,507,000	\$2,507,000	\$27,947,000
RENEWALS											
All parks & recreation assets	\$ 200,000	\$ 150,670	\$ 235,507	\$ 175,670	\$ 308,676	\$ 160,922	\$ 150,670	\$ 189,530	\$ 242,089	\$ 215,810	\$ 2,029,544
Sub-total Renewals	\$ 200,000	\$ 150,670	\$ 235,507	\$ 175,670	\$ 308,676	\$ 160,922	\$ 150,670	\$ 189,530	\$ 242,089	\$ 215,810	\$ 2,029,544
UPGRADE & NEW											
All parks & recreation assets	\$ 2,756,000	\$ 164,000	\$ 180,000	\$ 40,000	\$ 74,840	\$ 40,000	\$1,165,000	\$1,165,000	\$1,790,000	\$1,790,000	\$ 9,164,840
Sub-total Upgrade & New	\$ 2,756,000	\$ 164,000	\$ 180,000	\$ 40,000	\$ 74,840	\$ 40,000	\$1,165,000	\$1,165,000	\$1,790,000	\$1,790,000	\$ 9,164,840
\$	-	\$ 8,340,000	\$2,821,670	\$2,922,507	\$2,722,670	\$2,890,516	\$2,707,922	\$3,822,670	\$3,861,530	\$4,539,089	\$39,141,384

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10.2 Appendix B - Acquisition Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE '000
2022	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Armidale Creeklands Masterplan	\$2,500
	3	Leash Free Dog Park Guyra	\$50
	4	Rotary Park - District Playground - Renew - Shade	\$47
	5	All cemeteries - Naming signage/ Conditions of entry	\$50
	6	Dumaresq Dam Fishing jetty	\$94
	7	Dumaresq Dam Fishing jetty (via grant)*	\$50
	8	Dumaresq Dam Rec Upgrade Area*	\$3,889
	9	Mall Vibrancy Program – Painting*	\$40
	10	Lynches Rd Netball Lighting*	\$168
2022	TOTAL		\$6,903
2023	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Hillgrove Playground - Children's chained swing seat and upgrade for younger children	\$15
	3	Security fencing & bollards to restrict creek, reserve access, west Armidale & Arboretum	\$25
	4	Strategic Planning -Sport and Recreation Plan review/redraft	\$60
	5	New Trees	\$4
	6	Rockvale Road Park - Local Playground - New - Shade cloth	\$45
	7	Harris Park - Commission design for new clubhouse (site survey, planning constraints, user group requirements)*	\$100
	8	Charleston Willows Reserve - upgrade amenities building (septic system), 3 sets of picnic tables and chairs*	\$36
	9	MacDonald Park - Park refurbishment. Establish original layout from historical evidence and existing fabric. Stakeholder engagement. New toilet facility*	\$375
	10	Cycleway Solar Security Lighting (Markham St towards Elm St) - Stage 2*	\$580
2023	TOTAL		\$1,255
2024	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Monckton Aquatic Centre - Design for refurb of change rooms	\$65
	3	Armidale Cemetery - New niche gardens/ catholic section expansion	\$30
	4	Curtis Park South - Local Playground - Renew - Shade cloth	\$45
	5	Security fencing & bollards to restrict creek, reserve access, west Armidale & Arboretum	\$25
	6	All sports fields - Investigation into feasibility of use of bores for sports field irrigation. Commissioning existing test bores Eliz 2 and Rologas*	\$500
	7	Grandview Crescent Part 17-27 , Armidale - embellish - bushland regeneration, children's playground equipment, picnic tables and chairs*	\$268
	8	Cycleway Security CCTV (Markham St towards Elm ave) - Stage 1*	\$400
2024	TOTAL		\$1,348
2025	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Security fencing & bollards to restrict creek, reserve access, west Armidale & Arboretum	\$25
	3	All sports fields - Investigation into feasibility of use of bores for sports field irrigation. Commissioning existing test bores Eliz 2 and Rologas*	\$500

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YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE '000
2025	TOTAL		\$540
2026	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Security fencing & bollards to restrict creek, reserve access, west Armidale & Arboretum	\$25
	3	Mall 3 Ferrari T2 Shade Structures-135 - APR001408	\$35
	4	All sports fields - Investigation into feasibility of use of bores for sports field irrigation. Commissioning existing test bores Eliz 2 and Rologas*	\$500
2026	TOTAL		\$575
2027	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Security fencing & bollards to restrict creek, reserve access, west Armidale & Arboretum	\$25
2027	TOTAL		\$40
2028	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Security fencing & bollards to restrict creek, reserve access, west Armidale & Arboretum	\$25
	3	Community Facility Upgrades	\$1,125
2028	TOTAL		\$1,165
2029	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Security fencing & bollards to restrict creek, reserve access, west Armidale & Arboretum	\$25
	3	Community Facility Upgrades	\$1,125
2029	TOTAL		\$1,165
2030	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Security fencing & bollards to restrict creek, reserve access, west Armidale & Arboretum	\$25
	3	Community Facility Upgrades	\$1,750
2030	TOTAL		\$1,790
2031	1	Armidale Cemetery - Construct additional plaque beams - PJ 240208	\$15
	2	Security fencing & bollards to restrict creek, reserve access, west Armidale & Arboretum	\$25
	3	Community Facility Upgrades	\$1,750
	4	Urban Art (Sculptures Etc)-61936*	\$60
2031	TOTAL		\$1,850

*Note: Potentially grant funded. Not included in the LTFP.

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10.3 Appendix C - Renewal Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE
2022	1	Aquatic Centre Asset Renewals	\$200,000
	2	Aquatic Centre Asset Renewals (via funding)*	\$550,000
	3	Playground replacement program*	\$20,000
	4	Sports Ground Development Fund*	\$33,000
	5	Guyra Pool Backflow and Water System Renewal*	\$16,000
	6	S7.12 Contributions – Armidale Sports ground – carpark construction Stages 1 & 2*	\$220,000
2022	TOTAL		\$1,039,000
2023	1	Aquatic Centre Asset Renewals	\$134,000
	2	Rural Cemeteries – Boundary fencing – mix of renewal, replacement and new fencing	\$17,000
	3	Cemetery Beans Niche Guyra*	\$8,000
2023	TOTAL		\$159,000
2024	1	Aquatic Centre Renewals	\$134,000
	2	Rural Cemeteries – Boundary fencing – mix of renewal, replacement and new fencing	\$17,000
	3	Armidale walking tracks – replace walking track signage	\$40,000
	4	MacDonald Park – Rubber Undersurfacing	\$32,000
	5	Bakers Creek Lookout Amenities Composting	\$7,000
	6	Metz George Park Amenities	\$7,000
	7	Cemetery Beans Niche Guyra*	\$15,000
	8	Kellys Plains Reserve – fencing*	\$8,000
2024	TOTAL		\$260,000
2025	1	Aquatic Centre Renewals	\$134,000
	2	Rural Cemeteries – Boundary fencing – mix of renewal, replacement and new fencing	\$17,000
	3	Moran Oval – Turf wicket renovation/renewal/cricket	\$25,000
	4	Rural Cemeteries – Boundary fencing – mix of renewal, replacement and new fencing	\$15,000
2025	TOTAL		\$191,000
2026	1	Aquatic Centre Renewals	\$134,000
	2	Rural Cemeteries – Boundary fencing – mix of renewal, replacement and new fencing	\$17,000
	3	Netball Courts Playground - 61968	\$25,000
	4	McDonald Park – Rubber Undersurfacing	\$32,000
	5	Curtis Park North Playground	\$22,000
	6	Lambert Park – Renew toilet/change room facilities	\$80,000
	7	Mall 3 Ferrari T2 Shade Structures – 135- APR001408*	\$35,000
2026	TOTAL		\$345,000
2027	1	Aquatic Centre Renewals	\$134,000
	2	Rural Cemeteries – Boundary fencing – mix of renewal, replacement and new fencing	\$17,000
	3	Active Park Seating	\$10,000
2027	TOTAL		\$161,000
2028	1	Aquatic Centre Renewals	\$134,000
	2	Rural Cemeteries – Boundary fencing – mix of renewal, replacement and new fencing	\$17,000
2028	TOTAL		\$151,000
2029	1	Aquatic Centre Renewals	\$134,000
	2	Rural Cemeteries – Boundary fencing – mix of renewal, replacement and new fencing	\$17,000

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	3	Central Parks seats and tables	\$39,000
2029	TOTAL		\$190,000
2030	1	Aquatic Centre Renewals	\$134,000
	2	Rural Cemeteries – Boundary fencing – mix of renewal, replacement and new fencing	\$17,000
	3	MacDonald Park – Rubber Undersurfacing	32,000
2030	TOTAL		\$183,000
2031	1	Renewal allocation	\$216,000
2031	TOTAL		\$216,000

*Note: Potentially grant funded. Not included in the LTFP.



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Transport Asset Management Plan October 2022



RESTORE & THRIVE

ARMIDALE
Regional Council

QUALITY CONTROL		
OUR PURPOSE	Together, proud to deliver to the highest possible standards for ARC in all we do	
KEY DIRECTION	Strong Region (Engagement and Responsibility)	
GOAL	S2 - Strong governance and leadership that supports our region to grow and prosper	
STRATEGY	S2.2 - Ensure that strategic directions are informed by, and with, the community and stakeholders and are delivered effectively, and in consideration of available resources	
RESPONSIBLE OFFICER	Coordinator Strategic Infrastructure Planning	
REVIEW DATE	2024	
DATE	ACTION	RESOLUTION No
September 2022	PWA – First Draft finalised	N/A
October 2022	PWA – Second Draft finalised	N/A
12/10/2022	ARC – Draft reviewed and complete	N/A
21/10/2022	ARC – Documents endorsed by COAS	N/A
TBC	Council - Public Exhibition	TBC
TBC	Council - Adoption	TBC
NOTES	Nil	

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1. EXECUTIVE SUMMARY

1.1 Purpose of the Plan

This Asset Management Plan (AMP) details information about Armidale Regional Council's transport assets with actions required to provide an agreed level of service to ensure safety, security and compliance with legislation in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required over the 2022-2032 year planning period. The AMP will link to Council's Long-Term Financial Plan (LTFP) which typically considers a 10 year planning period.

The AMP aligns with the Strategic Asset Management Plan (SAMP), which:

- Contains the longer term high level strategic initiatives that the organisation must take, in order to execute its asset management strategy, and
- Provides direction for development of asset management plans.

1.2 Asset Description

This plan covers the infrastructure assets that provide transport services. The transport network comprises:

- 650 kilometres of sealed roads,
- 1,060 kilometres of unsealed roads,
- 112 major road bridges,
- 130 kilometres of footpaths & Cycleway,
- 2,027 bulk earthworks/formation,
- 271 kilometres of kerb & gutter,
- 307 traffic furniture,
- 119 kilometres of roadside/ table drains,
- 184 parcels operational land, and
- 93 parcels community land.

The above infrastructure assets have replacement value estimated at \$456 million.

1.3 Levels of Service

The allocation of the planned budget in this Plan, is based on the assumption that a permanent Special Rate Variation (SRV) of 50% for the General Fund is not achieved over three years commencing in 2023-2024 financial year.

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No SRV funding beyond 2022/23 will result in a reduction in both operational and capital expenditure from 2023/24. Without the SRV Council will have to start managing decline, which means levels of service may be reduced, impacting operations, maintenance and capital expenditure.

Council is not generating enough income to invest in its infrastructure. If it doesn't secure additional income from an SRV, it will have no choice but to free up existing funds by cuts to operational services as part of a 'managed decline' strategy. This is not Council's preferred option as service cuts will have significant impact on the community.

The main service consequences for Council's infrastructure assets from 2023-2024 will be: ¹

- Operational service levels are estimated to decrease which will mean significant reductions and/or removal of services,
- Core maintenance service levels may remain underfunded,
- Capital service levels cannot be funded and this is reflected against the funding requirement for asset renewal,
- The condition of infrastructure will deteriorate with reduced maintenance activities,
- Infrastructure maintenance backlog will increase, and
- It will cost more in the long term to return assets to the agreed service level.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Community growth aspirations,
- Primary agricultural,
- Renewable energy zone,
- Resource extraction and haulage,
- Climate change/Environment sustainability, and
- Market.

These demands will be addressed using a combination of managing and/or upgrading existing assets and providing new assets when needed. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

1.5 Lifecycle Management Plan

1.5.1 What does it cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years.

¹ From Resourcing Strategy, p 65.

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Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for the transport asset class is estimated as \$191 million or \$19.1 million on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$163 million or \$16.3 million on average per year as per the Long-Term Financial plan or Planned Budget. This is 85% of the cost to sustain the current level of service at the lowest lifecycle cost.

The reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated planned budget for transport assets leaves a shortfall of \$2.8 million on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the LTFP. The forecast lifecycle costs and planned budgets is shown in figure 1.6.1.

Figure 1.6.1: Forecast Lifecycle Costs and Planned Budget

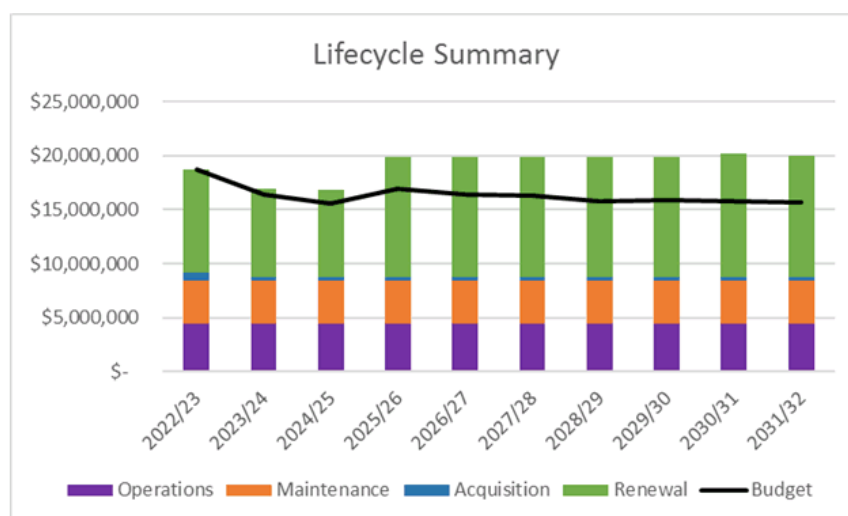


Figure values are in 2022 dollar value.

We plan to provide transport asset services for the following:

- Operation, maintenance, renewal and capital upgrade of transport assets to meet service levels set by Council in annual budgets, and
- Capital upgrades and major renewal work within the 10-year planning period.

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1.6.2 What we cannot do

We have not allocated enough budget to sustain these services at the proposed standard. The Planned budget is based on a no SRV forecast. What we cannot do: ²

- Fully fund capital upgrades and replacements,
- Mitigate all risks,
- Meet maintenance requirements of any new assets that are acquired by donation or as a result of a transfer of responsibility,
- Increase the level of operations, maintenance and renewal activities to achieve industry benchmark ratios,
- Resealing is critical to avoid costly premature pavement failure. Council has been averaging 11 kilometres per year but need to be aiming for 55 kilometres,
- Rehabilitation of failed pavements - there is 37 kilometres (\$19 million) to fix now, but without an SRV this will take 10 years or more and with continued under-investment in reseals, the rate of failures will be increasing,
- Resheeted unsealed roads ensures they are passable in the wet and have better ride quality. Council has been averaging 30 kilometres per year but need to aim for 70 kilometres,
- Grading and other maintenance (e.g. vegetation) needs to increase,
- Replacing 5 timber bridges within 10 years, repairing a number of causeways in poor condition, unblocking and repairing pipe culverts,
- Renewing 6 kilometres of footpaths now (without an SRV this will take 10 years), plus additional maintenance to address trip hazards,
- Construct missing links (18 kilometre cycleway + 11 kilometres paths are prioritised), and
- Renewal of 11 kilometre of failed kerb now, plus priority upgrades where kerb is not provided, and additional maintenance to repair smaller failed sections of kerb.

1.6.3 Managing the risks

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Road sealing and patching program budgets falling short of required,
- Drainage repair and renewal budgets underfunded to deal with defect backlog,
- The application of bridge Load limits and future possible closures of bridges across the LGA, and
- Reductions in road safety levels due to declining road and bridge conditions.

We will endeavour to manage these risks within available funding by:

- Major repair/renewal works,
- Applying for grant funding opportunities, and

² From Resourcing Strategy, p 65.

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- Assessing asset condition and prioritising works.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum and compliant service levels required,
- Budgets have been allocated based on the best available data on assets,
- Defects and repairs, renewal and upgrade will not change over time,
- Cost escalation assumed to cover increases in cost over time,
- Consistency in funding amounts guaranteed per year,
- No additional work on assets beyond what has been programmed for funding in the 10 year period,
- Demand projections are reliable and consistent with assumptions,
- Increase in assets e.g. crown land hand-over,
- Natural disaster events do not impact funding for maintenance and renewals,
- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal, and
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Alternate method was used to forecast the renewal lifecycle costs for this AMP.

This AMP is based on a low level of data confidence.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- A Levels of Service (LoS) Framework will be adopted which includes defined Customer and Technical LoS and performance measures so levels of service can be assessed and used to inform asset management planning and expenditure investment. Customer LoS and Technical LoS information will be included in future iterations of this AMP,
- A region-wide inventory of assets will be carried out to capture all data on assets. This, as well as all data recorded in the Assets database will be consolidated to link with financial information. Council is investigating various models of Enterprise Asset Management Software that have the ability to consolidate or link financial and non-financial data on all asset classes so a complete inventory of assets is maintained. This will enable assets and finance departments to access one single repository of asset information, track and monitor asset condition, ensure transparency in planning processes and plan evidence based investments. Asset registers will be used to inform the next LTFP cycle to inform future iterations of this AMP,

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- Council is currently undertaking an organisational re-structure to address resource planning. Resources will be allocated and staff will be appropriately trained to lift capability in asset management,
- The Asset Management Policy will be updated and AM Framework will be established. This will be used to inform future iterations of the AMP,
- Formal asset lifecycle management processes and systems will be implemented to improve asset management planning. This will be used to inform future iterations of the AMP,
- Formal asset management planning processes will be established across each asset group to ensure consistency in information included in the AMP,
- Customer satisfaction surveys will be undertaken to inform development of the LoS performance measured in the AMP,
- Consistent processes for asset condition assessments will be established and asset performance monitoring will be implemented to monitor, report and inform investments in future LTFP cycles and iterations of this AMP.
- Formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades will be established to inform development of long term forward works program for the LTFP and the future iterations of this AMP, and
- AMPs will be used in the future to drive expenditure in assets so the information used to develop programs of work must be evidence based with a high degree of accuracy to justify the need for the investment. Council will specify their standard requirements for future AMPs.

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2. INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Armidale Regional Council's planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Integrated Planning Framework which includes Advancing Our Region Your Community Plan 2022-2032,
- Resourcing Strategy which includes the Workforce Management Plan and Asset Management Strategy 2022, and
- The Strategic Asset Management Plan (SAMP).

Council undertook an Asset Management Maturity Assessment in July 2022. Based on a 55 (Core) target maturity level score, Council's overall AM maturity score is 32 (Basic) – i.e. minimum level processes and practices in place with a Maturity Gap of 23 points. The variance between the current and target score is 41%.

Council aims to lift its capability in asset management by addressing the gaps in AM practices identified in the Assessment. The Improvement Plan in the SAMP, contains 30 recommended improvement actions for Council achievable within 1-2 year period.

The infrastructure assets covered by this AMP include all transport assets, which are used to provide transport services. The infrastructure assets included in this plan have a total replacement value of \$456 million.

Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AMP

KEY STAKEHOLDERS	ROLE IN AMP
Councillors	<ul style="list-style-type: none"> • Represent needs of community, • Allocate resources to meet the organisation's objectives in providing services while managing risks, • Ensure organisation is financial sustainable.
General Manager	<ul style="list-style-type: none"> • Ensures ARC is aligned with the organisation's infrastructure services requirements and community expectations, • Allocate resources to meet the organisation's objectives in providing services while managing risks.
Chief Officer Assets and Services	<ul style="list-style-type: none"> • Overall responsibility for Asset Management, • Oversees Transport and other critical departments. Guides them in current and ongoing strategic direction and outlines milestones,

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KEY STAKEHOLDERS	ROLE IN AMP
	<ul style="list-style-type: none"> • Reports to Council on status of programs and projects, • Harmonise departments and develop consistence/ efficiency within the organisation, • Ensure funds are invested appropriately to ensure best value for money is delivered to the community, • Provide leadership in influencing decision making processes related to Asset Management.
Manager of Roads and Parks	<ul style="list-style-type: none"> • Oversees the Transport department in annual delivery of M&R as well as capital works, • Ensures alignment with DP, • Ensures projects and works are done to standards and budgets for each financial year, • Sets new policies and management plans for this space to meet best practice and on-going improvement.
Construction/ Works Engineer	<ul style="list-style-type: none"> • Delivery of M&R works in the field, • Contributes to development of 10yr works program, • Enforces the policies and procedures developed by management, • Coordinates and schedules works with overseers and work crews.
RMCC Project Manager	<ul style="list-style-type: none"> • Delivery of RMCC works with TfNSW, • Includes Maintenance of the state road network.
Inspectors/ Engineering technical officer	<ul style="list-style-type: none"> • Identification of defects and asset data, • Operational responsibility with regards to road safety devices and line marking.
Overseers	<ul style="list-style-type: none"> • Day to day coordination of works teams, • Use of defect information to prioritise and schedule works for M&R teams, • Delivery works issues by Works Engineer or RMCC Project Manager.
Work teams (Supervisors, team leaders, operators etc.)	<ul style="list-style-type: none"> • Delivery of works to standards and quality outlined on plans, • Provide updates back to assets team on status of works.
Quarry Manager	<ul style="list-style-type: none"> • Management of all ARC quarry resources for civil construction projects, • Budgets and resources need to be in line with Councils delivery needs and quality expectations.
Community groups and major industry	<ul style="list-style-type: none"> • Groups with common interest in areas of our community relating to accessibility, cycling, agriculture etc. Will guide details around key priorities, ongoing essential criteria, e.g. shared path preferences, minimum carriageway widths, safety concerns etc., • Be aware of levels of service and costs, • Participate in consultation processes, • Provide feedback on services.
TfNSW	<ul style="list-style-type: none"> • Network alignments, Oversight of RMCC works on the State roads.
State and Federal Government	<ul style="list-style-type: none"> • Promotes Best Practice Asset management, • Recognises the importance of LGA Assets to the community and provide funding and other assistance to sustain.
Assets Officer and Finance Team	<ul style="list-style-type: none"> • Preparation of AMP in consultation with asset owners, • Responsible for reviewing and keeping AMP up to date, • Coordinate with Asset officers and owner on the areas of need of process improvement, • Responsible for keeping asset data up to date, • Maintenance of corporate software,

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KEY STAKEHOLDERS	ROLE IN AMP
Emergency Services	<ul style="list-style-type: none"> Financial accounting for assets. Ongoing operational and emergency planning requirements.
Community	<ul style="list-style-type: none"> Be aware of levels of service and costs, Participate in consultation processes, Provide feedback on services.

Our organisational structure for service delivery from infrastructure assets is detailed below:



2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for current and future population. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to develop compliant and cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

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Key elements of the planning framework are:

- Stakeholder engagement,
- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015³
- ISO 55000⁴

³ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

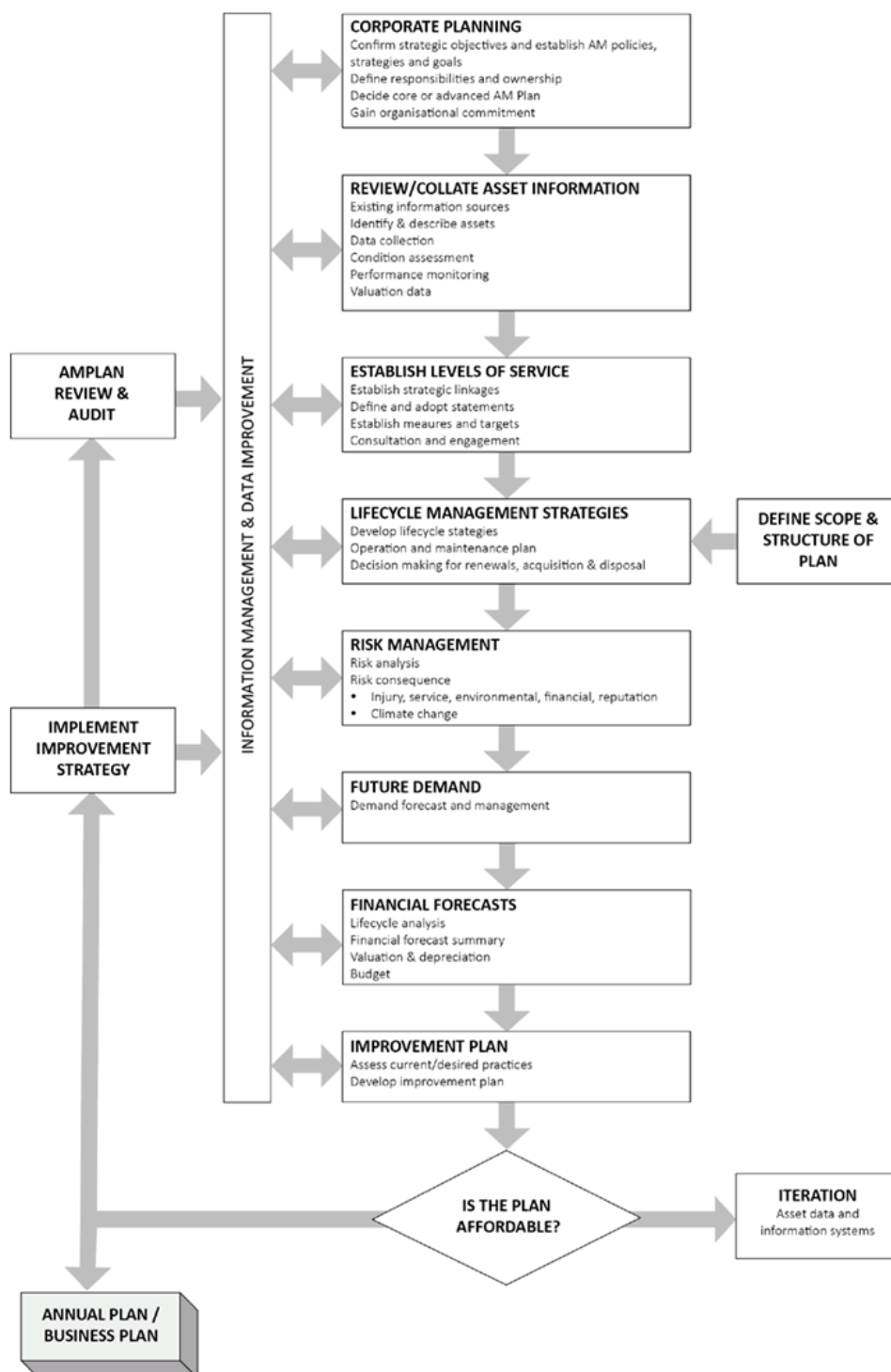
⁴ ISO 55000 Overview, principles and terminology

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A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



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3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by the Armidale Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

Management plays an important role in ensuring Council delivers the agreed levels of service to the community by allocating budgets that are informed by levels of service requirements to enable delivery of those projects that have been investigated and assessed to be of high risk to people or property.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Community vision, mission, goals and objectives.

Our vision is:

'We want a harmonious region which celebrates diversity and uniqueness of our communities, provides opportunities for all people to reach their potential, encourages engagement without environment, cultures and lifestyles while supporting growth, opportunity and innovation.'

This AMP is prepared to meet Council's purpose, visionary goal and values.

Council's purpose is:

'Together, we are proud to deliver to the highest possible standards for ARC in all that we do.'

Council's visionary goal is:

'As a result of having a high performing team, by January 2023 we will be connected across the organisation with aligned priorities.'

Council's values are:

- Inclusion
- Wellbeing
- Transparency
- Commitment

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Strategic goals have been set by Council in Advancing our Region Your Community Plan 2022-2032 and the State of The Environment Report. The Community Plan has six key pillars and within each Pillar are two goals (G1 & G2) – which are the key community aspirations that Council seeks to achieve. The AM objectives are aligned with the goals of each Pillar. The Pillars are as follows:

- P1: Thriving Region – Economy and Vision
- P2: Connected Region – Transport and Technology
- P3: Future Region – Sustainability and Resilience
- P4: Liveable Region – Places and Spaces
- P5: Enriched Region – Community and Culture
- P6: Strong Region – Engagement and Responsibility

Strategic goals have been set in Advancing Our Region Your Community Plan 2022-2032. A summary of how they are addressed in this AMP is shown in table 3.2.

Table 3.2: Goals and how these are addressed in the Asset Management Plans

GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
P1, G1. A strong economy, sustainable growth and opportunity	AMO 2. Increase the level of maintenance and renewal activities to achieve the industry benchmark renewal ratio of $\geq 100\%$.	A program of works that reflects an increase in the level of maintenance and renewal activities.
P1, G2. A destination of choice, renowned for its beauty, heritage and unique attractions		This is a Plan that will address the renewals backlog over time to extend the life of the assets, and increase maintenance activities to ensure the assets continued operation.
P2, G1. Quality infrastructure that makes it safe and easy to travel around our region		
P2, G2. Transport and technology that enable connectivity both locally and outside the region	AMO 3. Apply lifecycle principles to asset management decisions	A Plan that applies lifecycle principles in the development of the program of works for asset maintenance, renewals and capital upgrades.
P3, G1. A flourishing natural environment that is protected and enhanced		While this Plan requires an increase in investment in asset maintenance and renewals, the lifecycle approach will ensure Council is making informed decisions on its investment and achieve the value for money from its investment in the long term.
P3, G2. A clean, green, and responsible region		
P4, G1. Public spaces and infrastructure that facilitate health, community connections and opportunities		A lifecycle approach to asset management will also help Council achieve the financial sustainability over time.

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GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
<p>P4, G2. Proactive, responsible, and innovative regional planning that grows us sustainably</p> <p>P5, G1. Access to the services and support that facilitate quality of life</p> <p>P5, G2. A proud, inclusive and cohesive community that celebrates our region in all its diversity and culture</p>	<p>AMO 4. Ensure the levels of service and infrastructure agreed with the community are consistently maintained.</p>	<p>A Plan that meets the community levels of service expectations.</p> <p>While the Levels of Service measures have yet to formally adopted and agreed with the community, this Plan, has been developed with the aim of achieving a consistently high levels of service.</p>
<p>P6, G1. An informed and activity engaged community that builds partnerships and shapes its future.</p> <p>P6, G2. Strong governance and leadership that supports our region to grow and prosper.</p>	<p>AMO 1. Lift capability in asset management by 41% within 1-2 years.</p> <p>AMO 5. Lift capability and capacity of the workforce to meet the long term service commitments to the community.</p>	<p>This Plan has been developed in parallel with the establishment of an AM Framework and planned improvements in AM practice areas to lift capability in delivering asset management services.</p> <p>This is a Plan that is responsive to the needs of the community.</p> <p>This Plan is informed by the Council's Workforce Management Plan, which addresses the need to improve workforce capacity and capability to enable Council to efficiently and effectively manage its assets and meet its long term service commitments to the community.</p>

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3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of transport services are outlined in Table 3.3.

Table 3.3: Legislative Requirements

LEGISLATION	REQUIREMENT
NATIONAL	
Local Government Act	<ul style="list-style-type: none"> Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Crown Land Management Act 2016 No 58	<ul style="list-style-type: none"> Provides for the ownership, use and management of the Crown land of New South Wales, and the clarity concerning the law applicable to Crown land and the requirement of environmental, social, cultural heritage and economic considerations to be taken into account in decision-making about Crown land and to provide for the consistent, efficient, fair and transparent management of Crown land for the benefit of the people of New South Wales.
Roads Act 1993	<ul style="list-style-type: none"> Provision for open and closing of roads. The powers of local governments to maintain road and road-related assets. Rights of public to use public roads. Distribution of function amounts TfNSW and other authorities.
Australian Accounting Standards	<ul style="list-style-type: none"> Establishes the financial reporting standards for the valuation, revaluation and depreciation of assets.
Work Health and Safety Act 2011	<ul style="list-style-type: none"> Promote improvements in work health and safety practices whilst assisting in the preservation of public health and safety in all undertakings of the organisation.
Environmental Planning and Assessment Act 1979	<ul style="list-style-type: none"> Promote social and economic welfare for the community and a better environment by proper management, development and conservation of the State's natural and other resources, Facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment, Promote the orderly and economic use and development of land, Protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats, Promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage), Promote good design and amenity of the built environment, Promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants, Promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the State and to provide increased opportunity for community participation in environmental planning and assessment.

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LEGISLATION	REQUIREMENT
Protection of the Environment Operations Act 1997	<ul style="list-style-type: none"> • Protect, restore and enhance the quality of the environment in New South Wales, having regard to the need to maintain ecologically sustainable development, • Provide increased opportunities for public involvement and participation in environment protection, • Ensure that the community has access to relevant and meaningful information about pollution, • Reduce risks to human health and prevent the degradation of the environment by the use of mechanisms that promote pollution prevention and cleaner production, reduction to harmless levels of the discharge of substances likely to cause harm to the environment, elimination of harmful wastes, reduction in the use of materials and the re-use, recovery or recycling of materials, making of progressive environmental improvements, including the reduction of pollution at source and monitoring and reporting of environmental quality on a regular basis, • Rationalise, simplify and strengthen the regulatory framework for environment protection, • Improve the efficiency of administration of the environment protection legislation, • Assist in the achievement of the objectives of the Waste Avoidance and Resource Recovery Act 2001.
AS/NZS 4360 – 2004 Risk Management	<ul style="list-style-type: none"> • Provide guidance to enable public, private or community enterprises, groups and individuals to achieve (I) a more confident and rigorous basis for decision-making and planning, (II) better identification of opportunities and threats, and (III) gaining value from uncertainty and variability.
LOCAL	
Community Strategic Plan	<ul style="list-style-type: none"> • It is a 10-year plan that aims to clearly identify the community's main priorities and future aspirations, and the strategies required to achieve them.
Delivery Program 2022-2026	<ul style="list-style-type: none"> • A program of Council-led initiatives, across four years, that achieve the strategies of the Community Plan that are in Council's remit
Resourcing Strategy	<ul style="list-style-type: none"> • A set of plans and strategies that ensure Council has the necessary resources and assets, and that Council plans for the future accordingly
Operation Plan	<ul style="list-style-type: none"> • An annual plan of actions that support the Delivery Program and includes the annual budget allocations to support the activities to be undertaken
Walking and Cycling Strategy	<ul style="list-style-type: none"> • Identifies a walking and cycling strategy for the region to identify the areas for upgrade and extension.
Procurement Strategy	<ul style="list-style-type: none"> • The way in Which ARC procure and engage with the market for resources and services.
Engineering Code	<ul style="list-style-type: none"> • Engineering standards for construction and replacement. Set out of material specifications, sequences of works, key dimensions etc. which must be followed.
Roads Management Strategic Plan	<ul style="list-style-type: none"> • A document outlining the ways in which council can provide its LoS for roads. Ways in which road improvements are to take place. Detailing of Levels of service.

TRIM: TBA

3.4 Customer Values

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

Customer Values indicate:

- What aspects of the service is important to the customer,
- Whether they see value in what is currently provided, and
- The likely trend over time based on the current budget provision.

Community consultation has been undertaken for the preparation of the new long term community strategic plan and outcomes of the consultation and the values have been defined as follows:

What customer love and value about our region:

1. Our Natural Environment – our climate, seasons, natural beauty, Wildlife and National Parks.
2. Our Location – Halfway between Sydney and Brisbane, and a short drive to the Coast.
3. Our Community – The people diversity and volunteers that make up our community.
4. Parks and Playgrounds – Our many beautiful outdoor spaces including parks, gardens and local playgrounds.
5. Arts and Culture and Heritage – Beautiful architecture, local history and the many arts organisations, events and performances in the region.
6. Education and Training – Long established university, TAFE digital hub, and variety of local schools.

Our community's 2032 vision for our Region (ranked in priority order):

1. Economically robust
2. Environmentally sustainable
3. Led through good governance
4. Strong tourism sector
5. A cohesive community

What the community wants improved in our Region (ranked in priority order):

1. Transport and Infrastructure
2. Environmental Sustainability
3. Economic Development
4. Shopping
5. Tourism

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3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

- **Condition** How good is the service ... what is the condition or quality of the service?
- **Function** Is it suitable for its intended purpose Is it the right service?
- **Capacity/Use** Is the service over or under used ... do we need more or less of these assets?

Customer Level of Service for transport including performance measures have not yet been agreed and adopted by Council. A Levels of Service review will be included as an improvement action within this AMP.

3.6 Technical Levels of Service

To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new road)
- **Operation** – the regular activities to provide services (e.g. contractors, salaries, inspections, etc.)
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading)
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. road resurfacing and pavement reconstruction and pipeline replacement).

Council's Roads Management Strategic Plan outlines the Levels of Service for each area under transport. Three different LoS options for each activity were developed and costed. Option 1 gives the highest level of service and Option 3 gives the lowest level of service. For example, for routine bitumen patching of rural roads, Option 1 provides for 60 weeks per year for a patching unit, Option 2 provides for 52 weeks per year and Option 3 for 42 weeks per year based on three different performance outcomes. Hence the cost of each option reflects the resources and work effort of each.

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In 2017 the levels of service were as follows:

- Resealing interval of 15 years,
- Maintenance grading to take place twice a year on class B roads and Bus routes and once on all other roads,
- Re-sheeting to take place once every 20 years for class B roads, 22 years for class C roads and 25 years for class D roads,
- Stock-grid ownership and maintenance – to be resolved by engagement and development of a new policy, and
- Unsealed roads maintenance.

Table 3.6 shows the activities expected to be provided under the current 10 year planned budget allocation, and the forecast activity requirements being recommended in this AMP.

Table 3.6: Technical Levels of Service

ACTIVITY	PERFORMANCE MEASURE	1			2			3		
		OUTCOME	RESOURCES REQUIRED	COST	OUTCOME	RESOURCES REQUIRED	COST	OUTCOME	RESOURCES REQUIRED	COST
Asset inspections	Defects and risks to vehicles identified promptly	Daylight inspections all roads once per year, night inspections once every two years	80 Overseer days per year	\$42,304	Daylight inspections on Class B and C streets once per year, night inspections once every three years	75 Overseer days per year	\$39,660	Daylight inspections on Class B and C streets once per year, no night inspections	52 Overseer days per year	\$27,498
Routine bitumen patching	Seal integrity is maintained due to patching frequency	Size of potholes does not exceed 100mm in diameter	38 patching unit weeks per year	\$218,766	Potholes do not exceed 200mm in diameter	33 patching unit weeks per year	\$189,981	Patching is carried out on an area rotational basis	26 patching unit weeks per year	\$149,682
Signs and roadside furniture maintenance	Percentage of signage meeting current standards	Less than 5% signs with defects. Regulatory signs are assigned priority and reinstated asap.	40 weeks for a dedicated signs M&R crew per year	\$82,560	Less than 7% signs with defects. Regulatory signs reinstated within 2 work days	36 weeks for a dedicated signs M&R crew per year	\$74,304	Less than 10% signs with defects. Regulatory signs reinstated within 3 work days	30 weeks for a dedicated signs M&R crew per year	\$61,920
Corridor drainage maintenance	Efficiency of drains and K&G to divert stormwater away from properties	All drains are effective in diverting stormwater	10 weeks per year for a dedicated drainage crew	\$59,310	Most drains are effective in diverting stormwater	8 weeks per year for a dedicated drainage crew	\$47,448	Larger drains are effective in diverting stormwater	6 weeks per year for a dedicated drainage crew	\$35,586

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4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as demographic change, regulations, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 4.3.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management

DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
Community growth aspirations	Current population of 29,700.	Aspirational growth of 4,000 additional jobs by 2040. Regional growth of 25% over the next 10 years.	Potential capacity constraints. Increased quantity of traffic over all roads. Major intersection changes and new assets from developments. Increase in defect management costs and severity.
Primary agricultural	Incremental growth in next five years .	Expected to continue.	Continued transport vehicle movement of produce from farms to distribution centres or between farm holdings.

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DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
Renewable energy zone	Increase in construction and small vehicle movements to development sites.	Expected increase over the next 5 years.	Potential capacity constraints. Increased loading over rural sealed and unsealed roads. Major intersection changes from developments. Increase in defect management costs and severity.
Resource extraction and haulage	Increase in haulage of crushed gravels and materials. Increase in number of extraction operations.	Minor increase over next 5 years.	Deterioration of access roads and local roads for quarry truck/associated services travel. Increased deterioration of road asset as traffic loading characteristics change.
Climate change/Environment sustainability	Environmental and waste obligations are up to date and with current legislation.	Increase the number of sustainable practices and strategies expected. Increase in frequency of damaging weather events and severity.	Increased costs. Increased expectation from community around resilient assets. Additional costs for renewals.
Market	Increasing cost of materials and services.	Continued increased for coming years.	Increased costs of operations and maintenance. Reduced capacity to deliver renewals. Increasing deterioration of assets.

4.4 Asset Programs to meet Demand

New assets required to meet demand may be acquired, donated or constructed. Additional assets are presented in appendix B.

Acquiring new assets will commit the Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan.

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.⁵

⁵ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

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As a minimum we consider how to manage our existing assets given potential climate change impacts for our region⁶.

Risk and opportunities identified to date are shown in Table 4.5.

Table 4.5 Managing the Impact of Climate Change on Assets and Services

CLIMATE CHANGE DESCRIPTION	PROJECTED CHANGE	POTENTIAL IMPACT ON ASSETS AND SERVICES	MANAGEMENT
Higher / recurrent rainfall events	High rainfall and increasing rainfall days annually. Rainfall more frequent causing recurrent flood events.	Drainage systems may not have sufficient capacity to manage flood events. These can potentially result in damage to transport assets and potential disruption of services.	Improve strategies to manage flood events.
Temperature variation	Warmer summer and colder winters	Large temperature variations causing extreme temperature conditions which could impact on road pavements potentially causing accidents, injury and disruption of services.	Maintain road pavements that adapt to extreme temperature conditions.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change,
- Services can be sustained, and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AMP.

⁶ Council has yet to develop asset resilience strategies for its assets.

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5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

This AMP included all transport assets, excluding stormwater assets. It has a current replacement cost of \$456 million. Currently, there is no single asset register that includes all assets in this asset group. This is an improvement action for this AMP.

5.1.2 Asset age profile

Construction dates of transport assets, are not available. Asset age profile cannot be provided for this AMP. Construction dates will need to be captured in a region-wide exhaustive inventory of assets, which is an improvement action for Council. Once construction dates are available, an Age Profile Graph can be provided in future revisions of this AMP.

5.1.3 Asset capacity and performance

Assets are generally required to meet design standards where available. However, there is insufficient resources to address all known deficiencies. Information on service deficiencies is not available. This is an improvement action for this AMP.

5.1.4 Asset condition

Condition is currently monitored informally and since cyclic condition inspections of all asset classes are not a regular practice, there exists a low data confidence in current condition of assets. Overall transport assets are not regularly inspected, monitored or assessed. This is an improvement action for Council and will be addressed when Council implements its asset lifecycle approach to management of assets.

Condition is measured using a 1 – 5 grading system⁷ as detailed in Table 5.1.4. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

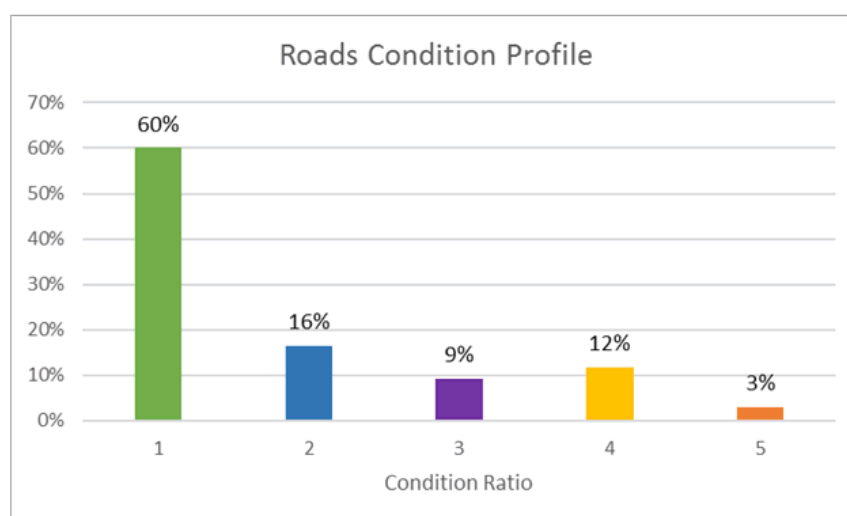
⁷ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

TRIM: TBA

Table 5.1.4: Condition Grading System

CONDITION GRADING	DESCRIPTION OF CONDITION
1	Very Good: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Fair: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely
5	Very Poor: physically unsound and/or beyond rehabilitation, immediate action required

In the transport department, Council currently only has data on the condition profile of sealed and unsealed roads, bridges, footpaths and bulk earthworks assets. The condition profile of these assets are determined as a percentage of gross replacement cost, according to the annual financial statement from June 2021. Transport assets condition profile is shown in Figure 5.1.4.

Figure 5.1.4: Asset Condition Profile⁸

As identified in the Asset Management Maturity Assessment Report, Council does not have a centralised asset register. Data is held in separate locations and there is no clear and regulated audit trail between data sets. As a consequence, condition ratings used for operational purposes do not match condition ratings for financial reporting purposes, distorting the condition ratings. The condition ratings provided are aligned with Council's financial reporting requirements however

⁸ Report on infrastructure assets, Audited Financial Statement, June 2021 p. 10.

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Council inspections and operational feedback is indicating that the condition of most of Council's asset classes are lower than indicated. The condition ratings for this asset class are an example of that trend.

The target intervention level for transport assets is Condition 3, however this is subject to the proposed treatment and priority/hierarchy of the asset within its class.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include traffic management services and planning and reporting services.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include asphalt patching, re-surfacing and pothole repairs.

The trend in maintenance budgets are shown in Table 5.2.

Table 5.2: Maintenance Budget Trends

YEAR	MAINTENANCE BUDGET
FY 2020-2021	\$4,202,000
FY 2021-2022	\$5,581,000
FY 2022-2023	\$4,018,447

Maintenance budget levels are considered to be inadequate to meet projected service levels. Where maintenance budget allocations are such that they will result in a lesser LoS, the service consequences and service risks have been identified and are highlighted in this AMP.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

5.2.1 Asset hierarchy

An asset hierarchy is a logical index of all equipment, machines, and components, and how they work together. It is critical for understanding how action on one asset affects other assets, establishing a parent-child relationship amongst multiple assets. Building and understanding the asset hierarchy is critical to efficiently track, schedule, and identify the root causes of problems.

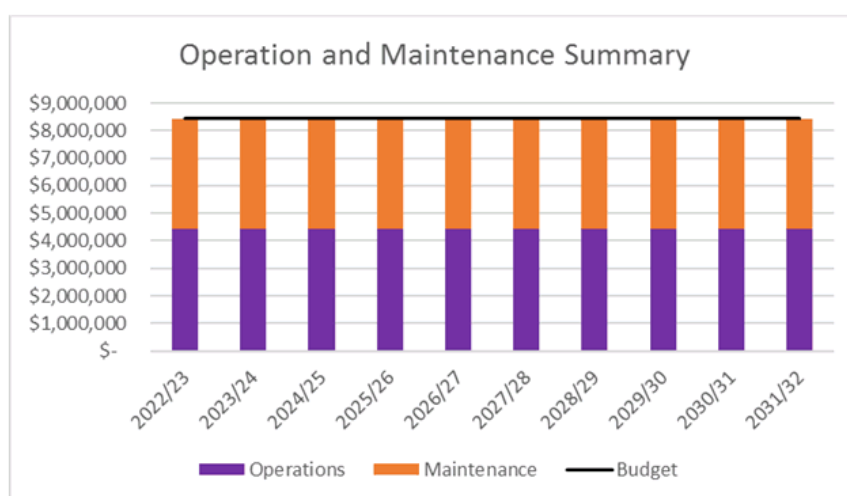
The asset hierarchy is unavailable and is an improvement action for this AMP.

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5.2.2 Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs may increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2.2: Operations and Maintenance Summary



All forecast values are shown in 2022 dollar value

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

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The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3.

Table 5.3: Useful Lives of Assets

ASSET (SUB) CATEGORY	USEFUL LIFE
Fleet	5 years
Sealed roads: surface	20 years
Sealed roads: structure	20-40 years
Unsealed roads	20 years
Bridge: Concrete	100 years
Bridge: other	50 years
Road pavements	60 years
Kerb, gutter and footpath	40 years

The estimates for renewals in this AMP were based on the alternate method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. resheeting a sealed road), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a bridge).

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁹

Currently there is no ranking criteria established for transport assets. This an improvement action for this AMP.

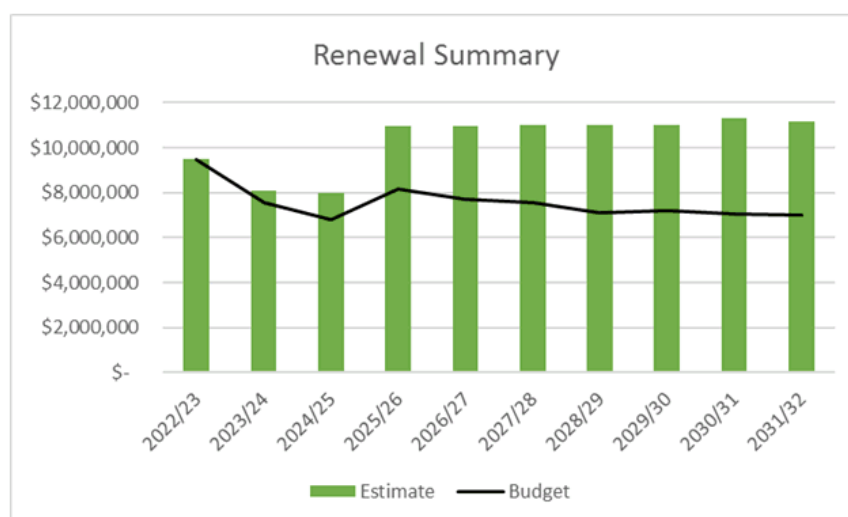
⁹ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

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5.3.2 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.3.2. A detailed summary of the forecast renewal costs is shown in Appendix C.

Figure 5.3.2: Forecast Renewal Costs



All forecast values are shown in 2022 dollar value.

5.4 Acquisition Plan

Acquisition reflects new assets that did not previously exist or works that will upgrade or improve an existing asset beyond its current capacity. It may be a result of growth, demand, social or environmental needs. Assets may also be donated to ARC.

5.4.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Council needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes.

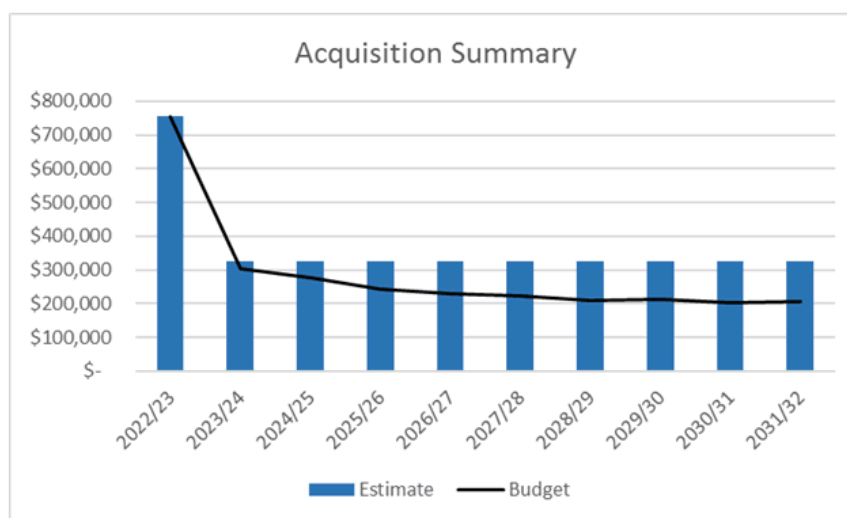
Priority ranking criteria for acquired assets is currently only available for Road Upgrades from Unsealed to Sealed roads. Other asset class acquisition is an improvement action for Council.

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5.4.2 Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.4.2 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix B.

Figure 5.4.2: Acquisition Summary



All forecast values are shown in 2022 dollar value.

Committing to new assets implies committing to future operating, maintenance and renewal costs. Future depreciation must also be taken into account when analysing long-term sustainability. Regarding the long-term impacts of acquiring assets. Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. There are no forecast disposals in the LTFP to be reported in this AMP.

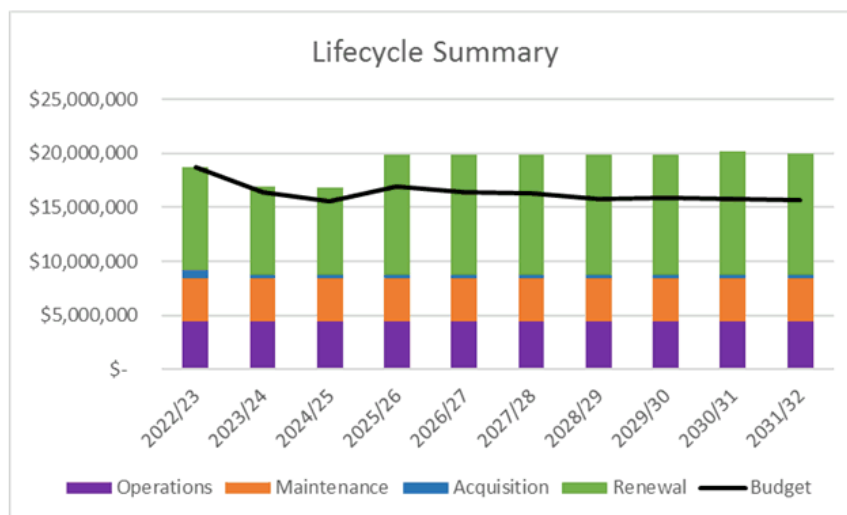
5.6 Summary of asset forecast costs

The financial projections of this AMP are shown in Figure 5.6 and detailed in Appendix A. These projections include forecast costs of acquisition, operation, maintenance, renewal, and disposal. The forecast costs are displayed in relation to the proposed budget.

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The forecast costs are represented by the bars, while the proposed budget line indicates the estimated available funding (no SRV) for the next 10 years. The gap between the forecast and the proposed budget is the basis of the SRV proposal to meet the financial need to cover all projects planned for the next 10 years.

Figure 5.7: Lifecycle Summary



All forecast values are shown in 2022 dollar value.

The proposed budget for the projects included in the 10-year planning corresponds to the expected costs, since all projects presented are essential to keep transport assets sector operating, as well as its level of service. If there are new acquisitions, renewals, or changes to the 10-year plan, these will be added to future updates of this AMP.

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6. RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’.¹⁰

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1: Critical Assets

CRITICAL ASSETS	CRITICAL FAILURE MODE	OPERATIONS & MAINTENANCE ACTIVITIES
Bridges	Failure to cater for loading requirements	Property or infrastructure damage, risk of major unplanned expenditure to council due to asset failure or damage. Safety risk. Disruption to services.
Roads	Unsuitable for travel. Unsafe.	Property or infrastructure damage, risk of major unplanned expenditure to council due to asset failure or damage. Safety risk. Disruption to services.
Roadside drainage	Blockages, damage from trees/vegetation. Sedimentation or storm damage	Property or infrastructure damage, risk of major unplanned expenditure to council due to asset failure or damage. Safety risk. Disruption to services.

¹⁰ ISO 31000:2009, p 2

TRIM: TBA

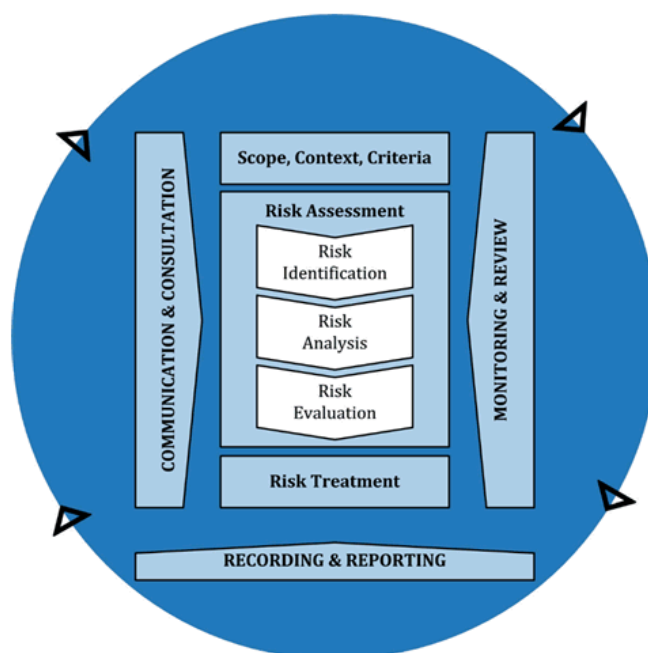
6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

Figure 6.2: Risk Management Process – Abridged



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan.¹¹ The

¹¹ An Infrastructure Risk Management Plan has yet to be developed in accordance with Council's Risk Policy. This is an improvement action for Council.

TRIM: TBA

residual risk of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

Table 6.2: Risks and Treatment Plan

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN	RESIDUAL RISK*
All transport assets	Market conditions untenable for contractor engagement	H	Establish pool of prequalified contractors	H
All transport assets	Lack of internal labour/resource availability to deliver works and maintenance	H	Staff recruitment	H
All transport assets	Community expectation not met due to lack of funding	H	Contingency planning and resource management	M
All transport assets	Assumptions on our renewals not meeting needs/expectations around renewal rates change	H	Engage Consultants to assess renewal needs	M

Note * the residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service. Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership have yet to be undertaken and developed by Council.

ARC currently do not measure resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

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6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Fully fund capital upgrades and replacements,
- Mitigate all risks,
- Meet maintenance requirements of any new assets that are acquired by donation or contribution,
- Increase the level of operations, maintenance and renewal activities to achieve industry benchmark ratios,
- Resealing is critical to avoid costly premature pavement failure. Council has been averaging 11 kilometres per year but need to be aiming for 55 kilometres,
- Rehabilitation of failed pavements - there is 37 kilometres (\$19 million) to fix now, but without an SRV this will take 10 years or more and with continued under-investment in reseals, the rate of failures will be increasing,
- Resheeting unsealed roads to ensure they are passable in the wet and have better ride quality. Council has been averaging 30 kilometres per year but need to aim for 70 kilometres,
- Grading and other maintenance (e.g. vegetation) needs to increase,
- Replacing 5 timber bridges within 10 years, repairing a number of causeways in poor condition, unblocking and repairing pipe culverts,
- Renewing 6 kilometres of footpaths now (without an SRV this will take 10 years), plus additional maintenance to address trip hazards,
- Construct missing links (18 kilometre cycleway + 11 kilometres paths are prioritised), and
- Renewal of 11 kilometre of failed kerb now, plus priority upgrades where kerb is not provided, and additional maintenance to repair smaller failed sections of kerb.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Road sealing and patching program budgets falling short of required,
- Drainage repair and renewal budgets underfunded to deal with defect backlog,
- The application of bridge load limits and future possible closures of bridges across the LGA, and
- Reductions in road safety levels due to declining road and bridge conditions.

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Council will need to prioritise maintenance and renewal works to components that have a very high safety risks and defer work components with low to medium safety risks. This will mean that any community complaints on these components or additional service requests will not be attended to due to the lack of funds.

These actions and expenditures are considered and included in the forecast costs, and the Risk Infrastructure Management Plan.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- Asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- Medium term forecast costs/proposed budget (over 10 years of the planning period).

7.1.2 Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have $\geq 100\%$ of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix C.

7.1.3 Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$191 million, while the budget for the same period is \$163 million. This creates a shortfall of \$28 million over the 10 year planning period. This indicates that 85% of the forecast costs needed to provide the reduced services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

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7.1.4 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.4 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the gap by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Table 7.1.4: Forecast Costs (Outlays) for the Long-Term Financial Plan

YEAR	ACQUISITIONS	OPERATIONS	MAINTENANCE	RENEWALS	TOTAL
2022	\$754,301	\$4,411,000	\$4,018,000	\$9,480,000	\$18,663,301
2023	\$325,000	\$4,411,000	\$4,018,000	\$8,097,181	\$16,851,181
2024	\$325,000	\$4,411,000	\$4,018,000	\$7,992,321	\$16,746,321
2025	\$325,000	\$4,411,000	\$4,018,000	\$10,975,713	\$19,729,713
2026	\$325,000	\$4,411,000	\$4,018,000	\$10,976,053	\$19,730,053
2027	\$325,000	\$4,411,000	\$4,018,000	\$11,017,673	\$19,771,673
2028	\$325,000	\$4,411,000	\$4,018,000	\$10,995,033	\$19,749,033
2029	\$325,000	\$4,411,000	\$4,018,000	\$11,004,113	\$19,758,113
2030	\$325,000	\$4,411,000	\$4,018,000	\$11,318,793	\$20,072,793
2031	\$325,000	\$4,411,000	\$4,018,000	\$11,161,453	\$19,915,453
TOTALS	\$3,679,301	\$44,110,000	\$40,180,000	\$103,018,333	\$190,987,634

Forecast costs are shown in 2022 dollar value.

7.2 Funding Strategy

The proposed funding for assets is outlined in Council's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

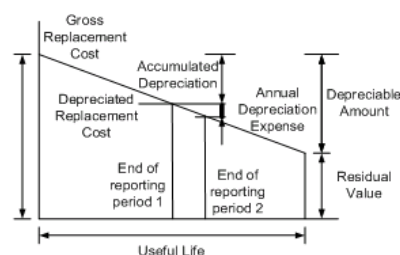
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7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value at cost to replace service capacity:

Replacement Cost (Current/Gross)	\$456,045,000
Depreciable Amount	\$243,497,000
Depreciated Replacement Cost ¹²	\$69,421,000
Depreciation	\$5,104,000



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum service levels required,
- Budgets have been allocated based on the best available data on assets,
- Defects and repairs, renewal and upgrade will not change over time,
- Cost escalation assumed to cover increases in cost over time,
- Consistency in funding amounts guaranteed per year,
- No additional work on assets beyond what has been programmed for funding in the 10 year period,
- Demand projections are reliable and consistent with assumptions,
- Increase in assets e.g. crown land hand-over,
- Natural disaster events do not impact funding for maintenance and renewals,

¹² Also reported as Written Down Value, Carrying or Net Book Value.

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- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal, and
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A - E level scale¹³ in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

CONFIDENCE GRADE	DESCRIPTION
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AMP

DATA	CONFIDENCE ASSESSMENT	COMMENT
Demand drivers	B	Based on current documents, plans and commitments. Some aspects may change as a result of market or political forces.
Growth projections	D	Although aspiration jobs/population growth targets are committed to by Council these will be subject to successive councils, markets forces and a number of large unknowns.

¹³ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

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DATA	CONFIDENCE ASSESSMENT	COMMENT
Operations expenditures	D	Historical and industry data
Maintenance expenditures	C/D	Field data is poorly managed and accomplishments are not tracked. Council needs investment in this space to obtain real work condition. Some work from ARRB and similar companies has been undertaken to assess sealed and unsealed road pavement conditions.
Projected Renewal - Asset values	C	Assets are likely missing from the register. Previous work costings are poorly recorded and renewal rates likely undervalued.
- Asset residual values	E	Unknown
- Asset useful lives	E	Unknown
- Condition modelling	E	Unknown
- Network renewals	E	Unknown
- Defect repairs	D	Data is currently on spreadsheets and accomplishments poorly recorded. Total quantity of defect, the actual severity and annual accomplishment rates have poor accuracy. Hence, budgets are likely poorly informed.
Upgrade/New expenditures	E	Unknown
Disposal expenditures	E	Unknown

The estimated confidence level and reliability of data used in this AMP are considered low confidence.

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8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁴

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is Technology One.

8.1.2 Asset management data sources

This AMP also utilises asset management data from Council asset records.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
1	Investigate service deficiencies of all assets and document it in future iterations of this AMP.	Transport Manager	Transport Manager, contractors	2022-24
2	Carry out resilience assessment of assets and formalise resilience strategies for adoption by Council. Document in future iterations of this AMP.	Transport Manager	Transport Manager, contractors	2022-24
3	Prepare Infrastructure Risk Management Plan in accordance with Council's Risk Policy and risk management procedures. Plan to be informed by the assessment of risks of the transport asset class.	Transport Manager	Transport Manager, contractors	2022-24
4	Assess criticality of assets. By identifying critical assets and failure modes Council can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets. Document in future iterations of this AMP.	Transport Manager	Transport Manager, contractors	2022-24

¹⁴ ISO 55000 Refers to this as the Asset Management System

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
5	Develop and implement a road asset service hierarchy. This will provide a framework to assist in data collection, reporting and decision making. Document in future iterations of this AMP.	Transport Manager	Transport Manager, contractors	2022-24
6	Develop and implement ranking criteria for asset renewal and acquisition. Document in future iterations of this AMP.	Transport Manager	Transport Manager, contractors	2022-24
7	Adopt a Levels of Service Framework which include defined Customer and Technical LoS and performance measures and incorporate in future iterations of this AMP.	Transport Manager	Assets, Transport Manager	2022-24
8	Council to invest in Enterprise Asset Management Software that links assets data with financial information. The assets department needs to take ownership of the system, record and manage asset data and activities, and maintain complete and accurate inventory of assets. Incorporate in next AMP update.	Chief Officer Corporate and Community	Finance and corporate management	2022-24
9	Allocate resources and train staff to lift capability in asset management. Define roles and responsibilities to manage assets, systems and monitor development and implementation of the AMP.	Corporate management	Assets, finance and corporate management	2022-24
10	Communicate asset valuation results to designated asset planners so these can be used to inform planning of renewal activities in forward works program. Monitor AMP implementation.	Assets	Assets and finance	2022-24
11	Update Asset Management Policy and establish AM Framework. Incorporate in next AMP update.	Assets	Assets, finance and corporate management	2022-24
12	Establish asset lifecycle management processes and set up systems to implement life cycle approaches in asset management planning. Incorporate in future iterations of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
13	Establish standard asset management planning processes across the organization to ensure consistency in the information generated within each department.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
14	Carry out customer satisfaction surveys to inform the development of levels of	Communications	Communications, Assets and	2022-24

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
	service performance measured by Council.		Transport Manager	
15	Establish formal processes to assess asset condition and asset performance monitoring. These will be used to plan investments in the LTFP and future iterations of this AMP.	Transport Manager, Assets	Assets and finance	2022-24
16	Set up formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades to inform development of long term forward works program for the LTFP and incorporate in the next iteration of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
17	AMPs in the future will be used to drive expenditure in assets so the information used to develop the works programs must be evidence based with a high degree of accuracy to justify the need for the investment. Council must set their standard requirements for AMPs.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within 2 years of each Armidale Regional Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The number of complaints and requests for service,
- The number of issues resolved,
- The response time to address issues and complaints, and
- The change in backlog, asset maintenance and renewal ratios.

TRIM: TBA

9. REFERENCES

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- Armidale Regional Council, Advancing Our Region, Your Community Strategic Plan 2022-2032
- Armidale Regional Council, Engineering Code Design Specification 2016
- Armidale Regional Council, Long Term Financial Plan Budgets 2022-2032
- Armidale Regional Council, Resourcing Strategy 2022

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10. APPENDICES

10.1 Appendix A - Expenditure Forecast 2022-2032

TRANSPORT

10 Year forecast 2022-2032

ACTIVITY	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total 10 Years
OPERATIONS & MAINTENANCE											
Operations	\$ 4,411,000	\$ 4,411,000	\$ 4,411,000	\$ 4,411,000	\$ 4,411,000	\$ 4,411,000	\$ 4,411,000	\$ 4,411,000	\$ 4,411,000	\$ 4,411,000	\$ 44,110,000
Maintenance	\$ 4,018,000	\$ 4,018,000	\$ 4,018,000	\$ 4,018,000	\$ 4,018,000	\$ 4,018,000	\$ 4,018,000	\$ 4,018,000	\$ 4,018,000	\$ 4,018,000	\$ 40,180,000
Sub-total Operations & Maintenance	\$ 8,429,000	\$ 8,429,000	\$ 8,429,000	\$ 8,429,000	\$ 8,429,000	\$ 8,429,000	\$ 8,429,000	\$ 8,429,000	\$ 8,429,000	\$ 8,429,000	\$ 84,290,000
RENEWALS											
All transport assets	\$ 9,480,000	\$ 8,097,181	\$ 7,992,321	\$10,975,713	\$10,976,053	\$11,017,673	\$10,995,033	\$11,004,113	\$11,318,793	\$11,161,453	\$ 103,018,333
Sub-total Renewals	\$ 9,480,000	\$ 8,097,181	\$ 7,992,321	\$10,975,713	\$10,976,053	\$11,017,673	\$10,995,033	\$11,004,113	\$11,318,793	\$11,161,453	\$ 103,018,333
UPGRADE & NEW											
All transport assets	\$ 754,301	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 3,679,301
Sub-total Upgrade & New	\$ 754,301	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 325,000	\$ 3,679,301
Total	\$18,663,301	\$16,851,181	\$16,746,321	\$19,729,713	\$19,730,053	\$19,771,673	\$19,749,033	\$19,758,113	\$20,072,793	\$19,915,453	\$ 190,987,634

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10.2 Appendix B - Acquisition Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE '000
2022	1	Road Safety Program	\$50
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$272
	4	Kerb & Gutter New	\$60
	5	Guyra Main St	\$322
2022	TOTAL		\$754
2023	1	Road Safety Program	\$100
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$115
	4	Kerb & Gutter New	\$60
2023	TOTAL		\$325
2024	1	Road Safety Program	\$100
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$115
	4	Kerb & Gutter New	\$60
2024	TOTAL		\$325
2025	1	Road Safety Program	\$100
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$115
	4	Kerb & Gutter New	\$60
2025	TOTAL		\$325
2026	1	Road Safety Program	\$100
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$115
	4	Kerb & Gutter New	\$60
2026	TOTAL		\$325
2027	1	Road Safety Program	\$100
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$115
	4	Kerb & Gutter New	\$60
2027	TOTAL		\$325
2028	1	Road Safety Program	\$100
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$115
	4	Kerb & Gutter New	\$60
2028	TOTAL		\$325
2029	1	Road Safety Program	\$100
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$115

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	4	Kerb & Gutter New	\$60
2029	TOTAL		\$325
2030	1	Road Safety Program	\$100
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$115
	4	Kerb & Gutter New	\$60
2030	TOTAL		\$325
2031	1	Road Safety Program	\$100
	2	Lower Cost Road Upgrades	\$50
	3	Footpaths New	\$115
	4	Kerb & Gutter New	\$60
2031	TOTAL		\$325

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10.3 Appendix C - Renewal Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE '000
2022	1	Gravel Resheeting	\$ 802
	2	Urban Resealing	\$ 900
	3	Rural Resealing	\$ 1,040
	4	Rural Road Segment Rehabilitation	\$ 1,000
	5	Bridge Renewal or Repair	\$ 250
	6	Causeway Renewal Program	\$ 200
	7	Kerb & Gutter Renewal Program	\$ 530
	8	Footpath Renewal program	\$ 205
	9	Cycleway Renewal	\$ 60
	10	Regional Roads	\$ 368
	11	Road Rehabilitation TBC	\$ 800
	12	Bakers/Boorolong/Lambs Bridge Replacement	\$ 2,084
	13	Kelly's Plain Road rehabilitation	\$ 1,242
2022	TOTAL		\$ 9,480
2023	1	Gravel Resheeting	\$ 1,300
	2	Urban Resealing	\$ 821
	3	Urban Heavy Patching	\$ 257
	4	Rural Resealing	\$ 1,544
	5	Rural Heavy Patching	\$ 267
	6	Urban Road Rehabilitation	\$ 1,400
	7	Rural Road Segment Rehabilitation	\$ 1,118
	8	Bridge Renewal or Repair	\$ 250
	9	Causeway Renewal Program	\$ 117
	10	Kerb & Gutter Renewal Program	\$ 344
	11	Footpath Renewal program	\$ 232
	12	Cinders Lane line marking and carpark renewal	\$ 80
	13	Regional Roads	\$ 368
2023	TOTAL		\$ 8,097
2024	1	Gravel Resheeting	\$ 1,300
	2	Urban Resealing	\$ 676
	3	Urban Heavy Patching	\$ 402
	4	Rural Resealing	\$ 1,512
	5	Rural Heavy Patching	\$ 300
	6	Urban Road Rehabilitation	\$ 1,400
	7	Rural Road Segment Rehabilitation	\$ 1,118
	8	Bridge Renewal or Repair	\$ 250
	9	Causeway Renewal Program	\$ 92
	10	Kerb & Gutter Renewal Program	\$ 344
	11	Footpath Renewal program	\$ 182
	12	Cycleway Renewal	\$ 50

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	13	Regional Roads	\$ 368
2024	TOTAL		\$ 7,992
2025	1	Gravel Resheeting	\$ 2,874
	2	Urban Resealing	\$ 1,048
	3	Urban Heavy Patching	\$ 29
	4	Rural Resealing	\$ 1,512
	5	Rural Heavy Patching	\$ 300
	6	Urban Road Rehabilitation	\$ 2,844
	7	Rural Road Segment Rehabilitation	\$ 1,118
	8	Bridge Renewal or Repair	\$ 250
	9	Causeway Renewal Program	\$ 57
	10	Kerb & Gutter Renewal Program	\$ 344
	11	Footpath Renewal program	\$ 232
	12	Regional Roads	\$ 368
2025	TOTAL		\$ 10,976
2026	1	Gravel Resheeting	\$ 2,874
	2	Urban Resealing	\$ 977
	3	Urban Heavy Patching	\$ 100
	4	Rural Resealing	\$ 1,512
	5	Rural Heavy Patching	\$ 300
	6	Urban Road Rehabilitation	\$ 2,844
	7	Rural Road Segment Rehabilitation	\$ 1,118
	8	Bridge Renewal or Repair	\$ 250
	9	Causeway Renewal Program	\$ 57
	10	Kerb & Gutter Renewal Program	\$ 344
	11	Footpath Renewal program	\$ 182
	12	Cycleway Renewal	\$ 50
	13	Regional Roads	\$ 368
2026	TOTAL		\$ 10,976
2027	1	Gravel Resheeting	\$ 2,874
	2	Urban Resealing	\$ 977
	3	Urban Heavy Patching	\$ 100
	4	Rural Resealing	\$ 1,512
	5	Rural Heavy Patching	\$ 300
	6	Urban Road Rehabilitation	\$ 2,844
	7	Rural Road Segment Rehabilitation	\$ 1,118
	8	Bridge Renewal or Repair	\$ 250
	9	Causeway Renewal Program	\$ 99
	10	Kerb & Gutter Renewal Program	\$ 344
	11	Footpath Renewal program	\$ 232
	12	Regional Roads	\$ 368
2027	TOTAL		\$ 11,018
2028	1	Gravel Resheeting	\$ 2,874
	2	Urban Resealing	\$ 977
	3	Urban Heavy Patching	\$ 100

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	4	Rural Resealing	\$ 1,512
	5	Rural Heavy Patching	\$ 300
	6	Urban Road Rehabilitation	\$ 2,844
	7	Rural Road Segment Rehabilitation	\$ 1,118
	8	Bridge Renewal or Repair	\$ 250
	9	Causeway Renewal Program	\$ 76
	10	Kerb & Gutter Renewal Program	\$ 344
	11	Footpath Renewal program	\$ 182
	12	Cycleway Renewal	\$ 50
	13	Regional Roads	\$ 368
2028	TOTAL		\$ 10,995
2029	1	Gravel Resheeting	\$ 2,874
	2	Urban Resealing	\$ 977
	3	Urban Heavy Patching	\$ 100
	4	Rural Resealing	\$ 1,512
	5	Rural Heavy Patching	\$ 300
	6	Urban Road Rehabilitation	\$ 2,844
	7	Rural Road Segment Rehabilitation	\$ 1,118
	8	Bridge Renewal or Repair	\$ 250
	9	Causeway Renewal Program	\$ 85
	10	Kerb & Gutter Renewal Program	\$ 344
	11	Footpath Renewal program	\$ 232
	12	Regional Roads	\$ 368
2029	TOTAL		\$ 11,004
2030	1	Gravel Resheeting	\$ 2,874
	2	Urban Resealing	\$ 977
	3	Urban Heavy Patching	\$ 100
	4	Rural Resealing	\$ 1,812
	5	Rural Heavy Patching	\$ 300
	6	Urban Road Rehabilitation	\$ 2,844
	7	Rural Road Segment Rehabilitation	\$ 1,118
	8	Bridge Renewal or Repair	\$ 250
	9	Causeway Renewal Program	\$ 100
	10	Kerb & Gutter Renewal Program	\$ 344
	11	Footpath Renewal program	\$ 182
	12	Cycleway Renewal	\$ 50
	13	Regional Roads	\$ 368
2030	TOTAL		\$ 11,319
2031	1	Gravel Resheeting	\$ 2,874
	2	Urban Resealing	\$ 977
	3	Urban Heavy Patching	\$ 100
	4	Rural Resealing	\$ 1,662
	5	Rural Heavy Patching	\$ 300
	6	Urban Road Rehabilitation	\$ 2,844
	7	Rural Road Segment Rehabilitation	\$ 1,118

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	8	Bridge Renewal or Repair	\$ 250
	9	Causeway Renewal Program	\$ 93
	10	Kerb & Gutter Renewal Program	\$ 344
	11	Footpath Renewal program	\$ 207
	12	Cycleway Renewal	\$ 25
	13	Regional Roads	\$ 368
2031	TOTAL		\$ 11,161



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Waste Asset Management Plan October 2022



RESTORE & THRIVE

ARMIDALE
Regional Council

QUALITY CONTROL		
OUR PURPOSE	Together, proud to deliver to the highest possible standards for ARC in all we do	
KEY DIRECTION	Strong Region (Engagement and Responsibility)	
GOAL	S2 - Strong governance and leadership that supports our region to grow and prosper	
STRATEGY	S2.2 - Ensure that strategic directions are informed by, and with, the community and stakeholders and are delivered effectively, and in consideration of available resources	
RESPONSIBLE OFFICER	Coordinator Strategic Infrastructure Planning	
REVIEW DATE	2024	
DATE	ACTION	RESOLUTION No
June 2022	ARC - First Draft finalised	N/A
September 2022	PWA – Second Draft finalised	N/A
October 2022	PWA – Third Draft finalised	N/A
12/10/2022	ARC – Draft reviewed and complete	N/A
21/10/2022	ARC – Documents endorsed by COAS	N/A
TBC	Council - Public Exhibition	TBC
TBC	Council - Adoption	TBC
NOTES	Nil	

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1. EXECUTIVE SUMMARY

1.1 Purpose of the Plan

This Asset Management Plan (AMP) details information about Solid Waste infrastructure assets with actions required to provide an agreed level of service to ensure safety, security and compliance with legislation in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required over the 10 year planning period. The AMP will link to a Long-Term Financial Plan (LTFP) which typically considers a 10 year planning period.

The AMP aligns with the Strategic Asset Management Plan (SAMP), which:

- Contains the longer term high level strategic initiatives that the organisation must take, in order to execute its asset management strategy, and
- Provides direction for development of asset management plans.

1.2 Asset Description

This plan covers the infrastructure assets that provide Solid Waste Management. The Armidale Local Government Area (LGA) comprises three landfills, two of which are inoperative, but can be used as a backup, and one operational, five waste transfer stations (WTS), two resource recovery centres and sheds and equipment necessary to carry out solid waste management operations within the LGA.

The assets included in this document consist of:

- Armidale Regional Landfill (Operating),
- Long Swamp Road (LSR) Landfill,
- LSR Resource Recovery Centre,
- Guyra Landfill,
- Guyra WTS,
- Guyra Resource Recovery Centre,
- Ben Lomond WTS,
- Hillgrove WTS,
- Wollomombi WTS,
- Ebor WTS,
- Sheds, and
- Equipment (e.g. Weighbridge, baler).

The above infrastructure assets have replacement value estimated at \$12.1 million.

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1.3 Levels of Service

The allocation of the planned budget is sufficient to continue providing existing services at current levels for the planning period. In addition, during the landfill's operational years, a cash reserve is built up to cover future costs of landfill rehabilitation. The levels of service for the waste area will be undertaken and incorporated in the next review of this AMP.

The proposed permanent Special Rate Variation (SRV) of 50% for the General Fund over three years commencing in 2023-2024 financial year will not impact waste management services.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Infrastructure resourcing,
- Council financial sustainability,
- Population growth,
- Increased industrial/commercial operations,
- Increased waste diversion from landfill,
- Implementation of new recycling strategies,
- Regulations and legislation changes.

These demands will be addressed using a combination of managing and/or upgrading existing assets and providing new assets when needed. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures. Non-asset solutions focus on providing the required service without the need for the Council to own the assets.

The opportunities identified to date for demand management are presented below. Further opportunities will be developed and documented in future iterations of this AMP.

- New waste diversion strategies,
- Seek and apply for grant funding for capital projects,
- Implement innovative clean and emission-reducing technologies in operational processes.

1.5 Lifecycle Management Plan

1.5.1 What does it cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for the waste asset class is estimated at \$87.8 million or \$8.8 million on average per year.

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1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$87.8 million or \$8.8 million on average per year as per the Long-Term Financial plan or Planned Budget. This is 100% of the cost to sustain the level of service at the lowest lifecycle cost.

The reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AMP emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated planned budget for waste assets presents no shortfall of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the Long-Term Financial Plan. The forecast lifecycle costs and planned budgets is shown in figure 1.6.1.

Figure 1.6.1: Forecast Lifecycle Costs and Planned Budget

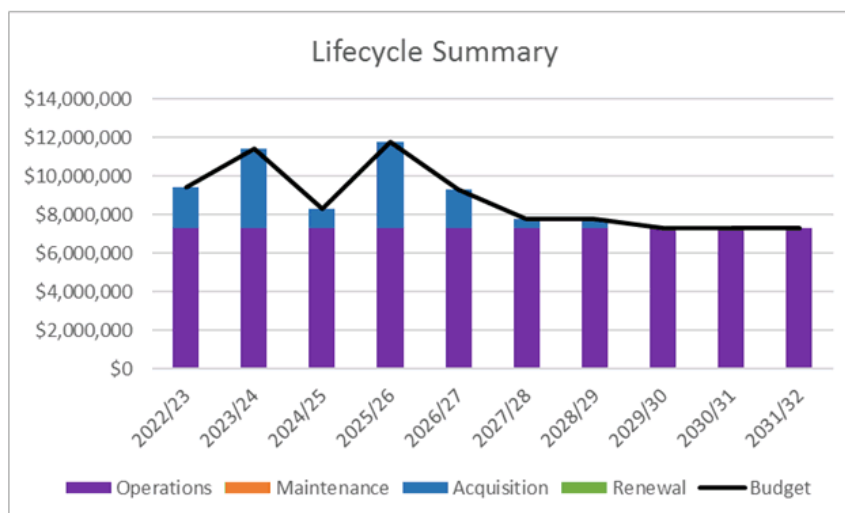


Figure values are in 2022 dollar value.

We plan to provide solid waste services for the following:

- Operation, maintenance, renewal and acquisition of assets regarding solid waste management to meet levels of service set by Council's annual budget,
- The major solid waste management plans within the 10-year planning period consist of building the second cell of the regional landfill, remediate and rehabilitate capped landfills and increase recycling practices.

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1.6.2 What we cannot do

Council currently has enough budget to provide services at the desired levels of service, acquire essential equipment and carry out essential projects for solid waste management. However, it has a deficit of staff to carry out new and non-critical projects, such as:

- Acquisition of large/high precision equipment to increase the recovery rate of waste and diversion from the landfill,
- Capital projects to improve the allocation and/or treatment of collected recyclable materials,
- Submission of grant applications due to lack of staff.

1.6.3 Managing the risks

There are risks associated with providing the service and not being able to complete all identified activities and projects. We have identified potential major risks as:

- Contamination of groundwater resources.

We will endeavour to manage these risks within available funding by:

- Regular monitoring of asset performance and condition, and
- Carry out urgent operational and maintenance activities, when needed.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund over three years will not impact waste services,
- Only projects included in the LTFP were considered,
- Budgets have been allocated based on the best available data on assets,
- Future demand for new assets,
- Data confidence level is low,
- Staff needs are not resourced adequately.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- A Levels of Service (LoS) Framework will be adopted which includes defined Customer and Technical LoS and performance measures so levels of service can be assessed and used to inform asset management planning and expenditure investment. Customer LoS and Technical LoS information will be included in future iterations of this AMP,

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- A region-wide inventory of assets will be carried out to capture all data on assets. This, as well as all data recorded in the Assets database will be consolidated to link with financial information. Council is investigating various models of Enterprise Asset Management Software that have the ability to consolidate or link financial and non-financial data on all asset classes so a complete inventory of assets is maintained. This will enable assets and finance departments to access one single repository of asset information, track and monitor asset condition, ensure transparency in planning processes and plan evidence based investments. Asset registers will be used to inform the next long term financial plan cycle to inform future iterations of this AMP,
- Council is currently undertaking an organisational re-structure to address resource planning. Resources will be allocated and staff will be appropriately trained to lift capability in asset management,
- The Asset Management Policy will be updated and AM Framework will be established. This will be used to inform future iterations of the AMP,
- Formal asset lifecycle management processes and systems will be implemented to improve asset management planning. This will be used to inform future iterations of the AMP,
- Formal asset management planning processes will be established across each asset group to ensure consistency in information included in the AMP,
- Customer satisfaction surveys will be undertaken to inform development of the LoS performance measured in the AMP,
- Consistent processes for asset condition assessments will be established and asset performance monitoring will be implemented to monitor, report and inform investments in future LTFP cycles and iterations of this AMP.
- Formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades will be established to inform development of long term forward works program for the LTFP and the future iterations of this AMP,
- AMPs will be used in the future to drive expenditure in assets so the information used to develop programs of work must be evidence based with a high degree of accuracy to justify the need for the investment. Council will specify their standard requirements for future AMPs.

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2. INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Armidale Regional Council's planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Integrated Planning Framework which includes Advancing Our Region Your Community Plan 2022-2032,
- Resourcing Strategy which includes the Workforce Management Plan and Asset Management Strategy 2022, and
- The Strategic Asset Management Plan (SAMP).

Council undertook an Asset Management Maturity Assessment in July 2022. Based on a 55 (Core) target maturity level score, Council's overall AM maturity score is 32 (Basic) – i.e. minimum level processes and practices in place with a Maturity Gap of 23 points. The variance between the current and target score is 41%.

Council aims to lift its capability in asset management by addressing the gaps in AM practices identified in the Assessment. The Improvement Plan in the SAMP, contains 30 recommended improvement actions for Council achievable within 1-2 year period.

The infrastructure assets covered by this AMP include all solid waste assets, which are used to provide waste services. The infrastructure assets included in this plan have a total replacement value of \$12.1 million.

Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AMP

KEY STAKEHOLDERS	ROLE IN AMP
Councillors	<ul style="list-style-type: none"> • Represent needs of community, • Allocate resources to meet the organisation's objectives in providing services while managing risks, • Ensure organisation is financial sustainable.
General Manager	<ul style="list-style-type: none"> • Ensures ARC is aligned with the organisation's infrastructure services requirements and community expectations, • Allocate resources to meet the organisation's objectives in providing services while managing risks.
Chief Officer Assets and Services	<ul style="list-style-type: none"> • Overall responsibility for Asset Management, • Ensure funds are invested appropriately to ensure best value for money is delivered to the community,

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KEY STAKEHOLDERS	ROLE IN AMP
	<ul style="list-style-type: none"> • Provide leadership in influencing decision making processes related to Asset Management.
Utilities Manager	<ul style="list-style-type: none"> • Provide Leadership for effective Asset Management, • Identify resource requirements for delivering various assets management services to the community, • Ensuring Asset Management services are provided in accordance with the Corporate Plan and organisational priorities, • Responsible for preparing budget submissions in accordance with the AMP, • Delivery of approved renewal and capital upgrade projects,
Waste Services Coordinator	<ul style="list-style-type: none"> • Ensures the overall programme proposed in the AMP is achievable and is aligned with the organisation's service requirements and the LTFP, • Responsible for reviewing and upkeep of the AMP, • Deliver services in a cost effective and sustainable manner, • Ensures BAU delivery requirements are aligned with AMP.
Outdoor crews (including team leaders)	<ul style="list-style-type: none"> • Operation and Maintenance management to meet agreed levels of service, • Monitoring asset performance and report issues that require senior management attention.
Assets Team and Asset Owners	<ul style="list-style-type: none"> • Preparation of AMP, • Responsible for reviewing and keeping AMP up to date, • Responsible for keeping asset data up to date, • Maintenance of corporate software.
Finance Team	<ul style="list-style-type: none"> • Maintenance of corporate software, • Financial accounting for assets.
State and Federal Government	<ul style="list-style-type: none"> • Promote Best Practice Asset management, • Recognises the importance of LGA Assets to the community and provide funding and other assistance to sustain.
Community	<ul style="list-style-type: none"> • Be aware of levels of service and costs, • Participate in consultation processes, • Provide feedback on services.

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Our organisational structure for service delivery from infrastructure assets is detailed below:



2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for current and future population. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to develop compliant and cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Stakeholder engagement,
- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,

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- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015¹
- ISO 55000²

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2| 13

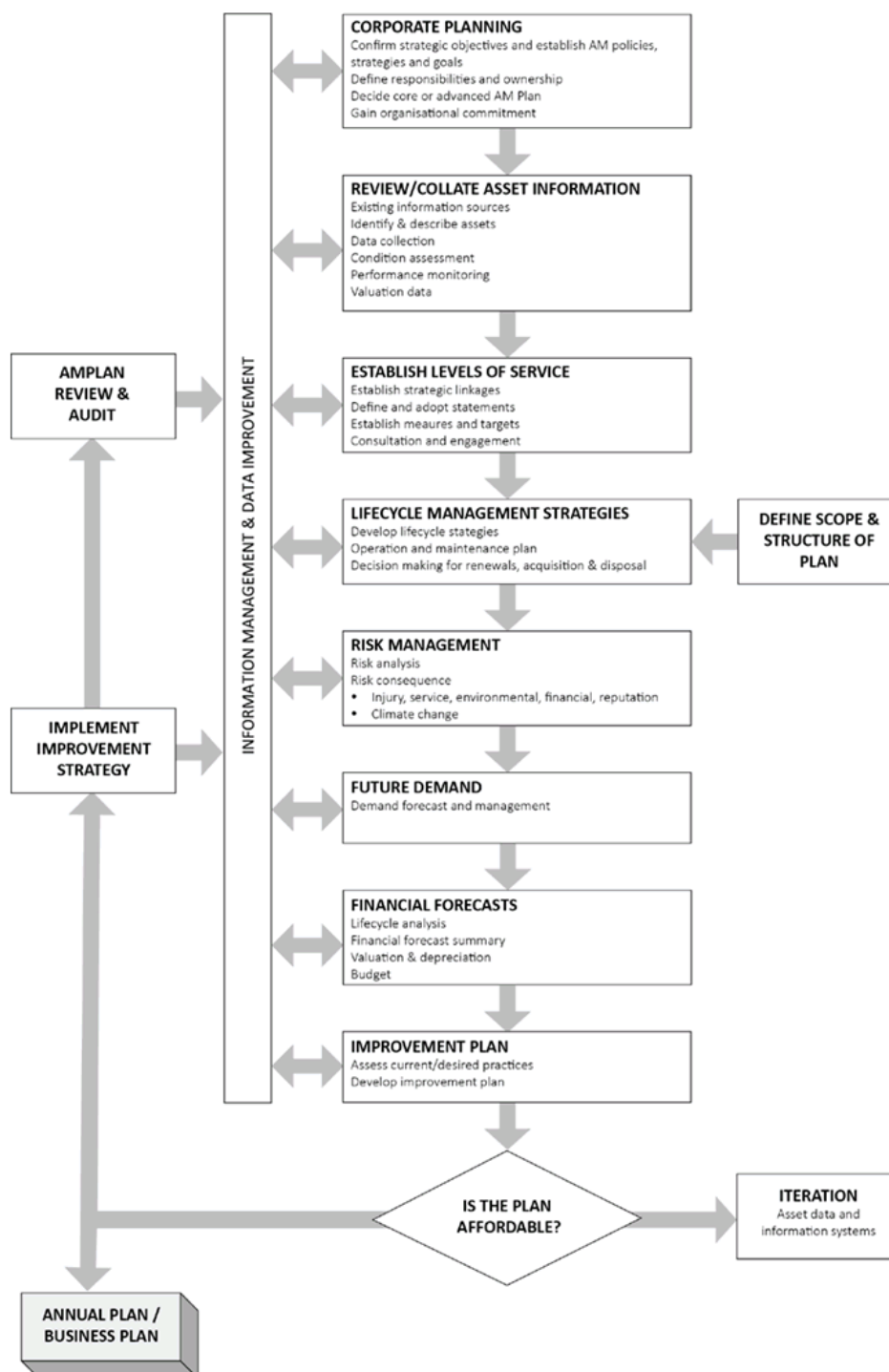
² ISO 55000 Overview, principles and terminology

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A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



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3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by the Armidale Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

Management plays an important role in ensuring Council delivers the agreed levels of service³ to the community by allocating budgets that are informed by levels of service requirements to enable delivery of those projects that have been investigated and assessed to be of high risk to people or property.

We currently have no research on customer expectations. This will be investigated for future updates of the AMP.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Community vision, mission, goals and objectives.

Our vision is:

'We want a harmonious region which celebrates diversity and uniqueness of our communities, provides opportunities for all people to reach their potential, encourages engagement without environment, cultures and lifestyles while supporting growth, opportunity and innovation.'

This AMP is prepared to meet Council's purpose, visionary goal and values.

Council's purpose is:

'Together, we are proud to deliver to the highest possible standards for ARC in all that we do.'

Council's visionary goal is:

'As a result of having a high performing team, by January 2023 we will be connected across the organisation with aligned priorities.'

³ Levels of Service Framework for all asset classes has yet to be developed and adopted by Council.

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Council's values are:

- Inclusion
- Wellbeing
- Transparency
- Commitment

Strategic goals have been set by Council in Advancing Our Region Your Community Plan 2022-2032 and the State of The Environment Report. The Community Plan has six key pillars and within each Pillar are two goals (G1 & G2) – which are the key community aspirations that Council seeks to achieve. The AM objectives are aligned with the goals of each Pillar. The Pillars are as follows:

- P1: Thriving Region – Economy and Vision
- P2: Connected Region – Transport and Technology
- P3: Future Region – Sustainability and Resilience
- P4: Liveable Region – Places and Spaces
- P5: Enriched Region – Community and Culture
- P6: Strong Region – Engagement and Responsibility

Strategic goals have been set in Advancing Our Region Your Community Plan 2022-2032. A summary of how they are addressed in this AMP is shown in table 3.2.

Table 3.2: Goals and how these are addressed in the Asset Management Plans

GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
P1, G1. A strong economy, sustainable growth and opportunity	AMO 2. Increase the level of maintenance and renewal activities to achieve the industry benchmark renewal ratio of $\geq 100\%$.	A program of works that reflects an increase in the level of maintenance and renewal activities.
P1, G2. A destination of choice, renowned for its beauty, heritage and unique attractions		This is a Plan that will address the renewals backlog over time to extend the life of the assets, and increase maintenance activities to ensure the assets continued operation.
P2, G1. Quality infrastructure that makes it safe and easy to travel around our region		
P2, G2. Transport and technology that enable connectivity both locally and outside the region	AMO 3. Apply lifecycle principles to asset management decisions	A Plan that applies lifecycle principles in the development of the program of works for asset maintenance, renewals and capital upgrades.
P3, G1. A flourishing natural environment		While this Plan requires an increase in investment in asset maintenance and

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GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
that is protected and enhanced	AMO 4. Ensure the levels of service and infrastructure agreed with the community are consistently maintained.	<p>renewals, the lifecycle approach will ensure Council is making informed decisions on its investment and achieve the value for money from its investment in the long term.</p> <p>A lifecycle approach to asset management will also help Council achieve the financial sustainability over time.</p>
P3, G2. A clean, green, and responsible region		
P4, G1. Public spaces and infrastructure that facilitate health, community connections and opportunities		
P4, G2. Proactive, responsible, and innovative regional planning that grows us sustainably		<p>A Plan that meets the community levels of service expectations.</p> <p>While the Levels of Service measures have yet to formally adopted and agreed with the community, this Plan, has been developed with the aim of achieving a consistently high levels of service.</p>
P5, G1. Access to the services and support that facilitate quality of life		
P5, G2. A proud, inclusive and cohesive community that celebrates our region in all its diversity and culture	AMO 1. Lift capability in asset management by 41% within 1-2 years. AMO 5. Lift capability and capacity of the workforce to meet the long term service commitments to the community.	<p>This Plan has been developed in parallel with the establishment of an AM Framework and planned improvements in AM practice areas to lift capability in delivering asset management services.</p> <p>This is a Plan that is responsive to the needs of the community.</p> <p>This Plan is informed by the Council's Workforce Management Plan, which addresses the need to improve workforce capacity and capability to enable Council to efficiently and effectively manage its assets and meet its long term service commitments to the community.</p>
P6, G1. An informed and activity engaged community that builds partnerships and shapes its future.		
P6, G2. Strong governance and leadership that supports our region to grow and prosper.		

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3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of waste services are outlined in Table 3.3.

Table 3.3: Legislative Requirements

LEGISLATION	REQUIREMENT
Local Government Act 1993	<ul style="list-style-type: none"> Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Crown Land Management Act 2016 No 58	<ul style="list-style-type: none"> Provides for the ownership, use and management of the Crown land of New South Wales, and the clarity concerning the law applicable to Crown land and the requirement of environmental, social, cultural heritage and economic considerations to be taken into account in decision-making about Crown land and to provide for the consistent, efficient, fair and transparent management of Crown land for the benefit of the people of New South Wales.
Australian Accounting Standards	<ul style="list-style-type: none"> Establishes the financial reporting standards for the valuation, revaluation and depreciation of assets.
Environmental Planning and Assessment Act 1979	<ul style="list-style-type: none"> Promote social and economic welfare for the community and a better environment by proper management, development and conservation of the State's natural and other resources, Facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment, Promote the orderly and economic use and development of land Protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats, Promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage), Promote good design and amenity of the built environment, Promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants, Promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the State and to provide increased opportunity for community participation in environmental planning and assessment.
Work Health and Safety Act 2011	<ul style="list-style-type: none"> Promote improvements in work health and safety practices whilst assisting in the preservation of public health and safety in all undertakings of the organisation.
POEO Act 1997	<ul style="list-style-type: none"> Protect, restore and enhance the quality of the environment in New South Wales, having regard to the need to maintain ecologically sustainable development, Provide increased opportunities for public involvement and participation in environment protection, Ensure that the community has access to relevant and meaningful information about pollution,

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LEGISLATION	REQUIREMENT
	<ul style="list-style-type: none"> • Reduce risks to human health and prevent the degradation of the environment by the use of mechanisms that promote pollution prevention and cleaner production, reduction to harmless levels of the discharge of substances likely to cause harm to the environment, elimination of harmful wastes, reduction in the use of materials and the re-use, recovery or recycling of materials, making of progressive environmental improvements, including the reduction of pollution at source and monitoring and reporting of environmental quality on a regular basis, • Rationalise, simplify and strengthen the regulatory framework for environment protection, • Improve the efficiency of administration of the environment protection legislation, • Assist in the achievement of the objectives of the Waste Avoidance and Resource Recovery Act 2001.
Waste Avoidance and Resource Recovery Act 2001	<ul style="list-style-type: none"> • Encourage the most efficient use of resources and to reduce environmental harm in accordance with the principles of ecologically sustainable development, • Ensure resource management options are considered against a hierarchy in the following order: <ol style="list-style-type: none"> a. Avoidance and reduction of waste, b. Re-use of waste, c. Recycling, processing or reprocessing waste, d. Recovery of energy, e. Disposal. • Provide for the continual reduction in waste generation, • Minimise the consumption of natural resources and the final disposal of waste by encouraging the avoidance of waste and the reuse and recycling of waste, • Ensure that industry shares with the community the responsibility for reducing and dealing with waste, • Ensure the efficient funding of waste and resource management planning, programs and service delivery, • Achieve integrated waste and resource management planning, programs and service delivery on a State-wide basis, • Assist in the achievement of the objectives of the Protection of the Environment Operations Act 1997.

3.4 Customer Values

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

Customer Values indicate:

- What aspects of the service is important to the customer,
- Whether they see value in what is currently provided,
- The likely trend over time based on the current budget provision,
- Whether we achieve the objectives of the Waste Avoidance and Resource Recovery Act 2001.

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Community consultation has been undertaken for the preparation of the new long term community strategic plan and outcomes of the consultation and the values have been defined as follows:

What customer love and value about our region:

4. Our Natural Environment – our climate, seasons, natural beauty, Wildlife and National Parks.
5. Our Location – Halfway between Sydney and Brisbane, and a short drive to the Coast.
6. Our Community – The people diversity and volunteers that make up our community.
7. Parks and Playgrounds – Our many beautiful outdoor spaces including parks, gardens and local playgrounds.
8. Arts Culture and Heritage – Beautiful architecture, local history and the many arts organisations, events and performances in the region.
9. Education and Training – Long established university, TAFE digital hub, and variety of local schools.

Our community's 2032 vision for our Region (ranked in priority order):

1. Economically robust
2. Environmentally sustainable
3. Led through good governance
4. Strong tourism sector
5. A cohesive community

What the community wants improved in our Region (ranked in priority order):

1. Transport and Infrastructure
2. Environmental Sustainability
3. Economic Development
4. Shopping
5. Tourism

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

- **Condition** How good is the service ... what is the condition or quality of the service?
- **Function** Is it suitable for its intended purpose Is it the right service?
- **Capacity/Use** Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measures, the current performance, and the expected performance based on the current budget allocation.

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Table 3.5: Customer Level of Service Measures⁴

TYPE OF MEASURE	LEVEL OF SERVICE	PERFORMANCE MEASURE	CURRENT PERFORMANCE	EXPECTED TREND BASED ON PLANNED BUDGET
Condition	Whether the condition of facilities and equipment meets required standards.	Maintain overall condition rating scores between 1-3 (Very good – Fair).	Overall condition of structures between 2-3 (Good-Fair). No condition report available for the other asset groups.	The planned budget is used appropriately to renovate structures and maintain satisfactory condition levels.
	Confidence levels		Medium <i>Professional judgement supported by data sampling</i>	Medium <i>Professional judgement supported by data sampling</i>
Function	Measure of whether the asset is appropriate for its intended use.	Ability to manage all types of incoming waste.	Meets expected level of service.	With population growth, more resources will have to be allocated to solid waste management.
	Confidence levels		Low <i>Professional Judgement with no data evidence</i>	Low <i>Professional Judgement with no data evidence</i>
Capacity	Whether the capacity of the assets and equipment are sufficient.	Ability to manage all incoming waste.	Meets expected capacity levels.	Budget for the expansion of the landfill is already under discussion for the next update of this AMP.
	Confidence levels		Low <i>Professional Judgement with no data evidence</i>	Low <i>Professional Judgement with no data evidence</i>

3.6 Technical Levels of Service

To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. automate a WTS, expand recycling centres, having additional weighbridges) or a new service that did not exist previously (e.g. construction of a new landfill).
- **Operation** – the regular activities to provide services (e.g. opening hours, waste collection, lawn mowing, energy consumption, inspections, etc.).
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. pump check, desilting of dams, building and structure repairs).
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. pipe or fence replacement, landfill rehabilitation).

⁴ Yet to be adopted by Council. Presented here for the purposes of this AMP.

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Table 3.6 shows the activities expected to be provided under the current 10 year planned budget allocation, and the forecast activity requirements being recommended in this AMP. The proposed position is to be agreed by Council, following community consultation, trade-off of levels of service performance and costs and risk within available resources in the long-term financial plan.

Table 3.6: Technical Levels of Service⁵

LIFECYCLE ACTIVITY	PURPOSE OF ACTIVITY	ACTIVITY MEASURE	CURRENT PERFORMANCE*	RECOMMENDED PERFORMANCE **
Acquisition/Upgrades	Construction of Regional Landfill's cell #2	Construction based on cell #1 closeout forecast	Cell #1 fill rate tracking	Cell #1 closeout forecast revised annually
	Acquisition of new equipment and automation of current services	Improved accuracy in operational activities and increased service level	Many operations that can be performed digitally require manpower	Better service to the community. Allocate outdoor staff to more relevant roles
	Increase in recycling rates	The volume of waste diverted from the landfill	No budget planned for this activity	Annual review of the volume of recyclable waste collection
	Implementation of renewable energy strategies	Reduced electricity costs	No budget planned for this activity	Yearly review of savings in electricity costs
		Budget	<i>As per Total planned budget for 10 years</i>	<i>As per Total forecast cost for 10 years</i>
Operation	Improve service level and reduce costs	Feedback from residents on the quality of service, downtime, volume of waste diverted from the landfill	Low rate of complaints from residents, replacement of contractors by ARC staff to manage waste operations	Finding better strategies to deal with waste collection in areas with low population density
		Budget	<i>As per Total planned budget for 10 years</i>	<i>As per Total forecast cost for 10 years</i>
Maintenance	Ensure all assets are in adequate condition	Asset condition reports. Landfill monitoring	Quarterly groundwater analysis. Environmental monitoring data reports. Building condition assessments	Establish regular maintenance inspections. Perform condition reports for all assets in addition to buildings

⁵ Refer to Footnote No 5.

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LIFECYCLE ACTIVITY	PURPOSE OF ACTIVITY	ACTIVITY MEASURE	CURRENT PERFORMANCE *	RECOMMENDED PERFORMANCE **
		Budget	<i>As per Total planned budget for 10 years</i>	<i>As per Total forecast cost for 10 years</i>
Renewal	Remediation and rehabilitation of landfills. Ensure all assets are in adequate condition	Asset condition reports. Landfill monitoring	Remediation and rehabilitation process on-track with forecast. Asset condition meets required standards	Also include other assets in the renewal forecast, if the register demonstrates necessity
		Budget	<i>As per planned budget for 10 years</i>	<i>As per total forecast cost for 10 years</i>
Disposal	No assets are planned for disposal	N/A	N/A	N/A
		Budget	<i>No planned budget for the next 10 years</i>	<i>No forecast cost for the next 10 years</i>

It is important to monitor the levels of service regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

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4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as demographic change, regulations, climate change, seasonal factors, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 4.3.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management

DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
Council financial sustainability	The Council's current LTFP meets the budget required to continue to provide a satisfactory level of service.	This plan anticipates the proposed acquisition/upgrade of waste assets in the short/medium term	Without additional funding, the available resources will not meet population growth.
Have essential staff	Council is filling operational positions. Gap in project management role.	Hire staff with suitable knowledge and invest in their training to increase employee retention rates.	Downtime and limited ability to carry out projects to improve services.
Changes in legislative/ statutory requirements	There is staff capable of keeping waste operations up to date with current legislation.	Have more employees able to endorse new legislation/statutory requirements.	Failure to apply current legislation may cause delays in construction/operations and fines.

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DEMAND DRIVERS	PRESENT POSITION	PROJECTION	IMPACT ON SERVICES
Climate change/ Environmental sustainability	Food Organics and Garden Organics (FOGO) kerbside collection service and recycling strategies.	Increase the number of sustainable practices and strategies.	Increased revenue and reduce environmental impact.

4.4 Asset Programs to meet Demand

New assets required to meet demand may be acquired, donated or constructed. Additional assets are presented in appendix B.

Acquiring new assets will commit the Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan.

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts⁶.

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region⁷. Risk and opportunities identified to date are shown in Table 4.5.1

Table 4.5.1 Managing the Impact of Climate Change on Assets and Services

CLIMATE CHANGE DESCRIPTION	PROJECTED CHANGE	POTENTIAL IMPACT ON ASSETS AND SERVICES	MANAGEMENT
Higher / recurrent rainfall events	Increased frequency and intensity	<ul style="list-style-type: none"> Increased leachate generation, More recurrent and faster filling of the sediment dam, Higher risk of damaging outdoor assets, 	<ul style="list-style-type: none"> Improve the leachate pumping system from the leachate dam to the landfill surface, Implement a leachate treatment system, Find alternative solutions to reduce water level in the sediment dam.

⁶ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

⁷ Council has yet to develop asset resilience strategies for its assets.

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CLIMATE CHANGE DESCRIPTION	PROJECTED CHANGE	POTENTIAL IMPACT ON ASSETS AND SERVICES	MANAGEMENT
Temperature variation	Warmer summers	<ul style="list-style-type: none"> Higher risk of bushfires and spontaneous combustion at the landfill, Increased odour and pest activity in landfills. 	<ul style="list-style-type: none"> No bushfire prone areas within 1km surrounding area, Daily cover, Diversion of highly combustible materials from landfill, FOGO to reduce Organic Matter in landfills.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change,
- Services can be sustained, and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AMP.

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5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

This AMP includes landfills, WTS, recycling centres and equipment. It has a current replacement cost of \$12.1 million. Currently, there is no single asset register that includes all assets in this asset group. This is an improvement action for this AMP.

5.1.2 Asset age profile

Construction dates of waste assets, are not available. Asset age profile cannot be provided for this AMP. Construction dates will need to be captured in a region-wide inventory of assets, which is an improvement action for Council. Once construction dates are available, an Age Profile Graph can be provided in future revisions of this AMP.

5.1.3 Asset capacity and performance

Assets are generally required to meet design standards where available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.3.

Table 5.1.3: Known Service Performance Deficiencies

LOCATION	SERVICE DEFICIENCY
Office	Lack of staff to manage new projects and to apply for capital project grants.
Regional Landfill / Recycling Centre	Operational issues by contractors.

The above service deficiencies were identified from ad hoc inspections conducted by staff.

5.1.4 Asset condition

Condition is currently monitored informally and since cyclic condition inspections of all asset classes are not a regular practice, there exists a very low data confidence in current condition of assets. Overall, waste assets are not regularly inspected, monitored or assessed. This is an improvement action for Council and will be addressed when Council implements its asset lifecycle approach to management of assets.

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Condition is measured using a 1 – 5 grading system⁸ as detailed in Table 5.1.4. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

Table 5.1.4: Condition Grading System

CONDITION GRADING	DESCRIPTION OF CONDITION
1	Very Good: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Fair: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely
5	Very Poor: physically unsound and/or beyond rehabilitation, immediate action required

Waste assets were not condition rated. The condition profile of these assets is therefore, unavailable and cannot be provided in the AMP.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include salaries, materials, contracts, fuel, licenses and staff training.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe and fence inspection and equipment repairs.

Assessment and maintenance are carried out by the waste team through inspections, experience and judgment. The monitoring of landfills after their closure is scheduled and carried out by outsourced companies. However, there is no established maintenance plan or budget forecast for typical maintenance, which is performed only when necessary.

⁸ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

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5.2.1 Asset hierarchy

An asset hierarchy is a logical index of all equipment, machines, and components, and how they work together. It is critical for understanding how action on one asset affects other assets, establishing a parent-child relationship amongst multiple assets. Building and understanding the asset hierarchy is critical to efficiently track, schedule, and identify the root causes of problems.

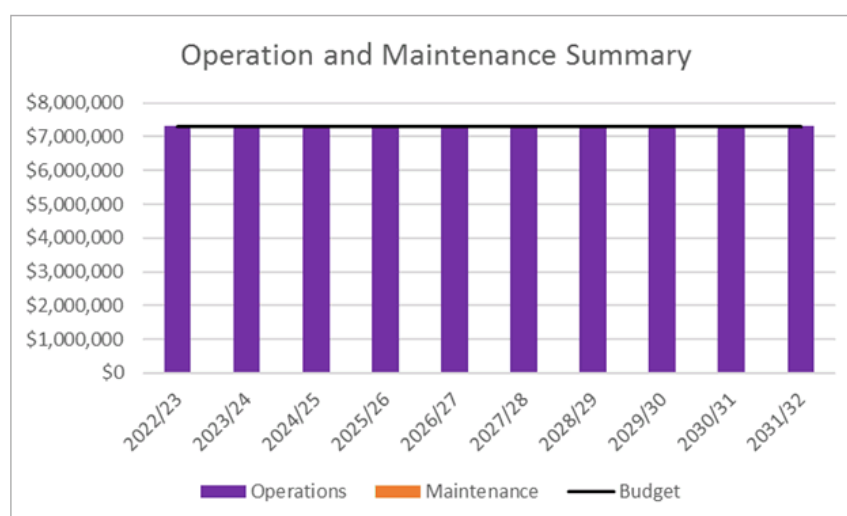
The asset hierarchy is unavailable and is an improvement action for this AMP.

5.2.2 Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs may increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

There is no budget allocation for maintenance in the LTFP 2022-2032. Waste management currently runs reactive maintenance when necessary. Implementing a maintenance budget is an improvement plan included in this AMP.

Figure 5.2.2: Operations and Maintenance Summary



All forecast values are shown in 2022 dollar value.

Operating costs are steady, assuming that the annual population growth rate of Armidale LGA⁹ remains below 1% and the acquisition of new equipment or the construction of a new landfill does

⁹ NSW Population Projections, 2019, Armidale Regional Council, p 2

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not necessarily entail an increase in staff, since the new landfill cell only starts operating when the old landfill cell ceases operation. The forecasted budget increase for operation and maintenance is aligned with the annual Consumer Price Index increase of 2.5%¹⁰.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3.

Table 5.3: Useful Lives of Assets

ASSET (SUB) CATEGORY	USEFUL LIFE
Landfills	10 years (per cell)
Buildings	50 years
Fence	30 years

The estimates for renewals in this AMP were based on the alternate method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing asset to deliver the service for which it was acquired to facilitate (e.g. increase recycling centre waste capacity), or
- To ensure the asset is of sufficient quality to meet service requirements (e.g. condition of a WTS).

It is possible to prioritise renewals by identifying assets or asset groups that:

¹⁰ Resourcing Strategy, 2022, Armidale Regional Council, p 61

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- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.¹¹

5.3.2 Summary of future renewal costs

There is no forecast of asset renewal in the LTFP.

For the purposes of this AMP, landfill rehabilitation was considered as an acquisition cost.

5.4 Acquisition Plan

Acquisition reflects new assets that did not previously exist or works that will upgrade or improve an existing asset beyond its current capacity. It may be a result of growth, demand, social or environmental needs. Assets may also be donated to ARC.

The construction of cell #2 of the regional landfill is included in the 10-year financial plan and is in line with the municipality's proposed plans for population and employment growth over the next 20 years. By reaching a larger population with purchasing power, the demand for solid waste management will increase. New assets may be required to meet the new demand in addition to the search for new techniques to increase the diversion of waste from landfill.

5.4.1 Selection criteria

Proposed acquisition of new assets and the upgrade of existing assets are identified from various sources, such as community requests, proposals identified by strategic plans, or increased demand. Potential upgrades and acquisitions are analysed and verified if they are essential to the Council needs and sustainable in the long-term.

New/upgraded assets and services are to be funded from the revenue generated by the solid waste management fees and charges, and grants where available.

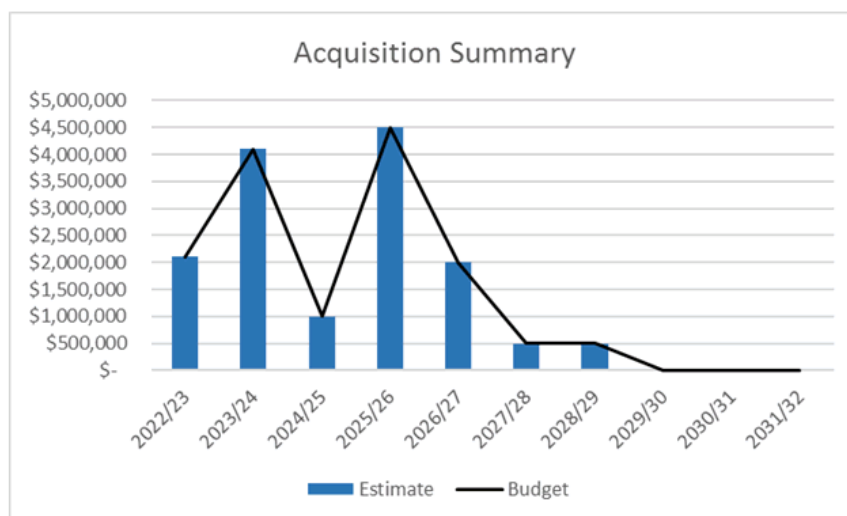
5.4.2 Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.4.2 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix B.

¹¹ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

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Figure 5.4.2: Acquisition Summary



All forecast values are shown in 2022 dollar value.

Committing to new assets implies committing to future operating, maintenance and renewal costs. Future depreciation must also be taken into account when analysing long-term sustainability. Regarding the long-term impacts of acquiring assets. Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. There are no forecast disposals in LTFP 2022-2032 to be reported in this AMP.

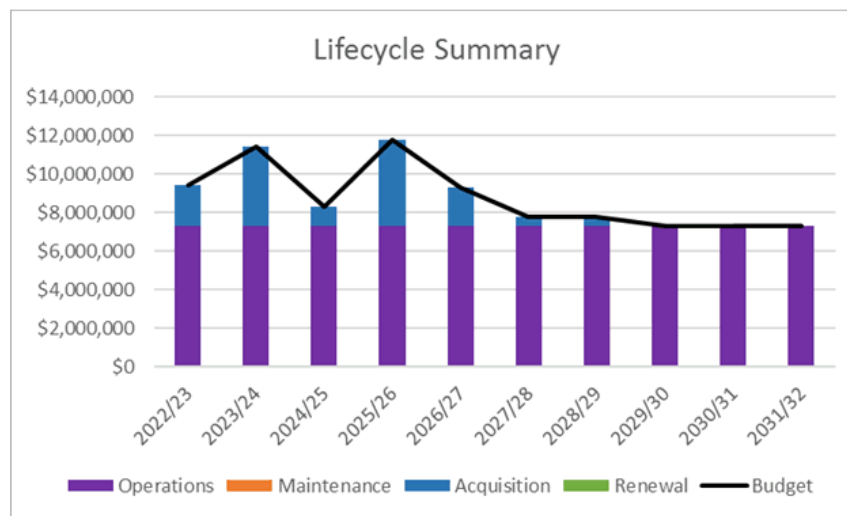
5.6 Summary of asset forecast costs

The financial projections of this AMP are shown in Figure 5.7 and detailed in Appendix A. These projections include forecast costs of acquisition, operation, maintenance, renewal, and disposal. The forecast costs are displayed in relation to the proposed budget.

The forecast costs are represented by the bars, while the proposed budget line indicates the estimated available funding for the next 10 years. The gap between the forecast and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

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Figure 5.7: Lifecycle Summary



All forecast values are shown in 2022 dollar value.

The proposed budget for the projects included in the 10-year planning corresponds to the expected costs, since all projects presented are essential to keep waste assets sector operating, as well as its level of service. If there are new acquisitions, renewals, or changes to the 10-year plan, these will be added to future updates of this AMP.

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6. RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’.¹²

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1: Critical Assets

CRITICAL ASSETS	CRITICAL FAILURE MODE	OPERATIONS & MAINTENANCE ACTIVITIES
Equipment	Breakdown	Service interruption or delay
Landfill	Erosion / collapse	Service interruption or delay and environmental damage
Stormwater and leachate dams	Overflow	Environmental damage

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

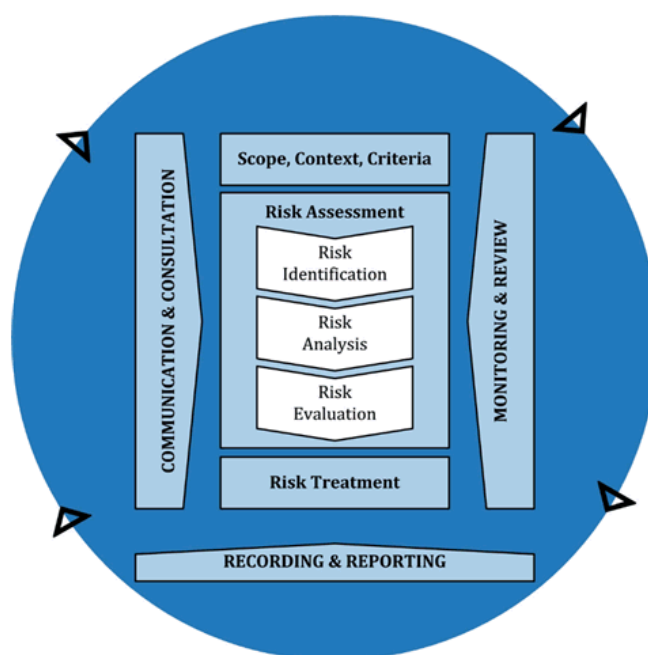
It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

¹² ISO 31000:2009, p 2

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Figure 6.2: Risk Management Process – Abridged



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan¹³. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

¹³ An Infrastructure Risk Management Plan has yet to be developed in accordance with Council's Risk Policy. This is an improvement action for Council.

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Table 6.2: Risks and Treatment Plan

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN	RESIDUAL RISK*
Guyra Landfill	Heavy Storm / Groundwater Contamination	H	Sprinkle Leachate Back To The Landfill	L
Long Swamp Rd Landfill	Heavy Storm / Groundwater Contamination	H	Sprinkle Leachate Back To The Landfill	L
Regional Landfill (Leachate Collection Pond)	Leachate Containment System Failure / Groundwater Contamination	H	Repair The Leachate Containment System	M
Regional Transfer Stations	Oil Spill / Soil And Groundwater Contamination	H	Bumped Concrete Floor To Store Oil Barrels	M
Resource Recovery Centre	Chemical Spill / Soil And Groundwater Contamination	H	Bumped Concrete Floor	M

Note * the residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service. Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership have yet to be undertaken and developed by Council.

ARC currently do not measure resilience in service delivery. This will be included in future iterations of the AMP.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

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6.4.1 What we cannot do

Council currently has enough budget to provide services at the desired levels of service, acquire essential equipment and carry out essential projects for solid waste management. However, it has a deficit of staff to carry out new and non-critical projects, such as:

- Acquisition of large/high precision equipment to increase the recovery rate of waste and diversion from the landfill,
- Capital projects to improve the allocation and/or treatment of collected recyclable materials, and
- Submission of grant applications due to lack of staff.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Delay in kerbside collection,
- Increased waste levy.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Reduced landfill lifespan,
- Increased waste disposal fees,
- Reduced customer satisfaction level.

These actions and expenditures are considered and included in the forecast costs.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- Asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- Medium term forecast costs/proposed budget (over 10 years of the planning period).

7.1.2 Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have $\geq 100\%$ of the funds required for the optimal renewal of assets

There is no forecast of asset renewal in the LTFP.

7.1.3 Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$87.8 million, while the budget for the same period is \$87.8 million. This indicates that 100% of the forecast costs needed to provide the reduced services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

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7.1.4 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.4 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Having a balance between the anticipated expenditures, required to deliver the agreed LoS, with the planned budget allocations in the long-term financial plan means that services are delivered in a financially sustainable manner.

Table 7.1.4: Forecast Costs (Outlays) for the Long-Term Financial Plan

YEAR	ACQUISITIONS	OPERATIONS	MAINTENANCE	RENEWALS	TOTAL
2022	\$2,100,000	\$7,309,000	\$0	\$0	\$9,409,000
2023	\$4,100,000	\$7,309,000	\$0	\$0	\$11,409,000
2024	\$1,000,000	\$7,309,000	\$0	\$0	\$8,309,000
2025	\$4,500,000	\$7,309,000	\$0	\$0	\$11,809,000
2026	\$2,000,000	\$7,309,000	\$0	\$0	\$9,309,000
2027	\$500,000	\$7,309,000	\$0	\$0	\$7,809,000
2028	\$500,000	\$7,309,000	\$0	\$0	\$7,809,000
2029	\$0	\$7,309,000	\$0	\$0	\$7,309,000
2030	\$0	\$7,309,000	\$0	\$0	\$7,309,000
2031	\$0	\$7,309,000	\$0	\$0	\$7,309,000
TOTALS	\$14,700,000	\$73,090,000	\$0	\$0	\$87,790,000

*Forecast only include projects in the 10 year capital program. Forecast costs are shown in 2022 dollar value.

7.2 Funding Strategy

The proposed funding for assets is outlined in Council's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

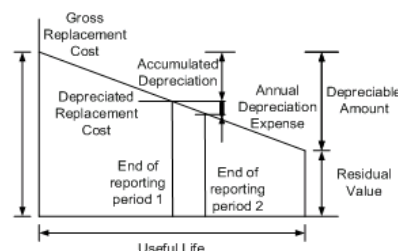
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7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value at cost to replace service capacity:

Replacement Cost (Current/Gross)	\$12,144,000
Depreciable Amount	\$11,286,000
Depreciated Replacement Cost ¹⁴	\$989,000
Depreciation	\$421,000



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund over three years will not impact waste services,
- Only projects included in the LTFP were considered,
- Budgets have been allocated based on the best available data on assets,
- Future demand for new assets,
- Data confidence level is low,
- Staff needs are not resourced adequately.

¹⁴ Also reported as Written Down Value, Carrying or Net Book Value.

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7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A - E level scale¹⁵ in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

CONFIDENCE GRADE	DESCRIPTION
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AMP

DATA	CONFIDENCE ASSESSMENT	COMMENT
Demand drivers	D	Professional judgment and limited traffic data
Growth projections	C	NSW government report
Operations expenditures	B	Finance reports
Maintenance expenditures	B	Finance reports
Projected Renewal	D	Professional judgment
- Asset values	D	Finance reports
- Asset residual values	D	Professional judgment
- Asset useful lives	D	Professional judgment
- Condition modelling	D	Professional judgment
- Asset Register	D	A draft asset register was created to enable the development of this AMP

The estimated confidence level and reliability of data used in this AMP are considered low confidence.

¹⁵ IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

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8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁶

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is Technology One.

8.1.2 Asset management data sources

This AMP also utilises asset management data from Council asset records and staff knowledge.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
1	Investigate service deficiencies of all assets and document it in future iterations of this AMP.	Waste Services Coordinator	Waste Services Coordinator, contractors	2022-24
2	Carry out resilience assessment of assets and formalise resilience strategies for adoption by Council. Document in future iterations of this AMP.	Utilities Manager	Utilities Manager, contractors	2022-24
3	Prepare Infrastructure Risk Management Plan in accordance with Council's Risk Policy and risk management procedures. Plan to be informed by the assessment of risks of the waste asset class.	Waste Services Coordinator	Waste Services Coordinator, contractors	2022-24
4	Assess criticality of assets. By identifying critical assets and failure modes Council can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets. Document in future iterations of this AMP.	Utilities Manager	Utilities Manager, Waste Services Coordinator, contractors	2022-24
5	Adopt a Levels of Service Framework which include defined Customer and Technical LoS and performance	Utilities Manager	Assets, Utilities Manager	2022-24

¹⁶ ISO 55000 Refers to this as the Asset Management System

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
	measures and incorporate in future iterations of this AMP.			
6	Council to invest in Enterprise Asset Management Software that links assets data with financial information. The assets department needs to take ownership of the system, record and manage asset data and activities, and maintain complete and accurate inventory of assets. Incorporate in next AMP update.	Chief Officer Corporate and Community	Finance and corporate management	2022-24
7	Allocate resources and train staff to lift capability in asset management. Define roles and responsibilities to manage assets, systems and monitor development and implementation of the AMP.	Corporate management	Assets, finance and corporate management	2022-24
8	Communicate asset valuation results to designated asset planners so these can be used to inform planning of renewal activities in forward works program. Monitor AMP implementation.	Assets	Assets and finance	2022-24
9	Update Asset Management Policy and establish AM Framework. Incorporate in next AMP update.	Assets	Assets, finance and corporate management	2022-24
10	Establish asset lifecycle management processes and set up systems to implement life cycle approaches in asset management planning. Incorporate in future iterations of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
11	Establish standard asset management planning processes across the organization to ensure consistency in the information generated within each department.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
12	Carry out customer satisfaction surveys to inform the development of levels of service performance measured by Council.	Communications	Assets and corporate management	2022-24
13	Establish formal processes to assess asset condition and asset performance monitoring. These will be used to plan investments in the LTFP and future iterations of this AMP.	Utilities Manager, assets	Assets and finance	2022-24
14	Set up formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades to inform development of long term forward works program for the LTFP and incorporate in the next iteration of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

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#	TASKS	RESPONSABILITY	RESOURCES REQUIRED	TIMELINE
15	AMPs in the future will be used to drive expenditure in assets so the information used to develop the works programs must be evidence based with a high degree of accuracy to justify the need for the investment. Council must set their standard requirements for AMPs.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within 2 years of each Armidale Regional Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The number of complaints and requests for service,
- The number of issues resolved,
- The response time to address issues and complaints,
- The change in backlog, asset maintenance and renewal ratios.

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10. APPENDICES

10.1 Appendix A - Expenditure Forecast 2022-2032

WASTE

10 Year forecast 2022-2032

ACTIVITY	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total 10 Years
OPERATIONS & MAINTENANCE											
Operations	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 73,090,000
Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total Operations & Maintenance	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 73,090,000
RENEWALS											
All waste assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total Renewals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UPGRADE & NEW											
All waste assets	\$ 2,100,000	\$ 4,100,000	\$ 1,000,000	\$ 4,500,000	\$ 2,000,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 14,700,000
Sub-total Upgrade & New	\$ 2,100,000	\$ 4,100,000	\$ 1,000,000	\$ 4,500,000	\$ 2,000,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 14,700,000
Total	\$ 9,409,000	\$11,409,000	\$ 8,309,000	\$11,809,000	\$ 9,309,000	\$ 7,809,000	\$ 7,809,000	\$ 7,309,000	\$ 7,309,000	\$ 7,309,000	\$ 87,790,000

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10.2 Appendix B - Acquisition Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE '000
2022	1	Finalise automation of Ebor Waste Transfer Station, and survey Wollomombi and Hillgrove residents for feedback on future kerbside collection or alternative options	\$300
	2	Installation of Long Swamp Road Baler	\$1,200
	3	Regional Landfill - SCADA telemetry, pump Automation, drainage works, and leachate management	\$100
	4	Regional Landfill Capital Works	\$500
2022	TOTAL		\$2,100
2023	1	Long Swamp Road - Landfill rehabilitation	\$500
	2	Waste Landfill Remediation Works (Guyra WTS, LS Rd Landfill, Regional Landfill)	\$3,600
2023	TOTAL		\$4,100
2024	1	Regional Landfill - Second Cell	\$500
	2	Long Swamp Road - Landfill rehabilitation	\$500
2024	TOTAL		\$1,000
2025	1	Regional Landfill - Second Cell	\$4,000
	2	Long Swamp Road - Landfill rehabilitation	\$500
2025	TOTAL		\$4,500
2026	1	Regional Landfill - Second Cell	\$1,500
	2	Long Swamp Road - Landfill rehabilitation	\$500
2026	TOTAL		\$2,000
2027	1	Long Swamp Road - Landfill rehabilitation	\$500
2027	TOTAL		\$500
2028	1	Long Swamp Road - Landfill rehabilitation	\$500
2028	TOTAL		\$500



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Stormwater Asset Management Plan

October 2022



RESTORE & THRIVE

ARMIDALE
Regional Council

QUALITY CONTROL		
OUR PURPOSE	Together, proud to deliver to the highest possible standards for ARC in all we do	
KEY DIRECTION	Strong Region (Engagement and Responsibility)	
GOAL	S2 - Strong governance and leadership that supports our region to grow and prosper	
STRATEGY	S2.2 - Ensure that strategic directions are informed by, and with, the community and stakeholders and are delivered effectively, and in consideration of available resources	
RESPONSIBLE OFFICER	Coordinator Strategic Infrastructure Planning	
REVIEW DATE	2024	
DATE	ACTION	RESOLUTION No
June 2022	ARC - Urban SW Draft finalised	N/A
September 2022	PWA – First Draft finalised	N/A
October 2022	PWA – Second Draft finalised	N/A
12/10/2022	ARC – Draft reviewed and complete	N/A
21/10/2022	ARC – Documents endorsed by COAS	N/A
TBC	Council - Public Exhibition	TBC
TBC	Council - Adoption	TBC
NOTES	Nil	

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1. EXECUTIVE SUMMARY

1.1 Purpose of the Plan

This Asset Management Plan (AMP) details information about Armidale Regional Council's stormwater (SW) assets with actions required to provide an agreed level of service to ensure safety, security and compliance with legislation in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required over the 2022-2032 year planning period. The AMP will link to Council's Long-Term Financial Plan (LTFP) which typically considers a 10 year planning period.

The AMP aligns with the Strategic Asset Management Plan (SAMP), which:

- Contains the longer term high level strategic initiatives that the organisation must take, in order to execute its asset management strategy, and
- Provides direction for development of asset management plans.

1.2 Asset Description

This plan covers the infrastructure assets that provide stormwater services. The urban and rural stormwater infrastructure network comprise of:

- Urban and Rural SW pipes,
- Channels – over land flow paths,
- Gross Pollution Traps (GPTs),
- Pits, and
- Urban and Rural Culverts.

The above infrastructure assets have replacement value estimated at \$172.8 million.

1.3 Levels of Service

The allocation of the planned budget in this Plan, is based on the assumption that a permanent Special Rate Variation (SRV) of 50% for the General Fund is not achieved over three years commencing in 2023-2024 financial year.

No SRV funding beyond 2022/23 will result in a reduction in both operational and capital expenditure from 2023/24. Without the SRV Council will have to start managing decline, which means levels of service may be reduced, impacting both operations, maintenance and capital expenditure.

Council is not generating enough income to invest in its infrastructure. If it does not secure additional income from an SRV, it will have no choice but to free up existing funds by cuts to operational services as part of a 'managed decline' strategy.

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This is not Council's preferred option as service cuts will have significant impact on the community, reducing maintenance and renewals of stormwater pipes. The main service consequences for Council's infrastructure assets from 2023/24 will be: ¹

- The deterioration of the SW network and future expenditure required for relining pipes to bring the pipe network conditions back to acceptable levels,
- Possible stormwater failure and unplanned emergency capital expenditure,
- Inability to install new infrastructure at identified areas of need,
- Risk to property,
- Additional expenditure requirements to assess the condition of the network, and
- A larger backlog of unresolved SW issues and complaints, more than what is currently registered in our customer register system.

1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Community growth aspirations,
- Land subdivisions, urban infill and land use changes,
- Climate Change – increased rainfall events and storms,
- Increasing environmental awareness and possible industry regulation changes,
- Council financial sustainability,
- Regulations and legislation changes, and
- Identify past failures for SW infrastructure delivery (e.g. Guyra).

These demands will be addressed using a combination of managing and/or upgrading existing assets and providing new assets when needed. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures, such as:

- Upgrades to SW mains and services to meet increased flows from land subdivisions, urban infill and land use changes,
- Develop SW drainage strategies to determine pipeline upgrade/renewals,
- Installations of new GPTs to capture debris and rubbish before they can enter local streams and tributaries,
- Planning control measures to encourage on-site retention and detention of stormwater in new subdivisions,
- Review of Levels of Service (LoS) and/or capital upgrade/new asset expenditures,
- Increased CCTV condition assessments of stormwater pipe networks to better understand the state of the stormwater network needing inspection,
- Prioritised CCTV assessment of critical infrastructure with higher impacts, at risk of asset failure i.e. larger catchments and pipe diameter, and

¹ From Resourcing Strategy, p 65.

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- Seek funding to investigate the risks of flooding and SW capacity against defined LoS such as a 50 year average recurrence interval.

1.5 Lifecycle Management Plan

1.5.1 What does it cost?

The forecast lifecycle costs necessary to provide the services covered by this AMP includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AMP may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AMP is the forecast of 10 year total outlays, which for the stormwater asset class is estimated as \$21.5 million or \$2.1 million on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$19.8 million or \$2 million on average per year as per the Long-Term Financial plan or Planned Budget. This is 92% of the cost to sustain the current level of service at the lowest lifecycle cost.

The reality is that only what is funded in the LTFP can be provided. The Informed decision making depends on the AMP emphasising the consequences of planned budgets on the service levels provided and risks.

The anticipated planned budget for stormwater assets leaves a shortfall of \$170,000 on average per year of the forecast lifecycle costs required to provide services in the AMP compared with the Planned Budget currently included in the LTFP. The forecast lifecycle costs and planned budgets is shown in figure 1.6.1.

Figure 1.6.1: Forecast Lifecycle Costs and Planned Budget

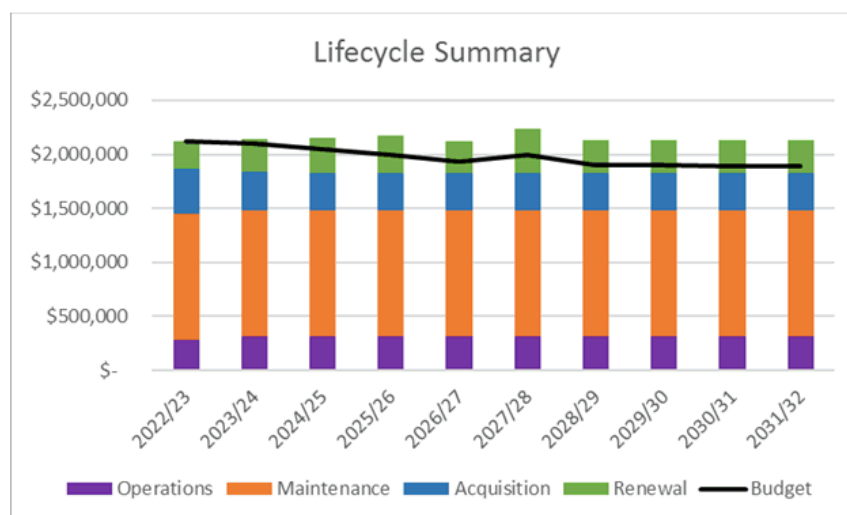


Figure values are in 2022 dollar value.

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Council provides stormwater asset services for the following: operations, maintenance, renewal and acquisition of Urban SW pipes, overland flow channels, GPTs and Pits as well as drainage and culverts to meet service levels set by Council in annual budgets.

1.6.2 Summary of major renewal/acquisition within the 10 planning period

- In the LTFP 2022-2032 there is a large backlog of required stormwater pipe renewal works for relining. These are relining works that were identified through a Wincam CCTV SW network survey in 2018 with an estimated value of US\$1.3 million.
- Other major program of works is the Stormwater Improvements Program. This program includes works that require renewal, upgrades and new installations. These works aims for 40% renewal and 60% acquisition of new or upgraded infrastructure. The list of prioritised works includes unresolved and ongoing service complaints, internal nominations, uncompleted projects or staged works and works identified in a Local Government Engineering Services (LEGS) 2005 Guyra Drainage Study. The listed and prioritised works have been distributed over seven financial years from 2024 to 2030 to allow them to be sustainably delivered. The estimates may not reflect current market prices and works may have been undervalued.
- A program of identified new GPTs has also been included in this AMP. This will deliver over \$1.1 million in new GPTs over the next 10 years capital budget. This provides for adequate design, planning and construction periods. This program aligns with the Community Plan 2022-2032.

1.6.3 What we cannot do

We have not allocated enough budget to sustain these services at the proposed standard. The Planned budget is based on a no SRV forecast. What we cannot do²:

- The backlog of required stormwater pipe relining in the timeframe outlined within the Plan. Re-lining or replacing pipes is needed at the end of their expected useful life to avoid failures,
- Planning to identify and prioritise upgrades to address capacity and local flooding issues across the region (many areas face problems),
- The backlog of required asset renewal and acquisition works under the Stormwater Improvements Program in the timeframe outlined within the plan,
- Resolve the ongoing and arising complaints and issues in reasonable timeframes to improve our relationship and maintain our integrity with the community, and
- Mitigate the flooding and SW flow risks on assets and property from extreme rainfall events.

² From Resourcing Strategy, p 65.

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1.6.4 Managing the risks

If a permanent SRV of 50% is not achieved over three years commencing in 2023/24 financial year, the asset risks would not be mitigated in the medium term.

The main risk consequences are:

- Property inundation and/or damage from uncontrolled SW flow paths or failed asset infrastructure,
- Major asset failures resulting in unplanned and urgent required expenditure,
- Council reputation from ongoing unresolved issues and complaints,
- Damage to other asset infrastructure, and
- Rising maintenance and operations costs from new acquisitions.

We will endeavour to manage these risks within available funding by:

- Commit to the investigation and design expenditure required to address the backlog of stormwater complaints and issues,
- Seek external funding where available and applicable to support the resolution of SW complaints and issues,
- Consider and investigate the potential upgrade requirements of stormwater pipe sizes when relining or replacing these assets,
- Establishing an asset management inspection regime including condition and capacity assessment processes,
- Develop the asset register and SW asset data to understand the true state of these assets and the associated risks to Council, and
- Develop SW drainage strategies to determine pipe upgrades renewals.

1.7 Asset Management Planning Practices

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum and compliant service levels required,
- Budgets have been allocated based on the best available data on assets,
- That the Capital Stormwater Improvements Program expenditure aims for 60% acquisition and 40% renewal. This figure was based on the estimates provided by the Design Coordinator for the SW Improvements Program,
- That the LTFP estimates are accurate and based on current market prices. Rising inflation will substantially impact scoped costs,
- That Council can manage the delivery of the programs with internal and external resources,
- That the current maintenance and operations budgets are appropriate to maintain current service levels, and

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- There may be financial risks associated with scoped costs estimated from low confidence level asset data records.

Assets requiring renewal were identified using the Alternate Method. An estimate of renewal lifecycle costs was projected from external condition modelling systems and supplemented with, or based on, expert knowledge. The Alternate Method was used to forecast the renewal lifecycle costs for this AMP.

Council's asset registers are incomplete and do not have record of acquisition or construction dates so asset age cannot be determined. Life expectancy cannot be used to estimate renewals across the network.

This AMP is based on a low level of confidence and SW assets condition data. There are no current pipe network capacity engineering reports.

1.8 Monitoring and Improvement Program

The next steps resulting from this AMP to improve asset management practices are:

- A Levels of Service Framework will be adopted which includes defined Customer and Technical LoS and performance measures so levels of service can be assessed and used to inform asset management planning and expenditure investment. Customer LoS and Technical LoS information will be included in future iterations of this AMP,
- A region-wide inventory of assets will be carried out to capture all data on assets. This, as well as all data recorded in the Assets database will be consolidated to link with financial information. Council is investigating various models of Enterprise Asset Management Software that have the ability to consolidate or link financial and non-financial data on all asset classes so a complete inventory of assets is maintained. This will enable assets and finance departments to access one single repository of asset information, track and monitor asset condition, ensure transparency in planning processes and plan evidence based investments. Once this asset register is developed it can be used to inform the next LTFP cycle and future iterations of this AMP,
- Council is currently undertaking an organisational re-structure to address resource planning. Resources will be allocated and staff will be appropriately trained to lift capability in asset management,
- The Asset Management Policy will be updated and AM Framework will be established. This will be used to inform future iterations of the AMP,
- Formal asset lifecycle management processes and systems will be implemented to improve asset management planning. This will be used to inform future iterations of the AMP,
- Formal asset management planning processes will be established across each asset group to ensure consistency in information included in the AMP,
- Customer satisfaction surveys will be undertaken to inform development of the LoS performance measured in the AMP,

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- Consistent processes for asset condition assessments will be established and asset performance monitoring will be implemented to monitor, report and inform investments in future LTFP cycles and iterations of this AMP,
- Formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades will be established to inform development of long term forward works program for the LTFP and future iterations of this AMP,
- AMPs will be used in the future to drive expenditure in assets so the information used to develop programs of work must be evidence based with a high degree of accuracy to justify the need for the investment. Council will specify their standard requirements for future AMPs,
- Develop new stormwater assets register through our GIS data and previous registers and establish one single source of information going forward,
- Develop and implement a schedule and allocate a budget to assess the SW network for condition and capacity,
- Develop a formal process for SW acceptance from the Development/Planning team on new SW assets and values. Establish processes for accurate collection and registry of asset data from urban and rural development stormwater acquisition,
- Change work order creation to split operation and maintenance expenditure so the actuals of SW network maintenance can be determined,
- Recommend finance department to split urban and rural drainage budgets so rural drainage can be charged to the road formation and claimed via Roads to Recovery funding. Benefits include better opportunities for funding and easier OSE reconciliation,
- Re-establish a program for bi-annual CCTV review of critical stormwater infrastructure which were not previously CCTV assessed and condition rated,
- Establish and adopt internal processes for the handover of created assets with the required asset register data and financial information, and
- Develop SW drainage strategies to determine pipeline upgrades/renewals.

2. INTRODUCTION

2.1 Background

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AMP is to be read with the Armidale Regional Council's planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Integrated Planning Framework which includes Advancing Our Region Your Community Plan 2022-2032,
- Resourcing Strategy which includes the Workforce Management Plan and Asset Management Strategy 2022,
- ARC Creeklands Master Plan 2018,
- LEGS – Drainage Study Guyra 2005,
- Armidale Drainage Capacity Study 1996,
- 10 Year LTFP Roads Summary,
- 10 year forward works Program for Roads Infrastructure, and
- The Strategic Asset Management Plan (SAMP).

Council has not invested in and prioritised asset management performance over the last six years since the amalgamation in 2016. This is attributed to:

- Management priorities did not include the establishment of best practice asset management,
- High staff turnover across the asset sector and the organisation,
- Inadequate investment in staff professional development or systems training, management and upkeep of the asset register and financial system, and
- Lack of adopted and enforced asset management practise across the organisation.

Council is currently in the process of developing its asset management strategies and policies in line with ISO 55000 International Standards, IPWEA best practice guidelines and the International Infrastructure Management Manual 2020.

Council undertook an Asset Management Maturity Assessment in July 2022. Based on a 55 (Core) target maturity level score, Council's overall AM maturity score is 32 (Basic) – i.e. minimum level processes and practices in place with a Maturity Gap of 23 points. The variance between the current and target score is 41%.

Council aims to lift its capability in asset management by addressing the gaps in AM practices identified in the Assessment. The Improvement Plan in the SAMP, contains 30 recommended improvement actions for Council achievable within 1-2 year period.

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The infrastructure assets covered by this AMP include all stormwater assets, which are used to provide stormwater services. The infrastructure assets included in this plan have a total replacement value of \$172 million.

Current main issues with the stormwater asset class are that:

- Large amount of listed and required renewal and acquisition works due to condition, complaints, design issues and strategic assessment,
- Multiple sources of information that are not aligned and accurate across the organisation with low confidence in current condition data,
- Lack of consistent AM processes within the organisation,
- Lack of current SW strategy studies, and
- SW customer service area has 51 enquiries relating to SW issues, 38 of which remain unresolved.

This AMP communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and funding to provide the appropriate levels of service over the 10 year planning period.

Key stakeholders in the preparation and implementation of this AMP are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AMP

KEY STAKEHOLDERS	ROLE IN AMP
Councillors	<ul style="list-style-type: none"> • Represent needs of community, • Allocate resources to meet the organisation's objectives in providing services while managing risks, • Ensure organisation is financial sustainable.
General Manager	<ul style="list-style-type: none"> • Ensures ARC is aligned with the organisation's infrastructure services requirements and community expectations, • Allocate resources to meet the organisation's objectives in providing services while managing risks.
Chief Officer Assets and Services	<ul style="list-style-type: none"> • Overall responsibility for Asset Management, • Reports to Council on status of programs and projects, • Harmonise departments and develop consistence/ efficiency within the organisation, • Ensure funds are invested appropriately to ensure best value for money is delivered to the community, • Provide leadership in influencing decision making processes related to Asset Management.
Manager of Roads and Parks	<ul style="list-style-type: none"> • Oversees the Transport department (stormwater included) in annual delivery of M&R as well as capitol works, • Ensures alignment with DP, • Ensures projects and works are done to standards and budgets for each financial year, • Sets new policies and management plans for this space to meet best practice and on-going improvement,

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KEY STAKEHOLDERS	ROLE IN AMP
Outdoor crews (including team leaders)	<ul style="list-style-type: none"> Deals with customer complaints. Operation and Maintenance management to meet agreed levels of service, Highlight issues requiring attention of senior management, Provide updates back to assets team on status of works.
Asset Officers	<ul style="list-style-type: none"> Develop AMPs, Provide input and support implementation of this AMP, Support and implement Council's strategic directions.
GIS and IT teams	<ul style="list-style-type: none"> Responsible for reviewing and keeping AMP up to date, Coordinate with Asset officers and owner on the areas of need of process improvement, Responsible for keeping asset data up to date, Display of geographic information, Maintenance of corporate software, Financial accounting for assets.
Community	<ul style="list-style-type: none"> Beneficiaries of the service, Be aware of service levels and costs, Participate in consultation processes, Provide feedback on services.
State and Federal Government	<ul style="list-style-type: none"> Promote Best Practice Asset management, Recognising the importance of LGA Assets to the community and provide funding and other assistance to sustain.

Our organisational structure for service delivery from infrastructure assets is detailed below:



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2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for current and future population. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to develop compliant and cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to the Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Stakeholder engagement,
- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met, and
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015³
- ISO 55000⁴

³ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

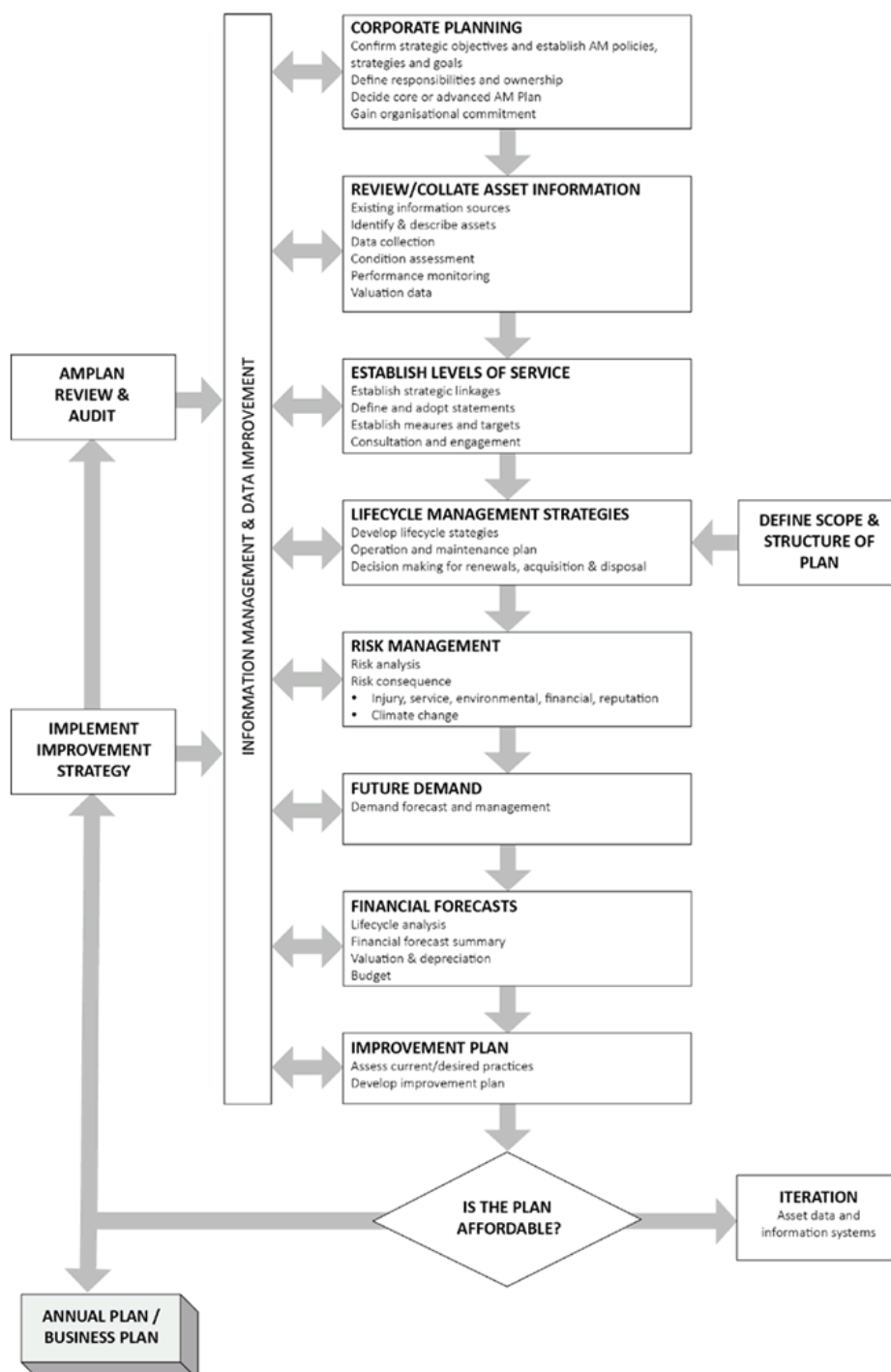
⁴ ISO 55000 Overview, principles and terminology

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A road map for preparing an AMP is shown below.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



3. LEVELS OF SERVICE

Levels of service are inherently set when the urban and rural drainage operational, maintenance and capital budgets are approved each financial year.

According to our customer service records since 2021 we have had 27 customer enquiries relating to drainage blockages, 6 of which are enquiries that currently remained open. There are also 51 enquiries relating to stormwater issues, 38 of which remain under investigation.

From the number of unresolved issues under customer service logs and other unresolved issues listed under the stormwater improvements plan, it could be inferred that Council has adopted a medium to low level of service in the stormwater asset area. However, some of these are compliance related issues where Council is not at fault but needs to facilitate resolution of responsibility under statutory regulations i.e. Local Government Act and Environmental Protection Act. These community complaints are referred to Council's development engineer who does not have time nor the resources to resolve or delegate responsibility to attend to these complaints appropriately. The situation has been discussed with the executive leadership team and recommended for consideration in the organisational restructure.

The Guyra area, in particular, has a number of ongoing stormwater issues needing resolution by Council. Some of these issues were identified in the LEGS Guyra drainage study in 2005 and others have come from new complaints and reported issues.

Community perceived service levels for stormwater relate to rainfall events and Council has invariably received more complaints and reports during the heavy rainfall events in the last two financial years.

Management plays an important role in ensuring Council delivers the agreed levels of service to the community by allocating budget that is informed by levels of service requirements to enable delivery of those projects that have been investigated and assessed to be of high risk to people or property. The design team is also investigating issues and risks, designing solutions, costings, prioritising the listed projects and ensuring we have appropriate levels of technical skill in critical roles both in the office and field to deliver to levels of service expectations.

In order to assess and understand the condition of our urban and rural stormwater assets Council needs to conduct regular CCTV asset surveillance inspections of SW pipes, rural culvert inspections and importantly, on those critical assets considered high risk due to their location under buildings or infrastructure. Renewal of those assets previously assessed as in condition level 5 (very poor) and understanding the condition of the rest of the network will be critical to sustain required levels of service and future planning.

3.1 Customer Research and Expectations

This AMP is prepared to facilitate consultation prior to adoption of levels of service by the Armidale Regional Council. Future revisions of the AMP will incorporate customer consultation on service levels and costs of providing the service. This will assist Council and stakeholders in matching the level of

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service required, service risks and consequences with the customer's ability and willingness to pay for the service.

3.2 Strategic and Corporate Goals

This AMP is prepared under the direction of the Community vision, mission, goals and objectives.

Our vision is:

'We want a harmonious region which celebrates diversity and uniqueness of our communities, provides opportunities for all people to reach their potential, encourages engagement without environment, cultures and lifestyles while supporting growth, opportunity and innovation.'

This AMP is prepared to meet Council's purpose, visionary goal and values.

Council's purpose is:

'Together, we are proud to deliver to the highest possible standards for ARC in all that we do. '

Council's visionary goal is:

'As a result of having a high performing team, by January 2023 we will be connected across the organisation with aligned priorities.'

Council's values are:

- Inclusion
- Wellbeing
- Transparency
- Commitment

Strategic goals have been set by Council in Advancing our Region Your Community Plan 2022-2032 and the State of The Environment Report. The Community Plan has six key pillars and within each Pillar are two goals (G1 & G2) – which are the key community aspirations that Council seeks to achieve. The AM objectives are aligned with the goals of each Pillar. The Pillars are as follows:

- P1: Thriving Region – Economy and Vision
- P2: Connected Region – Transport and Technology
- P3: Future Region – Sustainability and Resilience
- P4: Liveable Region – Places and Spaces
- P5: Enriched Region – Community and Culture
- P6: Strong Region – Engagement and Responsibility

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Strategic goals have been set in Advancing Our Region Your Community Plan 2022-2032. A summary of how they are addressed in this AMP is shown in table 3.2.

Table 3.2: Goals and how these are addressed in the Asset Management Plans

GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
P1, G1. A strong economy, sustainable growth and opportunity	AMO 2. Increase the level of maintenance and renewal activities to achieve the industry benchmark renewal ratio of $\geq 100\%$.	A program of works that reflects an increase in the level of maintenance and renewal activities.
P1, G2. A destination of choice, renowned for its beauty, heritage and unique attractions		This is a Plan that will address the renewals backlog over time to extend the life of the assets, and increase maintenance activities to ensure the assets continued operation.
P2, G1. Quality infrastructure that makes it safe and easy to travel around our region		
P2, G2. Transport and technology that enable connectivity both locally and outside the region		A Plan that applies lifecycle principles in the development of the program of works for asset maintenance, renewals and capital upgrades.
P3, G1. A flourishing natural environment that is protected and enhanced	AMO 3. Apply lifecycle principles to asset management decisions	While this Plan requires an increase in investment in asset maintenance and renewals, the lifecycle approach will ensure Council is making informed decisions on its investment and achieve the value for money from its investment in the long term.
P3, G2. A clean, green, and responsible region		
P4, G1. Public spaces and infrastructure that facilitate health, community connections and opportunities		
P4, G2. Proactive, responsible, and innovative regional planning that grows us sustainably	AMO 4. Ensure the levels of service and infrastructure agreed with the community are consistently maintained.	A lifecycle approach to asset management will also help Council achieve the financial sustainability over time.
P5, G1. Access to the services and support that facilitate quality of life		A Plan that meets the community levels of service expectations.
P5, G2. A proud, inclusive and cohesive		
		While the Levels of Service measures have yet to formally adopted and agreed with the community, this Plan, has been developed with the aim of achieving a consistently high levels of service.

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GOALS	AM OBJECTIVES	HOW GOALS AND OBJECTIVES ARE ADDRESSED IN THE AMP
community that celebrates our region in all its diversity and culture		
P6, G1. An informed and activity engaged community that builds partnerships and shapes its future.	AMO 1. Lift capability in asset management by 41% within 1-2 years.	This Plan has been developed in parallel with the establishment of an AM Framework and planned improvements in AM practice areas to lift capability in delivering asset management services.
P6, G2. Strong governance and leadership that supports our region to grow and prosper.	AMO 5. Lift capability and capacity of the workforce to meet the long term service commitments to the community.	<p>This is a Plan that is responsive to the needs of the community.</p> <p>This Plan is informed by the Council's Workforce Management Plan, which addresses the need to improve workforce capacity and capability to enable Council to efficiently and effectively manage its assets and meet its long term service commitments to the community.</p>

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of stormwater services are outlined in Table 3.3.

Table 3.3: Legislative Requirements

LEGISLATION	REQUIREMENT
NATIONAL	
Local Government Act 1993	<ul style="list-style-type: none"> Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Crown Land Management Act 2016 No 58	<ul style="list-style-type: none"> Provides for the ownership, use and management of the Crown land of New South Wales, and the clarity concerning the law applicable to Crown land and the requirement of environmental, social, cultural heritage and economic considerations to be taken into account in decision-making about Crown land and to provide for the consistent, efficient, fair and transparent management of Crown land for the benefit of the people of New South Wales.
Australian Accounting Standards	<ul style="list-style-type: none"> Establishes the financial reporting standards for the valuation, revaluation and depreciation of assets.
Work Health and Safety Act 2011	<ul style="list-style-type: none"> Promote improvements in work health and safety practices whilst assisting in the preservation of public health and safety in all undertakings of the organisation.

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LEGISLATION	REQUIREMENT
Environmental Planning and Assessment Act 1979	<ul style="list-style-type: none"> Promote social and economic welfare for the community and a better environment by proper management, development and conservation of the State's natural and other resources, Facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment, Promote the orderly and economic use and development of land Protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats, Promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage), Promote good design and amenity of the built environment, Promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants, Promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the State and to provide increased opportunity for community participation in environmental planning and assessment.
Protection of the Environment Operations Act 1997	<ul style="list-style-type: none"> Protect, restore and enhance the quality of the environment in New South Wales, having regard to the need to maintain ecologically sustainable development, Provide increased opportunities for public involvement and participation in environment protection, Ensure that the community has access to relevant and meaningful information about pollution, Reduce risks to human health and prevent the degradation of the environment by the use of mechanisms that promote pollution prevention and cleaner production, reduction to harmless levels of the discharge of substances likely to cause harm to the environment, elimination of harmful wastes, reduction in the use of materials and the re-use, recovery or recycling of materials, making of progressive environmental improvements, including the reduction of pollution at source and monitoring and reporting of environmental quality on a regular basis, Rationalise, simplify and strengthen the regulatory framework for environment protection, Improve the efficiency of administration of the environment protection legislation, Assist in the achievement of the objectives of the Waste Avoidance and Resource Recovery Act 2001.
Water Management Act 2000	<ul style="list-style-type: none"> Provides for the sustainable and integrated management of water sources for the State for the benefit of both present and future generation, Apply the principles of ecologically sustainable development to protect, enhance and restore water sources, their associated ecosystems, ecological processes, biological diversity and water quality, Recognises and foster the significant social and economic benefits to the State that result from a sustainable and efficient use of water, including benefits to the environment, urban communities, agriculture, fisheries, industry, recreation, culture and heritage, and

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LEGISLATION	REQUIREMENT
	<p>benefits to the Aboriginal people in relation to their spiritual, customary and economic use of land and water,</p> <ul style="list-style-type: none"> • Recognises the role of the community, as a partner with government, in resolving issues relating to the management of water sources, to provide for the orderly, efficient and equitable sharing of water from water sources, • Integrates the management of water sources with the management of other aspects of the environment , including the land its soil, it's native vegetation and its native fauna, • Encourages the sharing of responsibility and efficient use of water between the Government and water users, to encourage best practise in the management and use of water.
Plumbing and Drainage Act 2011 No 59	<ul style="list-style-type: none"> • Regulates certain plumbing and drainage work and to establish a single regulator for that work, and for related purposes.
LOCAL	
Community Strategic Plan	<ul style="list-style-type: none"> • It is a 10-year plan that aims to clearly identify the community's main priorities and future aspirations, and the strategies required to achieve them.
Delivery Program 2022-2026	<ul style="list-style-type: none"> • A program of Council-led initiatives, across four years, that achieve the strategies of the Community Plan that are in Council's remit
Resourcing Strategy	<ul style="list-style-type: none"> • A set of plans and strategies that ensure Council has the necessary resources and assets, and that Council plans for the future accordingly
Operation Plan	<ul style="list-style-type: none"> • An annual plan of actions that support the Delivery Program and includes the annual budget allocations to support the activities to be undertaken
Procurement Strategy	<ul style="list-style-type: none"> • The way in Which ARC procure and engage with the market for resources and services.
Engineering Code	<ul style="list-style-type: none"> • Engineering standards for construction and replacement. Set out of material specifications, sequences of works, key dimensions etc. which must be followed.

3.4 Customer Values

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

Customer Values indicate:

- What aspects of the service is important to the customer,
- Whether they see value in what is currently provided, and
- The likely trend over time based on the current budget provision.

Community consultation has been undertaken for the preparation of the new long term community strategic plan and outcomes of the consultation and the values have been defined as follows:

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What customer love and value about our region:

1. Our Natural Environment – our climate, seasons, natural beauty, Wildlife and National Parks.
2. Our Location – Halfway between Sydney and Brisbane, and a short drive to the Coast.
3. Our Community – The people diversity and volunteers that make up our community.
4. Parks and Playgrounds – Our many beautiful outdoor spaces including parks, gardens and local playgrounds.
5. Arts and Culture and Heritage – Beautiful architecture, local history and the many arts organisations, events and performances in the region.
6. Education and Training – Long established university, TAFE digital hub, and variety of local schools.

Our community's 2032 vision for our Region (ranked in priority order):

1. Economically robust
2. Environmentally sustainable
3. Led through good governance
4. Strong tourism sector
5. A cohesive community

What the community wants improved in our Region (ranked in priority order):

1. Transport and Infrastructure
2. Environmental Sustainability
3. Economic Development
4. Shopping
5. Tourism

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

- **Condition** How good is the service ... what is the condition or quality of the service?
- **Function** Is it suitable for its intended purpose Is it the right service?
- **Capacity/Use** Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measures, the current performance, and the expected performance based on the current budget allocation.

These measures are based on the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition percentages) to provide a balance in comparison to the customer perception that may be more subjective.

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The Customer Levels of Service Measures presented in Table 3.5 are currently in draft form and will be updated once a new framework has been adopted. Levels of Service Framework is currently an improvement action for Council.

Table 3.5: Customer Level of Service Measures⁵

TYPE OF MEASURE	LEVEL OF SERVICE	PERFORMANCE MEASURE	CURRENT PERFORMANCE	EXPECTED TREND BASED ON PLANNED BUDGET
Condition	Our stormwater pipe assets are CCTV assessed. Based on an industry standard method for a 1-5 applied condition rating.	Look to maintain condition scores of 4 (poor) and below. Assess % of condition ratings.	ARC need to improve the asset data and increase the range of CCTV valuation for an accurate understanding of current performance. It is estimated that we only have current condition data on a quarter of the asset network.	The expected trend would be that once we CCTV survey further SW asset we will discover more pipes as condition 5 (very poor) in need of renewal.
	Confidence levels		Low <i>Professional judgement supported by data sampling</i>	Medium <i>Professional judgement supported by data sampling</i>
Function	SW assets have sufficient type, structure and capacity to meet intended use.	Assets that are fit for purpose.	Current assets are functional in terms of their intended use. However, this is based on professional judgement rather than accurate data.	Current assets will continue to provide their function, but if we do not meet the predicted increases from the Australian Rainwater Regulation (ARR) 2019, a portion of our assets will likely fail.
	Confidence levels		Low <i>Professional Judgement with no data evidence</i>	Medium to Low <i>Professional judgement supported by data sampling</i>
Capacity	Stormwater design and network capacity provides protection to property and infrastructure.	Current numbers of unresolved SW issues and complaints where SW capacity is not sufficient, design is inadequate or safety issues are present.	Our performance is low in resolving and constructing solutions to these issues.	With current shortfalls in required budgets, limited design budget and external staff resources, it is not expected that ARC will be able to resolve these issues. These will continue to be an ongoing source of conflict and complaints in the community at an accelerated rate.
	Confidence levels		Low <i>Professional Judgement supported by extensive data sampling</i>	Low <i>Professional Judgement supported by extensive data sampling</i>

⁵ Yet to be adopted by Council. Presented here for the purposes of the AMP.

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3.6 Technical Levels of Service

To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. installation of new pipes)
- **Operation** – the regular activities to provide services (e.g. mowing grass, inspections, etc.)
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. pipeline repairs)
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. pipeline replacement).

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AMP.

Table 3.6: Technical Levels of Service⁶

LIFECYCLE ACTIVITY	PURPOSE OF ACTIVITY	ACTIVITY MEASURE	CURRENT PERFORMANCE*	RECOMMENDED PERFORMANCE **
Acquisition/Upgrades	To meet development and community requirements, to protect the environment and property	Stormwater master plan, SW issues resolution and development of driving upgrades	Current performance would be low considering the backlogs of SW issues needing resolution	Acquisitions planned as per this AMP would aim to resolve this backlog of SW issues within 10 FY's.
		Future Upgrades assessed as a part of ARR 2019	There is currently no budget for any immediate pipe size upgrades. These will be considered on a case by case basis in consultation with design department	Use next financial year operational budget to engage a water consultant engineer to make a plan to align ARC's SW assets with the ARR 2019 and its recommendations
		Budget	<i>As per Planned Budget for Acquisition</i>	<i>As per Forecast Cost for Acquisition</i>

⁶ Yet to be adopted by Council. Presented here for the purposes of the AMP.

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LIFECYCLE ACTIVITY	PURPOSE OF ACTIVITY	ACTIVITY MEASURE	CURRENT PERFORMANCE *	RECOMMENDED PERFORMANCE **
Operation	To support service levels, keep the town and waterways clean and unpolluted, ensure open drains and pipes can function effectively, assess defects and maintenance requirements	Scheduled cleaning and inspections of GPT's, mowing and cleaning of open drains, scheduled stormwater inspections of mains, scheduled inspections and reporting of infrastructure assets	We can achieve the current activity measures under the operations funding	There are no plans to increase funding for the operation budget. Only that the O&M budgets should be split clearly within work orders to monitor the true costs moving forward
		Budget	<i>As per Planned Budget for Operation</i>	<i>As per Forecast Cost for Operation</i>
Maintenance	To maintain and repair the SW network ensuring that assets reach their expected useful lives	Scheduled inspections, reporting and issuing of orders to carry out repairs and maintenance	We can achieve the current activity measures under the maintenance funding. It is unknown whether these costs will rise with low renewal rates in previous years.	There are no recommendations to increase funding for the maintenance budget. Only that the O&M budgets should be split clearly within work orders to monitor the true costs moving forward
		Budget	<i>As per Planned Budget for Maintenance</i>	<i>As per Forecast Cost for Maintenance</i>
Renewal	To plan, prioritise and action renewals on our assets to restore their installed function and capacity	10YRFP, CCTV SW pipe inspections, investigation and designs to solve SW issues, asset infrastructure inspections and reporting	What can currently be achieved under the budget will not reduce the backlog of required renewals and SW issues. Current funding will not be able to support these works over the 10YRFP period.	The recommended budget plans to deliver the estimated \$1.3m for the backlog of condition 5 pipe relining renewals over the next ten years. It also plans to deliver the renewal component of the backlog of SW issues.
		Budget	<i>As per Planned Budget for Renewal</i>	<i>As per Forecast Cost for Renewal</i>

Note: * Current activities and costs (currently funded).

** Desired activities and costs to sustain current service levels and achieve minimum life cycle costs (not currently funded).

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4. FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as demographic change, regulations, seasonal factors, vehicle ownership rates, consumer preferences, expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 4.3.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this AMP.

Table 4.3: Demand Management⁷

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	Estimated to be 29,484 as of June 2021	Increase jobs in the Armidale LGA by 4,000 by 2040.	As housing development increases Council will need to provide new or upgraded infrastructure to meet demand	Council input into SW development planning process.
Land Subdivision	Low rate	Housing growth is expected to be high in line with the job growth plan.	Higher O&M costs and more resources required. New or upgraded infrastructure to support capacity increases	Council will consider this growth in Future Resource and Operation strategies

⁷ Yet to be adopted by Council. Presented here for the purposes of this AMP.

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Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Increased environmental awareness	Armidale Creeklands is in a poor environmental state	Armidale Creeklands Master Plan	Higher expectation for Council to ensure the state of the waterways. Increased O&M activities post creek lands development project. Increased resources in future years with installation of GPT infrastructure and Creeklands master plan SW assets	Manage and plan for increased O&M costs in the Public Open spaces. Continue working with and support local river care groups. Process new Creeklands project assets into public open space 10YRFP planning and AMPs. Drive and develop the community strategic plan environmental and infrastructure objectives Update strategy studies.
Industry study for SW	Strategy aligned with 1986 ARR	Current ARR 2019	Change in rainfall, intensity prediction, impact on size of infrastructure, climate change allowance.	

4.4 Asset Programs to meet Demand

New assets required to meet demand may be acquired, donated or constructed. Additional assets are presented in appendix B.

Acquiring new assets will commit the Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan.

4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.⁸

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.⁹

Risk and opportunities identified to date are shown in Table 4.5.1.

⁸ IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

⁹ Council has yet to develop asset resilience strategies for its assets.

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Table 4.5.1: Managing the Impact of Climate Change on Assets and Services

CLIMATE CHANGE DESCRIPTION	PROJECTED CHANGE	POTENTIAL IMPACT ON ASSETS AND SERVICES	MANAGEMENT
Higher / recurrent rainfall events	Predicted for more extreme weather events occur more frequently due to climate change variability	SW flows could exceed capacity and cause property inundation or damage and even risk of injury or death	Manage through acquisition of new SW pipes and capacity upgrades under acquisition and renewal budgets. Need to revisit outdated drainage study recommendations and revitalise pipework capacity by catchment based on today's climate and predictions. Investigate new construction techniques and options.
Temperature variation	Warmer summer and colder winters	Larger rainfall expected in Summer months as temperatures rise with climate change and less rainfall expected in winter	Review the outdated drainage studies for the Armidale LGA and align with ARR 2019. Include recommendations for future acquisition budget for capacity upgrades.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change,
- Services can be sustained, and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

Table 4.5.2 summarises some asset climate change resilience opportunities.

Table 4.5.2: Building Asset Resilience to Climate Change

NEW ASSET DESCRIPTION	CLIMATE CHANGE IMPACT ON THE ASSETS	BUILD RESILIENCE IN NEW WORKS
SW pipe capacity upgrades	High SW flows exceeding pipe capacity, potential pipe damage or movement.	Revisit and renew outdated drainage studies for today's climate predictions (ARR 2019). Consider these recommendations for an inclusion in future programs. Plan for a similar study of Guyra SW.
Infrastructure methods/techniques	Higher flows and impacts on all infrastructure.	Investigate new techniques and options such as channels, swales in place of subsurface pipe networks.

The impact of climate change on assets is a new and complex discussion. Resilience strategies are being developed and will be incorporated in future revisions of this AMP.

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5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

This AMP included all stormwater assets, such as channels, pits/GPTs, urban and rural pipes and culverts. It has a current replacement cost of \$173 million. Currently, there is no single asset register that includes all assets in this asset group. This is an improvement action for this AMP.

5.1.2 Asset age profile

Construction dates of stormwater assets, are not available. Asset age profile cannot be provided for this AMP. Construction dates will need to be captured in a region-wide inventory of assets, which is an improvement action for Council. Once construction dates are available, an Age Profile Graph can be provided in future revisions of this AMP.

5.1.3 Asset capacity and performance

Assets are generally required to meet design standards where available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.3.

Table 5.1.3: Known Service Performance Deficiencies

LOCATION	SERVICE DEFICIENCY
Guyra	There is a large number of outstanding SW issues in Guyra identified in the 2005 LEGS Drainage study and ongoing reports/complaints. Identified issues require investigation and design, construction of new SW assets and/or the renewal of current infrastructure. In addition, a new drainage study is required.
Armidale	Under the 1996 ADC drainage study there were several locations recommended for new pipes and pit upgrades. Need to revisit this study and align with ARR 2019 to consider these new SW pipes or upgrades in future budgets based on their criticality.
Armidale	Currently there are \$1.3 million in listed SW pipes at condition rating 5 (very poor) required to be relined. Service deficiencies will become evident when these assets fail due to condition.

The above service deficiencies were identified from the stormwater 10 year financial plan work program.

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These include the Pipe relining, Stormwater Improvements Programs and the SW pipe upgrade prioritised listings.

5.1.4 Asset condition

Condition is currently monitored informally and since cyclic condition inspections of all asset classes are not a regular practice, there exists a low data confidence in current condition of assets. Overall SW assets are not regularly inspected, monitored or assessed. This is an improvement action for Council and will be addressed when Council implements its asset lifecycle approach to management of assets.

Condition is measured using a 1 – 5 grading system¹⁰ as detailed in Table 5.1.4. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AMP results are translated to a 1 – 5 grading scale for ease of communication.

Table 5.1.4: Condition Grading System

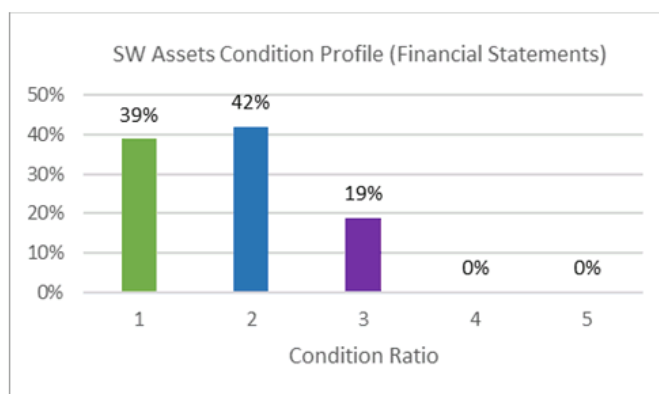
CONDITION GRADING	DESCRIPTION OF CONDITION
1	Very Good: free of defects, only planned and/or routine maintenance required
2	Good: minor defects, increasing maintenance required plus planned maintenance
3	Fair: defects requiring regular and/or significant maintenance to reinstate service
4	Poor: significant defects, higher order cost intervention likely
5	Very Poor: physically unsound and/or beyond rehabilitation, immediate action required

¹⁰ IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

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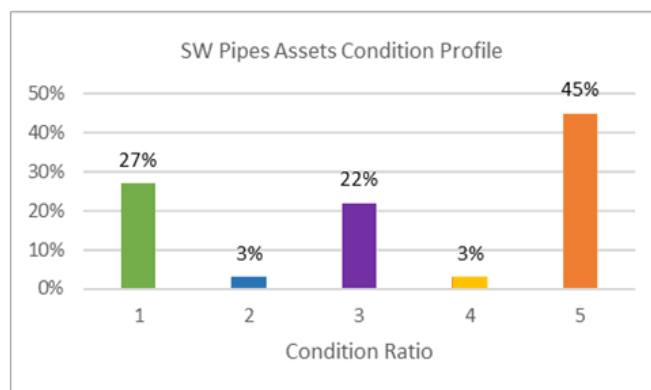
The condition of assets comprising all SW assets as reported in ARC's annual financial statements 2021 is shown in figure 5.1.4.1.

Figure 5.1.4.1: Stormwater network Condition Profile



Further CCTV condition assessment has been carried out for underground SW pipes assessing 30% of ARC's portfolio and the pipes condition profile is shown in figure 5.1.4.2. Note that results of this assessments will be incorporated in the financial statements year ending 2023.

Figure 5.1.4.2: SW Pipes Condition Profile



As identified in the Asset Management Maturity Assessment Report, Council does not have a centralised asset register. Data is held in separate locations and there is no clear and regulated audit trail between data sets. As a consequence, condition ratings used for operational purposes do not match condition ratings for financial reporting purposes, distorting the condition ratings. The condition ratings provided are aligned with Council's financial reporting requirements however Council inspections and operational feedback is indicating that the condition of most of Council's asset classes are lower than indicated. The condition ratings for this asset class are an example of that trend.

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The CCTV assessment reported 68 SW pipes in condition 5 requiring relining (45% of the pipes assessed). The CCTV assessment work has been put on hold since 2020/21 financial year due to financial constraints. If future CCTV assessments have a similar percentage in asset condition, the Council's SW relining backlog will increase significantly.

Once condition assessments are carried out, the condition profile on the financial statements will be updated.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include removal of waste and debris from inlets and ponding areas, mowing, weeding or pruning plants and minor sediment removal.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, sub drain replacement and soil replacement.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

YEAR	MAINTENANCE BUDGET
FY 2020-2021	\$744,000
FY 2021-2022	\$1,013,000
FY 2022-2023	\$1,168,715

Maintenance budget levels are considered to be adequate to meet projected service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AMP.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

5.2.1 Asset hierarchy

An asset hierarchy is a logical index of all equipment, machines, and components, and how they work together. It is critical for understanding how action on one asset affects other assets, establishing a parent-child relationship amongst multiple assets. Building and understanding the asset hierarchy is critical to efficiently track, schedule, and identify the root causes of problems.

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The asset hierarchy is unavailable and is an improvement action for this AMP. However, SW have a service hierarchy, which is shown in Table 5.2.1.

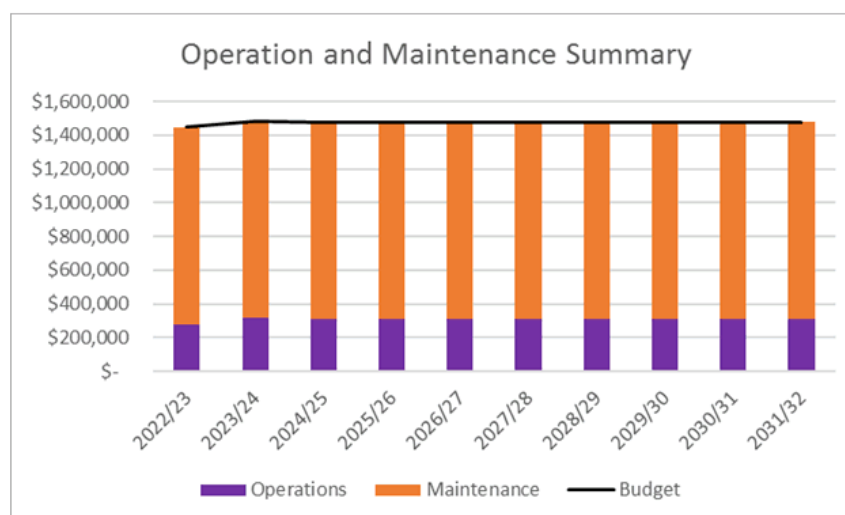
Table 5.2.1: Asset Service Hierarchy

SERVICE HIERARCHY	SERVICE LEVEL OBJECTIVE
1. SW Operations Activities	Ensure the SW assets are functioning effectively
2. SW Maintenance & Operations	Ensure that assets are maintained so extend their useful lives
3. SW Pipe Relining	Renew SW pipe assets to return them to their original condition and extend its useful life
4. SW Improvements	Develop design solutions. Acquire and renew SW assets to address identified SW issues, complaints and align with strategic directives
5. SW Pipe Upgrades	Document needs revision. Objective is to install and/or upgrade SW assets where opportunities arise to ensure they are fit for the purpose and gaps in infrastructure are addressed.

5.2.2 Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to change in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs may increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2.2: Operations and Maintenance Summary



All forecast values are shown in 2022 dollar value.

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5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model:

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3.

Table 5.3: Useful Lives of Assets

ASSET (SUB) CATEGORY	USEFUL LIFE
Drains	80 - 100 years
Channels	80 – 100 years
Pits	80 – 100 years
SW Urban pipes	100 - 120 years
Culverts	50 - 80 years

The estimates for renewals in this AMP were based on the alternate method.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a culvert that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a pipeline).

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and

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- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.¹¹

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

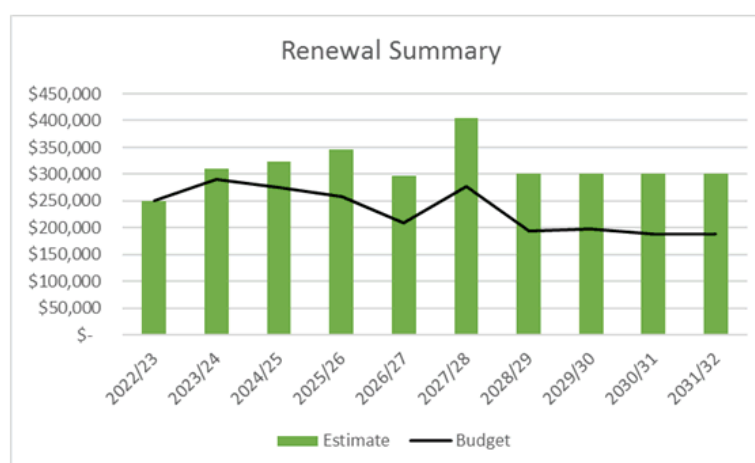
Table 5.3.1: Current Renewal Priority Ranking Criteria

CRITERIA	WEIGHTING
SW Pipe relining Program	
Condition	Priority listing 100%
Asset location criticality	Drives selection under budget restrictions 100%
SW Improvements Program	
Previously Adopted FWP Priorities	Priority Listing 100%
Capacity	Nil - Needs further work to formally adopt priorities and budget estimates

5.3.2 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.3.2. A detailed summary of the forecast renewal costs is shown in Appendix C.

Figure 5.3.2: Forecast Renewal Costs



All forecast values are shown in 2022 dollar value.

¹¹ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

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Over the next 5 years, the budget is aimed at removing the backlog of SW pipe relining and SW Improvement projects. The renewal budget is aligned with the current 10 year LTFP budgets. Council needs to invest in the renewal of urban and rural SW to ensure the network functions effectively protect property and infrastructure and avoid the risk of asset failure. Council also needs to invest in further SW CCTV assessment to gain a better understanding of the SW pipe network condition.

5.4 Acquisition Plan

Acquisition reflects new assets that did not previously exist or works that will upgrade or improve an existing asset beyond its current capacity. It may be a result of growth, demand, social or environmental needs. Assets may also be donated to ARC.

5.4.1 Selection criteria

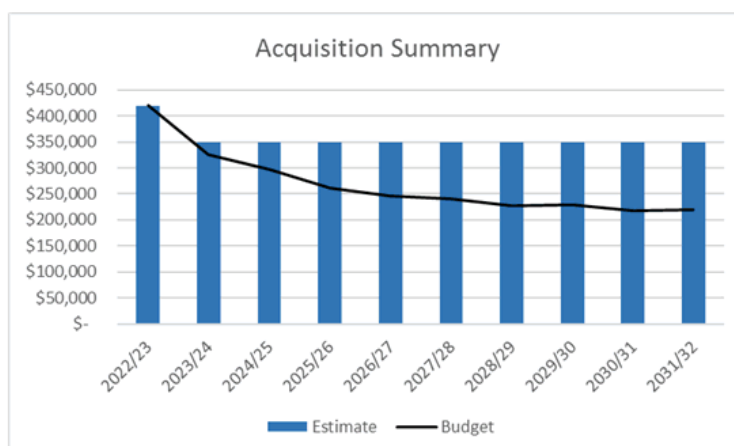
Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to community needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimates to ensure that the services are sustainable over the longer term. Council currently has a prioritised and estimated forward works program that includes acquisition of urban SW assets under the new GPTs and SW Improvement Programs. Council is looking into improving processes for prioritising SW acquisition projects.

5.4.2 Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.4.2 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix B.

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Figure 5.4.2: Acquisition Summary



All forecast values are shown in 2022 dollar value.

Committing to new assets implies committing to future operating, maintenance and renewal costs. Future depreciation must also be taken into account when analysing long-term sustainability. Regarding the long-term impacts of acquiring assets. Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

5.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. There are no forecast disposals in LTFP 2022-2032 to be reported in this AMP.

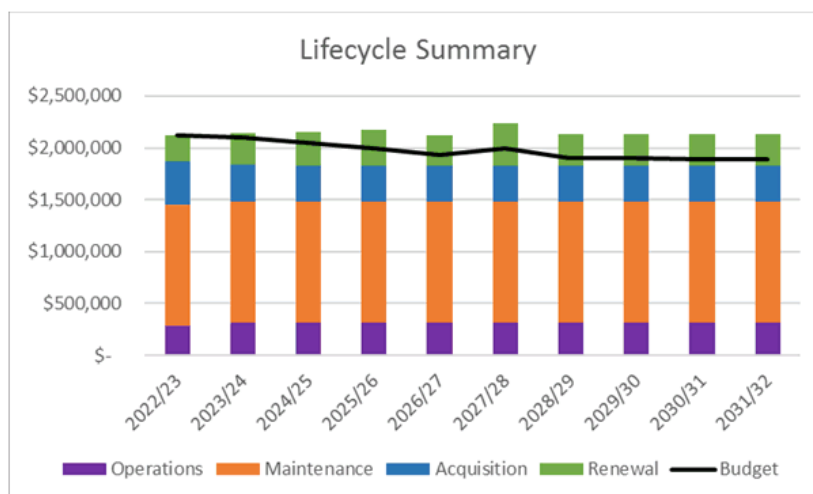
5.6 Summary of asset forecast costs

The financial projections of this AMP are shown in Figure 5.6 and detailed in Appendix A. These projections include forecast costs of acquisition, operation, maintenance, renewal, and disposal. The forecast costs are displayed in relation to the proposed budget.

The forecast costs are represented by the bars, while the proposed budget line indicates the estimated available funding (no SRV) for the next 10 years. The gap between the forecast and the proposed budget is the basis of the SRV proposal to meet the financial need to cover all projects planned for the next 10 years.

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Figure 5.6: Lifecycle Summary



All forecast values are shown in 2022 dollar value.

The proposed budget for the projects included in the 10-year planning corresponds to the expected costs, since all projects presented are essential to keep the stormwater assets sector operating, as well as its level of service. If there are new acquisitions, renewals, or changes to the 10-year plan, these will be added to future updates of this AMP.

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6. RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’.¹²

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1: Critical Assets

CRITICAL ASSETS	CRITICAL FAILURE MODE	OPERATIONS AND MAINTENANCE ACTIVITIES
SW pipe under Urban buildings or infrastructure	SW pipe breakages	Property or infrastructure damage, risk of major unplanned expenditure to council due to asset failure or damage
SW Inlets, pits	Become blocked with vegetation growth or debris	SW system not functioning properly. SW flows taking different paths creating dangerous road conditions or risk to property
SW pipe under road infrastructure	Flush joint pipe openings	Can create a venturi effect removing materials that support the road formation
Unresolved issues and complaints from insufficient capacity or function	SW function or capacity failure resulting in flooding	Dangerous road conditions, Property or infrastructure damage, council reputation

¹² ISO 31000:2009, p 2

TRIM: TBA

CRITICAL ASSETS	CRITICAL FAILURE MODE	OPERATIONS AND MAINTENANCE ACTIVITIES
Rural Culverts and pipes	Culvert headwall collapse or failure of pipes under road joining culverts	Flood damage to road infrastructure and or private property

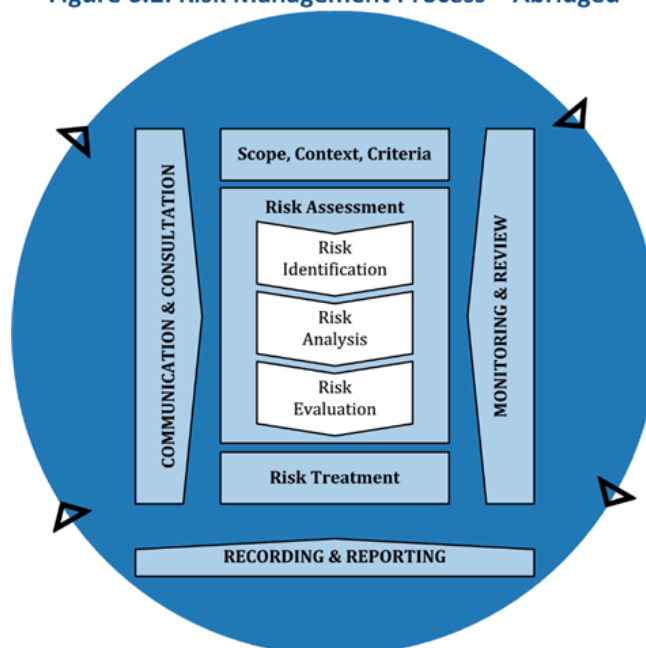
6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

Figure 6.2: Risk Management Process – Abridged



Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

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Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan.¹³ The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Council.

Table 6.2: Risks and Treatment Plan

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN	RESIDUAL RISK *	TREATMENT COSTS
SW network	Private property inundation or damage	H	SW Improvements program projects	L	\$3,000,000
SW network	Private property inundation or damage	H	Review the 1996 ADC drainage study	M	\$30,000
SW network	Private property inundation or damage	H	Complete new drainage capacity study of the Guyra area	M	\$30,000
SW network	SW effecting the safety of road infrastructure	H	Redesign of SW issues effecting road assets	L	\$500,000
SW network	SW effecting the safety of road infrastructure	H	Immediate road closure or water removal	L	\$1,000
SW network	SW effecting the safety of road infrastructure	H	Warning signage	L	\$200
SW network	Public Safety - injury or death	H	Ensure barriers are around dangerous entry points to SW channels or flow paths, release community warnings, install extra warning signage during high flows	L	\$4,000
SW network	Public Safety - injury or death	H	Provide education to the community on SW flow dangers and precautions	L	\$5,000

¹³ An Infrastructure Risk Management Plan has yet to be developed in accordance with Council's Risk Policy. This is an improvement action for Council.

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SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN	RESIDUAL RISK *	TREATMENT COSTS
SW network	Toxic chemical pollutants entering waterways	H	Carry out periodic sampling for chemical pollutants	M	\$15,000
SW network	Toxic chemical pollutants entering waterways	H	Reactive sampling in response to pollution reports, fish kills or spills	M	\$15,000
SW network	Toxic chemical pollutants entering waterways	H	Warning signage or media releases on pollution levels	L	\$10,000
SW network	Damage to council infrastructure	H	SW Improvements program	L	\$3,000,000
SW network	Damage to council infrastructure	H	SW pipe relining	L	\$1,300,000
SW network	Damage to council infrastructure	H	CCTV assessment of critical SW Assets	L	\$200,000
SW mainlines under roads	Catastrophic asset failure - underlying roads materials sucked away via a venturi effect	H	CCTV assessment of SW mains with flush joints	M	\$50,000
SW mainlines under roads	Catastrophic asset failure - underlying roads materials sucked away via a venturi effect	H	Roads asset inspections	M	\$1,000 per location
Capital Program budgets	Current Capex estimates are low due to cost inflation in the current market	H	Biannual reviews of capex budgets, estimate reviews before projects meet the NFY programs	L	\$3,000
SW network	Insufficient capacity	M	Capacity assessments across our LGA	L	\$60,000

TRIM: TBA

SERVICE OR ASSET AT RISK	WHAT CAN HAPPEN	RISK RATING (VH, H)	RISK TREATMENT PLAN	RESIDUAL RISK *	TREATMENT COSTS
SW network	Lack of condition assessment	H	Assess the condition of pipes without current condition data. We cannot rely on age method as not recorded	M	\$75,000

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

Table 6.3: Resilience Assessment

THREAT / HAZARD	ASSESSMENT METHOD	CURRENT RESILIENCE APPROACH
Climate Change	Drainage Capacity studies	Low – needs revision for today's climate and future predictions (ARR 2019). Also needs a new study carried out for Guyra and villages across the Armidale LGA
SW programs - Delivery Resources	Council's Resourcing Strategy	Medium – needs further development of Council's capacity to meet requirements of future programs

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AMP are based on the objective to achieve the optimum benefits from the available resources.

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6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- The backlog of required stormwater pipe relining in the timeframe outlined within the Plan. Re-lining or replacing pipes is needed at the end of their expected useful life to avoid failures,
- Planning to identify and prioritise upgrades to address capacity and local flooding issues across the region,
- The backlog of required asset renewal and acquisition works under the Stormwater Improvements Program in the timeframe outlined within the plan,
- Resolve the ongoing and arising complaints and issues in reasonable timeframes to improve our relationship and maintain our integrity with the community, and
- Mitigate the flooding risks on assets from extreme rainfall events.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Longer delays and timeframes in the resolution of SW issues and complaints,
- With low resources – i.e. Only 1 current drainage truck we cannot always unblock and ensure SW function within efficient timeframes and to an agreed LoS,
- We are having issues with vegetation growing in channels, pits and side entry pits. Without adequate resources, vegetation cannot be removed and maintained effectively to ensure current SW levels of service,
- ARC design resources are currently under resourced to investigate, design and cost the ongoing resolution of SW issues and complaints in time for program delivery due to competition with other organisation design priorities, and
- Further deterioration of asset conditions levels and increased risk of asset failure.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Insufficient SW capacity and function causing private property inundation/damage, council infrastructure damage or road safety issues,
- Capacity or function failure of current SW network systems due to blocked or overgrown vegetation. Risk of property inundation or damage, council infrastructure damage or road safety issues,
- Risk of council exposure to litigation due to SW property inundation or damage or a road accident involving SW possibly due to insufficient overland flow paths and building elevation,

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- Council reputational damage due to delays and lack of action in resolving SW issues and complaints, and
- Local waterways pollution damaging the local ecology or the community's health.

These actions and expenditures are considered and included in the forecast costs.

7. FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AMP. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Sustainability and Projections

7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AMP for this service area. The two indicators are the:

- Asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- Medium term forecast costs/proposed budget (over 10 years of the planning period).

7.1.2 Asset Renewal Funding Ratio

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have $\geq 100\%$ of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget is illustrated in Appendix C.

7.1.3 Medium term – 10 year financial planning period

This AMP identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$21.5 million, while the budget for the same period is \$19.8 million. This creates a shortfall of \$1.7 million over the 10 year planning period. This indicates that 92% of the forecast costs needed to provide the reduced services documented in this AMP are accommodated in the proposed budget.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AMP and ideally over the 10 year life of the Long-Term Financial Plan.

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7.1.4 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.4 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AMP (including possibly revising the long-term financial plan).

We will manage the gap by developing this AMP to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Table 7.1.4: Forecast Costs (Outlays) for the Long-Term Financial Plan

YEAR	ACQUISITIONS	OPERATIONS	MAINTENANCE	RENEWALS	TOTAL
2022	\$420,000	\$279,000	\$1,168,715	\$250,000	\$ 2,117,715
2023	\$350,000	\$314,000	\$1,168,715	\$311,000	\$ 2,143,715
2024	\$350,000	\$310,000	\$1,168,715	\$323,000	\$ 2,151,715
2025	\$350,000	\$310,000	\$1,168,715	\$347,000	\$ 2,175,715
2026	\$350,000	\$310,000	\$1,168,715	\$297,000	\$ 2,125,715
2027	\$350,000	\$310,000	\$1,168,715	\$404,000	\$ 2,232,715
2028	\$350,000	\$310,000	\$1,168,715	\$300,000	\$ 2,128,715
2029	\$350,000	\$310,000	\$1,168,715	\$300,000	\$ 2,128,715
2030	\$350,000	\$310,000	\$1,168,715	\$300,000	\$ 2,128,715
2031	\$350,000	\$310,000	\$1,168,715	\$300,000	\$ 2,128,715
TOTALS	\$3,570,000	\$3,073,000	\$11,687,150	\$3,132,000	\$21,462,150

Forecast costs are shown in current day dollar value.

7.2 Funding Strategy

The proposed funding for assets is outlined in Council's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the AMP communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

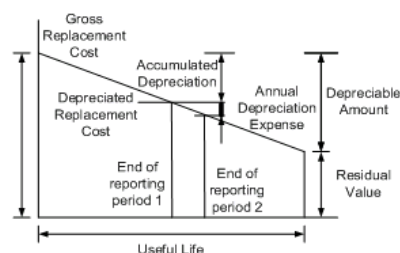
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7.3 Valuation Forecasts

7.3.1 Asset valuations

The best available estimate of the value of assets included in this AMP are shown below. The assets are valued at fair value at cost to replace service capacity:

Replacement Cost (Current/Gross)	\$172,756,000
Depreciable Amount	\$118,658,000
Depreciated Replacement Cost ¹⁴	\$54,098,000
Depreciation	\$646,000



7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this AMP, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AMP and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AMP are:

- That a permanent SRV of 50% for the General Fund has not been achieved over three years to provide a budget that will maintain the optimum and compliant service levels required,
- Budgets have been allocated based on the best available data on assets,
- That the Capital Stormwater Improvements Program expenditure aims for 60% acquisition and 40% renewal. This figure was based on the estimates provided by the Design Coordinator for the SW Improvements Program,
- That the LTFP estimates are accurate and based on current market prices. Rising inflation will substantially impact scoped costs,
- That Council can manage the delivery of the programs with internal and external resources,
- That the current maintenance and operations budgets are appropriate to maintain current service levels, and

¹⁴ Also reported as Written Down Value, Carrying or Net Book Value.

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- There may be financial risks associated with scoped costs estimated from low confidence level asset data records.

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AMP are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A - E level scale¹⁵ in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

CONFIDENCE GRADE	DESCRIPTION
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AMP is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AMP

DATA	CONFIDENCE ASSESSMENT	COMMENT
Demand drivers	D	Difficult to assess the future impact of demand drivers but this needs to be considered in forecasts.
Growth projections	C	Growth projections considered medium confidence.
Acquisition forecast	C	Based on 10YRFP listed acquisitions and professional judgement.
Operation forecast	C	The operation forecast is based on assumption that current budgets are sufficient to maintain current service levels. Forecast also takes into account increases arising from acquisition of new assets.
Maintenance forecast	C	The maintenance forecast is based on assumption that our current budgets are sufficient to maintain current service levels.
Renewal forecast - Asset values	B	Data is based on 10YRFP listed and required renewal works, however the percentage of the network with current condition info is low.
- Asset useful lives	C	Based on revaluation data for asset useful lives.

¹⁵ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

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DATA	CONFIDENCE ASSESSMENT	COMMENT
Condition modelling	C	Medium confidence in the current data. Only a 30% of the SW network has been CCTV assessed and condition rated.
Capacity modelling	D	Armidale area needs need to be reviewed. Guyra area and villages needs investigated to understand flooding and catchments risks.

The estimated confidence level and reliability of data used in this AMP are considered low confidence.

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8. PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁶

8.1.1 Accounting and financial data sources

This AMP utilises accounting and financial data. The source of the data is Technology One.

8.1.2 Asset management data sources

This AMP also utilises asset management data from Council asset records.

8.2 Improvement Plan

It is important that an entity recognise areas of their AMP and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AMP is shown in Table 8.2.

Table 8.2: Improvement Plan

#	TASKS	RESPONSIBILITY	RESOURCES REQUIRED	TIMELINE
1	Investigate service deficiencies of all assets and document it in future iterations of this AMP.	Transport Manager	Transport Manager, contractors	2022-24
2	Carry out resilience assessment of assets and formalise resilience strategies for adoption by Council. Document in future iterations of this AMP.	Transport Manager	Transport Manager, contractors	2022-24
3	Adopt a Levels of Service Framework which include defined Customer and Technical LoS and performance measures and incorporate in future iterations of this AMP.	Transport Manager	Assets, Transport Manager	2022-24
4	Council to invest in Enterprise Asset Management Software that links assets data with financial information. The assets department needs to take ownership of the system, record and manage asset data and activities, and maintain complete and accurate	Chief Officer Corporate and Community	Finance and corporate management	2022-24

¹⁶ ISO 55000 Refers to this as the Asset Management System

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#	TASKS	RESPONSIBILITY	RESOURCES REQUIRED	TIMELINE
	inventory of assets. Incorporate in next AMP update.			
5	Allocate resources and train staff to lift capability in asset management. Define roles and responsibilities to manage assets, systems and monitor development and implementation of the AMP.	Corporate management	Assets, finance and corporate management	2022-24
6	Communicate asset valuation results to designated asset planners so these can be used to inform planning of renewal activities in forward works program. Monitor AMP implementation.	Finance and corporate management	Finance and corporate management	2022-24
7	Update Asset Management Policy and establish AM Framework. Incorporate in next AMP update.	Assets	Assets, finance and corporate management	2022-24
8	Establish asset lifecycle management processes and set up systems to implement life cycle approaches in asset management planning. Incorporate in future iterations of this AMP.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
9	Establish standard asset management planning processes across the organisation to ensure consistency in the information generated within each department.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24
10	Carry out customer satisfaction surveys to inform the development of levels of service performance measured by Council.	Communications	Assets and corporate management	2022-24
11	Establish a single process to assess the condition and monitor the performance of assets. These will be used to plan investments in the LTFP and future iterations of this AMP.	Transport Manager, assets	Assets and finance	2022-24
12	Set up formal processes for prioritisation of investments in acquisition, operations, maintenance, renewals and capital upgrades to inform development of long term forward works program for the LTFP	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

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#	TASKS	RESPONSIBILITY	RESOURCES REQUIRED	TIMELINE
	and incorporate in the next iteration of this AMP.			
13	AMPs in the future will be used to drive expenditure in assets so the information used to develop the works programs must be evidence based with a high degree of accuracy to justify the need for the investment. Council must set their standard requirements for AMPs.	Assets, finance and corporate management	Assets, finance and corporate management	2022-24

8.3 Monitoring and Review Procedures

This AMP will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AMP will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AMP has a maximum life of 4 years and is due for complete revision and updating within 2 years of each Armidale Regional Council election.

8.4 Performance Measures

The effectiveness of this AMP can be measured in the following ways:

- The number of complaints and requests for service,
- The number of issues resolved,
- The response time to address issues and complaints, and
- The change in backlog, asset maintenance and renewal ratios.

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9. REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
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- Armidale Regional Council, Advancing Our Region, Your Community Strategic Plan 2022-2032
- Armidale Regional Council, Engineering Code Design Specification 2016
- Armidale Regional Council, Long Term Financial Plan Budgets 2022-2032
- Armidale Regional Council, Resourcing Strategy 2022

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10. APPENDICES

10.1 Appendix A - Expenditure Forecast 2022-2032

STORMWATER

10 Year forecast 2022-2032

ACTIVITY	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	TOTAL 10 Years
OPERATIONS & MAINTENANCE											
Operations	\$ 279,000	\$ 314,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 3,073,000
Maintenance	\$ 1,168,715	\$ 1,168,715	\$ 1,168,715	\$ 1,168,715	\$ 1,168,715	\$ 1,168,715	\$ 1,168,715	\$ 1,168,715	\$ 1,168,715	\$ 1,168,715	\$ 11,687,150
Sub-total Operations & Maintenance	\$ 1,447,715	\$ 1,482,715	\$ 1,478,715	\$ 1,478,715	\$ 1,478,715	\$ 1,478,715	\$ 1,478,715	\$ 1,478,715	\$ 1,478,715	\$ 1,478,715	\$ 14,760,150
RENEWALS											
All stormwater assets	\$ 250,000	\$ 311,000	\$ 323,000	\$ 347,000	\$ 297,000	\$ 404,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 3,132,000
Sub-total Renewals	\$ 250,000	\$ 311,000	\$ 323,000	\$ 347,000	\$ 297,000	\$ 404,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 3,132,000
UPGRADE & NEW											
All stormwater assets	\$ 420,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 3,570,000
Sub-total Upgrade & New	\$ 420,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 3,570,000
TOTAL	\$ 4,235,430	\$ 4,287,430	\$ 4,303,430	\$ 4,351,430	\$ 4,251,430	\$ 4,465,430	\$ 4,257,430	\$ 4,257,430	\$ 4,257,430	\$ 4,257,430	\$ 21,462,150

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10.2 Appendix B - Acquisition Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE '000
2022	1	Stormwater Drainage	\$ 200
	2	Install GPT west of Dangersleigh Road	\$ 220
2022	Total		\$ 420
2023	1	Stormwater Drainage	\$ 250
	2	New Gross Pollutant Traps	\$ 100
2023	Total		\$ 350
2024	1	Stormwater Drainage	\$ 250
	2	New Gross Pollutant Traps	\$ 100
2024	Total		\$ 350
2025	1	Stormwater Drainage	\$ 250
	2	New Gross Pollutant Traps	\$ 100
2025	Total		\$ 350
2026	1	Stormwater Drainage	\$ 250
	2	New Gross Pollutant Traps	\$ 100
2026	Total		\$ 350
2027	1	Stormwater Drainage	\$ 250
	2	New Gross Pollutant Traps	\$ 100
2027	Total		\$ 350
2028	1	Stormwater Drainage	\$ 250
	2	New Gross Pollutant Traps	\$ 100
2028	Total		\$ 350
2029	1	Stormwater Drainage	\$ 250
	2	New Gross Pollutant Traps	\$ 100
2029	Total		\$ 350
2030	1	Stormwater Drainage	\$ 250
	2	New Gross Pollutant Traps	\$ 100
2030	Total		\$ 350
2031	1	Stormwater Drainage	\$ 250
	2	New Gross Pollutant Traps	\$ 100
2031	Total		\$ 350

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10.3 Appendix C - Renewal Project Summary

YEAR	ITEM	PROJECT DESCRIPTION	ESTIMATE '000
2022	1	Stormwater Pipe Relining	\$150
	2	Rural Culvert Pipes and Headwalls	\$100
2022	Total		\$250
2023	1	Stormwater Pipe Relining	\$211
	2	Rural Culvert Pipes and Headwalls	\$100
2023	Total		\$311
2024	1	Stormwater Pipe Relining	\$223
	2	Rural Culvert Pipes and Headwalls	\$100
2024	Total		\$323
2025	1	Stormwater Pipe Relining	\$247
	2	Rural Culvert Pipes and Headwalls	\$100
2025	Total		\$347
2026	1	Stormwater Pipe Relining	\$197
	2	Rural Culvert Pipes and Headwalls	\$100
2026	Total		\$297
2027	1	Stormwater Pipe Relining	\$304
	2	Rural Culvert Pipes and Headwalls	\$100
2027	Total		\$404
2028	1	Stormwater Pipe Relining	\$200
	2	Rural Culvert Pipes and Headwalls	\$100
2028	Total		\$300
2029	1	Stormwater Pipe Relining	\$200
	2	Rural Culvert Pipes and Headwalls	\$100
2029	Total		\$300
2030	1	Stormwater Pipe Relining	\$200
	2	Rural Culvert Pipes and Headwalls	\$100
2030	Total		\$300
2031	1	Stormwater Pipe Relining	\$200
	2	Rural Culvert Pipes and Headwalls	\$100
2031	Total		\$300



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Armidale Regional Council Code of Conduct

ADOPTED BY COUNCIL:

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PART 1 INTRODUCTION

This *Model Code of Conduct for Local Councils in NSW* ("the Model Code of Conduct") is made under section 440 of the *Local Government Act 1993* ("LGA") and the *Local Government (General) Regulation 2005* ("the Regulation").

The Model Code of Conduct sets the minimum standards of conduct for council officials. It is prescribed by regulation to assist council officials to:

- understand and comply with the standards of conduct that are expected of them
- enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of care and diligence (section 439)
- act in a way that enhances public confidence in local government.

Section 440 of the LGA requires every council (including county councils) and joint organisation to adopt a code of conduct that incorporates the provisions of the Model Code of Conduct. A council's or joint organisation's adopted code of conduct may also include provisions that supplement the Model Code of Conduct and that extend its application to persons that are not "council officials" for the purposes of the Model Code of Conduct (eg volunteers, contractors and members of wholly advisory committees).

A council's or joint organisation's adopted code of conduct has no effect to the extent that it is inconsistent with the Model Code of Conduct. However, a council's or joint organisation's adopted code of conduct may prescribe requirements that are more onerous than those prescribed in the Model Code of Conduct.

Councillors, administrators, members of staff of councils, delegates of councils, (including members of council committees that are delegates of a council) and any other person a council's adopted code of conduct applies to, must comply with the applicable provisions of their council's code of conduct. It is the personal responsibility of council officials to comply with the standards in the code and to regularly review their personal circumstances and conduct with this in mind.

Failure by a councillor to comply with the standards of conduct prescribed under this code constitutes misconduct for the purposes of the LGA. The LGA provides for a range of penalties that may be imposed on councillors for misconduct, including suspension or disqualification from civic office. A councillor who has been suspended on three or more occasions for misconduct is automatically disqualified from holding civic office for five years.

Failure by a member of staff to comply with a council's code of conduct may give rise to disciplinary action.

Note: References in the Model Code of Conduct to councils are also to be taken as references to county councils and joint organisations.

Note: In adopting the Model Code of Conduct, joint organisations should adapt it to substitute the terms "board" for "council", "chairperson" for "mayor", "voting representative" for "councillor" and "executive officer" for "general manager".

Note: In adopting the Model Code of Conduct, county councils should adapt it to substitute the term "chairperson" for "mayor" and "member" for "councillor".

PART 2 DEFINITIONS

In this code the following terms have the following meanings:

Administrator: an administrator of a council appointed under the LGA other than an administrator appointed under section 66

Committee: see the definition of “council committee”

Complaint: a code of conduct complaint made for the purposes of clauses 4.1 and 4.2 of the Procedures.

Conduct: includes acts and omissions

Council: includes county councils and joint organisations

Council committee: a committee established by a council comprising of councillors, staff or other persons that the council has delegated functions to and the council’s audit, risk and improvement committee

Council committee member: a person other than a councillor or member of staff of a council who is a member of a council committee other than a wholly advisory committee, and a person other than a councillor who is a member of the council’s audit, risk and improvement committee

Council official: includes councillors, members of staff of a council, administrators, council committee members, delegates of council and, for the purposes of clause 4.16, council advisers

Councillor: any person elected or appointed to civic office, including the mayor and includes members and chairpersons of county councils and voting representatives of the boards of joint organisations and chairpersons of joint organisations

Delegate of council: a person (other than a councillor or member of staff of a council) or body, and the individual members of that body, to whom a function of the council is delegated

Designated person: a person referred to in clause 4.8

Election campaign: includes council, state and federal election campaigns

Environmental planning instrument: has the same meaning as it has in the *Environmental Planning and Assessment Act 1979*

General Manager: includes the executive officer of a joint organisation

Joint organisation: a joint organisation established under section 4000 of the LGA

LGA: *Local Government Act 1993*

Local planning panel: a local planning panel constituted under the *Environmental Planning and Assessment Act 1979*

Mayor: includes the chairperson of a county council or a joint organisation

Members of staff of a council: includes members of staff of county councils and joint organisations

The Office: Office of Local Government

Personal information: information or an opinion (including information or an opinion forming part of a database and whether or not recorded in a material form) about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion

The Procedures: the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW* prescribed under the Regulation

The Regulation: the *Local Government (General) Regulation 2005*

Voting representative: a voting representative of the board of a joint organisation

Wholly advisory: committee a council committee that the council has not delegated any functions to

PART 3 GENERAL CONDUCT OBLIGATIONS

General conduct

3.1 You must not conduct yourself in a manner that:

- a) is likely to bring the council or other council officials into disrepute
- b) is contrary to statutory requirements or the council's administrative requirements or policies
- c) is improper or unethical
- d) is an abuse of power
- e) causes, comprises or involves intimidation or verbal abuse
- f) involves the misuse of your position to obtain a private benefit
- g) constitutes harassment or bullying behaviour under this code, or is unlawfully discriminatory.

3.2 You must act lawfully and honestly, and exercise a reasonable degree of care and diligence in carrying out your functions under the LGA or any other Act. (*section 439*).

Fairness and equity

3.3 You must consider issues consistently, promptly and fairly. You must deal with matters in accordance with established procedures, in a non-discriminatory manner.

3.4 You must take all relevant facts known to you, or that you should be reasonably aware of, into consideration and have regard to the particular merits of each case. You must not take irrelevant matters or circumstances into consideration when making decisions.

3.5 An act or omission in good faith, whether or not it involves error, will not constitute a breach of clauses 3.3 or 3.4.

Harassment and discrimination

3.6 You must not harass or unlawfully discriminate against others, or support others who harass or unlawfully discriminate against others, on the grounds of age, disability, race (including colour, national or ethnic origin or immigrant status), sex, pregnancy, marital or relationship status, family responsibilities or breastfeeding, sexual orientation, gender identity or intersex status or political, religious or other affiliation.

3.7 For the purposes of this code, "harassment" is any form of behaviour towards a person that:

- a) is not wanted by the person
- b) offends, humiliates or intimidates the person, and
- c) creates a hostile environment.

Bullying

3.8 You must not engage in bullying behaviour towards others.

3.9 For the purposes of this code, "bullying behaviour" is any behaviour in which:

- a) a person or a group of people repeatedly behaves unreasonably towards another person or a group of persons, and
- b) the behaviour creates a risk to health and safety.

3.10 Bullying behaviour may involve, but is not limited to, any of the following types of behaviour:

- a) aggressive, threatening or intimidating conduct
- b) belittling or humiliating comments
- c) spreading malicious rumours
- d) teasing, practical jokes or 'initiation ceremonies'
- e) exclusion from work-related events
- f) unreasonable work expectations, including too much or too little work, or work below or beyond a worker's skill level
- g) displaying offensive material
- h) pressure to behave in an inappropriate manner.

3.11 Reasonable management action carried out in a reasonable manner does not constitute bullying behaviour for the purposes of this code. Examples of reasonable management action may include, but are not limited to:

- a) performance management processes
- b) disciplinary action for misconduct
- c) informing a worker about unsatisfactory work performance or inappropriate work behaviour
- d) directing a worker to perform duties in keeping with their job
- e) maintaining reasonable workplace goals and standards
- f) legitimately exercising a regulatory function
- g) legitimately implementing a council policy or administrative processes.

Work health and safety

3.12 All council officials, including councillors, owe statutory duties under the *Work Health and Safety Act 2011* (WHS Act). You must comply with your duties under the WHS Act and your responsibilities under any policies or procedures adopted by the council to ensure workplace health and safety. Specifically, you must:

- a) take reasonable care for your own health and safety
- b) take reasonable care that your acts or omissions do not adversely affect the health and safety of other persons
- c) comply, so far as you are reasonably able, with any reasonable instruction that is given to ensure compliance with the WHS Act and any policies or procedures adopted by the council to ensure workplace health and safety
- d) cooperate with any reasonable policy or procedure of the council relating to workplace health or safety that has been notified to council staff
- e) report accidents, incidents, near misses, to the general manager or such other staff member nominated by the general manager, and take part in any incident investigations
- f) so far as is reasonably practicable, consult, co-operate and coordinate with all others who have a duty under the WHS Act in relation to the same matter.

Child Protection

3.13 All council officials, including councillors, are required to support and promote the safety, wellbeing and empowerment of children under the age of 18. Specifically, you must:

- a) take all reasonable steps to protect children from harm
- b) listen and respond to the views and concerns of children, particularly if they have stated that they or another child have been harmed in any way and/or are worried about their safety or the safety of another child
- c) promote the cultural safety, participation and empowerment of Aboriginal children, and children with a disability, and with culturally or linguistically diverse backgrounds
- d) model appropriate adult behaviour in an open and transparent way
- e) respect the privacy of parents and children by not disclosing personal information

- f) where child abuse is suspected, ensure that children are safe and protected from harm as quickly as possible
- g) encourage children to 'have a say' and participate in all relevant organisational activities where possible, especially on issues that are important to them.

3.14 You must not:

- a) develop any 'special' relationships with children that may be seen as favouritism or inappropriate, including through the provision of gifts, showing inappropriate attention or exhibiting improper behaviour
- b) exhibit behaviours or engage in activities with children that may be construed as unnecessarily physical contact
- c) put children at risk of harm
- d) do things of a personal nature that a child can do for themselves such as toileting or changing clothes
- e) engage in open discussions of a mature or adult nature, or use inappropriate language in the presence of children
- f) express personal views on cultures, race or sexuality in the presence of children
- g) discriminate against any child, including on the basis of age, gender, sexuality, race, cultural background or disability
- h) ignore or disregard any concerns, suspicions or disclosures of child being harmed in any way

3.15 All council officials, including councillors, are required to immediately report any allegations of child abuse to Council's identified Child Protection Officer. In addition, you must:

- a) Report information to the Police if you know, believe or have been informed by a child, family member or community member that a child has been abused, even if it involves another employee council official.
- b) report any breach of the Child Protection standards in this Code of Conduct Council's identified Child Protection Officer.
- c) understand and comply with all reporting and/or disclosure obligations, including mandatory reporting and reportable conduct

Land use planning, development assessment and other regulatory functions

3.16 You must ensure that land use planning, development assessment and other regulatory decisions are properly made, and that all parties are dealt with fairly. You must avoid any occasion for suspicion of improper conduct in the exercise of land use planning, development assessment and other regulatory functions.

3.17 In exercising land use planning, development assessment and other regulatory functions, you must ensure that no action, statement or communication between yourself and others conveys any suggestion of willingness to improperly provide concessions or preferential or unduly unfavourable treatment.

Binding caucus votes

3.18 You must not participate in binding caucus votes in relation to matters to be considered at a council or committee meeting.

3.19 For the purposes of clause 3.15, a binding caucus vote is a process whereby a group of councillors are compelled by a threat of disciplinary or other adverse action to comply with a predetermined position on a matter before the council or committee, irrespective of the personal views of individual members of the group on the merits of the matter before the council or committee.

3.20 Clause 3.15 does not prohibit councillors from discussing a matter before the council or committee prior to considering the matter in question at a council or committee meeting, or from voluntarily holding a shared view with other councillors on the merits of a matter.

3.21 Clause 3.15 does not apply to a decision to elect the mayor or deputy mayor, or to nominate a person to be a member of a council committee or a representative of the council on an external body.

Obligations in relation to meetings

3.22 You must comply with rulings by the chair at council and committee meetings or other proceedings of the council unless a motion dissenting from the ruling is passed.

3.23 You must not engage in bullying behaviour (as defined under this Part) towards the chair, other council officials or any members of the public present during council or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions).

3.24 You must not engage in conduct that disrupts council or committee meetings or other proceedings of the council (such as, but not limited to, workshops and briefing sessions), or that would otherwise be inconsistent with the orderly conduct of meetings.

3.25 If you are a councillor, you must not engage in any acts of disorder or other conduct that is intended to prevent the proper or effective functioning of the council, or of a committee of the council. Without limiting this clause, you must not:

- a) leave a meeting of the council or a committee for the purposes of depriving the meeting of a quorum, or
- b) submit a rescission motion with respect to a decision for the purposes of voting against it to prevent another councillor from submitting a rescission motion with respect to the same decision, or
- c) deliberately seek to impede the consideration of business at a meeting.

PART 4 PECUNIARY INTERESTS

What is a pecuniary interest?

4.1 A pecuniary interest is an interest that you have in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to you or a person referred to in clause 4.3.

4.2 You will not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision you might make in relation to the matter, or if the interest is of a kind specified in clause 4.6.

4.3 For the purposes of this Part, you will have a pecuniary interest in a matter if the pecuniary interest is:

- a) your interest, or
- b) the interest of your spouse or de facto partner, your relative, or your partner or employer, or
- c) a company or other body of which you, or your nominee, partner or employer, is a shareholder or member.

4.4 For the purposes of clause 4.3:

- a) Your "relative" is any of the following:
 - i) your parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
 - ii) your spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
 - iii) the spouse or de facto partner of a person referred to in paragraphs (i) and (ii).

b) “de facto partner” has the same meaning as defined in section 21C of the *Interpretation Act 1987*.

4.5 You will not have a pecuniary interest in relation to a person referred to in subclauses 4.3(b) or (c):

- a) if you are unaware of the relevant pecuniary interest of your spouse, de facto partner, relative, partner, employer or company or other body, or
- b) just because the person is a member of, or is employed by, a council or a statutory body, or is employed by the Crown, or
- c) just because the person is a member of, or a delegate of a council to, a company or other body that has a pecuniary interest in the matter, so long as the person has no beneficial interest in any shares of the company or body.

What interests do not have to be disclosed?

4.6 You do not have to disclose the following interests for the purposes of this Part:

- a) your interest as an elector
- b) your interest as a ratepayer or person liable to pay a charge
- c) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to the public generally, or to a section of the public that includes persons who are not subject to this code
- d) an interest you have in any matter relating to the terms on which the provision of a service or the supply of goods or commodities is offered to your relative by the council in the same manner and subject to the same conditions as apply to persons who are not subject to this code
- e) an interest you have as a member of a club or other organisation or association, unless the interest is as the holder of an office in the club or organisation (whether remunerated or not)
- f) if you are a council committee member, an interest you have as a person chosen to represent the community, or as a member of a non-profit organisation or other community or special interest group, if you have been appointed to represent the organisation or group on the council committee
- g) an interest you have relating to a contract, proposed contract or other matter, if the interest arises only because of a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company
- h) an interest you have arising from the proposed making by the council of an agreement between the council and a corporation, association or partnership, being a corporation, association or partnership that has more than 25 members, if the interest arises because your relative is a shareholder (but not a director) of the corporation, or is a member (but not a member of the committee) of the association, or is a partner of the partnership
- i) an interest you have arising from the making by the council of a contract or agreement with your relative for, or in relation to, any of the following, but only if the proposed contract or agreement is similar in terms and conditions to such contracts and agreements as have been made, or as are proposed to be made, by the council in respect of similar matters with other residents of the area:
 - i. the performance by the council at the expense of your relative of any work or service in connection with roads or sanitation
 - ii. security for damage to footpaths or roads
 - iii. any other service to be rendered, or act to be done, by the council by or under any Act conferring functions on the council, or by or under any contract
- j) an interest relating to the payment of fees to councillors (including the mayor and deputy mayor)
- k) an interest relating to the payment of expenses and the provision of facilities to councillors (including the mayor and deputy mayor) in accordance with a policy under section 252 of the LGA,
- l) an interest relating to an election to the office of mayor arising from the fact that a fee for the following 12 months has been determined for the office of mayor
- m) an interest of a person arising from the passing for payment of a regular account for the wages or salary of an employee who is a relative of the person

- n) an interest arising from being covered by, or a proposal to be covered by, indemnity insurance as a councillor or a council committee member
- o) an interest arising from the appointment of a councillor to a body as a representative or delegate of the council, whether or not a fee or other recompense is payable to the representative or delegate.

4.7 For the purposes of clause 4.6, “relative” has the same meaning as in clause 4.4, but includes your spouse or de facto partner.

What disclosures must be made by a designated person?

4.8 Designated persons include:

- a) the general manager
- b) other senior staff of the council for the purposes of section 332 of the LGA
- c) a person (other than a member of the senior staff of the council) who is a member of staff of the council or a delegate of the council and who holds a position identified by the council as the position of a designated person because it involves the exercise of functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the person’s duty as a member of staff or delegate and the person’s private interest
- d) a person (other than a member of the senior staff of the council) who is a member of a committee of the council identified by the council as a committee whose members are designated persons because the functions of the committee involve the exercise of the council’s functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the member’s duty as a member of the committee and the member’s private interest.

4.9 A designated person:

- a) must prepare and submit written returns of interests in accordance with clauses 4.21, and
- b) must disclose pecuniary interests in accordance with clause 4.10.

4.10 A designated person must disclose in writing to the general manager (or if the person is the general manager, to the council) the nature of any pecuniary interest the person has in any council matter with which the person is dealing as soon as practicable after becoming aware of the interest.

4.11 Clause 4.10 does not require a designated person who is a member of staff of the council to disclose a pecuniary interest if the interest relates only to the person’s salary as a member of staff, or to their other conditions of employment.

4.12 The general manager must, on receiving a disclosure from a designated person, deal with the matter to which the disclosure relates or refer it to another person to deal with.

4.13 A disclosure by the general manager must, as soon as practicable after the disclosure is made, be laid on the table at a meeting of the council and the council must deal with the matter to which the disclosure relates or refer it to another person to deal with.

What disclosures must be made by council staff other than designated persons?

4.14 A member of staff of council, other than a designated person, must disclose in writing to their manager or the general manager the nature of any pecuniary interest they have in a matter they are dealing with as soon as practicable after becoming aware of the interest.

4.15 The staff member's manager or the general manager must, on receiving a disclosure under clause 4.14, deal with the matter to which the disclosure relates or refer it to another person to deal with.

What disclosures must be made by council advisers?

4.16 A person who, at the request or with the consent of the council or a council committee, gives advice on any matter at any meeting of the council or committee, must disclose the nature of any pecuniary interest the person has in the matter to the meeting at the time the advice is given. The person is not required to disclose the person's interest as an adviser.

4.17 A person does not breach clause 4.16 if the person did not know, and could not reasonably be expected to have known, that the matter under consideration at the meeting was a matter in which they had a pecuniary interest.

What disclosures must be made by a council committee member?

4.18 A council committee member must disclose pecuniary interests in accordance with clause 4.28 and comply with clause 4.29.

4.19 For the purposes of clause 4.18, a "council committee member" includes a member of staff of council who is a member of the committee.

What disclosures must be made by a councillor?

4.20 A councillor:

- a) must prepare and submit written returns of interests in accordance with clause 4.21, and
- b) must disclose pecuniary interests in accordance with clause 4.28 and comply with clause 4.29 where it is applicable.

Disclosure of interests in written returns

4.21 A councillor or designated person must make and lodge with the general manager a return in the form set out in schedule 2 to this code, disclosing the councillor's or designated person's interests as specified in schedule 1 to this code within 3 months after:

- a) becoming a councillor or designated person, and
- b) 30 June of each year, and
- c) the councillor or designated person becoming aware of an interest they are required to disclose under schedule 1 that has not been previously disclosed in a return lodged under paragraphs (a) or (b).

4.22 A person need not make and lodge a return under clause 4.21, paragraphs (a) and (b) if:

- a) they made and lodged a return under that clause in the preceding 3 months, or
- b) they have ceased to be a councillor or designated person in the preceding 3 months.

4.23 A person must not make and lodge a return that the person knows or ought reasonably to know is false or misleading in a material particular.

4.24 The general manager must keep a register of returns required to be made and lodged with the general manager.

4.25 Returns required to be lodged with the general manager under clause 4.21(a) and (b) must be tabled at the first meeting of the council after the last day the return is required to be lodged.

4.26 Returns required to be lodged with the general manager under clause 4.21(c) must be tabled at the next council meeting after the return is lodged.

4.27 Information contained in returns made and lodged under clause 4.21 is to be made publicly available in accordance with the requirements of the *Government Information (Public Access) Act 2009*, the *Government Information (Public Access) Regulation 2009* and any guidelines issued by the Information Commissioner.

Disclosure of pecuniary interests at meetings

4.28 A councillor or a council committee member who has a pecuniary interest in any matter with which the council is concerned, and who is present at a meeting of the council or committee at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.

4.29 The councillor or council committee member must not be present at, or in sight of, the meeting of the council or committee:

- a) at any time during which the matter is being considered or discussed by the council or committee, or
- b) at any time during which the council or committee is voting on any question in relation to the matter.

4.30 In the case of a meeting of a board of a joint organisation, a voting representative is taken to be present at the meeting for the purposes of clauses 4.28 and 4.29 where they participate in the meeting by telephone or other electronic means.

4.31 A disclosure made at a meeting of a council or council committee must be recorded in the minutes of the meeting.

4.32 A general notice may be given to the general manager in writing by a councillor or a council committee member to the effect that the councillor or council committee member, or the councillor's or council committee member's spouse, de facto partner or relative, is:

- a) a member of, or in the employment of, a specified company or other body, or
- b) a partner of, or in the employment of, a specified person.

Such a notice is, unless and until the notice is withdrawn or until the end of the term of the council in which it is given (whichever is the sooner), sufficient disclosure of the councillor's or council committee member's interest in a matter relating to the specified company, body or person that may be the subject of consideration by the council or council committee after the date of the notice.

4.33 A councillor or a council committee member is not prevented from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because the councillor or council committee member has an interest in the matter of a kind referred to in clause 4.6.

4.34 A person does not breach clauses 4.28 or 4.29 if the person did not know, and could not reasonably be expected to have known, that the matter under consideration at the meeting was a matter in which they had a pecuniary interest.

4.35 Despite clause 4.29, a councillor who has a pecuniary interest in a matter may participate in a decision to delegate consideration of the matter in question to another body or person.

4.36 Clause 4.29 does not apply to a councillor who has a pecuniary interest in a matter that is being considered at a meeting if:

- a) the matter is a proposal relating to:

- i. the making of a principal environmental planning instrument applying to the whole or a significant portion of the council's area, or
- ii. the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant portion of the council's area, and
 - b) the pecuniary interest arises only because of an interest of the councillor in the councillor's principal place of residence or an interest of another person (whose interests are relevant under clause 4.3) in that person's principal place of residence, and
 - c) the councillor made a special disclosure under clause 4.37 in relation to the interest before the commencement of the meeting.

4.37 A special disclosure of a pecuniary interest made for the purposes of clause 4.36(c) must:

- a) be in the form set out in schedule 3 of this code and contain the information required by that form, and
- b) be laid on the table at a meeting of the council as soon as practicable after the disclosure is made, and the information contained in the special disclosure is to be recorded in the minutes of the meeting.

4.38 The Minister for Local Government may, conditionally or unconditionally, allow a councillor or a council committee member who has a pecuniary interest in a matter with which the council is concerned to be present at a meeting of the council or committee, to take part in the consideration or discussion of the matter and to vote on the matter if the Minister is of the opinion:

- a) that the number of councillors prevented from voting would be so great a proportion of the whole as to impede the transaction of business, or
- b) that it is in the interests of the electors for the area to do so.

4.39 A councillor or a council committee member with a pecuniary interest in a matter who is permitted to be present at a meeting of the council or committee, to take part in the consideration or discussion of the matter and to vote on the matter under clause 4.38, must still disclose the interest they have in the matter in accordance with clause 4.28.

PART 5 NON-PECUNIARY CONFLICTS OF INTEREST

What is a non-pecuniary conflict of interest?

5.1 Non-pecuniary interests are private or personal interests a council official has that do not amount to a pecuniary interest as defined in clause 4.1 of this code. These commonly arise out of family or personal relationships, or out of involvement in sporting, social, religious or other cultural groups and associations, and may include an interest of a financial nature.

5.2 A non-pecuniary conflict of interest exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your official functions in relation to a matter.

5.3 The personal or political views of a council official do not constitute a private interest for the purposes of clause 5.2.

5.4 Non-pecuniary conflicts of interest must be identified and appropriately managed to uphold community confidence in the probity of council decision-making. The onus is on you to identify any non-pecuniary conflict of interest you may have in matters that you deal with, to disclose the interest fully and in writing, and to take appropriate action to manage the conflict in accordance with this code.

5.5 When considering whether or not you have a non-pecuniary conflict of interest in a matter you are dealing with, it is always important to think about how others would view your situation.

Managing non-pecuniary conflicts of interest

5.6 Where you have a non-pecuniary conflict of interest in a matter for the purposes of clause 5.2, you must disclose the relevant private interest you have in relation to the matter fully and in writing as soon as practicable after becoming aware of the non-pecuniary conflict of interest and on each occasion on which the non-pecuniary conflict of interest arises in relation to the matter. In the case of members of council staff other than the general manager, such a disclosure is to be made to the staff member's manager. In the case of the general manager, such a disclosure is to be made to the mayor.

5.7 If a disclosure is made at a council or committee meeting, both the disclosure and the nature of the interest must be recorded in the minutes on each occasion on which the non-pecuniary conflict of interest arises. This disclosure constitutes disclosure in writing for the purposes of clause 5.6.

5.8 How you manage a non-pecuniary conflict of interest will depend on whether or not it is significant.

5.9 As a general rule, a non-pecuniary conflict of interest will be significant where it does not involve a pecuniary interest for the purposes of clause 4.1, but it involves:

- a) a relationship between a council official and another person who is affected by a decision or a matter under consideration that is particularly close, such as a current or former spouse or de facto partner, a relative for the purposes of clause 4.4 or another person from the council official's extended family that the council official has a close personal relationship with, or another person living in the same household
- b) other relationships with persons who are affected by a decision or a matter under consideration that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship.
- c) an affiliation between the council official and an organisation (such as a sporting body, club, religious, cultural or charitable organisation, corporation or association) that is affected by a decision or a matter under consideration that is particularly strong. The strength of a council official's affiliation with an organisation is to be determined by the extent to which they actively participate in the management, administration or other activities of the organisation.
- d) membership, as the council's representative, of the board or management committee of an organisation that is affected by a decision or a matter under consideration, in circumstances where the interests of the council and the organisation are potentially in conflict in relation to the particular matter
- e) a financial interest (other than an interest of a type referred to in clause 4.6) that is not a pecuniary interest for the purposes of clause 4.1
- f) the conferral or loss of a personal benefit other than one conferred or lost as a member of the community or a broader class of people affected by a decision.

5.10 Significant non-pecuniary conflicts of interest must be managed in one of two ways:

- a) by not participating in consideration of, or decision making in relation to, the matter in which you have the significant non-pecuniary conflict of interest and the matter being allocated to another person for consideration or determination, or
- b) if the significant non-pecuniary conflict of interest arises in relation to a matter under consideration at a council or committee meeting, by managing the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.28 and 4.29.

5.11 If you determine that you have a non-pecuniary conflict of interest in a matter that is not significant and does not require further action, when disclosing the interest you must also explain in writing why you consider

that the non-pecuniary conflict of interest is not significant and does not require further action in the circumstances.

5.12 If you are a member of staff of council other than the general manager, the decision on which option should be taken to manage a non-pecuniary conflict of interest must be made in consultation with and at the direction of your manager. In the case of the general manager, the decision on which option should be taken to manage a non-pecuniary conflict of interest must be made in consultation with and at the direction of the mayor.

5.13 Despite clause 5.10(b), a councillor who has a significant non-pecuniary conflict of interest in a matter, may participate in a decision to delegate consideration of the matter in question to another body or person.

5.14 Council committee members are not required to declare and manage a non-pecuniary conflict of interest in accordance with the requirements of this Part where it arises from an interest they have as a person chosen to represent the community, or as a member of a non-profit organisation or other community or special interest group, if they have been appointed to represent the organisation or group on the council committee.

Political donations

5.15 Councillors should be aware that matters before council or committee meetings involving their political donors may also give rise to a non-pecuniary conflict of interest.

5.16 Where you are a councillor and have received or knowingly benefitted from a reportable political donation:

- a) made by a major political donor in the previous four years, and
- b) the major political donor has a matter before council,

you must declare a non-pecuniary conflict of interest in the matter, disclose the nature of the interest, and manage the conflict of interest as if you had a pecuniary interest in the matter by complying with clauses 4.28 and 4.29. A disclosure made under this clause must be recorded in the minutes of the meeting.

5.17 For the purposes of this Part:

- a) a “reportable political donation” has the same meaning as it has in section 6 of the *Electoral Funding Act 2018*
- b) “major political donor” has the same meaning as it has in the *Electoral Funding Act 2018*.

5.18 Councillors should note that political donations that are not a “reportable political donation”, or political donations to a registered political party or group by which a councillor is endorsed, may still give rise to a non-pecuniary conflict of interest. Councillors should determine whether or not such conflicts are significant for the purposes of clause 5.9 and take the appropriate action to manage them.

5.19 Despite clause 5.16, a councillor who has received or knowingly benefitted from a reportable political donation of the kind referred to in that clause, may participate in a decision to delegate consideration of the matter in question to another body or person.

Loss of quorum as a result of compliance with this Part

5.20 A councillor who would otherwise be precluded from participating in the consideration of a matter under this Part because they have a non-pecuniary conflict of interest in the matter is permitted to participate in consideration of the matter if:

- a) the matter is a proposal relating to:
 - i. the making of a principal environmental planning instrument applying to the whole or a significant portion of the council’s area, or

- ii. the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant portion of the council's area, and
- b) the non-pecuniary conflict of interest arises only because of an interest that a person has in that person's principal place of residence, and
- c) the councillor discloses the interest they have in the matter that would otherwise have precluded their participation in consideration of the matter under this Part in accordance with clause 5.6.

5.21 The Minister for Local Government may, conditionally or unconditionally, allow a councillor or a council committee member who is precluded under this Part from participating in the consideration of a matter to be present at a meeting of the council or committee, to take part in the consideration or discussion of the matter and to vote on the matter if the Minister is of the opinion:

- a) that the number of councillors prevented from voting would be so great a proportion of the whole as to impede the transaction of business, or
- b) that it is in the interests of the electors for the area to do so.

5.22 Where the Minister exempts a councillor or committee member from complying with a requirement under this Part under clause 5.21, the councillor or committee member must still disclose any interests they have in the matter the exemption applies to, in accordance with clause 5.6.

Other business or employment

5.23 The chief executive officer must not engage, for remuneration, in private employment, contract work or other business outside the service of the council without the approval of the council.

5.24 A member of staff must not engage, for remuneration, in private employment, contract work or other business outside the service of the council that relates to the business of the council or that might conflict with the staff member's council duties unless they have notified the general manager in writing of the employment, work or business and the general manager has given their written approval for the staff member to engage in the employment, work or business.

5.25 The general manager may at any time prohibit a member of staff from engaging, for remuneration, in private employment, contract work or other business outside the service of the council that relates to the business of the council, or that might conflict with the staff member's council duties.

5.26 A member of staff must not engage, for remuneration, in private employment, contract work or other business outside the service of the council if prohibited from doing so.

5.27 Members of staff must ensure that any outside employment, work or business they engage in will not:

- a) conflict with their official duties
- b) involve using confidential information or council resources obtained through their work with the council including where private use is permitted
- c) require them to work while on council duty
- d) discredit or disadvantage the council
- e) pose, due to fatigue, a risk to their health or safety, or to the health and safety of their co-workers.

Fraud and Corruption Prevention

5.28 You must not engage or participate in any act that may constitute fraud and corruption.

5.29 You must report any concerns that you reasonably believe may constitute fraud and/or corruption to Council's Fraud Prevention Manager or the Chief Executive Officer. Further, you must not ignore or condone any act that you reasonably suspect to constitute fraud or corruption. Failure to report or disclose any potential fraud or corruption may be a breach of this code.

5.30 You must disclose to Council administration any criminal conviction you incur during the course of your tenure with Council. Further, staff are obligated to disclose any change in their working rights (e.g. change of visa status or loss of licence) during the course of their employment.

5.31 Councillors and staff are obligated to notify Council of any credit to their account, which they know or believe to be an incorrect overpayment.

Personal dealings with council

5.32 You may have reason to deal with your council in your personal capacity (for example, as a ratepayer, recipient of a council service or applicant for a development consent granted by council). You must not expect or request preferential treatment in relation to any matter in which you have a private interest because of your position. You must avoid any action that could lead members of the public to believe that you are seeking preferential treatment.

5.33 You must undertake any personal dealings you have with the council in a manner that is consistent with the way other members of the community deal with the council. You must also ensure that you disclose and appropriately manage any conflict of interest you may have in any matter in accordance with the requirements of this code.

PART 6 PERSONAL BENEFIT

6.1 For the purposes of this Part, a gift or a benefit is something offered to or received by a council official or someone personally associated with them for their personal use and enjoyment.

6.2 A reference to a gift or benefit in this Part does not include:

- a) items with a value of \$10 or less
- b) a political donation for the purposes of the *Electoral Funding Act 2018*
- c) a gift provided to the council as part of a cultural exchange or sister-city relationship that is not converted for the personal use or enjoyment of any individual council official or someone personally associated with them
- d) a benefit or facility provided by the council to an employee or councillor
- e) attendance by a council official at a work-related event or function for the purposes of performing their official duties, or
- f) free or subsidised meals, beverages or refreshments provided to council officials in conjunction with the performance of their official duties such as, but not limited to:
 - i. the discussion of official business
 - ii. work-related events such as council-sponsored or community events, training, education sessions or workshops
 - iii. conferences
 - iv. council functions or events
 - v. social functions organised by groups, such as council committees and community organisations.

Gifts and benefits

6.3 You must avoid situations that would give rise to the appearance that a person or body is attempting to secure favourable treatment from you or from the council, through the provision of gifts, benefits or hospitality of any kind to you or someone personally associated with you.

6.4 A gift or benefit is deemed to have been accepted by you for the purposes of this Part, where it is received by you or someone personally associated with you.

How are offers of gifts and benefits to be dealt with?

6.5 You must not:

- a) seek or accept a bribe or other improper inducement
- b) seek gifts or benefits of any kind
- c) accept any gift or benefit that may create a sense of obligation on your part, or may be perceived to be intended or likely to influence you in carrying out your public duty
- d) subject to clause 6.7, accept any gift or benefit of more than token value as defined by clause 6.9
- e) accept an offer of cash or a cash-like gift as defined by clause 6.13, regardless of the amount
- f) participate in competitions for prizes where eligibility is based on the council being in or entering into a customer–supplier relationship with the competition organiser
- g) personally benefit from reward points programs when purchasing on behalf of the council.

6.6 Where you receive a gift or benefit of any value other than one referred to in clause 6.2, you must disclose this promptly to your manager or the general manager in writing. The recipient, manager, or general manager must ensure that, at a minimum, the following details are recorded in the council's gift register:

- a) the nature of the gift or benefit
- b) the estimated monetary value of the gift or benefit
- c) the name of the person who provided the gift or benefit, and
- d) the date on which the gift or benefit was received.

6.7 Where you receive a gift or benefit of more than token value that cannot reasonably be refused or returned, the gift or benefit must be surrendered to the council, unless the nature of the gift or benefit makes this impractical.

Gifts and benefits of token value

6.8 You may accept gifts and benefits of token value. Gifts and benefits of token value are one or more gifts or benefits received from a person or organisation over a 12-month period that, when aggregated, do not exceed a value of \$100. They include, but are not limited to:

- a) invitations to and attendance at local social, cultural or sporting events with a ticket value that does not exceed \$100
- b) gifts of alcohol that do not exceed a value of \$100
- c) ties, scarves, coasters, tie pins, diaries, chocolates or flowers or the like
- d) prizes or awards that do not exceed \$100 in value.

Gifts and benefits of more than token value

6.9 Gifts or benefits that exceed \$100 in value are gifts or benefits of more than token value for the purposes of clause 6.5(d) and, subject to clause 6.7, must not be accepted.

6.10 Gifts and benefits of more than token value include, but are not limited to, tickets to major sporting events (such as international matches or matches in national sporting codes) with a ticket value that exceeds \$100, corporate hospitality at a corporate facility at major sporting events, free or discounted products or services for personal use provided on terms that are not available to the general public or a broad class of persons, the use of holiday homes, artworks, free or discounted travel.

6.11 Where you have accepted a gift or benefit of token value from a person or organisation, you must not accept a further gift or benefit from the same person or organisation or another person associated with that person or organisation within a single 12-month period where the value of the gift, added to the value of earlier gifts received from the same person or organisation, or a person associated with that person or organisation, during the same 12-month period would exceed \$100 in value.

6.12 For the purposes of this Part, the value of a gift or benefit is the monetary value of the gift or benefit inclusive of GST.

“Cash-like gifts”

6.13 For the purposes of clause 6.5(e), “cash-like gifts” include, but are not limited to, gift vouchers, credit cards, debit cards with credit on them, prepayments such as phone or internet credit, lottery tickets, memberships or entitlements to discounts that are not available to the general public or a broad class of persons.

Improper and undue influence

6.14 You must not use your position to influence other council officials in the performance of their official functions to obtain a private benefit for yourself or for somebody else. A councillor will not be in breach of this clause where they seek to influence other council officials through the proper exercise of their role as prescribed under the LGA.

6.15 You must not take advantage (or seek to take advantage) of your status or position with council, or of functions you perform for council, in order to obtain a private benefit for yourself or for any other person or body.

PART 7 RELATIONSHIPS BETWEEN COUNCIL OFFICIALS

Obligations of councillors and administrators

7.1 Each council is a body politic. The councillors or administrator/s are the governing body of the council. Under section 223 of the LGA, the role of the governing body of the council includes the development and endorsement of the strategic plans, programs, strategies and policies of the council, including those relating to workforce policy, and to keep the performance of the council under review.

7.2 Councillors or administrators must not:

- a) direct council staff other than by giving appropriate direction to the general manager by way of council or committee resolution, or by the mayor or administrator exercising their functions under section 226 of the LGA
- b) in any public or private forum, direct or influence, or attempt to direct or influence, any other member of the staff of the council or a delegate of the council in the exercise of the functions of the staff member or delegate

- c) contact a member of the staff of the council on council-related business unless in accordance with the policy and procedures governing the interaction of councillors and council staff that have been authorised by the council and the general manager
- d) contact or issue instructions to any of the council's contractors, including the council's legal advisers, unless by the mayor or administrator exercising their functions under section 226 of the LGA.

7.3 Despite clause 7.2, councillors may contact the council's external auditor or the chair of the council's audit risk and improvement committee to provide information reasonably necessary for the external auditor or the audit, risk and improvement committee to effectively perform their functions.

Obligations of staff

7.4 Under section 335 of the LGA, the role of the general manager includes conducting the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council, implementing without undue delay, lawful decisions of the council and ensuring that the mayor and other councillors are given timely information and advice and the administrative and professional support necessary to effectively discharge their official functions.

7.5 Members of staff of council must:

- a) give their attention to the business of the council while on duty
- b) ensure that their work is carried out ethically, efficiently, economically and effectively
- c) carry out reasonable and lawful directions given by any person having authority to give such directions
- d) give effect to the lawful decisions, policies and procedures of the council, whether or not the staff member agrees with or approves of them
- e) ensure that any participation in political activities outside the service of the council does not interfere with the performance of their official duties.

Inappropriate interactions

7.6 You must not engage in any of the following inappropriate interactions:

- a) councillors and administrators approaching staff and staff organisations to discuss individual or operational staff matters (other than matters relating to broader workforce policy), grievances, workplace investigations and disciplinary matters
- b) council staff approaching councillors and administrators to discuss individual or operational staff matters (other than matters relating to broader workforce policy), grievances, workplace investigations and disciplinary matters
- c) subject to clause 8.6, council staff refusing to give information that is available to other councillors to a particular councillor
- d) councillors and administrators who have lodged an application with the council, discussing the matter with council staff in staff-only areas of the council
- e) councillors and administrators approaching members of local planning panels or discussing any application that is either before the panel or that will come before the panel at some future time, except during a panel meeting where the application forms part of the agenda and the councillor or administrator has a right to be heard by the panel at the meeting
- f) councillors and administrators being overbearing or threatening to council staff
- g) council staff being overbearing or threatening to councillors or administrators
- h) councillors and administrators making personal attacks on council staff or engaging in conduct towards staff that would be contrary to the general conduct provisions in Part 3 of this code in public forums including social media
- i) councillors and administrators directing or pressuring council staff in the performance of their work, or recommendations they should make

- j) council staff providing ad hoc advice to councillors and administrators without recording or documenting the interaction as they would if the advice was provided to a member of the community
- k) council staff meeting with applicants or objectors alone AND outside office hours to discuss planning applications or proposals
- l) councillors attending on-site inspection meetings with lawyers and/or consultants engaged by the council associated with current or proposed legal proceedings unless permitted to do so by the council's general manager or, in the case of the mayor or administrator, unless they are exercising their functions under section 226 of the LGA.

PART 8 ACCESS TO INFORMATION AND COUNCIL RESOURCES

Councillor and administrator access to information

8.1 The general manager is responsible for ensuring that councillors and administrators can access information necessary for the performance of their official functions. The general manager and public officer are also responsible for ensuring that members of the public can access publicly available council information under the *Government Information (Public Access) Act 2009* (the GIPA Act).

8.2 The general manager must provide councillors and administrators with the information necessary to effectively discharge their official functions.

8.3 Members of staff of council must provide full and timely information to councillors and administrators sufficient to enable them to exercise their official functions and in accordance with council procedures.

8.4 Members of staff of council who provide any information to a particular councillor in the performance of their official functions must also make it available to any other councillor who requests it and in accordance with council procedures.

8.5 Councillors and administrators who have a private interest only in council information have the same rights of access as any member of the public.

8.6 Despite clause 8.4, councillors and administrators who are precluded from participating in the consideration of a matter under this code because they have a conflict of interest in the matter, are not entitled to request access to council information in relation to the matter unless the information is otherwise available to members of the public, or the council has determined to make the information available under the GIPA Act.

Councillors and administrators to properly examine and consider information

8.7 Councillors and administrators must ensure that they comply with their duty under section 439 of the LGA to act honestly and exercise a reasonable degree of care and diligence by properly examining and considering all the information provided to them relating to matters that they are required to make a decision on.

Refusal of access to information

8.8 Where the general manager or public officer determine to refuse access to information requested by a councillor or administrator, they must act reasonably. In reaching this decision they must take into account whether or not the information requested is necessary for the councillor or administrator to perform their official functions (see clause 8.2) and whether they have disclosed a conflict of interest in the matter the information relates to that would preclude their participation in consideration of the matter (see clause 8.6). The general manager or public officer must state the reasons for the decision if access is refused.

Use of certain council information

8.9 In regard to information obtained in your capacity as a council official, you must:

- a) subject to clause 8.14, only access council information needed for council business
- b) not use that council information for private purposes
- c) not seek or obtain, either directly or indirectly, any financial benefit or other improper advantage for yourself, or any other person or body, from any information to which you have access by virtue of your office or position with council
- d) only release council information in accordance with established council policies and procedures and in compliance with relevant legislation.

Use and security of confidential information

8.10 You must maintain the integrity and security of confidential information in your possession, or for which you are responsible.

8.11 In addition to your general obligations relating to the use of council information, you must:

- a) only access confidential information that you have been authorised to access and only do so for the purposes of exercising your official functions
- b) protect confidential information
- c) only release confidential information if you have authority to do so
- d) only use confidential information for the purpose for which it is intended to be used
- e) not use confidential information gained through your official position for the purpose of securing a private benefit for yourself or for any other person
- f) not use confidential information with the intention to cause harm or detriment to the council or any other person or body
- g) not disclose any confidential information discussed during a confidential session of a council or committee meeting or any other confidential forum (such as, but not limited to, workshops or briefing sessions).

Personal information

8.12 When dealing with personal information you must comply with:

- a) the *Privacy and Personal Information Protection Act 1998*
- b) the *Health Records and Information Privacy Act 2002*
- c) the Information Protection Principles and Health Privacy Principles
- d) the council's privacy management plan
- e) the Privacy Code of Practice for Local Government

Use of council resources

8.13 You must use council resources ethically, effectively, efficiently and carefully in exercising your official functions, and must not use them for private purposes, except when supplied as part of a contract of employment (but not for private business purposes), unless this use is lawfully authorised and proper payment is made where appropriate.

8.14 Union delegates and consultative committee members may have reasonable access to council resources and information for the purposes of carrying out their industrial responsibilities, including but not limited to:

- a) the representation of members with respect to disciplinary matters
- b) the representation of employees with respect to grievances and disputes
- c) functions associated with the role of the local consultative committee.

8.15 You must be scrupulous in your use of council property, including intellectual property, official services, facilities, technology and electronic devices and must not permit their misuse by any other person or body.

8.16 You must avoid any action or situation that could create the appearance that council property, official services or public facilities are being improperly used for your benefit or the benefit of any other person or body.

8.17 You must not use council resources (including council staff), property or facilities for the purpose of assisting your election campaign or the election campaigns of others unless the resources, property or facilities are otherwise available for use or hire by the public and any publicly advertised fee is paid for use of the resources, property or facility.

8.18 You must not use the council letterhead, council crests, council email or social media or other information that could give the appearance it is official council material:

- a) for the purpose of assisting your election campaign or the election campaign of others, or
- b) for other non-official purposes.

8.19 You must not convert any property of the council to your own use unless properly authorised.

Internet access and Use of Social Media

8.20 You must not use council's computer resources or mobile or other devices to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature, or that could otherwise lead to criminal penalty or civil liability and/or damage the council's reputation.

8.21 You must not use social media to post or share comments, photos, videos, electronic recordings or other information that:

- a) is offensive, humiliating, threatening or intimidating to other council officials or those that deal with the council
- b) contains content about the council that is misleading or deceptive
- c) divulges confidential council information
- d) breaches the privacy of other council officials or those that deal with council
- e) contains allegations of suspected breaches of this code or information about the consideration of a matter under the Procedures, or
- f) could be perceived to be an official comment on behalf of the council where you have not been authorised to make such comment.

Council record keeping

8.22 You must comply with the requirements of the *State Records Act 1998* and the council's records management policy.

8.23 All information created, sent and received in your official capacity is a council record and must be managed in accordance with the requirements of the *State Records Act 1998* and the council's approved records management policies and practices.

8.24 All information stored in either soft or hard copy on council supplied resources (including technology devices and email accounts) is deemed to be related to the business of the council and will be treated as council records, regardless of whether the original intention was to create the information for personal purposes.

8.25 You must not destroy, alter, or dispose of council information or records, unless authorised to do so. If you need to alter or dispose of council information or records, you must do so in consultation with the council's records manager and comply with the requirements of the *State Records Act 1998*.

Councillor access to council buildings

8.26 Councillors and administrators are entitled to have access to the council chamber, committee room, mayor's office (subject to availability), councillors' rooms, and public areas of council's buildings during normal business hours and for meetings. Councillors and administrators needing access to these facilities at other times must obtain authority from the general manager.

8.27 Councillors and administrators must not enter staff-only areas of council buildings without the approval of the general manager (or their delegate) or as provided for in the procedures governing the interaction of councillors and council staff.

8.28 Councillors and administrators must ensure that when they are within a staff only area they refrain from conduct that could be perceived to improperly influence council staff decisions.

PART 9 MAINTAINING THE INTEGRITY OF THIS CODE

Complaints made for an improper purpose

9.1 You must not make or threaten to make a complaint or cause a complaint to be made alleging a breach of this code for an improper purpose.

9.2 For the purposes of clause 9.1, a complaint is made for an improper purpose where it is trivial, frivolous, vexatious or not made in good faith, or where it otherwise lacks merit and has been made substantially for one or more of the following purposes:

- a) to bully, intimidate or harass another council official
- b) to damage another council official's reputation
- c) to obtain a political advantage
- d) to influence a council official in the exercise of their official functions or to prevent or disrupt the exercise of those functions
- e) to influence the council in the exercise of its functions or to prevent or disrupt the exercise of those functions
- f) to avoid disciplinary action under the Procedures
- g) to take reprisal action against a person for making a complaint alleging a breach of this code
- h) to take reprisal action against a person for exercising a function prescribed under the Procedures
- i) to prevent or disrupt the effective administration of this code under the Procedures.

Detrimental action

9.3 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for a complaint they have made alleging a breach of this code.

9.4 You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for any function they have exercised under the Procedures.

9.5 For the purposes of clauses 9.3 and 9.4, a detrimental action is an action causing, comprising or involving any of the following:

- a) injury, damage or loss

- b) intimidation or harassment
- c) discrimination, disadvantage or adverse treatment in relation to employment
- d) dismissal from, or prejudice in, employment
- e) disciplinary proceedings.

Compliance with requirements under the Procedures

9.6 You must not engage in conduct that is calculated to impede or disrupt the consideration of a matter under the Procedures.

9.7 You must comply with a reasonable and lawful request made by a person exercising a function under the Procedures. A failure to make a written or oral submission invited under the Procedures will not constitute a breach of this clause.

9.8 You must comply with a practice ruling made by the Office under the Procedures.

Disclosure of information about the consideration of a matter under the Procedures

9.9 All allegations of breaches of this code must be dealt with under and in accordance with the Procedures.

9.10 You must not allege breaches of this code other than by way of a complaint made or initiated under the Procedures.

9.11 You must not make allegations about, or disclose information about, suspected breaches of this code at council, committee or other meetings, whether open to the public or not, or in any other forum, whether public or not.

9.12 You must not disclose information about a complaint you have made alleging a breach of this code or any other matter being considered under the Procedures except for the purposes of seeking legal advice, unless the disclosure is otherwise permitted under the Procedures.

9.13 Nothing under this Part prevents a person from making a public interest disclosure to an appropriate public authority or investigative authority under the *Public Interest Disclosures Act 1994*.

Complaints alleging a breach of this Part

9.14 Complaints alleging a breach of this Part by a councillor, the general manager or an administrator are to be managed by the Office. This clause does not prevent the Office from referring an alleged breach of this Part back to the council for consideration in accordance with the Procedures.

9.15 Complaints alleging a breach of this Part by other council officials are to be managed by the general manager in accordance with the Procedures.

SCHEDULE 1: DISCLOSURES OF INTERESTS AND OTHER MATTERS IN WRITTEN RETURNS SUBMITTED UNDER CLAUSE 4.21

Part 1: Preliminary

Definitions

1. For the purposes of the schedules to this code, the following definitions apply:

address means:

- a) in relation to a person other than a corporation, the last residential or business address of the person known to the councillor or designated person disclosing the address, or
- b) in relation to a corporation, the address of the registered office of the corporation in New South Wales or, if there is no such office, the address of the principal office of the corporation in the place where it is registered, or
- c) in relation to any real property, the street address of the property.

de facto partner has the same meaning as defined in section 21C of the *Interpretation Act 1987*.

disposition of property means a conveyance, transfer, assignment, settlement, delivery, payment or other alienation of property, including the following:

- a) the allotment of shares in a company
- b) the creation of a trust in respect of property
- c) the grant or creation of a lease, mortgage, charge, easement, licence, power, partnership or interest in respect of property
- d) the release, discharge, surrender, forfeiture or abandonment, at law or in equity, of a debt, contract or chose in action, or of an interest in respect of property
- e) the exercise by a person of a general power of appointment over property in favour of another person
- f) a transaction entered into by a person who intends by the transaction to diminish, directly or indirectly, the value of the person's own property and to increase the value of the property of another person.

gift means a disposition of property made otherwise than by will (whether or not by instrument in writing) without consideration, or with inadequate consideration, in money or money's worth passing from the person to whom the disposition was made to the person who made the disposition, but does not include a financial or other contribution to travel.

interest means:

- a) in relation to property, an estate, interest, right or power, at law or in equity, in or over the property, or
- b) in relation to a corporation, a relevant interest (within the meaning of section 9 of the *Corporations Act 2001* of the Commonwealth) in securities issued or made available by the corporation.

listed company means a company that is listed within the meaning of section 9 of the *Corporations Act 2001* of the Commonwealth.

occupation includes trade, profession and vocation.

professional or business association means an incorporated or unincorporated body or organisation having as one of its objects or activities the promotion of the economic interests of its members in any occupation.

property includes money.

return date means:

- a) in the case of a return made under clause 4.21(a), the date on which a person became a councillor or designated person
- b) in the case of a return made under clause 4.21(b), 30 June of the year in which the return is made

- c) in the case of a return made under clause 4.21(c), the date on which the councillor or designated person became aware of the interest to be disclosed.

relative includes any of the following:

- a) a person's spouse or de facto partner
- b) a person's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
- c) a person's spouse's or de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child
- d) the spouse or de facto partner of a person referred to in paragraphs (b) and (c).

travel includes accommodation incidental to a journey.

Matters relating to the interests that must be included in returns

- 2. *Interests etc. outside New South Wales:* A reference in this schedule or in schedule 2 to a disclosure concerning a corporation or other thing includes any reference to a disclosure concerning a corporation registered, or other thing arising or received, outside New South Wales.
- 3. *References to interests in real property:* A reference in this schedule or in schedule 2 to real property in which a councillor or designated person has an interest includes a reference to any real property situated in Australia in which the councillor or designated person has an interest.
- 4. *Gifts, loans etc. from related corporations:* For the purposes of this schedule and schedule 2, gifts or contributions to travel given, loans made, or goods or services supplied, to a councillor or designated person by two or more corporations that are related to each other for the purposes of section 50 of the *Corporations Act 2001* of the Commonwealth are all given, made or supplied by a single corporation.

Part 2: Pecuniary interests to be disclosed in returns

Real property

- 5. A person making a return under clause 4.21 of this code must disclose:
 - a) the street address of each parcel of real property in which they had an interest on the return date, and
 - b) the street address of each parcel of real property in which they had an interest in the period since 30 June of the previous financial year, and
 - c) the nature of the interest.
- 6. An interest in a parcel of real property need not be disclosed in a return if the person making the return had the interest only:
 - a) as executor of the will, or administrator of the estate, of a deceased person and not as a beneficiary under the will or intestacy, or
 - b) as a trustee, if the interest was acquired in the ordinary course of an occupation not related to their duties as the holder of a position required to make a return.
- 7. An interest in a parcel of real property need not be disclosed in a return if the person ceased to hold the interest prior to becoming a councillor or designated person.
- 8. For the purposes of clause 5 of this schedule, "interest" includes an option to purchase.

Gifts

9. A person making a return under clause 4.21 of this code must disclose:
- a) a description of each gift received in the period since 30 June of the previous financial year, and
 - b) the name and address of the donor of each of the gifts.
10. A gift need not be included in a return if:
- a) it did not exceed \$500, unless it was among gifts totalling more than \$500 made by the same person during a period of 12 months or less, or
 - b) it was a political donation disclosed, or required to be disclosed, under Part 3 of the *Electoral Funding Act 2018*, or
 - c) the donor was a relative of the donee, or
 - d) subject to paragraph (a), it was received prior to the person becoming a councillor or designated person.
11. For the purposes of clause 10 of this schedule, the amount of a gift other than money is an amount equal to the value of the property given.

Contributions to travel

12. A person making a return under clause 4.21 of this code must disclose:
- a) the name and address of each person who made any financial or other contribution to the expenses of any travel undertaken by the person in the period since 30 June of the previous financial year, and
 - b) the dates on which the travel was undertaken, and
 - c) the names of the states and territories, and of the overseas countries, in which the travel was undertaken.
13. A financial or other contribution to any travel need not be disclosed under this clause if it:
- a) was made from public funds (including a contribution arising from travel on free passes issued under an Act or from travel in government or council vehicles), or
 - b) was made by a relative of the traveller, or
 - c) was made in the ordinary course of an occupation of the traveller that is not related to their functions as the holder of a position requiring the making of a return, or
 - d) did not exceed \$250, unless it was among gifts totalling more than \$250 made by the same person during a 12-month period or less, or
 - e) was a political donation disclosed, or required to be disclosed, under Part 3 of the *Electoral Funding Act 2018*, or
 - f) was made by a political party of which the traveller was a member and the travel was undertaken for the purpose of political activity of the party in New South Wales, or to enable the traveller to represent the party within Australia, or
 - g) subject to paragraph (d) it was received prior to the person becoming a councillor or designated person.
14. For the purposes of clause 13 of this schedule, the amount of a contribution (other than a financial contribution) is an amount equal to the value of the contribution.

Interests and positions in corporations

15. A person making a return under clause 4.21 of this code must disclose:
- a) the name and address of each corporation in which they had an interest or held a position (whether remunerated or not) on the return date, and
 - b) the name and address of each corporation in which they had an interest or held a position in the period since 30 June of the previous financial year, and

- c) the nature of the interest, or the position held, in each of the corporations, and
 - d) a description of the principal objects (if any) of each of the corporations, except in the case of a listed company.
16. An interest in, or a position held in, a corporation need not be disclosed if the corporation is:
- a) formed for the purpose of providing recreation or amusement, or for promoting commerce, industry, art, science, religion or charity, or for any other community purpose, and
 - b) required to apply its profits or other income in promoting its objects, and
 - c) prohibited from paying any dividend to its members.
17. An interest in a corporation need not be disclosed if the interest is a beneficial interest in shares in a company that does not exceed 10 per cent of the voting rights in the company.
18. An interest or a position in a corporation need not be disclosed if the person ceased to hold the interest or position prior to becoming a councillor or designated person.

Interests as a property developer or a close associate of a property developer

19. A person making a return under clause 4.21 of this code must disclose whether they were a property developer, or a close associate of a corporation that, or an individual who, is a property developer, on the return date.
20. For the purposes of clause 19 of this schedule:

close associate, in relation to a corporation or an individual, has the same meaning as it has in section 53 of the *Electoral Funding Act 2018*.

property developer has the same meaning as it has in Division 7 of Part 3 of the *Electoral Funding Act 2018*.

Positions in trade unions and professional or business associations

21. A person making a return under clause 4.21 of the code must disclose:
- a) the name of each trade union, and of each professional or business association, in which they held any position (whether remunerated or not) on the return date, and
 - b) the name of each trade union, and of each professional or business association, in which they have held any position (whether remunerated or not) in the period since 30 June of the previous financial year, and
 - c) a description of the position held in each of the unions and associations.
22. A position held in a trade union or a professional or business association need not be disclosed if the person ceased to hold the position prior to becoming a councillor or designated person.

Dispositions of real property

23. A person making a return under clause 4.21 of this code must disclose particulars of each disposition of real property by the person (including the street address of the affected property) in the period since 30 June of the previous financial year, under which they wholly or partly retained the use and benefit of the property or the right to re-acquire the property.
24. A person making a return under clause 4.21 of this code must disclose particulars of each disposition of real property to another person (including the street address of the affected property) in the period

since 30 June of the previous financial year, that is made under arrangements with, but is not made by, the person making the return, being a disposition under which the person making the return obtained wholly or partly the use of the property.

25. A disposition of real property need not be disclosed if it was made prior to a person becoming a councillor or designated person.

Sources of income

26. A person making a return under clause 4.21 of this code must disclose:
- each source of income that the person reasonably expects to receive in the period commencing on the first day after the return date and ending on the following 30 June, and
 - each source of income received by the person in the period since 30 June of the previous financial year.
27. A reference in clause 26 of this schedule to each source of income received, or reasonably expected to be received, by a person is a reference to:
- in relation to income from an occupation of the person:
 - a description of the occupation, and
 - if the person is employed or the holder of an office, the name and address of their employer, or a description of the office, and
 - if the person has entered into a partnership with other persons, the name (if any) under which the partnership is conducted, or
 - in relation to income from a trust, the name and address of the settlor and the trustee, or
 - in relation to any other income, a description sufficient to identify the person from whom, or the circumstances in which, the income was, or is reasonably expected to be, received.
28. The source of any income need not be disclosed by a person in a return if the amount of the income received, or reasonably expected to be received, by the person from that source did not exceed \$500, or is not reasonably expected to exceed \$500, as the case may be.
29. The source of any income received by the person that they ceased to receive prior to becoming a councillor or designated person need not be disclosed.
30. A fee paid to a councillor or to the mayor or deputy mayor under sections 248 or 249 of the LGA need not be disclosed.

Debts

31. A person making a return under clause 4.21 of this code must disclose the name and address of each person to whom the person was liable to pay any debt:
- on the return date, and
 - at any time in the period since 30 June of the previous financial year.
32. A liability to pay a debt must be disclosed by a person in a return made under clause 4.21 whether or not the amount, or any part of the amount, to be paid was due and payable on the return date or at any time in the period since 30 June of the previous financial year, as the case may be.
33. A liability to pay a debt need not be disclosed by a person in a return if:
- the amount to be paid did not exceed \$500 on the return date or in the period since 30 June of the previous financial year, as the case may be, unless:

- i. the debt was one of two or more debts that the person was liable to pay to one person on the return date, or at any time in the period since 30 June of the previous financial year, as the case may be, and
- ii. the amounts to be paid exceeded, in the aggregate, \$500, or
- b) the person was liable to pay the debt to a relative, or
- c) in the case of a debt arising from a loan of money the person was liable to pay the debt to an authorised deposit-taking institution or other person whose ordinary business includes the lending of money, and the loan was made in the ordinary course of business of the lender, or
- d) in the case of a debt arising from the supply of goods or services:
 - i. the goods or services were supplied in the period of 12 months immediately preceding the return date, or were supplied in the period since 30 June of the previous financial year, as the case may be, or
 - ii. the goods or services were supplied in the ordinary course of any occupation of the person that is not related to their duties as the holder of a position required to make a return, or
- e. subject to paragraph (a), the debt was discharged prior to the person becoming a councillor or designated person.

Discretionary disclosures

- 34. A person may voluntarily disclose in a return any interest, benefit, advantage or liability, whether pecuniary or not, that is not required to be disclosed under another provision of this Schedule.

SCHEDULE 2: FORM OF WRITTEN RETURN OF INTERESTS SUBMITTED UNDER CLAUSE 4.21

'Disclosures by councillors and designated persons' return

1. The pecuniary interests and other matters to be disclosed in this return are prescribed by Schedule 1 of the *Model Code of Conduct for Local Councils in NSW* (the Model Code of Conduct).
2. If this is the first return you have been required to lodge with the general manager after becoming a councillor or designated person, do not complete Parts C, D and I of the return. All other parts of the return should be completed with appropriate information based on your circumstances at the return date, that is, the date on which you became a councillor or designated person.
3. If you have previously lodged a return with the general manager and you are completing this return for the purposes of disclosing a new interest that was not disclosed in the last return you lodged with the general manager, you must complete all parts of the return with appropriate information for the period from 30 June of the previous financial year or the date on which you became a councillor or designated person, (whichever is the later date), to the return date which is the date you became aware of the new interest to be disclosed in your updated return.
4. If you have previously lodged a return with the general manager and are submitting a new return for the new financial year, you must complete all parts of the return with appropriate information for the 12-month period commencing on 30 June of the previous year to 30 June this year.
5. This form must be completed using block letters or typed.
6. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

7. If there are no pecuniary interests or other matters of the kind required to be disclosed under a heading in this form, the word "NIL" is to be placed in an appropriate space under that heading.

Important information

This information is being collected for the purpose of complying with clause 4.21 of the Model Code of Conduct.

You must not lodge a return that you know or ought reasonably to know is false or misleading in a material particular (see clause 4.23 of the Model Code of Conduct). Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the council, the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

The information collected on this form will be kept by the general manager in a register of returns. The general manager is required to table all returns at a council meeting.

Information contained in returns made and lodged under clause 4.21 is to be made publicly available in accordance with the requirements of the *Government Information (Public Access) Act 2009*, the *Government Information (Public Access) Regulation 2009* and any guidelines issued by the Information Commissioner.

You have an obligation to keep the information contained in this return up to date. If you become aware of a new interest that must be disclosed in this return, or an interest that you have previously failed to disclose, you must submit an updated return within three months of becoming aware of the previously undisclosed interest.

Disclosure of pecuniary interests and other matters

by [full name of councillor or designated person]

as at [return date]

in respect of the period from [date] to [date]

[councillor's or designated person's signature] [date]

A. Real Property

Street address of each parcel of real property in which I had an interest at the return date/at any time since 30 June

Nature of interest

B. Sources of income

1 Sources of income I reasonably expect to receive from an occupation in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from an occupation at any time since 30 June

Description of occupation	Name and address of employer or description of office held (if applicable)	Name under which partnership conducted (if applicable)

2 Sources of income I reasonably expect to receive from a trust in the period commencing on the first day after the return date and ending on the following 30 June

Sources of income I received from a trust since 30 June

Name and address of settlor	Name and address of trustee

3 Sources of other income I reasonably expect to receive in the period commencing on the first day after the return date and ending on the following 30 June

Sources of other income I received at any time since 30 June

[Include description sufficient to identify the person from whom, or the circumstances in which, that income was received]

C. Gifts

Description of each gift I received at any time since 30 June Name and address of donor

D. Contributions to travel

Name and address of each person	Dates on which travel was undertaken	Name of States, Territories of the Commonwealth and overseas countries in which travel was undertaken
who made any financial or other contribution to any travel undertaken by me at any time since 30 June		

E. Interests and positions in corporations

Name and address of each corporation in which I had an interest or held a position at the return date/at any time since 30 June	Nature of interest (if any)	Description of position (if any)	Description of principal objects (if any) of corporation (except in case of listed company)
---	-----------------------------	----------------------------------	---

F. Were you a property developer or a close associate of a property developer on the return date? (Y/N)

G. Positions in trade unions and professional or business associations

Name of each trade union and each professional or business association in which I held any position (whether remunerated or not) at the return date/at any time since 30 June	Description of position
---	-------------------------

H. Debts

Name and address of each person to whom I was liable to pay any debt at the return date/at any time since 30 June

I. Dispositions of property

1 Particulars of each disposition of real property by me (including the street address of the affected property) at any time since 30 June as a result of which I retained, either wholly or in part, the use and benefit of the property or the right to re-acquire the property at a later time

2 Particulars of each disposition of property to a person by any other person under arrangements made by me (including the street address of the affected property), being dispositions made at any time since 30 June, as a result of which I obtained, either wholly or in part, the use and benefit of the property

J. Discretionary disclosures

SCHEDULE 3: FORM OF SPECIAL DISCLOSURE OF PECUNIARY INTEREST SUBMITTED UNDER CLAUSE 4.37

1. This form must be completed using block letters or typed.
2. If there is insufficient space for all the information you are required to disclose, you must attach an appendix which is to be properly identified and signed by you.

Important information

This information is being collected for the purpose of making a special disclosure of pecuniary interests under clause 4.36(c) of the *Model Code of Conduct for Local Councils in NSW* (the Model Code of Conduct).

The special disclosure must relate only to a pecuniary interest that a councillor has in the councillor's principal place of residence, or an interest another person (whose interests are relevant under clause 4.3 of the Model Code of Conduct) has in that person's principal place of residence.

Clause 4.3 of the Model Code of Conduct states that you will have a pecuniary interest in a matter because of the pecuniary interest of your spouse or your de facto partner or your relative or because your business partner or employer has a pecuniary interest. You will also have a pecuniary interest in a matter because you, your nominee, your business partner or your employer is a member of a company or other body that has a pecuniary interest in the matter.

"Relative" is defined by clause 4.4 of the Model Code of Conduct as meaning your, your spouse's or your de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child and the spouse or de facto partner of any of those persons.

You must not make a special disclosure that you know or ought reasonably to know is false or misleading in a material particular. Complaints about breaches of these requirements are to be referred to the Office of Local Government and may result in disciplinary action by the Chief Executive of the Office of Local Government or the NSW Civil and Administrative Tribunal.

This form must be completed by you before the commencement of the council or council committee meeting at which the special disclosure is being made. The completed form must be tabled at the meeting. Everyone is entitled to inspect it. The special disclosure must be recorded in the minutes of the meeting.

Special disclosure of pecuniary interests by matters

[full name of councillor]

in the matter of [insert name of environmental planning instrument]

which is to be considered at a meeting of the [name of council or council committee (as the case requires)] to be held on the day of 20 .

Pecuniary interest	
Address of the affected principal place of residence of the councillor or an associated person, company or body (the identified land)	
Relationship of identified land to the councillor [Tick or cross one box.]	<input type="checkbox"/> The councillor has an interest in the land (e.g. is the owner or has another interest arising out of a mortgage, lease, trust, option or contract, or otherwise). <input type="checkbox"/> An associated person of the councillor has an interest in the land. <input type="checkbox"/> An associated company or body of the councillor has an interest in the land.
Matter giving rise to pecuniary interest ¹	
Nature of the land that is subject to a change in zone/planning control by the proposed LEP (the subject land) ² [Tick or cross one box]	<input type="checkbox"/> The identified land. <input type="checkbox"/> Land that adjoins or is adjacent to or is in proximity to the identified land.
Current zone/planning control [Insert name of current planning instrument and identify relevant zone/planning control applying to the subject land]	
Proposed change of zone/planning control [Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]	
Effect of proposed change of zone/planning control on councillor or associated person [Insert one of the following: "Appreciable financial gain" or "Appreciable financial loss"]	

1 Clause 4.1 of the Model Code of Conduct provides that a pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter, or if the interest is of a kind specified in clause 4.6 of the Model Code of Conduct.

2 A pecuniary interest may arise by way of a change of permissible use of land adjoining, adjacent to or in proximity to land in which a councillor or a person, company or body referred to in clause 4.3 of the Model Code of Conduct has a proprietary interest.

[If more than one pecuniary interest is to be declared, reprint the above box and fill in for each additional interest.]

Councillor's signature

Date

[This form is to be retained by the council's general manager and included in full in the minutes of the meeting]

ACTIONS TRACKING SUMMARY SHEET


Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
28/04/2022	Standard Instrument LEP Natural Disasters Clause	85/22	<p>RESOLVED</p> <ul style="list-style-type: none"> a. That Council advise the Department of Planning and Environment to incorporate the Dwelling house or secondary dwelling affected by natural disaster clause (Clauses 5.9), into the <i>Armidale Dumaresq Local Environmental Plan 2012</i> and <i>Guyra Local Environmental Plan 2012</i> or <i>Armidale Regional Local Environmental Plan</i> (as applicable), applying in the zones that currently permit dwelling house or secondary dwelling. b. That Council develop a policy that assists building owners to recover from disasters including but not limited to: <ul style="list-style-type: none"> i. the use of the Orders provisions in the Environmental Planning and Assessment Act 1979 and Local Government Act 1993 to the maximum extent possible to permit the repair and rebuild of buildings without the need for the DA, ii. an appropriate reduction in DA fees for replacement buildings that require a DA, iii. provide a concierge advisory and fast-track approval service for disaster affected building owners. <p>Moved Cr Packham Seconded Cr Galletly</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p> <p>AMENDMENT</p> <ul style="list-style-type: none"> iii. provide a concierge advisory and fast-track approval service for disaster affected building owners that also provides advice on information on building back better to meet desirable energy-efficiency standards and passive solar design. 	Boyce, Daniel	<p>13 May 2022 8:07am Boyce, Daniel</p> <p>Disaster clause package sent to NSW Department of Planning and Environment. Policy to be developed.</p>

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<div> <div>ACTIONS TRACKING SUMMARY SHEET</div> <div>Ordinary and Extraordinary Council Meetings 2022</div> </div> <div>  </div>					
Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p>Moved Cr Robinson Seconded Cr O'Brien</p> <p><i>FOR: Cr D O'Brien, M O'Connor and D Robinson</i></p> <p><i>AGAINST: Crs S Coupland, P Gaddes, J Galletly, S McMichael, S Mephram, P Packham, T Redwood, and B Widders</i></p> <p>The Motion on being put to the vote was LOST.</p> <p>Cr Bradley Widders left the meeting, the time being 4:56 PM Cr Bradley Widders returned to the meeting, the time being 4:58 PM</p>		
25/05/2022	Simpler Financial Information	102/22	<p>RESOLVED</p> <p>That Councillors and Council Staff collaborate on the development of a format to provide financial information that is easy for councillors and lay people to understand.</p> <p>Moved Cr Robinson Seconded Cr O'Brien</p> <p><i>DIVISION The result being:-</i></p> <p><i>FOR: Crs S Coupland, P Gaddes, S McMichael, S Mephram, D O'Brien, M O'Connor, P Packham, T Redwood, D Robinson and B Widders</i></p> <p><i>AGAINST: Cr J Galletly</i></p> <p>The Motion on being put to the vote was CARRIED.</p>	Hoult, Melissa	<p>20 Jun 2022 11:39am Bower, Jessica Manager Financial Services to meet with Cr Robinson week of 20 June to discuss.</p> <p>15 Aug 2022 4:16pm Hoult, Melissa Due to staff resourcing and other imperatives, staff will seek to provide a response towards the end of October 2022.</p> <p>15 Aug 2022 4:19pm Hoult, Melissa - Target Date Revision</p>

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ACTIONS TRACKING SUMMARY SHEET


Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
					<p>Target date changed by Hoult, Melissa from 08 June 2022 to 31 October 2022 - Due to staff resourcing and other imperatives, staff will seek to provide a response towards the end of October 2022.</p> <p>13 Sep 2022 4:18pm Hoult, Melissa</p> <p>Owing to annual financial statements being due and the SRV consultation, a meeting between Cr Robinson and the acting CFO, to facilitate simpler financial information, has not progressed further than the first meeting. A meeting with the new CFO will be scheduled towards the end of the year.</p> <p>13 Sep 2022 4:18pm Hoult, Melissa - Target Date Revision</p> <p>Target date changed by Hoult, Melissa from 31 October 2022 to 23 November 2022 - Due to staff resourcing and other imperatives, staff will seek to provide a response towards the end of November 2022.</p> <p>07 Dec 2022 11:59am Hoult, Melissa - Target Date Revision</p>

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Meeting Date	Report Title	Res #	Detail	Officer
29/06/2022	Grids and Gates Policy	129/22	<p>RESOLVED</p> <p>That Council:</p> <ul style="list-style-type: none"> a. Refer POL087 – Gates and Stock Grids on Public Roads and public feedback to the Connected Region Key Pillar Working Group to discuss and make comment on proposed grid ownership, maintenance liabilities and transition options; b. Extend the ownership nomination period for an additional 12 months for Council staff, in consultation with the relevant working group, to determine ownership of existing grids and gates on Council roads where ownership is uncertain. c. Extend the current transition period for an additional 12 months from the 1st July 2022 for existing grid and gate owners to upgrade, repair, remove or replace non-compliant grids and bring them into compliance with the updated policy POL087, noting all associated costs are currently the responsibility of the grid or gate owner as per the policy. <p>Moved Cr Packham Seconded Cr Mepham</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Schaefer, Darren

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Current as at 7 December 2022 - Page 4

ACTIONS TRACKING SUMMARY SHEET

Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
27/07/2022	Look Up! Make the State of our Planet BAU Pilot Program	145/22	<p>MOVED</p> <p>That Council:</p> <ol style="list-style-type: none"> Endorse the Leadership Principles and Climate Action Plan initiatives contained within the outcomes of the pilot program <i>"Look-Up! Make the State of our Planet BAU."</i> Reaffirm Council's resolution on 25 September 2019 to commit to achieving the goals of Project Zero30. Request that the General Manager prepare an organisational plan to minimise our contribution to the global temperature rise and achieve Climate Active certification which will be reported back to Council with costings. <p>Moved Cr Robinson Seconded Cr Widders</p> <p>PROCEDURAL MOTION</p> <p>That the items be voted on in seriatim.</p> <p>Moved Cr O'Connor Seconded Cr Packham</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p> <p>RESOLVED</p> <p>That Council:</p> <ol style="list-style-type: none"> Endorse the Leadership Principles and Climate Action Plan initiatives contained within the outcomes of the pilot program <i>"Look-Up! Make the State of our Planet BAU."</i> 	Bower, Jessica	<p>11 Aug 2022 11:55am Bower, Jessica</p> <p>Correspondence forwarded to Project Zero30 Board members advising councils resolution. GM advised a further report will be provided to Council in Sep/Oct 2022 relating to item C once it is fully scoped and resource commitment better understood.</p> <p>14 Sep 2022 3:10pm Bower, Jessica</p> <p>GM advised: Item C to be addressed once the Renewable Energy Action Plan (REAP) has been formally adopted.</p>

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ACTIONS TRACKING SUMMARY SHEET

Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p><i>DIVISION The result being:-</i></p> <p><i>FOR: Crs S Coupland, P Gaddes, J Galletly, S McMichael, D O'Brien, T Redwood, D Robinson; S Mepham and B Widders</i></p> <p><i>AGAINST: Crs P Packham and M O'Connor</i></p> <p>The Motion on being put to the vote was CARRIED</p> <p>b. Reaffirm Council's resolution on 25 September 2019 to commit to achieving the goals of Project Zero30.</p> <p><i>DIVISION The result being:-</i></p> <p><i>FOR: Crs S Coupland, P Gaddes, J Galletly, S McMichael, D O'Brien, T Redwood, D Robinson; S Mepham and B Widders</i></p> <p><i>AGAINST: Crs P Packham and M O'Connor</i></p> <p>The Motion on being put to the vote was CARRIED</p> <p>c. Request that the General Manager prepare an organisational plan to minimise our contribution to the global temperature rise and achieve Climate Active certification which will be reported back to Council with costings.</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p> <p>Moved Cr Robinson Seconded Cr Widders</p>		

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ACTIONS TRACKING SUMMARY SHEET

Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
24/08/2022	Question on Notice - Cr Robinson	173/22	<p>RESOLVED</p> <p>That Council note the response to the Questions on Notice submitted by Cr Robinson.</p> <p>Moved Cr Robinson Seconded Cr McMichael</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Hoult, Melissa	<p>13 Sep 2022 4:07pm Hoult, Melissa</p> <p>Owing to annual financial statements being due and the SRV consultation, a meeting between Cr Robinson and the acting CFO, to facilitate simpler financial information, has not progressed further than the first meeting. A meeting with the new CFO will be scheduled towards the end of the year. Report on item c. to be submitted to September OCM.</p> <p>13 Sep 2022 4:14pm Hoult, Melissa - Target Date Revision</p> <p>Target date changed by Hoult, Melissa from 07 September 2022 to 23 November 2022 - A meeting will be scheduled with the new CFO towards the end of the year.</p>

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ACTIONS TRACKING SUMMARY SHEET

Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
26/10/2022	Water Security Project - Funding commitment for pre-construction works with Department of Planning and Environment (DPE) through Safe and Secure Water Program (SSWP)	220/22	<p>RESOLVED</p> <p>That Council;</p> <ul style="list-style-type: none"> a. Approve an in-principle commitment to bring a project proposal forward for funding assessment consideration to Department of Planning and Environment (DPE) through the Safe & Secure Water Program (SSWP) from Council to co-fund the Water Security project pre-construction works in accordance with the program subsidy levels by 10 November 2022. b. Approve the release of \$1,729,173 from the Water Reserve to co-fund the Water Security project pre-construction works as per the in-principle commitment to DPE if SSWP funding is secured. c. Delegate authority to the General Manager to approve expenditure for the project up to the upper limit of \$3,458,347. d. Delegate authority to the General Manager to execute all documents in relation to the project and funding agreement. <p>Moved Cr Galletly Seconded Cr Redwood</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Manners, Alex	<p>16 Nov 2022 1:19pm Manners, Alex - Completion</p> <p>Action completed by Ackling, Belinda - The project proposal was submitted to Safe & Secure Water Program (SSWP) for funding assessment consideration on the 11-11-2022</p>

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ACTIONS TRACKING SUMMARY SHEET

Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
26/10/2022	Armidale Sewerage Treatment Plant Upgrade - Funding commitment for pre-construction works with Department of Planning and Environment (DPE) through Safe and Secure Water Program (SSWP)	221/22	<p>RESOLVED</p> <p>That Council;</p> <ol style="list-style-type: none"> Approve an in-principle commitment to bring a project proposal forward for funding assessment consideration by Department of Planning and Environment (DPE) through the Safe & Secure Water Program (SSWP) from Council to co-fund the Armidale Sewerage Treatment Plant Upgrade project pre-construction works in accordance with the program subsidy levels by 10 November 2022. Approve the release of an additional \$476,806 from the sewer reserve to co-fund the Armidale Sewerage Treatment Plant Upgrade project pre-construction works as per the in-principle commitment to DPE if SSWP funding is secured. Delegate authority to the General Manager to approve expenditure for the project up to the upper limit of \$1,353,612 excl. GST. Delegate authority to the General Manager to execute all documents in relation to the project and funding agreement. <p>Moved Cr Robinson Seconded Cr McMichael</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Manners, Alex	<p>16 Nov 2022 1:18pm Manners, Alex - Completion</p> <p>Action completed by Ackling, Belinda - The project proposal was submitted to Safe & Secure Water Program (SSWP) for funding assessment consideration on the 11-11-2022</p>

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ACTIONS TRACKING SUMMARY SHEET


Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
26/10/2022	ARC Large Site Electricity and Street Lighting Tender Process for General Manager Authorisation to be given by Council	222/22	<p>RESOLVED</p> <p>That Council:</p> <ul style="list-style-type: none"> a. Notes the Content of this report which includes a narrow window of time in the near future where the General Manager on behalf of Council will need to commit to the preferred supplier of Local Government Procurement (LPG). This will be based on an upper level figure presented at the time and subject to further negotiation with the preferred supplier. b. Endorses the General Manager, at a future time, to sign an agreement on Council's behalf for a two (2) year agreement for 'black electricity' only, should the proposal be advantageous to Council in contracts rates, terms and conditions. As per the recommendation of LPG for a period of two years to 31 December 2024, to which Armidale Regional Council may then be in a position to consider renewable options available. c. Endorses final details including final contract rates and details will be presented to Council at the soonest opportunity by Council Staff on behalf of the General Manager, including before and after financial scenarios, and a direct comparison of the current market for analysis of financial impact to Council. d. Notes that current indications and a volatility in the market may mean a best-case scenario of a 10-20% increase on current electricity retail pricing. A figure on or around a 10% increase on current contract rates is seen as a favourable financial outcome. <p>Moved Cr Widders Seconded Cr Robinson</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Schaefer, Darren	<p>11 Nov 2022 6:30pm Schaefer, Darren - Completion</p> <p>Action completed by Schaefer, Darren - Council resolved to delegate to GM</p>

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Meeting Date	Report Title	Res #	Detail	Officer
26/10/2022	Adjustment and Sale of Minor Council Access Denial Strip Lots 14 & 15 DP 263611	204/22	<p>RESOLVED</p> <p>That Council approve:</p> <ul style="list-style-type: none"> a. The sale of sections of Lots 14 and 15 DP 263611 to the value of \$1480. b. The adjustment of residual access denial strips and road reserve sections. c. That all costs associated with the transaction be borne by the applicant. <p>Moved Cr Robinson Seconded Cr Widders</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Boyce, Daniel
26/10/2022	Endorsement to Engage a Public Process for a Road Reserve Closure	206/22	<p>RESOLVED</p> <p>That Council endorse the application:</p> <ul style="list-style-type: none"> a. To undertake a public process for the purpose of a road reserve closure. b. Prepare the lands survey and application to the regional Crown Lands Office. c. Post closure prepare a subdivision development application for two residential lots. <p>Moved Cr Galletly Seconded Cr O'Connor</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Boyce, Daniel

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ACTIONS TRACKING SUMMARY SHEET

Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
26/10/2022	Planning Agreement relating to developments on Faulkner Street, Armidale	207/22	<p>MOTION</p> <p>That Council:</p> <ul style="list-style-type: none"> a. Enter into a Planning Agreement (PA) for payment of a \$50,000 contribution towards the master planning and design of improvements for the East Mall, Beardy Street, Armidale as determined by Council, in lieu of providing five (5) car parking spaces in conjunction with the modification of DA-147-2019 and for DA-604-1986 relating to 91 Faulkner Street and 97- 101 Faulkner Street. b. That subject to the above, the General Manager be authorised to place the Draft PA on exhibition for a minimum period of 28 days. c. That following the public exhibition period, a report be presented to Council for further consideration, if any submissions are received. d. That if no submissions are received during the public exhibition period, that the General Manager be provided the delegations to enter into the PA on behalf of Council. <p>Moved Cr Redwood Seconded Cr Galletly</p> <p>AMENDMENT</p> <ul style="list-style-type: none"> e. Council staff discuss with the developer whether the potential uses of the money could be widened to include: master planning and design of improvements in central Armidale, or an app to alert drivers to vacant parking spaces in the CBD or planning relating to the provision of affordable housing f. If the developer objects to this proposal, then the public exhibition will be of the current draft PA, which states that the intended use of the money is for 	Boyce, Daniel	<p>16 Nov 2022 10:27pm Boyce, Daniel Planning agreement on exhibition submissions close 25 November 2022.</p> <p>02 Dec 2022 11:21am Boyce, Daniel No submissions received during the public exhibition period. Planning agreement entered into by the General Manager on behalf of Council.</p>

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ACTIONS TRACKING SUMMARY SHEET

Ordinary and Extraordinary Council Meetings 2022




Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p>master planning and design of improvements for the East Mall, Beardy Street, Armidale.</p> <p>Moved Cr Robinson Seconded Cr McMichael</p> <p>DIVISION The result being:-</p> <p>FOR: Crs S McMichael and D Robinson</p> <p>AGAINST: Crs S Coupland, P Gaddes, J Galletly, S Mephram, D O'Brien, M O'Connor, P Packham, T Redwood and B Widders</p> <p>The Amendment on being put to the vote was LOST.</p> <p>RESOLVED</p> <p>That Council:</p> <ol style="list-style-type: none"> Enter into a Planning Agreement (PA) for payment of a \$50,000 contribution towards the master planning and design of improvements for the East Mall, Beardy Street, Armidale as determined by Council, in lieu of providing five (5) car parking spaces in conjunction with the modification of DA-147-2019 and for DA-604-1986 relating to 91 Faulkner Street and 97- 101 Faulkner Street. That subject to the above, the General Manager be authorised to place the Draft PA on exhibition for a minimum period of 28 days. That following the public exhibition period, a report be presented to Council for further consideration, if any submissions are received. 		

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ACTIONS TRACKING SUMMARY SHEET


Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p>d. That if no submissions are received during the public exhibition period, that the General Manager be provided the delegations to enter into the PA on behalf of Council.</p> <p>Moved Cr Redwood Seconded Cr Galletly</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>		
26/10/2022	Review of Local Approval Policy Street Trading	209/22	<p>RESOLVED</p> <p>That Council:</p> <ul style="list-style-type: none"> a. Endorse the Local Approvals Policy Street Trading for public notice and exhibition in accordance with the <i>Local Government Act 1993</i>; b. Receive a further report to consider any submissions received; c. Endorse the Local Approvals Policy Street Trading for submission to the Departmental Chief Executive of the Office of Local Government. <p>Moved Cr Widders Seconded Cr Mephram</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Boyce, Daniel	<p>07 Dec 2022 9:04am Hoult, Melissa</p> <p>Daniel Boyce advised this item will be action in January 2023.</p>
26/10/2022	Armidale Regional Council Section 7.12 Contributions Plan Review	211/22	<p>RESOLVED</p> <p>That Council:</p> <ul style="list-style-type: none"> a. Endorse the revised Armidale Regional Council Section 7.12 Contributions Plan for public exhibition for a period of 28 days. b. Receive a further report once the public exhibition period closes to consider any submissions received. 	Boyce, Daniel	<p>16 Nov 2022 10:31pm Boyce, Daniel</p> <p>Plan on exhibition. Submissions close 25 November 2022.</p> <p>02 Dec 2022 11:24am Boyce, Daniel</p>


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Meeting Date	Report Title	Res #	Detail	Officer
			<p>Moved Cr Widders Seconded Cr Galletly</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	
26/10/2022	Finalisation of Planning Proposal for 242 Rusden Street, Armidale	212/22	<p>RESOLVED</p> <p>That Council:</p> <ul style="list-style-type: none"> a. Endorse the Planning Proposal to amend the <i>Armidale Dumaresq Local Environmental Plan 2012</i> or <i>Armidale Regional Local Environmental Plan</i> (as applicable) to regularise the permissibility of the retail premises land uses that have historically and continually been carried out at 242 Rusden Street, Armidale (Lot A, DP 329168). b. Exercise the functions of the local plan-making authority under section 3.36(2) of the EP&A Act to make the Local Environmental Plan. <p>Moved Cr O'Brien Seconded Cr Widders</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Boyce, Daniel
26/10/2022	Establishment of Leash-Free Areas in Guyra	213/22	<p>RESOLVED</p> <p>That Council:</p> <ul style="list-style-type: none"> a. Endorse the two (2) preferred sites, being Lot 7002 DP 94125 and Lot 701 DP 94244, as proposed leash-free areas for public exhibition for a period of 28 days. b. Receive a further report once the submission period closes to consider any submissions received. <p>Moved Cr McMichael Seconded Cr Widders</p>	Boyce, Daniel

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<div> <div>ACTIONS TRACKING SUMMARY SHEET</div> <div>Ordinary and Extraordinary Council Meetings 2022</div> </div>					
Meeting Date	Report Title	Res #	Detail	Officer	Notes
			The Motion on being put to the vote was CARRIED unanimously.		
23/11/2022	Permanent Special Rate Variation Application		<p>MOTION</p> <p>That Council;</p> <ul style="list-style-type: none"> a) Note the content of the Community Engagement Summary Report. b) Note the content of the Capacity to Pay Report. c) Commits to proceed with a section 508(A) (permanent) Special Rate Variation option in order to address Armidale Regional Council's (ARC) financial sustainability and maintain essential community infrastructure including Council's road network, footpaths and community buildings. d) On or before 25 November 2022, formally notify the NSW Independent Pricing and Regulatory Tribunal (IPART) that Council intends to submit a Special Rate Variation application; e) That Council staff update the Integrated Planning & Reporting (IP&R) Suite of Documentation including the Delivery Program (DP) and Long-Term Financial Plan (LTFP) to meet the SRV application requirements. In particular, to include an addendum to the DP demonstrating the impact of a 50% SRV. f) The amended IP&R documents to be presented at the December 2022 ordinary Council meeting for the purpose of being endorsed by Council for public exhibition. g) Convene an extra-ordinary meeting of Council in late January 2023 for the purpose of receiving submissions on the revised IP&R documentation suite and to adopt the revised IP&R suite to be submitted to IPART as part of the SRV application. 	Schaefer, Darren	<p>05 Dec 2022 10:05pm Schaefer, Darren</p> <p>All IP&R documents are being updated to reflect the scenario the proposed 50% SRV for public exhibition. These include: Delivery Plan (including addendum), Asset Management Plans, LTFP and Resourcing Strategy and will be submitted to Council for adoption as drafts at the OCM 14 December 2022. Once drafts adopted, they will be place on public exhibition for community feedback throughout December and January. An ECM to adopt the documents for inclusion in the application for an SRV will be held late in January. Applications for an SRV close 3rd February.</p>

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ACTIONS TRACKING SUMMARY SHEET

Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p>h) By 3 February 2023 ARC submits to IPART a permanent Special Rate Variation application of 50% (58.8% cumulative) to be phased in over a three-year period commencing in 2023-2024.</p> <p>i) Acknowledge the feedback received from the community during the community engagement and public exhibition process.</p> <p>Moved Cr Redwood Seconded Cr Gaddes</p> <p>SUSPENSION OF STANDING ORDERS - Move into committee of the whole</p> <p>Moved Cr Redwood Seconded Cr Gaddes</p> <p>Standing orders were suspended at 4:23pm</p> <p>RESUMPTION OF STANDING ORDERS - Move out of committee of the whole</p> <p>Moved Cr Redwood Seconded Cr O'Brien</p> <p>Standing orders were resumed at 5:03pm</p> <p>AMENDMENT</p> <p>That Council;</p> <p>a) Note the content of the Community Engagement Summary Report.</p> <p>b) Note the content of the Capacity to Pay Report.</p> <p>c) Commits to proceed with a section 508(A) (permanent/temporary) Special Rate Variation option in order to address Armidale Regional Council's (ARC) financial</p>		

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ACTIONS TRACKING SUMMARY SHEET


Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p>sustainability and maintain essential community infrastructure including Council's road network, footpaths and community buildings.</p> <p>d) On or before 25 November 2022, formally notify the NSW Independent Pricing and Regulatory Tribunal (IPART) that Council intends to submit a Special Rate Variation application;</p> <p>e) That Council staff update the Integrated Planning & Reporting (IP&R) Suite of Documentation including the Delivery Program (DP) and Long-Term Financial Plan (LTFP) to meet the SRV application requirements. In particular, to include an addendum to the DP demonstrating the impact of a 50% SRV.</p> <p>f) The amended IP&R documents to be presented at the December 2022 ordinary Council meeting for the purpose of being endorsed by Council for public exhibition.</p> <p>g) Convene an extra-ordinary meeting of Council in late January 2023 for the purpose of receiving submissions on the revised IP&R documentation suite and to adopt the revised IP&R suite to be submitted to IPART as part of the SRV application.</p> <p>h) By 3 February 2023 ARC submits to IPART a permanent temporary Special Rate Variation application of 50% (58.8% cumulative) to be phased in over a three-year period commencing in 2023-2024.</p> <p>i) Acknowledge the feedback received from the community during the community engagement and public exhibition process.</p> <p>Moved Cr Packham Seconded Cr O'Connor</p> <p>DIVISION The result being:-</p> <p>FOR: Crs S McMichael, M O'Connor, P Packham and D Robinson</p>		


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ACTIONS TRACKING SUMMARY SHEET					
Ordinary and Extraordinary Council Meetings 2022					
Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p>AGAINST: Cr C Coupland, J Galletly, P Gaddes, S Mepham, D O'Brien, T Redwood and B Widders</p> <p>The Amendment on being put to the vote was LOST</p> <p>RESOLVED</p> <p>That Council;</p> <ul style="list-style-type: none"> a) Note the content of the Community Engagement Summary Report. b) Note the content of the Capacity to Pay Report. c) Commits to proceed with a section 508(A) (permanent) Special Rate Variation option in order to address Armidale Regional Council's (ARC) financial sustainability and maintain essential community infrastructure including Council's road network, footpaths and community buildings. d) On or before 25 November 2022, formally notify the NSW Independent Pricing and Regulatory Tribunal (IPART) that Council intends to submit a Special Rate Variation application; e) That Council staff update the Integrated Planning & Reporting (IP&R) Suite of Documentation including the Delivery Program (DP) and Long-Term Financial Plan (LTFP) to meet the SRV application requirements. In particular, to include an addendum to the DP demonstrating the impact of a 50% SRV. f) The amended IP&R documents to be presented at the December 2022 ordinary Council meeting for the purpose of being endorsed by Council for Public exhibition. g) Convene an extra-ordinary meeting of Council in late January 2023 for the purpose of receiving submissions on the revised IP&R documentation suite and 		

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<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <h2 style="margin: 0;">ACTIONS TRACKING SUMMARY SHEET</h2> <p style="margin: 0;">Ordinary and Extraordinary Council Meetings 2022</p> </div> <div style="text-align: right;">  </div> </div>					
Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p>to adopt the revised IP&R suite to be submitted to IPART as part of the SRV application.</p> <p>h) By 3 February 2023 ARC submits to IPART a permanent Special Rate Variation application of 50% (58.8% cumulative) to be phased in over a three-year period commencing in 2023-2024.</p> <p>i) Acknowledge the feedback received from the community during the community engagement and public exhibition process.</p> <p>DIVISION The result being:-</p> <p>FOR: Crs S Coupland, P Gaddes, J Galletly, S McMichael, S Mephram, D O'Brien, T Redwood and B Widders</p> <p>AGAINST: Crs M O'Connor, P Packham and D Robinson</p> <p>The Mayor declared the vote CARRIED.</p>		
23/11/2022	Cash and Investment Report 31 October 2022	231/22	<p>RESOLVED</p> <p>That Council note the Cash and Investment Report for October 2022.</p> <p>Moved Cr O'Connor Seconded Cr McMichael</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Newsome, Ann	<p>07 Dec 2022 9:31am Hoult, Melissa</p> <p>Ann Newsome noted the action. NFA.</p>

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ACTIONS TRACKING SUMMARY SHEET


Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes										
23/11/2022	Endorsement to Engage a Public Process for a Road Reserve Closure	232/22	<p>RESOLVED</p> <p>That Council endorse the application;</p> <p>a. To undertake a public process for the purpose of a road reserve closure.</p> <p>b. Prepare the lands survey and application to the regional Crown Lands Office.</p> <p>c. Post closure prepare a subdivision development application for a residential lot</p> <p>Moved Cr Redwood Seconded Cr Widders</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Boyce, Daniel	02 Dec 2022 11:21am Boyce, Daniel Scoping of project and procurement commencing.										
23/11/2022	2022-23 First Quarter Budget Review	233/22	<p>RESOLVED</p> <p>That Council:</p> <p>a. Note the 2022-2023 First Quarter Budget Review.</p> <p>b. Note the proposed revised 2022-2023 budget produces an unrestricted cash forecast of \$4.9 million and the following fund results:</p> <table><tr><th>Fund</th><th>Operating Surplus / (Deficit) ('000)</th></tr><tr><td>General</td><td>(\$4,708)</td></tr><tr><td>Water</td><td>\$1,632</td></tr><tr><td>Sewerage</td><td>\$1,739</td></tr><tr><td>Consolidated Result</td><td>(\$1,337)</td></tr></table>	Fund	Operating Surplus / (Deficit) ('000)	General	(\$4,708)	Water	\$1,632	Sewerage	\$1,739	Consolidated Result	(\$1,337)	Newsome, Ann	07 Dec 2022 9:31am Hoult, Melissa Ann Newsome noted and ledger posted in Technology One.
Fund	Operating Surplus / (Deficit) ('000)														
General	(\$4,708)														
Water	\$1,632														
Sewerage	\$1,739														
Consolidated Result	(\$1,337)														

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<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <h2 style="margin: 0;">ACTIONS TRACKING SUMMARY SHEET</h2> <p style="margin: 0;">Ordinary and Extraordinary Council Meetings 2022</p> </div> <div style="text-align: right;">  </div> </div>					
Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p>c. Resolve to amend the 2022/23 budget in accordance with the Quarterly Budget Review Statement for the period 1 July 2022 to 30 September 2022 tabled in the attachments.</p> <p>Moved Cr Galletly Seconded Cr Gaddes</p> <p>DIVISION The result being:-</p> <p>FOR: Crs S Coupland, P Gaddes, J Galletly, S McMichael, S Mephram, D O'Brien, M O'Connor, T Redwood, D Robinson and B Widders</p> <p>AGAINST: Cr P Packham</p> <p>The Mayor declared the vote CARRIED</p>		
23/11/2022	Homes North Management of Community Housing Assets	236/22	<p>RESOLVED</p> <p>That Council:</p> <ul style="list-style-type: none"> a) Endorse the transfer of management of Council's community housing assets to Homes North from the current commercial real estate agreement. b) Endorse the increase in income rent percentage for the first time since 1986 from 20% to 25% in line with other community housing under management by NSW Land and Housing. <p>Moved Cr O'Brien Seconded Cr Galletly</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Schaefer, Darren	<p>05 Dec 2022 10:01pm Schaefer, Darren</p> <p>Preparations for the transition of management to Homes North are underway. Contract received and notification to tenants will occur Feb 2023.</p>

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ACTIONS TRACKING SUMMARY SHEET

Ordinary and Extraordinary Council Meetings 2022



Meeting Date	Report Title	Res #	Detail	Officer	Notes
23/11/2022	Extension of Engagement of GHD Pty Ltd - Provision of Engineering and Geotechnical Services for Kempsey Road Projects	243/22	<p>RESOLVED</p> <p>That Council;</p> <ul style="list-style-type: none"> a) Endorse the Procurement Strategy for further utilisation as and when required by Council's Kempsey Road Project Team of the Kempsey Shire Council's arrangement with GHD Pty Ltd under RFT TQE 21/18 "Provision of Project Management and Engineering Services 2021" for the period of the contract to its expiry on 31 July 2024, or alternatively to the extended contract expiry date. b) Delegate authority to the General Manager to authorise expenditure under the contract to an upper limit of \$2,008,600 including GST that is available for the project as approved by the Adminstrating Agency Transport for NSW (TfNSW). c) Delegate authority to the General Manager to approve variations up to the upper limit funding for any additional works carried out by GHD under the contract. <p>Moved Cr Robinson Seconded Cr Galletly</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>	Manners, Alex	<p>07 Dec 2022 11:34am Manners, Alex</p> <p>Purchase Order for the Contract Extension has been processed and with Chief Officer Assets and Services for Action. Contractor has been notified of contract extension.</p>
23/11/2022	Engagement of Contractor – Council Project	244/22	<p>RESOLVED</p> <p>That Council:</p> <ul style="list-style-type: none"> a) Accept the tender submitted by Seymour Whyte Constructions Pty Ltd of (\$3,216,827.90 Incl. GST) to deliver Kempsey-Armidale Road Disaster Recovery Works Early Contractor Involvement (ECI) Contract; b) Delegate authority to the General Manager to approve expenditure for the ECI Contractor to undertake a range of Early Works activities to an upper limit of \$16,500,000 Incl. GST; c) Delegate authority to the General Manager to approve expenditure of contingency against recommendation a) to an upper limit of 25% of the ECI engagement value; and 	Manners, Alex	<p>07 Dec 2022 7:56am Manners, Alex</p> <p>Project Initiation meeting held 6.12.2022, Formal written engagement to be finalised in the coming weeks.</p>

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Meeting Date	Report Title	Res #	Detail	Officer	Notes
			<p>d) Delegate authority to the General Manager to execute all documents in relation to the Contract based on the condition that suitable funding agreements are in place with Transport for NSW (TfNSW).</p> <p>Moved Cr Robinson Seconded Cr McMichael</p> <p>The Motion on being put to the vote was CARRIED unanimously.</p>		

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Planning Proposal No. 18

Altering the Lot Size of Land at Kurrawatha Avenue, Armidale (part Lot 200 DP1277689) from 1 hectare to 4000m²

November 2022

Armidale Regional Council

135 Rusden Street, Armidale

New South Wales 2350

Telephone +61 2 6770 3600

Email council@armidale.nsw.gov.au

Executive Summary

Table 1 – Executive Summary Table

Item	Planning Proposal Response
Site Address	Kurrawatha Avenue, Armidale
Real Property Description	Part Lot 200 DP 1277689
Existing Planning Controls	1 hectare Minimum Lot Size
Proposed Amendments	4,000m ² Minimum Lot Size
Technical Studies Relied Upon	<ul style="list-style-type: none"> • Strategic Analysis for the Draft Armidale Dumaresq LEP 2005 (Armidale Dumaresq Council, 2005) • Flora and Fauna Assessment for Proposed Rezoning: 48 Kurrawatha Avenue (Birdwing Ecological Services, 2021) • Dumaresq Environmental Study Visual Assessment (EDAW (Aust) Pty Ltd & Magoffin Deakin Pty Ltd, 1993) • City of Armidale Environmental Protection Zone Review (Hill Top Planners and Manidis Roberts Pty Limited, 1995) • New England Development Strategy (Worley Parsons, 2010) • Aboriginal Heritage Impact Assessment (RPS, 2010)

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Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



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Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



INTRODUCTION

Overview

This Planning Proposal (PP) has been prepared in accordance with Section 3.33 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) and the Department of Planning, Industry & Environment's "*Local Environmental Plan Making Guideline*" (NSW Department of Planning & Environment, 2022). The PP seeks to amend the *Armidale Regional Local Environmental Plan 2022* (LEP 2022).

This PP seeks to amend the LEP 2022 by changing the Lot Size Map from 1 ha to 4,000m² on part of Lot 200 DP1277689, to facilitate a greater density of development on the land as a response to the site-specific opportunities and constraints, whilst facilitating the efficient use of existing infrastructure in the locality.

Site & Location

The PP site (subject site), being part Lot 200 DP1277689, has total area of 6.075 hectares. The location of the subject site is shown in **Figure 1**.

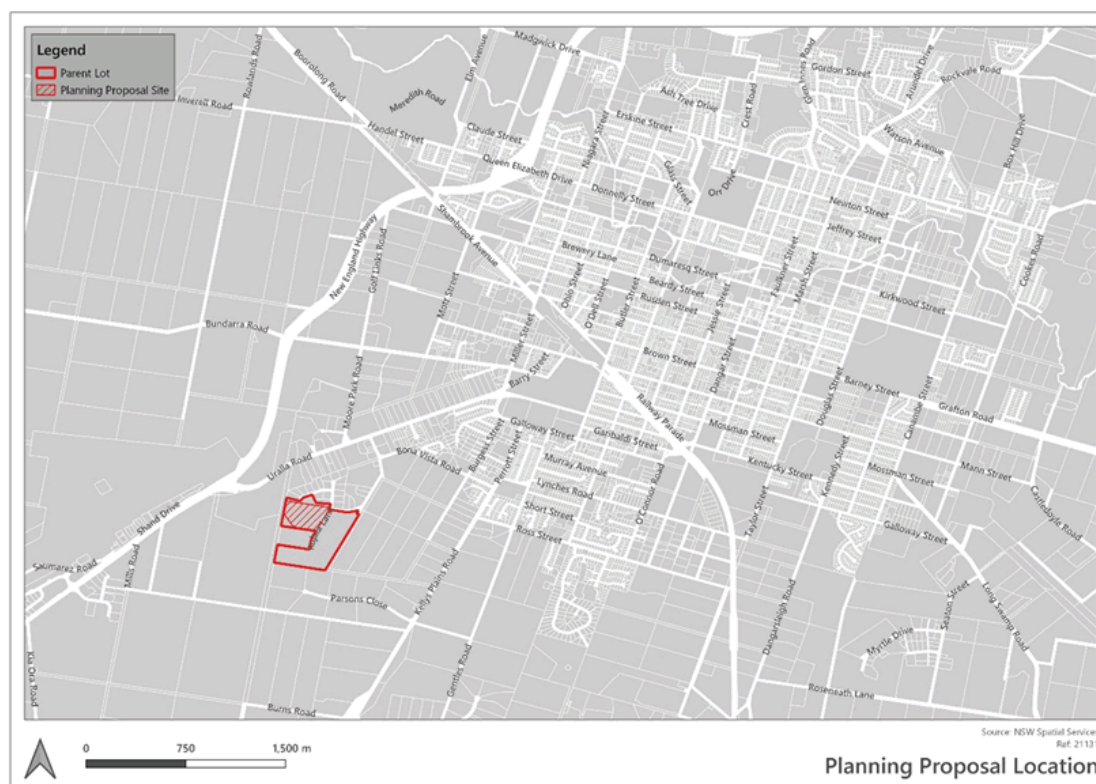


Figure 1 – Planning Proposal Location

Figure 2 shows the PP site with a satellite imagery background, including the approved subdivision cadastre for the R2 zoned land immediately north of the subject site within the former Lot 100 DP1260865.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Figure 2 – Site Plan

PP Design Rationale

The subject site is located within the area that was within the former Dumaresq Shire Council (DSC) Local Government Area (LGA) and directly abutting the former Armidale City Council (ACC) LGA (refer **Figure 3**). As outlined in more detail in Part 3 of this PP, the area of the subject site and its surrounds was identified as part of previous planning investigations undertaken by the previous Councils as being of visual amenity value. Retention of the vegetated upper slopes and undeveloped hilltop areas was deemed to be of importance in retaining the visual amenity from the key visual receptor areas.

Consequently the land was zoned to reinforce protection of the amenity values, and minimum lot size controls were established to restrict the density of development. This resulted in the lower elevations of the parent lot being initially zoned 'Environmental Protection - Scenic Support' and the upper slopes zoned as 'Environmental Protection – Prime'. Within the adjacent former ACC land, the land was zoned Rural Fringe. Further development controls were provided within the Development Control Plans (DCP) to assist with attainment of these objectives. These controls have essentially transferred unchanged through the amalgamation of the two Councils and then subsequent iterations of LEPs.

In 2014, Council granted consent to a 28-lot subdivision of the subject site and adjacent land (DA-2-2014-A) (refer **Figure 4**). This subdivision consent has been commenced yet not completed.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW

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 Regional Council


Figure 3 – Site Context



Figure 4 – Approved Subdivision DA-2-2104-A

More recently the adjacent former ACC land was the subject of a PP (No. 10) (refer **Figure 3**) that:

- rezoned the site from R5 Large Lot Residential to R2 Low Density Residential and C4 Environmental Living, and
- changed the MLS from 2 ha to 4,000m² (for R2 area).

Whilst not strictly consistent with the applicable strategic planning documents, PP No. 10 was justified on the basis that:

- many of the previously identified constraints limiting the site to a rural residential zone had been overcome/were able to be mitigated, and
- the site was consistent with the key assessment criteria for new urban land in Armidale as outlined in the New England Development Strategy (NEDS) (Worley Parsons, 2010).

The PP No. 10 land has subsequently been subdivided (DA-52-2018) as shown on the current cadastre (refer **Figure 2**). This subdivision approval has essentially replaced (whilst not surrendered) the DA-2-2014-A approval in the PP No. 10 location.

The subject site remains a discrete parcel of developable land being located predominantly on the upper slopes but below the hilltop area, and contiguous to the existing large lot residential development. The eastern part of the parent Lot 200 is mapped as having flooding constraints and as such has not been included in this PP. The existing large lot residential development in Parsons Close restricts further development to the south, similarly the hilltops and rural land to the west restricts further development in this direction. The hilltop area and existing subdivision pattern along Kelly's Plains Road also restricts further development in the easterly direction from the site.

The subject site has attributes that are like the adjacent PP No. 10 land, that warrant consideration of an equivalent density of development to that provided by PP No. 10. As can be seen in **Figure 5**, the highest elevation of the PP No. 10 site is contour 1052m. A large part of the subject site is of a similar elevation to the PP No. 10 site. The subject site has similar slopes, albeit some areas a little steeper, as shown in **Figure 6**.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW

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Figure 5 – Comparative Elevations

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Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW

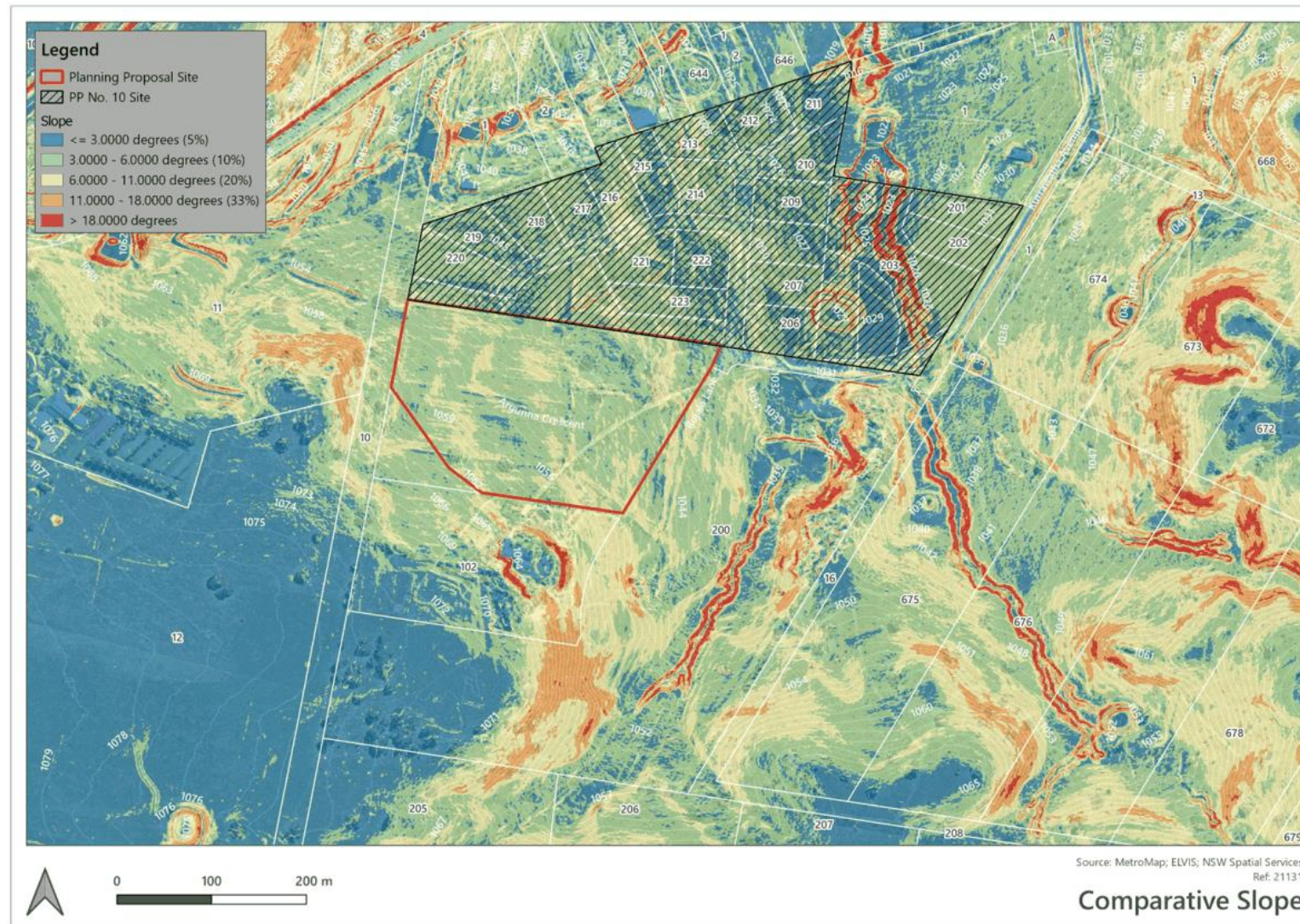
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Figure 6 – Comparative Slope

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The *Strategic Analysis for the Draft Armidale Dumaresq LEP 2005* (Strategic Analysis) (Armidale Dumaresq Council, 2005) was prepared in 2005 to provide a background to and rationale for the intended LEP to be created as part of the merged Armidale City and Dumaresq Shire Councils. To determine areas suitable for future residential development, a constraints assessment was provided as part of the Strategic Analysis which included broad exclusion criteria and also site-specific constraints. Whilst the subject site was not part of this assessment, the adjacent PP No.10 site was, and those principles are considered relevant for contemplating as part of intensification of development on the subject site as outlined below.

Table 2 – Strategic Analysis Principles

Principle	Comment
Broad Exclusion Criteria	
Land not close to the existing urban area of Armidale	The site directly abuts existing residential zoned land
Land subject to flooding	No part of the PP site is mapped as being subject to flooding.
Bushfire prone land	No part of the PP site is mapped on Council's Bush Fire Prone Lands Map as being bush fire prone.
Land uses that are incompatible with residential areas	There are no land uses surrounding the site that would be more incompatible with the increased density in development on the site.
Land with prime scenic values	The PP site does not encompass prime scenic value land. Only the topmost part of the parent lot has been identified as being of prime scenic value, which is zoned C4. It is not intended to vary any planning controls relating to this area.
Site specific constraints	
Potential availability of urban infrastructure	Urban infrastructure has been extended to the adjacent PP No. 10 area and has been designed to be extended into the current subdivision approval for the subject site. There are no issues with this availability or capacity.
Land subject to risk – geotechnical instability	The subject site does have some steeper areas, however these would be subject to protection from development and otherwise the site is not expected to comprise geotechnical instability that would compromise the ability to achieve residential development.
Potentially contaminated land	The subject site is not known to have comprised previous land uses that are expected to have cause contamination.
Potential agriculturally productive land	The site is partially mapped as containing Strategic Agricultural Land. The existing zoning already permits land uses that would render it unusable for agriculture. The proposed PP would not measurably change this impact.

Principle	Comment
Places of heritage significance	The site is not known to contain an items or areas of Aboriginal or non-Aboriginal heritage significance.
Environmental values including areas with scenic, wildlife, habitat and similar natural significance.	The Biodiversity Assessment that has been undertaken as part of the PP identifies that the site is substantially degraded, and remnant native vegetation is in low condition. Furthermore, few biodiversity constraints are present that would result in a limitation to the rezoning and subsequent development of the site (Birdwing Ecological Services, 2021).

From the above table it can be seen that the site meets the criteria previously utilised to determine land suitable for residential development. It is a logical urban expansion area, located in a discrete and spatially confined location, and subject to providing for increased revegetation.

How to increase revegetation in a realistically attainable and sustainable way in this area, and in an appropriate way considering land ownership, control and bushfire risk has been contemplated. Ideally the upper most slopes would be re-treed. This is however problematic as it has the potential to result in introduction of a bushfire risk (other than grassland vegetation) if a “pocket area” of revegetation approach was required. In addition, the on-going maintenance/integrity of the vegetation is likely to be uncertain unless it was under the care and control of Council as a reserve. Such an isolated and inaccessible pocket, for many reasons, is not appropriate in this scenario. In this context a windbreak style of trees planted along the external boundary of the site would provide for a superior outcome. Such planting is consistent with rural areas, to which the site abuts. It would not measurably change the bushfire risk, and may even offer some shielding of bushfire impacts. It would also be far easier to maintain for landholders.

The road reserve offers a prime opportunity for provision of additional trees within the landscape. Council’s engineers indicate that this planting can be accommodated within the road reserve along with the required table drains and other utility infrastructure. This would be addressed at subdivision DA stage. This tiered revegetation approach would provide for layers of trees within the landscape to ensure they are interspersed with built form whilst providing a level of control over the management.

In terms of built form, all future built form would be located outside of the former Prime Scenic Protection Area (now zoned C3).

In preparing this PP, consideration was given to rezoning the land to R2 low density residential to be consistent with the adjacent PP No. 10 site. In the absence of other scenic protection provisions within the LEP, it was considered most appropriate to retain the Environmental Living zoning of the site to provide this overarching zoning intent (and retain consistency with strategic planning documents), whilst providing a reduction in lot sizes to reflect the site-specific development opportunities and constraints.

It is considered that the proposed PP provides for a superior planning outcome as it will retain existing environmental protection whilst providing greater efficiencies of land and infrastructure resources based on land capabilities. The PP is consistent with the original strategic intent for the land.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



PART 1 – OBJECTIVES OR INTENDED OUTCOMES

Objective

The objective of the Planning Proposal is to amend the LEP 2022 to allow for a reduced lot size on the lower elevations of Lot 200 DP 1277689, Kurrawatha Avenue, Armidale, to facilitate an increase in density of residential development on the land whilst ensuring protection of the visual amenity and environmental protection for the site and to facilitate more efficient use of the existing infrastructure.

Intended Outcomes

The intended outcomes of the PP are:

- To provide a more efficient use of land facilitating residential accommodation whilst respecting and responding to site constraints.
- To make better use of existing infrastructure.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



PART 2 - EXPLANATION OF PROVISIONS

The subject site presently has a Minimum Lot Size (MLS) of 1 hectare, as shown on the top image of **Figure 7**, and in **Attachment A**.



Figure 7 – Existing (top) and Proposed (bottom) Minimum Lot Size (MLS)

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



The objectives or intended outcomes of the Planning Proposal will be achieved by making the following amendments to LEP 2022:

- amending the LEP 2022 Lot Size Map by altering the lot size standard from 1 hectare to 4,000m².

Proposed MLS is shown on the bottom panel of **Figure 7**, and in the map at **Attachment B**.

PART 3 – JUSTIFICATION OF STRATEGIC & SITE SPECIFIC MERIT

Section A. Need for the planning proposal

Q1. Is the planning proposal a result of an endorsed LSPS, strategic study or report?

Whilst the subject site has not been specifically identified for rezoning to large lot residential under any strategic study or report, it is consistent with existing strategic planning documents as outlined below.

Strategic Analysis for the Draft Armidale Dumaesq LEP 2005:

- Identified that land with high scenic values (i.e. Prime Scenic Protection) would be inappropriate to allow urban residential subdivision and development (Armidale Dumaesq Council, 2005) p. 42. The PP site would remain outside of the prime scenic area (i.e. C3 zoned land).
- The site meets the constraints criteria for residential development, as outlined in the Introduction section of this report.
- The PP would not impact on the existing area zoned Prime Scenic (i.e., C3 zone).

City of Armidale - Environmental Protection Zone Review

- The recommendation for the Support Scenic Protection Lands (i.e., C4 zone) was for it to be an urban use zone with scenic protection provisions and a DCP prepared (Hill Top Planners and Manidis Roberts Pty Limited, 1995)p. 49. The PP is consistent with this Review as it will provide for a lot size that is consistent with the adjacent “urban use” zone (i.e. R2) whilst retaining scenic protection provisions through the retention of the C4 zoning in the absence of other scenic protection provisions within the LEP.
- The Review recommends that Lot sizes are to reflect the characteristics of the land, including linking lot sizes to slope. In particular it noted that where slope exceeded 5%, extensive excavation work is required for roadworks and building pads. Furthermore, lots should be of a size to accommodate large scale trees in locations without damaging retaining walls or batters (Hill Top Planners and Manidis Roberts Pty Limited, 1995).
The PP has slopes predominantly in the 5-10% range, which is similar to the recently developed PP No.10 area. The PP No. 10 area has an MLS of 4,000m² which the PP is intending to be consistent with. The lots at this size are sufficient to accommodate large scale trees in order to provide the required screen plantings.

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Figure 8 – Building Envelopes and Tree Planting Locations

New England North West Regional Plan

- Figure 11 of the Plan identifies the site as “Urban Land”. The change in minimum lot size proposed by the PP is consistent with this classification.

Local Strategic Planning Statement (LSPS)

- Planning Action 1(c)(i) of the LSPS requires undertaking of studies to identify land required and suitable for residential and related purposes within or as a logical extension to existing settlements. Planning Action 1(c)(ii) requires the amendment of the LEP in response to the studies to allow development of land identified as being required and suitable for residential and related purposes. In the absence of these studies having been carried out, there is sufficient justification from existing strategic planning documents to support the change in minimum lot size proposed as outlined above.

Q2. Is the planning proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

Consideration has been given to alternative methods of achieving the objectives and intended outcomes of the Planning Proposal. These include the following:

Rezoning the land to R2, consistent with the adjacent land, as well as varying the MLS as proposed

This approach would not provide any scenic protection provisions for the site as the LEP does not contain the standard scenic protection clauses.

The approach of the PP as proposed is therefore considered to provide a better outcome in terms of protection of the scenic attributes of the site by retaining the C4 zoning as opposed to rezoning to R2 in the absence of standard scenic protection provisions.

Including a scenic protection clause in the LEP

As such a clause would ordinarily cover more than one site, it would not be appropriate to include a new scenic protection clause within the LEP for only the PP site. Therefore, if Council was of the view that this is an appropriate mechanism to protect all the visually sensitive land, the inclusion of such a clause would be more appropriately considered as a separate LEP amendment.

Section B. Relationship to strategic planning framework

Q3. Will the planning proposal give effect to the objectives and actions of the applicable regional or district plan or strategy (including any exhibited draft plans or strategies)?

New England North West Regional Plan 2041

The *New England North West Regional Plan 2041* (NSW Department of Planning & Environment, 2022) ('NENW Regional Plan') provides the strategic planning framework for the region for the next 20 years. The NENW Regional Plan provides an overarching framework to guide subsequent and more detailed land use plans, development proposals and infrastructure funding decisions.

The NENW Regional Plan 2041 is provided in five (5) parts, each of which have overarching objectives and subsequent strategies in order to achieve the objective and overall vision.

Table 3 below summarises the directions of the NENW Regional Plan, provides comment on the strategies of the Plan that are directly relevant to the Planning Proposal, and indicates whether the Proposal is considered to be consistent or inconsistent with the Plan.

The PP site is identified as "urban land" on Figure 11 of the NENW Regional Plan as replicated in **Figure 9**. The PP is consistent with this mapping.

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Table 3 – New England North West Regional Plan 2041	
OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
Part 1 Growth, change and opportunity	
Objective 1: Coordinate land use planning for future growth, community need and regional economic development	
Strategy 1.1 Land use planning strategies should consider the four key settlement planning principles outlined in the Regional Plan and be referred to the Department of Planning, Industry and Environment for endorsement.	Not relevant this PP.
Strategy 1.2 Maximise the cost-effective and efficient use of infrastructure by focusing development around existing infrastructure and promote co-location of new infrastructure.	Consistent. Will utilise existing infrastructure recently installed in the area and provide for greater utilisation of this existing infrastructure (within its capacity) through the increased density of development.
Strategy 1.3 Undertake infrastructure service planning to establish that land can be feasibly serviced prior to rezoning.	Not relevant.
Strategy 1.4 Foster resilience and lower emissions in infrastructure planning at a local, intra-regional and cross border scale.	Not relevant.
Strategy 1.5 When updating a LSPS or land use strategy, councils should concurrently prepare infrastructure strategies with a schedule of the major infrastructure items for any employment or residential release area.	Not relevant.
Part 2 Productive and innovative	
OBJECTIVE 2: Protect the viability and integrity of rural land	
Strategy 2.1 Use local strategic planning to:	Complies. The PP would have no discernible impact on the productive

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
<ul style="list-style-type: none"> protect the productive capacity of important agricultural land supplement State and regional mapping and policy implementation minimise land use conflict that may restrict the use of important agricultural land identify initiatives to protect and enhance the future viability of important agricultural land protect the integrity of existing and planned areas of intensive agriculture. 	capacity of agricultural land or land use conflict compared to the existing MLS of the site.
Strategy 2.2 Ensure land use planning provisions are proportionate to the quality of the land for agriculture and the scarcity of productive agricultural land in the region.	Not relevant.
OBJECTIVE 3: Expand agribusiness and food processing sectors	
Strategy 3.1 Facilitate agribusiness employment and income-generating opportunities through the regular review of planning and development controls.	Not relevant.
Strategy 3.2 Protect established agriculture clusters and identify expansion opportunities in local plans, avoiding land use conflicts, particularly with residential and rural residential land uses.	Not relevant.
Strategy 3.3 Investigate options to access secure water resources through the Regional Water Strategies and Dungowan and Malpas Dam Business Cases.	Not relevant.
OBJECTIVE 4: Responsibly manage mineral resources	
Strategy 4.1 Use local strategic planning and planning proposals to consider the ongoing operation of mining and resource extraction and future development of known resources by: <ul style="list-style-type: none"> identifying and protecting key areas of mineral, petroleum and energy resources potential 	While no consultation has taken place with the NSW Division of Resources and Geoscience, searches using the Department of Regional NSW's MinView web mapping application has revealed no mineral resources or

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
<ul style="list-style-type: none"> protecting related infrastructure, such as road and rail freight routes, from development that could affect current or future extraction. 	deposits located within or in proximity to the Site.
Strategy 4.2 Consult with the NSW Division of Mining Exploration and Geoscience when assessing applications for land use changes (strategic land use planning, rezoning and planning proposals) and new developments or expansions.	Not relevant.
Strategy 4.3 Support diversification of mining economies. Strategic planning and local plans should consider opportunities to: <ul style="list-style-type: none"> identify future mine closure dates understand potential changes in water availability, economic/skill profiles and demographics consider land use changes and mine rehabilitation activities to maximise future economic opportunities. 	Not relevant.
OBJECTIVE 5: Enhance the diversity and strength of Central Business Districts and town centres	
Strategy 5.1 Use strategic planning and land use plans to maintain and enhance the function of established commercial centres by: <ul style="list-style-type: none"> simplifying planning controls developing active city streets that retain local character facilitating a broad range of uses within centres in response to the changing retail environment maximising the transport and community facilities commensurate with the scale of the proposal. 	Not relevant.
Strategy 5.2 Strengthen the function of CBDs by focussing future commercial and retail activity in existing commercial centres, unless: <ul style="list-style-type: none"> there is a demonstrated need there is a lack of suitable sites elsewhere within existing centres there is positive social and economic benefit to locate activity elsewhere. 	Not relevant.

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Table 3 – New England North West Regional Plan 2041	
OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
Where out-of-centre commercial areas are proposed, they must be of an appropriate size for their service catchment.	
Strategy 5.3 Facilitate economic activity around industry anchors, such as health and education facilities, through planning controls that encourage clusters of complementary uses and address infrastructure needs.	Not relevant.
Strategy 5.4 Undertake place-based precinct planning for commercial centres to guide development of the area over time. A place-based precinct plan will set out the intended future land uses, open space linkages, infrastructure and built form outcomes for the area. It is prepared in consultation with local communities and Government stakeholders to improve public realm and green infrastructure including open spaces to enhance the vitality and viability of those centres.	Not relevant.
OBJECTIVE 6: Coordinate the supply of well-located employment land	
Strategy 6.1 Use strategic planning and local plans to: <ul style="list-style-type: none"> • generate, retain, manage and safeguard significant employment lands • respond to characteristics of the resident workforce and those working in the LGA and neighbouring LGAs • identify local and subregional specialisations • identify future employment lands and align infrastructure to support these lands • provide flexibility in local planning controls • respond to future changes in industry to allow a transition to new opportunities • ensure the employment lands are supported by freight access, critical infrastructure and protected from encroachment by incompatible development • identify measures to safeguard against impact to the environment, transport networks and sensitive uses, such as schools and housing. 	Not relevant.
OBJECTIVE 7: Support a diverse visitor economy	

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
Strategy 7.1 Use local plans to: <ul style="list-style-type: none"> • enhance the amenity, vibrancy and safety of centres and township precincts • create green and open spaces and enhance existing green infrastructure, such as local and regional parks, for tourist and recreation facilities • support the development of places for artistic and cultural activities • protect heritage, biodiversity and agriculture to enhance cultural tourism, agritourism and eco-tourism • provide flexibility in planning controls to allow sustainable agritourism and ecotourism • improve public access and connection to heritage through innovative interpretation. 	Not relevant.
Strategy 7.2 Support a diverse visitor economy in national parks and Crown lands through collaboration between National Parks and Wildlife Service (NPWS), Crown Lands, Destination NSW, destination networks, councils and local tourism organisations to encourage and welcome visitors.	Not relevant.
Part 3: Sustainable and resilient	
OBJECTIVE 8: Adapt to climate change and natural hazards and increase climate resilience	
Strategy 8.1 When preparing local strategic plans, be consistent with and adopt the principles outlined in the State-wide Natural Hazards package.	Not considered to be inconsistent.
Strategy 8.2 Where significant risk from natural hazard is known or presumed, complete or update hazard strategies to inform new land use strategies and consult with emergency service providers and local emergency management committees. Hazard strategies should investigate options to minimise risk such as voluntary housing buy back schemes.	No significant known risk.
Strategy 8.3 Use local strategic planning and local plans to adapt to climate change and reduce exposure to natural hazards	The PP site is not a known high bushfire risk or flood risk.

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
<p>by:</p> <ul style="list-style-type: none"> taking a risk-based-approach to determining natural hazard risk in local strategic planning by using the best available science in consultation with the NSW Government, emergency service providers, local emergency management committees and bush fire risk management committees locating development away from areas of known high bushfire risk and flood risk to reduce the community's exposure to natural hazards identifying industries and locations that would be negatively impacted as a result of climate change and natural hazards and preparing strategies to mitigate negative impacts and identify new paths for growth considering changes to flood hazards resulting from major infrastructure projects (such as Inland Rail and other significant road upgrades) on existing and future land use, flood mitigation options, feasibility studies and updates to floodplain risk management plans preparing, reviewing and implementing flood risk management plans in existing and new growth areas to improve community resilience to the impacts of flooding and to enable flood constraints to be incorporated into planning processes early for future development updating flood studies and flood risk management plans after a major flood event incorporating new data and lessons learnt communicate natural hazard risk through updated flood studies and strategic plans. 	
<p>Strategy 8.4</p> <p>Resilience and adaptation plans should consider opportunities to:</p> <ul style="list-style-type: none"> encourage sustainable and resilient building design and materials (such as forest products) including the use of renewable energy to displace carbon intensive or fossil fuel intensive options promote sustainable land management including Ecologically Sustainable Forest Management (ESFM) address urban heat through building design at precinct scale that considers climate change and future climatic conditions to ensure that buildings and public spaces are designed to protect occupants in the event of heatwaves and extreme heat events integrate emergency management and recovery needs into new and existing urban areas including evacuation planning, safe access and egress for emergency services personnel, buffer areas, building 	Not applicable to the PP.

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
back better, whole-of-life cycle maintenance and operation costs for critical infrastructure for emergency management <ul style="list-style-type: none"> • promote economic diversity, improved environmental, health and well-being outcomes and opportunities for cultural and social connections to build more resilient places and communities • protect vulnerable infrastructure assets and mitigate potential network failures. 	
OBJECTIVE 9: Lead renewable energy technology and investment	
Strategy 9.1 When developing strategic plans: <ul style="list-style-type: none"> • support the development of renewable energy storage options and distributed energy systems that are located close to their point of use • support effective early community consultation. 	Not relevant.
Strategy 9.2 When reviewing LEPs and local strategic planning statements: <ul style="list-style-type: none"> • ensure current land use zones encourage and promote new renewable energy infrastructure • identify and mitigate impacts on views, local character and heritage where appropriate • undertake detailed hazard studies • encourage energy efficient buildings and use of buildings materials which have been manufactured by some degree of renewable energy. 	Not relevant.
OBJECTIVE 10: Support a circular economy	
Strategy 10.1 Support the development of circular economy, hubs, infrastructure and activities and consider employment opportunities that may arise from circular economies and industries that harness or develop renewable energy technologies and will aspire towards an employment profile that displays a level of economic self-reliance, and resilience to external forces.	Not relevant.

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
Strategy 10.2 Use strategic planning and waste management strategies to support a circular economy, including dealing with waste from natural disasters and opportunities for new industry specialisations.	Not relevant.
Strategy 10.3 Consider freight access, capacity and interface issues. Facilities will need to be located to accommodate required freight movements.	Not relevant.
OBJECTIVE 11: Sustainably manage and conserve water resources	
Strategy 11.1 Strategic planning and local plans should consider: <ul style="list-style-type: none"> • impacts to water quality from land use change • water supply availability and issues, constraints and opportunities early in the planning process • partnering with local Aboriginal communities to care for Country and waterways • locating, designing, constructing and managing new developments to minimise impacts on water catchments, including downstream waterways and groundwater resources • possible future diversification of town water sources, including groundwater, stormwater harvesting and recycling • promoting an integrated water cycle management approach to development • encouraging the reuse of water in new developments for urban greening and for irrigation purposes • improving provision for stormwater management and water sensitive urban design • ensuring sustainable development of higher-water use industries by considering water availability and constraints, supporting more efficient water use and reuse, and locating development where water can be accessed without significantly impacting on other water users or the environment • identifying and protecting drinking water catchments and storages in strategic planning and local plans. 	Not relevant to this PP.
Strategy 11.2 Encourage a whole of catchment approach to land use and water management across the region that considers climate change, water security, sustainable demand and growth, the natural environment and investigate	Not relevant to this PP.

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
options for water management through innovation.	
OBJECTIVE 12: Protect regional biodiversity and areas of High Environmental Value	
Strategy 12.1 Protect, maintain and restore important environmental assets in strategic planning and local plans by: <ul style="list-style-type: none"> • focusing land-use intensification away from HEV land and implementing the ‘avoid, minimise and offset’ hierarchy in strategic plans, local environmental plans and planning proposals • updating existing biodiversity mapping with new mapping in local environmental plans where appropriate • identifying HEV land within the rezoning area at planning proposal stage through site investigations • applying appropriate mechanisms such as conservation zones and Biodiversity Stewardship Agreements to protect HEV land within a rezoning area • considering climate change risks to HEV land • considering riparian environments, water catchment areas and groundwater sources to avoid potential development impacts. 	A very small portion of the site is mapped as HEV land. The PP will not materially change the impact on this land through the reduction in minimum lot sizes.
Strategy 12.2 Support the Biodiversity Conservation Trust in delivering private land conservation programs by: <ul style="list-style-type: none"> • educating landholders on conservation outcomes and financial opportunities available through conservation agreements on private land • encouraging and supporting landholders to participate in private land conservation • encouraging landholders to prioritise investment in biodiversity corridors and linkages. • supporting Aboriginal communities to participate. 	Not relevant to this PP.
Strategy 12.3 Protect, maintain and enhance HEV on public land by assessing council managed land for the presence of HEV to identify land suitable for conservation agreements.	Not relevant to this PP.
Strategy 12.4	Not relevant to this PP.

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
Consider the needs of climate refugia for threatened species and other key species in strategic planning including biodiversity and conservation planning.	
Strategy 12.5 Councils should preserve, enhance and link existing and potential biodiversity corridors across the region and avoid further fragmentation of these linkages, by: <ul style="list-style-type: none"> including biodiversity corridor mapping in LEPs as a map overlay with associated clause identifying land with connectivity values and opportunities for landholders to voluntarily participate in corridor enhancement/ active rehabilitation/ restoration projects that strengthen and enhance regional connectivity review land zonings on land where there are opportunities to protect high priority corridor areas. 	Not relevant to this PP.
Strategy 12.6 Strategic planning and local plans should consider opportunities to: <ul style="list-style-type: none"> use available TSR mapping and categorisation methods to identify potential biodiversity corridors and linkages in the local landscape establish relevant partnerships with LALCs and other councils to protect and manage TSRs include TSRs in biodiversity corridor mapping in LEPs. 	Not relevant to this PP.
Strategy 12.7 Protect biodiversity values in urban release areas. Strategic planning and local plans should consider opportunities to: <ul style="list-style-type: none"> incorporate validated and up-to-date environmental data encourage biodiversity certification by councils at the precinct scale for high growth areas and by individual landholders at the site scale, where appropriate focus land use intensification away from areas of identified HEV and protect HEV with planning controls use buffers to separate or manage incompatible land uses and thereby minimise impacts on biodiversity. 	A very small portion of the site is mapped as HEV land. The PP will not materially change the impact on this land through the reduction in minimum lot sizes.
Part 4 Housing and place	

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
OBJECTIVE 13: Provide well located housing options to meet demand	
Strategy 13.1 Local housing strategies are to be consistent with the Local Housing Strategy Guideline and the regional plan.	Not relevant to this PP.
Strategy 13.2 Ensure local plans encourage and facilitate a range of housing options in well located areas to accommodate the projected household change.	Not relevant to this PP.
Strategy 13.3 New rural residential housing is to be located on land which has been approved in an existing strategy endorsed by the Department of Planning and Environment	Not considered to be new rural residential housing. The PP will facilitate additional density that is consistent with previous studies and adjacent land uses.
OBJECTIVE 14: Provide more affordable and low cost housing	
Strategy 14.1 Assess the potential to renew social housing to increase and diversify social housing stock.	Not relevant to this PP.
OBJECTIVE 15: Understand, respect and integrate Aboriginal culture and heritage	
Strategy 15.1 Consider applying dual names to important places, features or local infrastructure.	Not relevant to this PP.
OBJECTIVE 16: Support the aspirations of Aboriginal people and communities in local planning	
Strategy 16.1 Provide opportunities for the region's LALCs to interact with and utilise the NSW planning system and the planning pathways available to achieve development aspirations.	Not relevant to this PP.
Strategy 16.2 Councils consider engaging Aboriginal identified staff within their planning teams to facilitate strong	Not relevant to this PP.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
relationship building between councils, Aboriginal communities and key stakeholders such as Local Aboriginal Land Councils and local Native Title holders.	
Strategy 16.3 Partner with Aboriginal communities to align strategic planning and community aspirations including enhanced Aboriginal economic participation, enterprise and land management.	Not relevant to this PP.
OBJECTIVE 17: Celebrate local character	
Strategy 17.1 Ensure strategic planning and local plans recognise and enhance local character through use of local character statements in local plans and in accordance with the NSW Government's <i>Local Character and Place Guideline</i> .	Not relevant to this PP.
Strategy 17.2 Celebrate buildings of local heritage significance by <ul style="list-style-type: none"> • retaining the existing use where possible • establishing a common understanding of appropriate reuses • exploring history and significance • considering temporary uses • designing for future change of use options 	Not relevant to this PP.
OBJECTIVE 18: Public spaces and green infrastructure support connected, inclusive and healthy communities	
Strategy 18.1 Councils should aim to undertake public space needs analysis and develop public space infrastructure strategies for improving access and quality of all public space to meet community need for public spaces. This could include: <ul style="list-style-type: none"> • planning for new and improved public space that supports the 10 principles for quality public space of the NSW Public Spaces Charter • drawing on community feedback to identify the quantity, quality and the type of public space required • prioritising the delivery of new and improved quality public space to areas of most need 	Not relevant to this PP.

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
<ul style="list-style-type: none"> considering the needs of future and changing populations considering the location of existing educational facilities and their associated walking catchments identifying walkable connectivity improvements and quality and access requirements that would improve use and enjoyment of existing infrastructure consolidate, link and enhance high quality open spaces and recreational areas. 	
Strategy 18.2 Public space improvements should consider the local conditions and users, including embracing opportunities for greening and applying water sensitive urban design principles.	Not relevant to this PP.
Strategy 18.3 Encourage the use of council owned land for temporary community events and creative practices where appropriate by reviewing development controls.	Not relevant to this PP.
Strategy 18.4 Strategic planning and local plans should consider opportunities to: <ul style="list-style-type: none"> increase urban tree cover in towns and centres including main streets and pedestrian areas ensure new residential and urban release areas incorporate street tree plantings. use local plant species for tree planting as a first preference when appropriate. use koala feed tree species where appropriate in public open spaces, excluding roadsides. provide well-designed built shade in playgrounds, sports and recreation facilities and public spaces. 	It is intended that the subsequent subdivision would incorporate revegetation through street tree planting and windbreak vegetation along the external site boundaries (refer Figure 8).
Strategy 18.5 Local environmental plan amendments that propose to reclassify public open space must consider the following: <ul style="list-style-type: none"> the role or potential role of the land within the open space network how the reclassification is strategically supported by local strategies such as open space or asset rationalisation strategies where land sales are proposed, details of how sale of land proceeds will be managed 	Not relevant to this PP.

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Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
<ul style="list-style-type: none"> the net benefit or net gain to open space. 	
Part 5 Connected and accessible	
OBJECTIVE 19: Leverage new and upgraded infrastructure	
Strategy 19.1 Apply zoning and development controls to: <ul style="list-style-type: none"> support the operation of Inland Rail and minimise land use conflicts which could limit network capacity. capitalise on growth opportunities that arise outside the SAP boundaries. 	Not relevant to this PP.
OBJECTIVE 20: Improve state and regional freight connectivity	
Strategy 20.1 Optimise the efficiency and effectiveness of the freight network by: <ul style="list-style-type: none"> protecting, maintaining and improving the existing and emerging freight transport network balancing land use conflict with the need to support efficient freight capacity. 	The PP would not impact on these matters.
Strategy 20.2 Support the operation of regional airports and aerodromes in local planning to: <ul style="list-style-type: none"> manage and protect airport and aerodrome land uses and airspace to support aviation operations (including regular public and private transport, air freight and medical services) and related business limit the encroachment of incompatible development identify and activate employment lands surrounding airports and aerodromes with flexible planning controls provide for the future potential expansion of airports and aerodromes. 	The PP site is located within the vicinity of the Armidale airport. The site is located outside of the ANEF 20 Contour. The site is affected by the OLS 1125.45 contour. The highest point of the site is the 1062 contour, which would enable development of the site without penetration of the OLS.
OBJECTIVE 21: Improve active and public transport networks	
Strategy 21.1 Encourage active and public transport use by:	Not relevant to this PP.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Table 3 – New England North West Regional Plan 2041

OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
<ul style="list-style-type: none"> prioritising pedestrian amenity within centres providing a legible, connected and accessible network of pedestrian and cycling facilities delivering accessible transit stops and increasing convenience at interchanges to serve an ageing customer incorporating emerging anchors and commuting catchments in bus contract renewal integrating the active transport network with public transport facilities creating opportunities for new active transport corridors and links that deliver safe pedestrian and cycle infrastructure to and from existing and future schools. 	
OBJECTIVE 22: Utilise emerging transport technology	
Strategy 22.2 Consider smart technology in the development of local plans.	Not relevant to this PP.
Local Government Narratives	
Deliver a variety of housing options in Armidale and promote development that contributes to the unique character of Ben Lomond, Black Mountain, Guyra, Ebor, Hillgrove, Llangothlin and Wollomombi	The PP would not be inconsistent with this priority.
Foster the growth of knowledge-based services, high-order education services and health-related industries in Armidale CBD and around the Armidale Rural Referral Hospital and University of New England	Not relevant to this PP.
Armidale Regional Airport as an opportunity for year-round tourism and a hub for state emergency services	Not relevant to this PP.
Upgrade the airport to ensure full functionality for the RFS fleet	Not relevant to this PP.
Support the development of employment lands such as the Airport Business Park and Acacia Park	Not relevant to this PP.
Using NBN fibre to the premises to grow businesses	Not relevant to this PP.
Support the sustainable and effective management of water resources to enable drought-proofing	Not relevant to this PP.
Encourage diversification in agriculture, horticulture and agribusiness to grow these sectors and harness domestic and international opportunities	Not relevant to this PP.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



<i>Table 3 – New England North West Regional Plan 2041</i>	
OBJECTIVES & APPLICABLE STRATEGIES	Planning Proposal response – is the Proposal consistent with the Strategy?
	COMMENTS
Support the New England Regional Arts Museum and other arts organisations to position the LGA as a recognised arts and cultural centre in regional Australia	Not relevant to this PP.
Implement place-based planning principles to build more liveable communities for residents	Not relevant to this PP.
Leverage the proposed REZ and to identify and promote wind, solar and other renewable energy production opportunities.	Not relevant to this PP.
Acknowledge and support new and emerging opportunities presented in the nationally significant greenhouse industry which will continue to grow and evolve at Guyra.	Not relevant to this PP.

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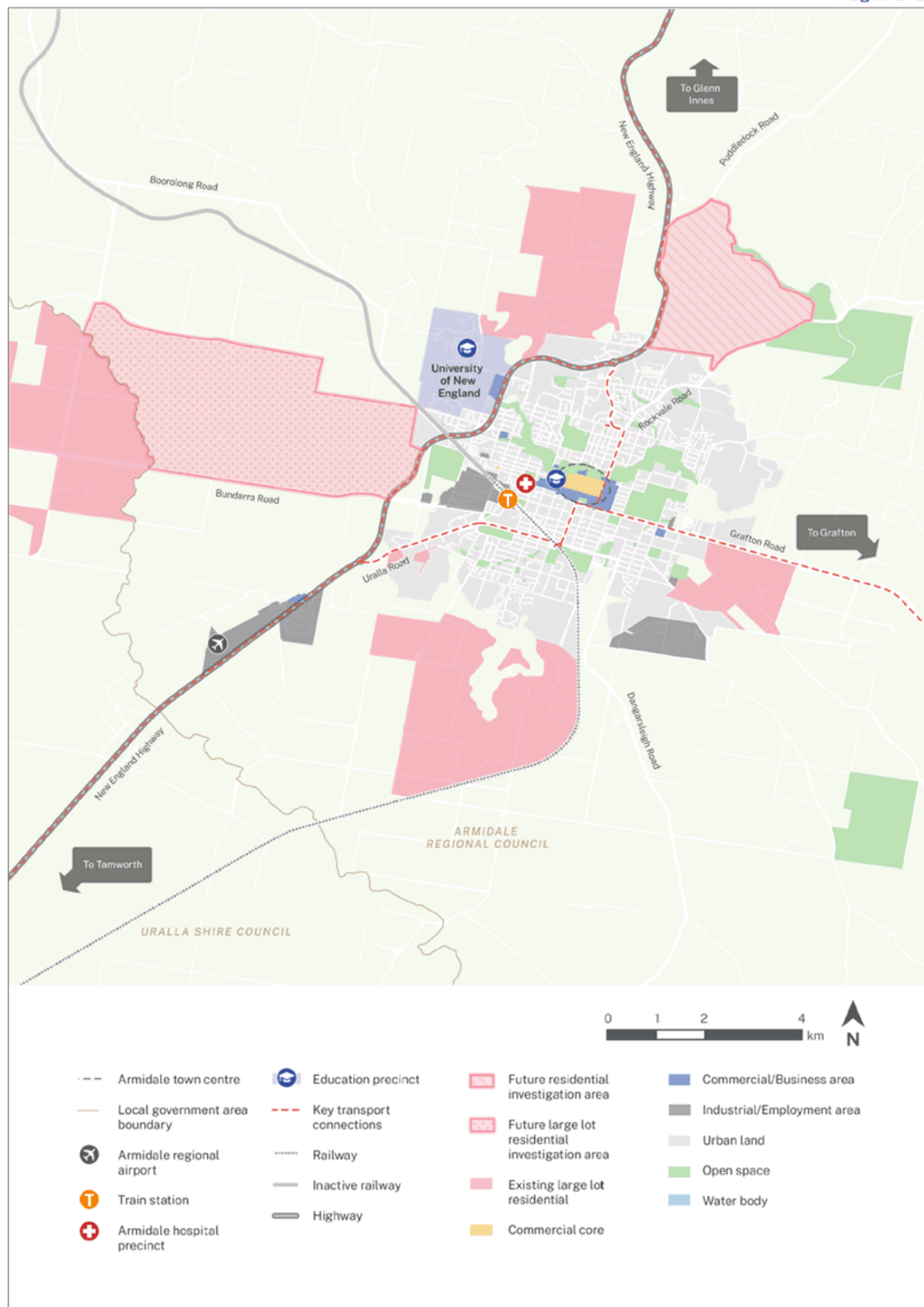
ARMIDALE
 Regional Council


Figure 9 – Armidale Strategic Centre Plan (Figure 11 of NENW Regional Plan 2041)

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Q4. Is the planning proposal consistent with a council LSPS that has been endorsed by the Planning Secretary or GSC, or another endorsed local strategy or strategic plan?

Armidale Local Strategic Planning Statement: A Plan for 2040

The Armidale Regional LSPS:

- Provides a 20 year land use vision for the Armidale Regional Council Local Government Area;
- Directs where further investigations are to be undertaken to identify how future growth and change will be managed;
- Identifies where further strategic land use planning is required; and
- Explains how the planning priorities and related actions will be implemented.

The LSPS vision is:

The Armidale Regional Council local government area is an exemplary sustainable region of New England, defined by its rich agricultural lands and its attractive natural environment, complemented by a series of well serviced interconnected communities, with the city of Armidale as the regional hub.

The Armidale area offers a positive, healthy and vibrant country lifestyle. Its identity is founded on its diverse economy, cultural heritage, civic and educational institutions and strong sense of community (Armidale Regional Council, 2020).

The Armidale Regional Local Strategic Planning Statement aims to meet the community's future social, economic and environmental needs by addressing important strategic land use planning and development issues. The LSPS identifies priorities for the Armidale Regional Local Government Area that will support and develop the local identity, values and opportunities. It will shape the land use over time and the development standards we use. Immediate, short, medium and long term actions have been developed as part of the LSPS to help deliver on these priorities and the vision for the future.

Error! Reference source not found. below summarises the directions of the LSPS, provides comment on the directions and actions of the Plan that are directly relevant to the Planning Proposal, and indicates whether the Proposal is considered to be consistent or inconsistent with the LSPS.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Table 4 – Armidale Local Strategic Planning Statement: A Plan for 2040

DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
Theme 1. Community		
1a) Population Growth		
i) Endorse the NSW Population Projections as the basis for all Council strategic planning activities.	Immediate: 2020	Not relevant.
ii) Use the current version of the NSW Population Projections as the basis for all Council strategic planning activities.	Ongoing	Not relevant.
1b) Settlement Network		
i) Prepare a place-based strategy to guide future growth and development of each of the following villages and immediate surrounds consistent with the desired future character of the relevant village: a) Ben Lomond; b) Black Mountain; c) Ebor; d) Hillgrove; and e) Wollomombi.	Immediate: 2020/21	Not relevant.
ii) Prepare a place-based strategy to guide future growth and development of Guyra and immediate surrounds consistent with the desired future character of the centre.	Immediate: 2021/22	Not relevant.
iii) Prepare a place-based strategy to guide future growth and development of Armidale and immediate surrounds consistent with “regional city” status.	Immediate: 2022/23	Not relevant.
iv) Review and amend the merged LEP in response to the above-mentioned strategy findings.	Subject to related strategy timing.	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
1c) Land for Housing		
i) Undertake such studies as are required to: a) identify land required and suitable for residential and related purposes within and/or as a logical extension to existing settlements; and b) address the related land use planning implications.	Short-term	The existing studies provide commentary on this as outlined in Question 1.
ii) Review and amend the merged LEP, in response to the above-mentioned study outcomes, to: a) allow development of land identified as being required and suitable for residential and related purposes.	Subject to related study timing.	The PP is a response to the commentary/guidance provided in above.
1d) Housing Options		
i) Undertake such studies as are required to: a) identify housing options designed to respond to existing and projected future community needs; and b) address the related land use planning implications.	Short-term	Not relevant.
ii) Review and amend the merged LEP, in response to the above-mentioned study outcomes, to: a) allow the development of housing options identified as being required to meet existing and projected future community needs.	Subject to related study timing.	Not relevant.
Theme 2. Economy		
2a) Armidale CBD		
i) Undertake such studies as are required to: a) identify opportunities to facilitate revitalisation of the	Short-term	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
<p>Armidale central business district consistent with “regional city” status; and</p> <p>b) address the related land use planning implications.</p>		
<p>ii) Review and amend the merged LEP, subject to the above-mentioned study outcomes to:</p> <p>(a) allow development designed to revitalise the Armidale central business district.</p>	Subject to related study timing.	Not relevant.
2b) Agricultural Land		
<p>i) Undertake such studies as are required to:</p> <p>a) identify areas of important or potentially important agricultural land; and</p> <p>b) address the related land use planning implications.</p>	Short-term	Whilst the site contains a small area of BSAL land, the PP would make no measurable change to the impact on this land by virtue of the change in MLS and subsequent development.
<p>ii) Review and amend the merged LEP, as soon as practicable and/or in response to the above-mentioned study outcomes, to:</p> <p>a) protect areas identified as being important or potentially important agricultural land; and</p> <p>b) require development proponents to address important agricultural land values in areas containing or potentially containing such values.</p>	2021+	Not relevant.
2c) Agribusiness		
<p>i) Undertake such studies as are required to:</p> <p>a) identify opportunities to develop agribusiness and related facilities, and the appropriate circumstances for such development; and</p>	Short-term	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
b) address the related land use planning implications.		
ii) Review and amend the merged LEP, in response to the above-mentioned study outcomes, to: a) allow the development of agribusiness and related activities under the defined circumstances.	Subject to related study timing.	Not relevant.
2d) Employment Land		
i) Undertake such studies as are required to: a) identify land required and suitable for commercial or industrial and related purposes to support diversification of the local economy; and b) address the related land use planning implications.	Short-term	May form part of these future studies.
ii) Review and amend the merged LEP, in response to the above-mentioned study outcomes, to: (a) allow development of land identified as being required and suitable for commercial or industrial and related purposes.	Subject to related study timing.	May form part of these future studies.
2e) Tourism Facilities		
i) Undertake such studies as are required to: a) identify opportunities to develop tourism and related facilities, and the appropriate circumstances for such development; and b) address the related land use planning implications.	Medium-term	Not relevant.
ii) Review and amend the merged LEP, subject to the above-mentioned study outcomes, to:	Subject to related study timing.	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
a) allow the development of tourism and related facilities under the defined circumstances.		
Theme 3. Infrastructure		
3a) Infrastructure		
i) Undertake such studies as are required to: <ul style="list-style-type: none"> a) identify existing and likely future infrastructure requirements to achieve desired standards of service and to service projected growth and related development; and b) address the related land use planning implications. 	Short-term	Not relevant.
ii) Review and amend the merged LEP, as soon as practicable and/or in response to the above-mentioned study outcomes, to: <ul style="list-style-type: none"> a) facilitate the delivery of infrastructure to achieve desired standards of service and to service projected growth and related development; and b) require development proponents to address infrastructure requirements. 	Subject to related study timing.	Not relevant.
3b) Transport Corridors		
i) Undertake such studies as are required to: <ul style="list-style-type: none"> a) identify the existing and likely future operational requirements of major transport corridors and related infrastructure; and b) address the related land use planning implications. 	Medium-term	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
ii) Review and amended the merged LEP, as soon as practicable and/or in response to the above-mentioned study outcomes, to: <ul style="list-style-type: none"> a) protect the operation of major transport corridors, including related infrastructure; and b) require development proponents to address major transport corridor operational requirements in areas impacting or potentially impacting such requirements. 	2021+	Not relevant.
3c) Regional Airport		
i) Undertake such studies as are required to: <ul style="list-style-type: none"> a) identify the existing and likely future operational requirements of Armidale Regional Airport; and b) address the related land use planning implications. 	Short-term	Not relevant.
ii) Review and amend the merged LEP, as soon as practicable and/or in response to the above-mentioned study outcomes, to: <ul style="list-style-type: none"> a) facilitate and protect the operation of Armidale Regional Airport; and b) require development proponents to address Armidale Regional Airport operational requirements in areas impacting or potentially impacting such requirements. 	2021+	Not relevant.
3d) Armidale Hospital		
i) Undertake such studies as are required to: <ul style="list-style-type: none"> a) identify whether opportunities exist to cluster development related to the Armidale Rural Referral 	Medium-term	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
Hospital near the Hospital site, and if so, under what circumstances; and b) address the related land use planning implications.		
ii) Review and amend the merged LEP, subject to the above-mentioned study outcomes, to: a) allow the clustering of related development near the Armidale Rural Referral Hospital site under the defined circumstances.	Subject to related study timing.	Not relevant.
3e) Education Facilities		
i) Undertake such studies as are required to: a) identify opportunities to develop education and related facilities, and the appropriate circumstances for such development; and b) address the related land use planning implications.	Medium-term	Not relevant.
ii) Review and amend the merged LEP, subject to the above-mentioned study outcomes, to: a) allow the development of education and related facilities under the defined circumstances.	Subject to related study timing.	Not relevant.
3f) Facilities for Arts and Culture		
i) Undertake such studies as are required to: a) identify opportunities to develop facilities that promote arts and culture, and the appropriate circumstances for such development; and b) address the related land use planning implications.	Medium-term	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
ii) Review and amend the merged LEP, subject to the above-mentioned study outcomes, to: a) allow the development of facilities that promote arts and culture under the defined circumstances.	Subject to related study timing.	Not relevant.
3g) Open Space and Recreation		
i) Undertake such studies as are required to: a) identify opportunities to develop open space and recreation facilities, and the appropriate circumstances for such development; and b) address the related land use planning implications.	Medium-term	Not relevant.
ii) Review and amend the merged LEP, subject to the above-mentioned study outcomes, to: a) allow the development of open space and recreation facilities under the defined circumstances; and b) facilitate the development of the open space network.	Subject to related study timing.	Not relevant.
3h) Renewable Energy		
i) Undertake such studies as are required to: a) identify whether opportunities exist to develop renewable energy production facilities, and if so, under what circumstances; and b) address the related land use planning implications.	Medium-term	Not relevant.
ii) Review and amend the merged LEP, subject to the above-mentioned study outcomes, to: a) allow the development of renewable energy production	Subject to related study timing.	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
facilities under the defined circumstances.		
Theme 4. Environment		
4a) Natural Environment		
i) Undertake such studies as are required to: a) identify areas of high or potential high natural environmental value; and b) address the related land use planning implications.	Short-term	Not relevant.
ii) Review and amend the merged LEP, as soon as practicable and/or in response to the above-mentioned study outcomes, to: a) protect areas identified as being of high or potentially high natural environmental value; and b) require development proponents to address natural environmental values in areas containing or potentially containing such values.	2021+	Not relevant.
4b) Cultural Heritage		
i) Undertake such studies as are required to: a) identify sites or potential sites of cultural heritage value; and b) address the related land use planning implications.	Short-term	Not relevant.
ii) Review and amend the merged LEP, as soon as practicable and/or in response to the above-mentioned study outcomes, to: a) protect sites identified as being of cultural heritage or	2021+	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
potential cultural heritage value; and b) require development proponents to address cultural heritage values on sites containing or potentially containing such values.		
4c) Natural Hazards		
i) Undertake such studies as are required to: a) identify areas impacted or potentially impacted by natural hazards, including flooding and bushfire; and b) address the related land use planning implications.	Short-term	Not relevant.
ii) Review and amend the merged LEP, as soon as practicable and/or in response to the above-mentioned study outcomes, to: a) restrict development in areas identified as being impacted or potentially impacted by natural hazards; and b) require development proponents to address natural hazards on sites / in areas impacted or potentially impacted by such hazards.	2021+	Not relevant.
4d) Contaminated Land		
i) Undertake such studies as are required to: a) identify sites impacted or potentially impacted by contamination; and b) address the related land use planning implications.	Short-term	Not relevant.
ii) Review and amend the merged LEP, as soon as practicable and/or in response to the above-mentioned study outcomes,	2021+	Not relevant.

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DIRECTIONS & APPLICABLE ACTIONS	TIMEFRAME OF IMPLEMENTATION	Planning Proposal response – is the Proposal consistent with the Strategy?
		COMMENTS
<p>to:</p> <ul style="list-style-type: none"> a) manage development on sites identified as being impacted or potentially impacted by contamination; and b) require development proponents to address contamination on sites impacted or potentially impacted by contamination. 		

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Dumaresq Environmental Study Visual Assessment

The *Dumaresq Environmental Study Visual Assessment* (the Study) was carried out by EDAW (Aust) Pty Ltd and Magoffin Deakin Pty Ltd in 1993 to:

... review the areas of 7(A) Environmental Protection Zone (Scenic) and to establish the visual sensitivity of these areas around the city. Visual planning and management treatments are described in the study to enable Council to prepare a revised Local Environmental Plan and Development Control Plans for those areas (EDAW (Aust) Pty Ltd & Magoffin Deakin Pty Ltd, 1993)p. 1.

The Study emanated from a number of requests to rezone land within the 7(A) Environmental Protection (Scenic) Zone to enable subdivision.

The Study categorised the subject areas into Landscape Character Units, which is provided in **Figure 10** for the area surrounding the site. It can be seen that the lower elevation part of the site is identified as 3a Lower Slopes – Scattered Trees and the higher elevations being 2a Upper Slopes – Scattered Trees, and a very small portion being 1a Hill/Ridgetops – Scattered Trees.

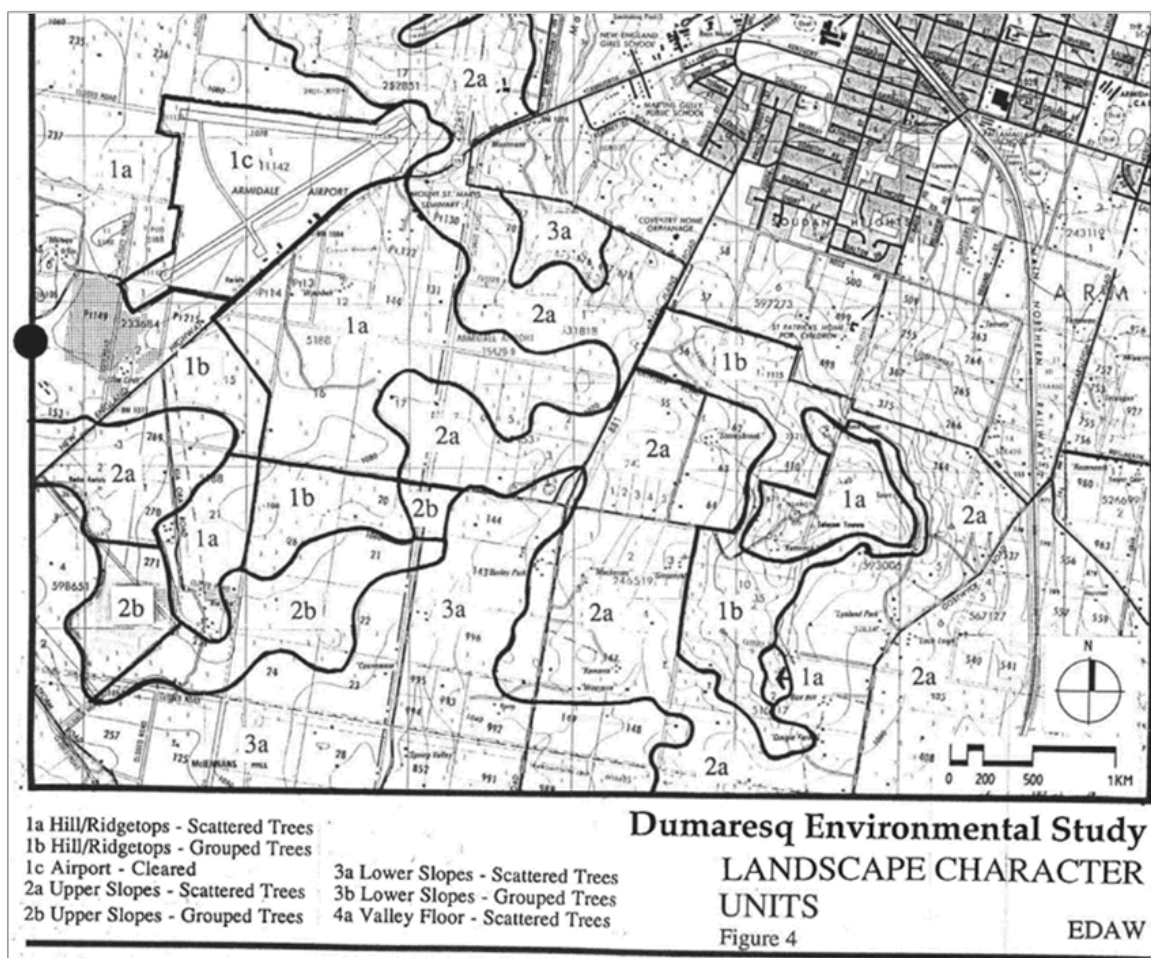


Figure 10 – Dumaresq Landscape Character Units

The Study area was then assigned sensitivity values, which are shown in **Figure 11**. It can be seen that the lower elevations of the site have a low sensitivity, with the higher areas a moderate sensitivity and a high at the peak elevations of the site.

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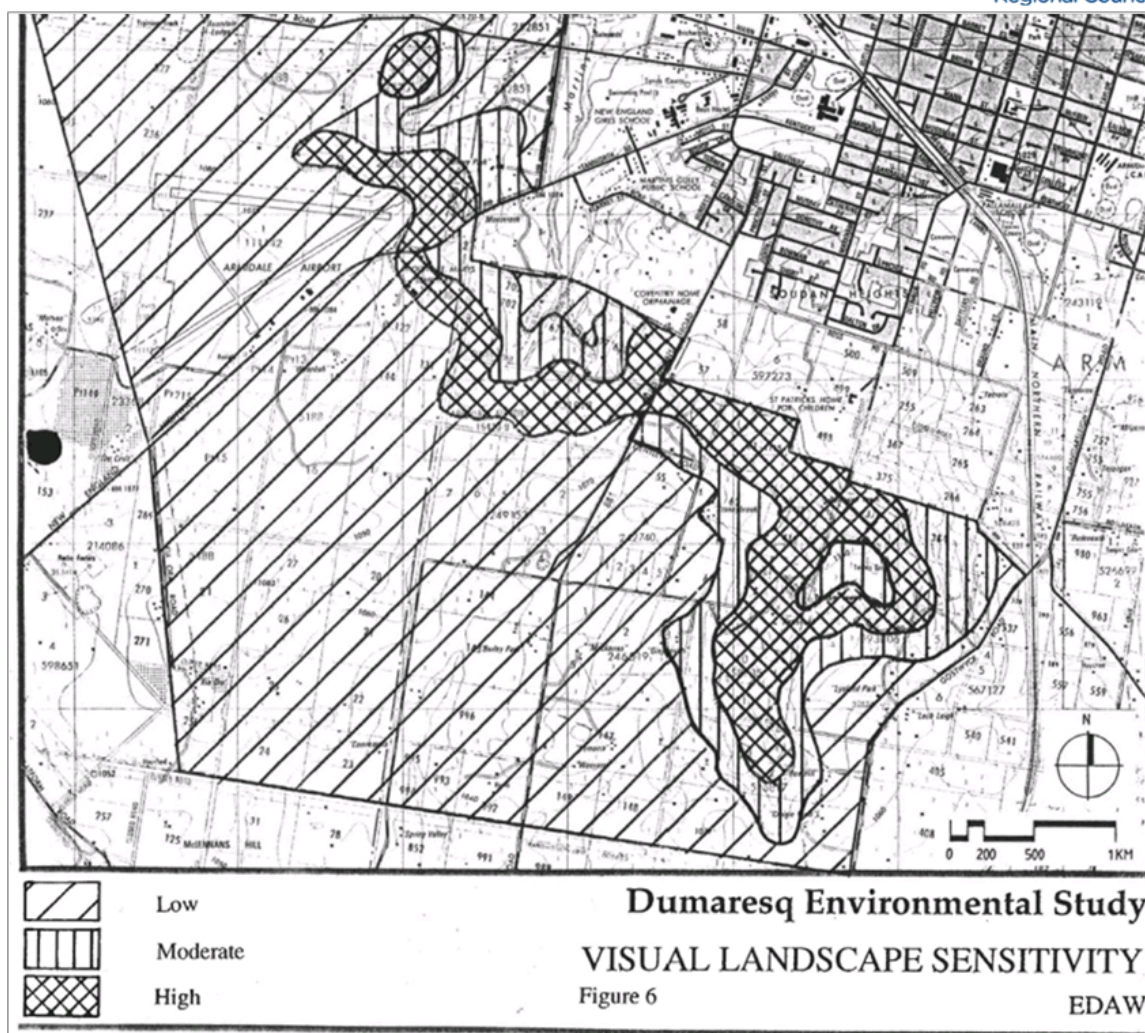


Figure 11 – Dumaresq Visual Landscape Sensitivity

The Visual Absorption Capacity (VAC) of the study area was then considered as shown in **Figure 12**. The VAC was determined based on analysis of the topography, vegetation and proposed development type.

Areas with a High Visual Absorption Capacity are landscapes which have an ability to visually screen a development such as residential houses, whereas areas with Low Visual Absorption Capacity are unable to screen such activities from viewing areas (EDAW (Aust) Pty Ltd & Magoffin Deakin Pty Ltd, 1993)p.7.

The site is within the area described below:

The area between Kellys Plains Road and the New England Highway is uniformly covered by scattered trees and as a result topography is the key determinant of Visual Absorption Capacity. As a result the Visual Absorption Capacity increases down the slope with the small area in the bottom of Martins Gully ascribed a High Visual Absorption Capacity, the midslopes having a Moderate Visual Absorption Capacity and the upper slopes to the skyline having a Low Visual Absorption Capacity.

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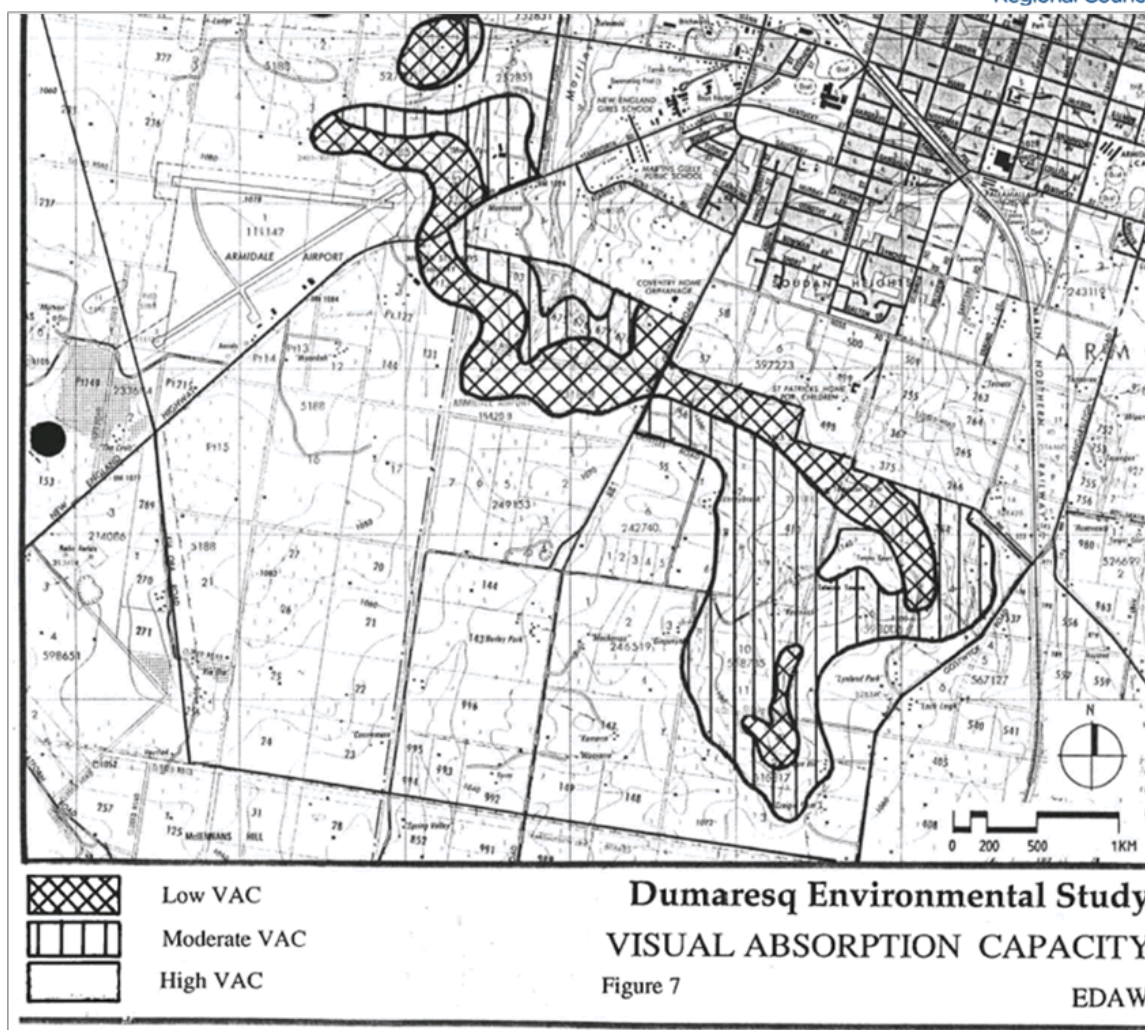


Figure 12 – Dumaresq Visual Absorption Capacity

Visual Management Units (VMU) were then defined to provide guidance for future development within the Study area (refer **Figure 13**) which are as follows (EDAW (Aust) Pty Ltd & Magoffin Deakin Pty Ltd, 1993)p.12:

Table 5 – Visual Management Units Description

Title	Description
Conservation / Restricted Development	Includes highly sensitive land with low visual absorption capacity where development controls to conserve and enhance the visual landscape are to be implemented.
Integrated Development	Includes moderately sensitive land with moderate visual absorption capacity where the existing Rural Zoning applies with the added consideration of the visual effects of any proposed development.
Rural / Unrestricted Development	Includes the least visually sensitive land with high visual absorption capacity within the study area and thus enables the existing Rural Zones to apply whilst maintaining appropriate visual and management practices.

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As shown in **Figure 13**, in relation to the site:

- the lower elevations being suitable for rural/unrestricted development,
- the central elevations of the site being suitable for integrated development, and
- the higher elevations being suitable for conservation and restricted development.

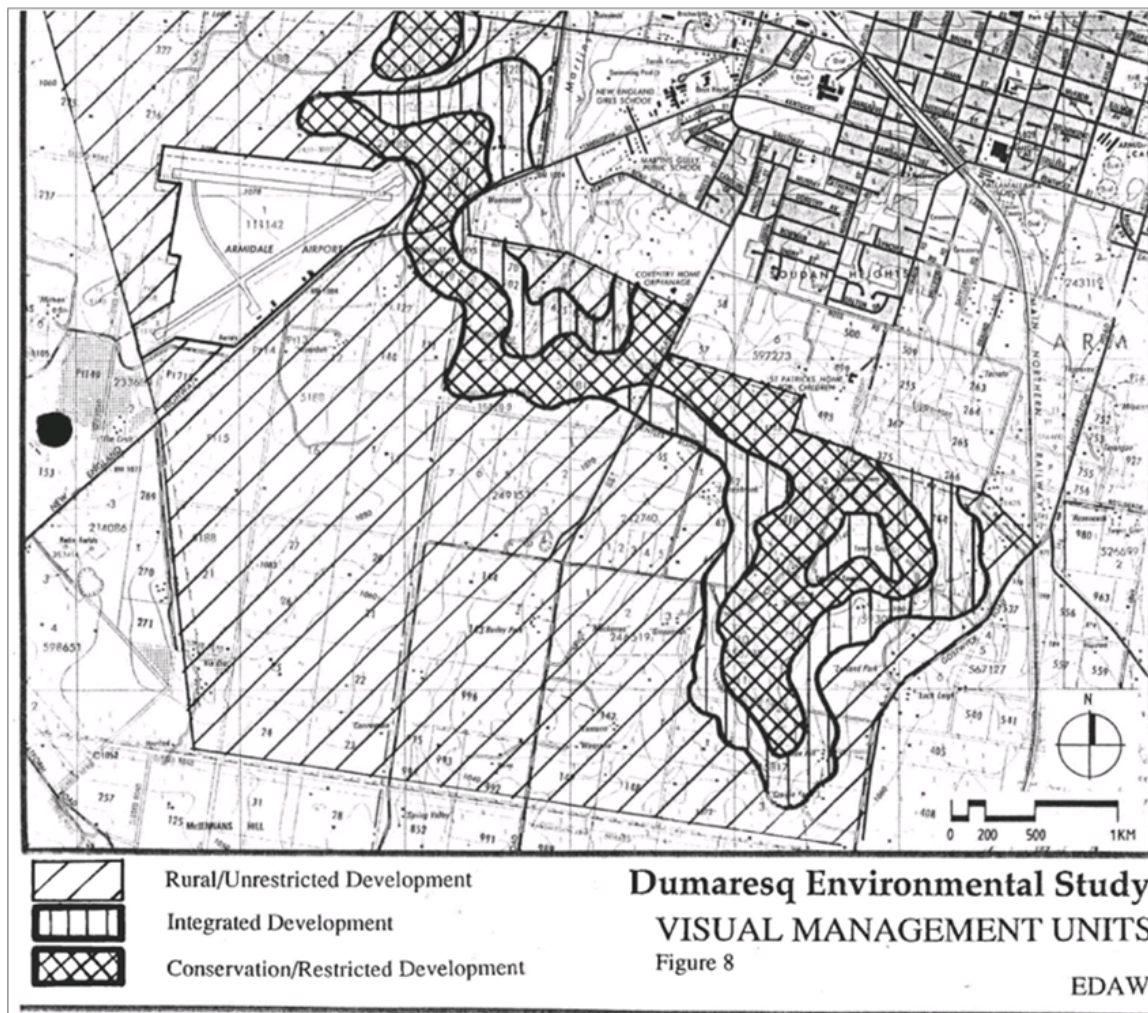


Figure 13 – Dumaresq Visual Management Units

It appears that the former Dumaresq LEP zoning was amended to reflect the Study, which assigned a “Environmental Protection – Prime” zoning to the higher elevations and a “Environmental Protection – Support Scenic” zoning to the lower elevations in the subsequent merged Armidale Dumaresq LEP 2008 (refer **Figure 14**).

The PP site covers the land that is currently zoned C4, which is the same area that was zoned “Environmental Protection – Support Scenic” under ADLEP 2008, and identified as “Integrated Development” in the VMUs. In terms of management of the “Integrated Development” Area, the strategies identified in the Assessment included:

- Create a diverse range of block sizes to satisfy market and visual requirements
- Design subdivision layouts to visually integrate with the rural landscape

The proposed PP will facilitate lots of a different size whilst still achieving the visual requirements identified throughout the various studies and integrating with the landscape.

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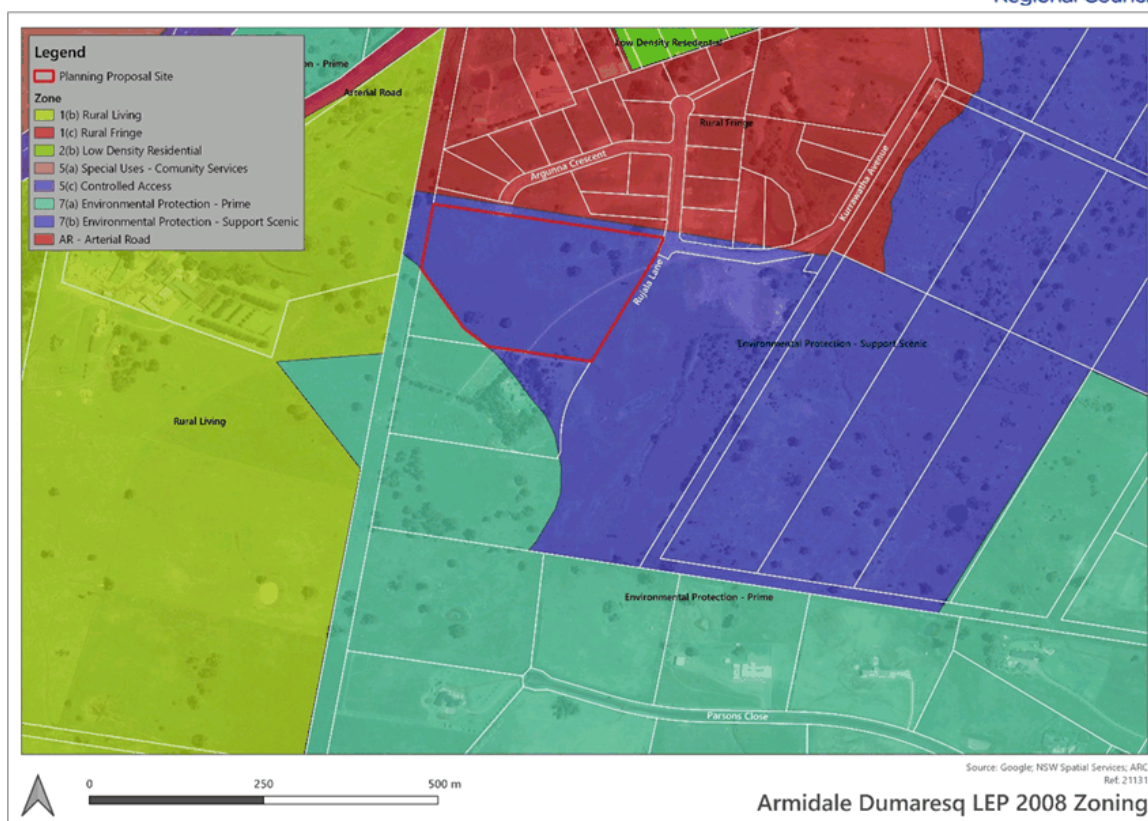


Figure 14 – ADLEP 2008 Zoning

City of Armidale – Environmental Protection Zone Review

The subject site is located outside of the former Armidale City LGA, however, the report has relevance to the site and context.

Hill Top Planners and Manidis Roberts Pty Limited prepared the *City of Armidale Environmental Protection Zone Review* in 1995 to:

... investigate the appropriateness of the existing planning controls of the hills and ridges within the Armidale City LGA, document the reasons why certain lands require protection from future development, and devise a strategy to ensure the visual significance of these lands is either retained or enhanced over time, without undue burden on either Council or the affected landowners (Hill Top Planners and Manidis Roberts Pty Limited, 1995).

This review identified that the environmental protection zones were implemented in the 1970s to protect the City's distinctive ridgelines. The affected land typically extended between 1000m elevation and up to the 1100m elevation, with the aim to retain a "natural backdrop" to Armidale when viewed from the urban areas within the valley of Dumaesq Creek (Hill Top Planners and Manidis Roberts Pty Limited, 1995).

The Review included an assessment of the visual significance of the hillslopes and ridges of the LGA and adjacent hillslope lands outside of the LGA. It identifies that the urban area of Armidale extends over the hillslopes up to 1,070m AHD.

The Visual Assessment for the South West sector of the LGA within this study included land to the north and east of the site (refer **Figure 15**). It provides the following description for the sector:

This Sector contains both steep land and undulating plateau with few areas of dense woodland. The Sector is located immediately to the south of existing urban development. One residential estate (St

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Patricks), has extended into the Sector, however its visual impact has been minimised due to the higher lands located to the south (in the Shire).

The adjoining southern lands were the subject of Dumaresq Shires (EDAW) study. Views of the Sector are available from Drummond Park, the by-pass and the University, while motorists travelling south along Dangar, Marsh or Taylor Streets directly view the cleared hillside lands of the eastern portion, of the Sector. Much of this land is located within the Shire (Hill Top Planners and Manidis Roberts Pty Limited, 1995)p. 42.

Figure 16 shows the vegetation and ridgelines of the sector, whilst **Figure 17** shows the visual sensitivity of the sector. It can be seen that the site is identified as having a low sensitivity on the lower slopes and a moderate sensitivity on the higher slopes.

Figure 18 shows the assigned Landscape Management Units. It can be seen that the lower elevations of the site have no assignment, whilst the higher elevations are assigned 'Support Scenic Protection Lands'.

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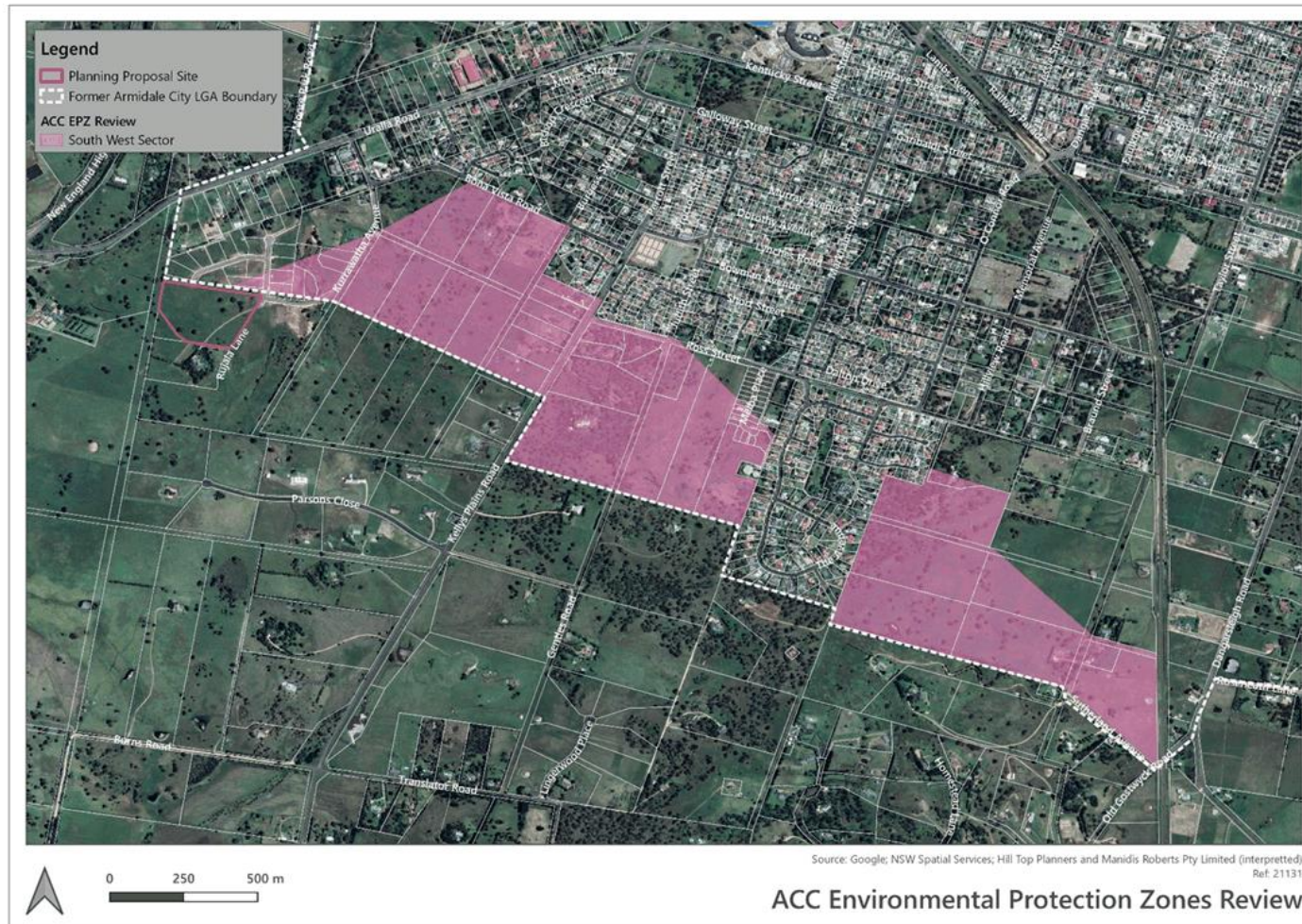


Figure 15 – ARC Environmental Protection Zones Review

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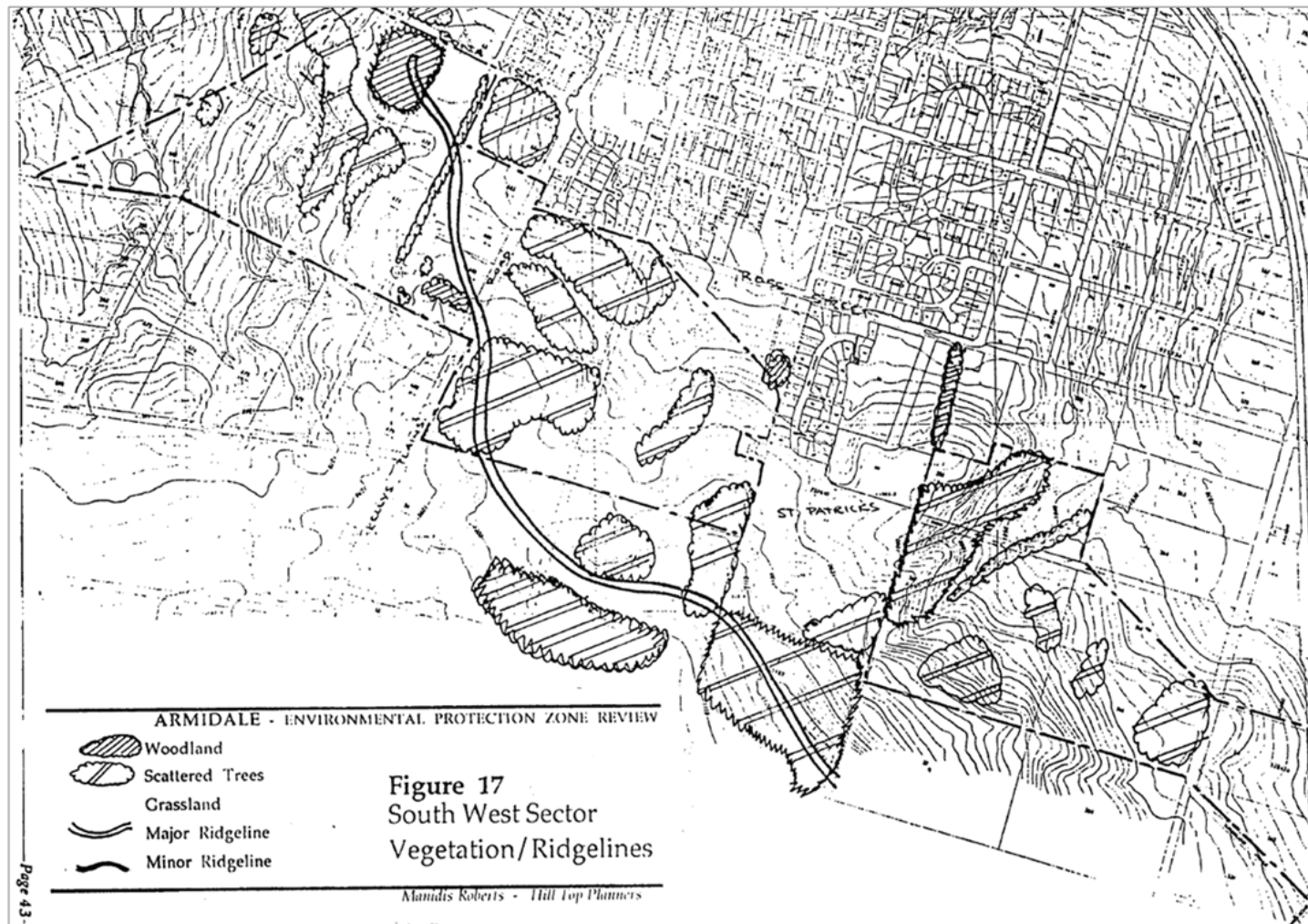


Figure 16 – South West Sector Vegetation/Ridgelines

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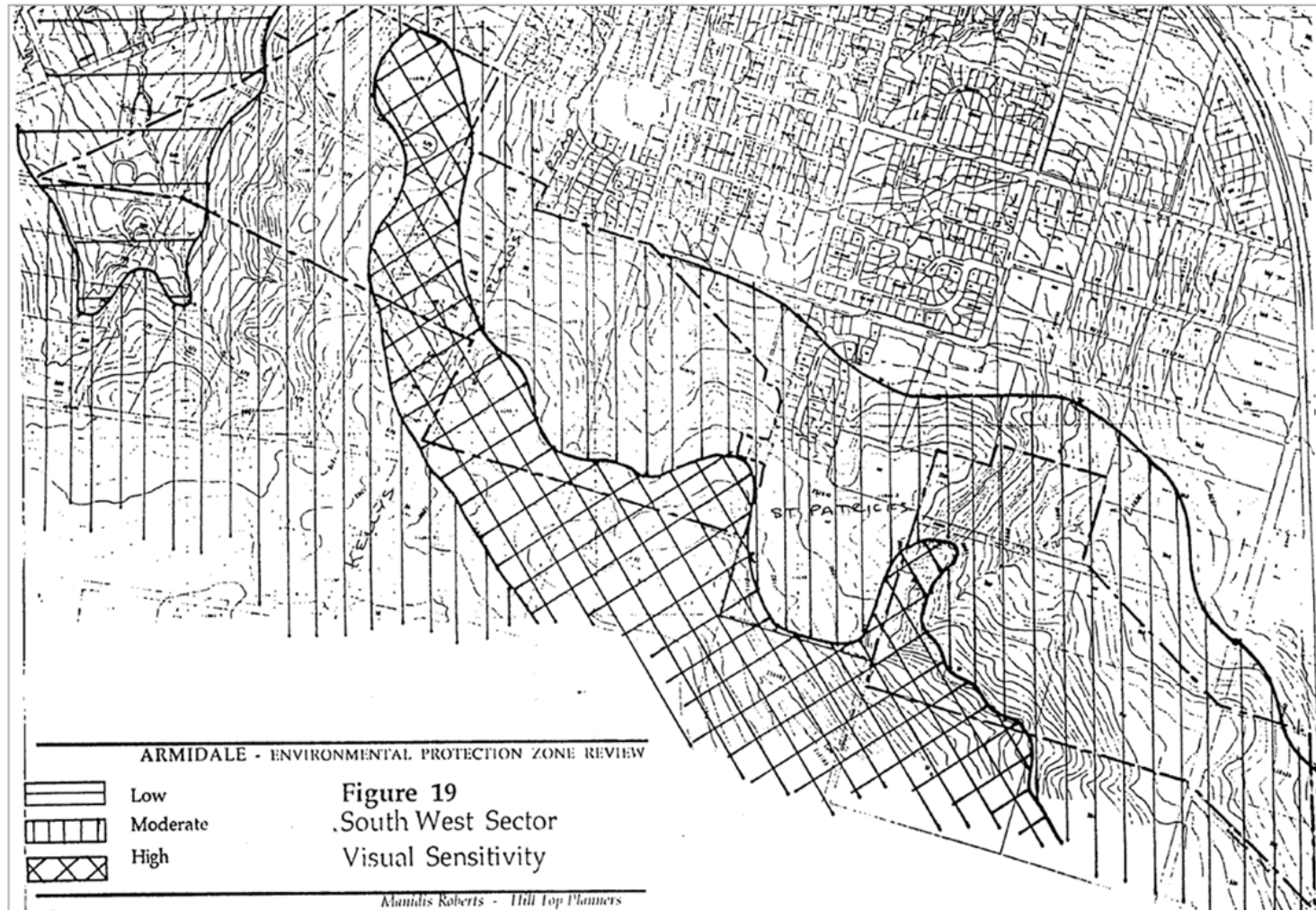


Figure 17 – South West Sector Visual Sensitivity

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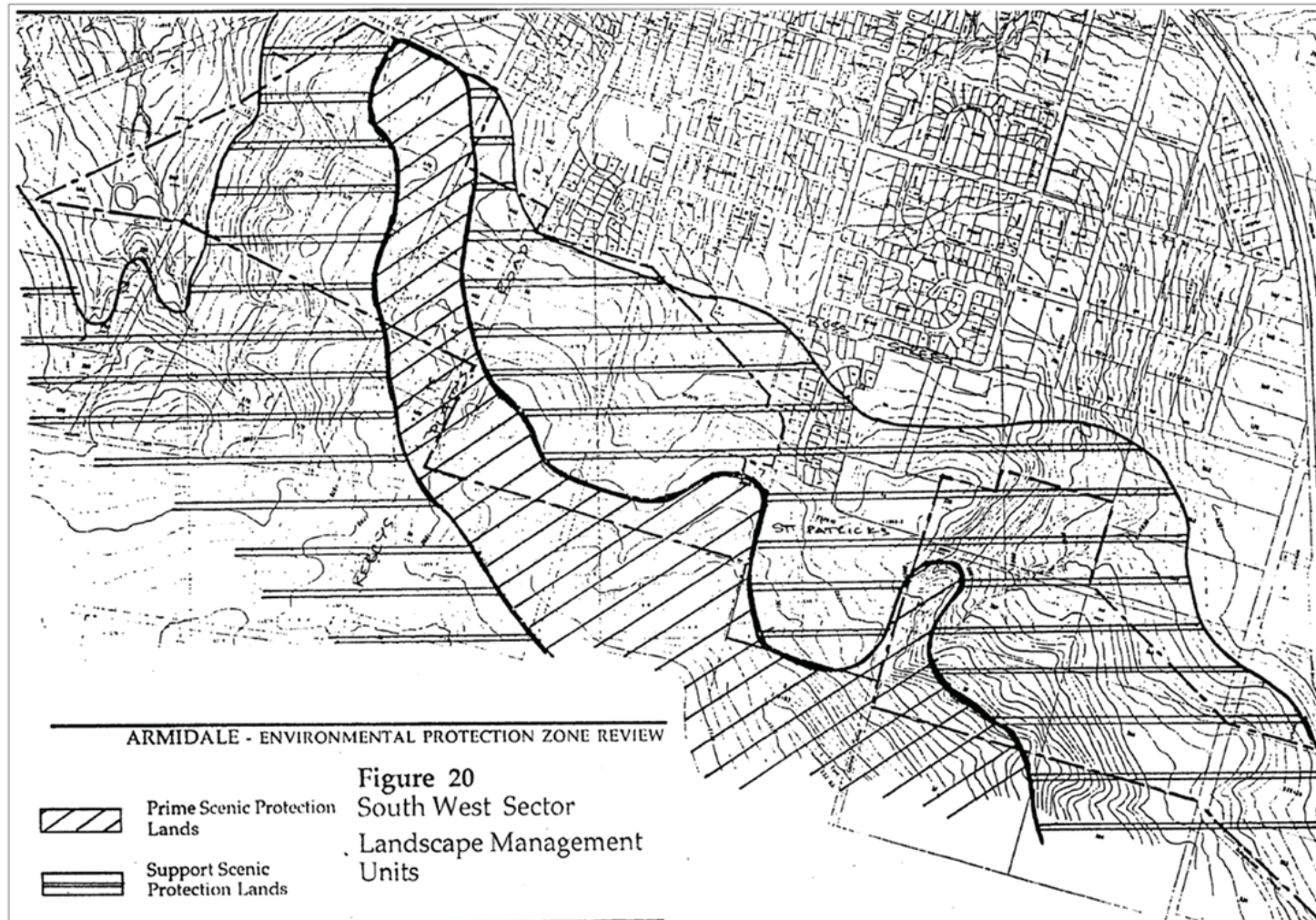


Figure 18 – South West Sector Landscape Management Units

The Review identified that the preferred option for managing the Support Scenic Protection Lands was as follows:

These lands have been identified as having moderate scenic value and contribute to the creation of the existing landscape harmony of the City. While these lands have the ability to absorb urban activity, controls are needed to ensure such development activity would not result in the loss of visual quality. The zoning of these lands should be amended to an urban use zone with scenic protection provisions and a Development Control Plan (DCP) be prepared.

Development: Allow integrated development of the land based upon land capability assessment. This assessment would include:

- *Geotechnical analysis of soils and substrata*
- *Slope and topography*
- *Archaeological assessment*
- *Drainage*
- *Flora and fauna*
- *Access and utilities*
- *Visual impact*
- *Bushfire risks*

Lot sizes should reflect the characteristics of the land. The recommended approach is linking minimum lot size with slope. Where land has a slope in excess of 5 percent, extensive excavation work is required both for road works and preparing building platforms. Experience has shown in these circumstances that small lot residential subdivisions result in minimum opportunity for large scale screen planting to be undertaken. If the scenic quality of the hillslopes is to be maintained while allowing urban development, the size of lots should be sufficient to accommodate large scale trees in locations which will not damage retaining walls or batters. The following is suggested as a guide:

- *Average slopes in excess of 10% - minimum lot size of 1 ha;*
- *Slope between 5 and 10% - 5,000m²;*
- *Slope less than 5% - 2,000 m².*

(Hill Top Planners and Manidis Roberts Pty Limited, 1995) p. 49.

The Review provided the following development guidelines:

In order to achieve the abovementioned goals, through the closer rural settlement approach, a land capability study will be required for each Sector leading towards the preparation of a development strategy. This strategy would be implemented through a DCP. A key element of the DCP would be to ensure development was co-ordinated across land holdings in an orderly manner, and that the goal to achieve improved landscape quality of the hillslopes is achieved. These development guidelines would include:

- *Site Analysis: Details on the preparation of land capability/site characteristics including existing landuse, agriculture, bushfire, site stability, visual features, flora/ fauna, micro-climate, utility services, community facilities and access.*
- *Preparation of Subdivision Layout detailing preferred road locations, lot size, tree retention and maintenance of bush corridors.*
- *House Siting/Design Detailing of how to select a good site for a dwelling, orientation, energy efficient design and materials.*
- *Landscaping: Details of how existing vegetation can be preserved and identification of sites for the growing of large native trees i.e. "tree envelopes" (Hill Top Planners and Manidis Roberts Pty Limited, 1995)p. 50.*

The PP intends to retain the environmental zone of the land in the absence of a specific scenic protection clause within the LEP. This existing C4 zoning reflects the Support Scenic Protection Lands area. This is to ensure the overarching environmental and scenic values can be protected whilst enabling development of the

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land. The PP proposes to amend the MLS to enable a greater density of development whilst still providing for a scenic protection as outlined in the Introduction section and under Question 1 in Section A of this report.

Strategic Analysis for Draft Armidale Dumaresq Local Environmental Plan 2005

This has been addressed in Section A Question 1.

New England Development Strategy (NEDS)

The NEDS report of 2010 notes that:

‘During the preparation of the Armidale Dumaresq LEP 2008, it was estimated that land would be needed in Armidale to accommodate an estimated 3,680 new dwellings up to 2021.’

‘Up to 2021, the analysis indicated that about 580 new medium density dwellings would be required and at least 770 dwellings would need to be located on land currently zoned residential but not yet subdivided. These figures do not include the desirability of having supplementary zoned land available, due to reluctance by some landowners to subdivide even if the zoning permits it. A reasonable “land bank” provides a more competitive market, as well as flexibility to respond to higher growth and development rates. The recently gazetted Armidale Dumaresq LEP (2008) now provides a sufficient supply of residentially zoned land to meet projected dwelling demand over the next 10 years. Beyond this period urban growth will need to be accommodated in suitable areas identified for urban investigation’.

There are currently no other vacant allotments of 4,000 square metre land size available in the Armidale market apart from the adjacent PP No.10 land. Two other R2-zoned sites have existing subdivision approvals however servicing constraints currently limit their viability.

Given the time that has elapsed since the last major update of the Armidale Dumaresq LEP in 2012, the lack of development in some land which is suitably zoned, and strong growth in residential development in Armidale in intervening years, it is now necessary to consider rezoning additional land to cater for further urban growth, particularly for land having minimum lot size of 4,000 square metres.

Q5. Is the planning proposal consistent with any other applicable State and regional studies or strategies?

No plans in addition to those already addressed.

Q6. Is the planning proposal consistent with applicable SEPPs?

Attachment C identifies those State Environmental Planning Policies (SEPPs) applying to the Armidale Dumaresq local government area and includes commentary on whether the Planning Policy is consistent with these SEPPs.

Overall, there are no SEPPs that have provisions that are applicable to LEP amendments, however, the PP would not be inconsistent with any of the SEPPs.

Q7. Is the planning proposal consistent with applicable Ministerial Directions (section 9.1 Directions)?

Attachment D identifies those Directions issued by the Minister for Planning under Section 9.1(2) of the *Environmental Planning and Assessment Act 1979*, and includes commentary on whether the Planning Proposal is consistent with these Directions.

The Planning Proposal is considered to be consistent with all applicable Section 9.1(2) directions.

Section C. Environmental, social, and economic impacts

Q8. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected because of the proposal?

A *Flora and Fauna Assessment for the proposed rezoning of 48 Kurrawatha Avenue, Armidale* (Birdwing Ecological Services, 2021) was carried out for the Site in 2021, which indicated that the Site is substantially degraded from previous land uses, and remnant vegetation is in low condition with few constraints to rezoning and development of the Site (refer **Attachment E**). The Site does not contain any land mapped as being of Biodiversity Value by the Office of Environment and Heritage (OEH) Biodiversity Values Map and Threshold Tool.

The Site is dominated by heavily disturbed exotic-dominated grassland, with small patches of low condition regrowth eucalypt woodland and isolated mature paddock trees. Apart from these trees, there is a low proportion of native vegetation within an exotic-dominated understorey/midstorey. While in low condition, the woodland vegetation corresponding with PCT 571 Ribbon Gum – Rough-barked Apple – Yellow Box grassy woodland has a high conservation value.

No threatened fauna or migratory species listed under the BC Act or EPBS Act were recorded in the site survey, and no key habitat features such as hollow-bearing trees were recorded. Site vegetation could provide minor habitat value to threatened fauna species, though as these species forage over large areas any impact of future development is considered to be minimal.

Specific recommendations have been made in the Flora and Fauna Assessment for the local preservation of existing isolated trees, and can be addressed in the Biodiversity Development Assessment Report and to be submitted with a future Development Application on the land. The concept subdivision has been designed to allow all existing trees to be retained, clear of boundaries, servicing and future building areas.

Q9. Are there any other likely environmental effects of the planning proposal and how are they proposed to be managed?

Groundwater

The Site is identified as potentially spring affected, as noted in Council's Development Control Plan (Chapter 2.6). A review of historic NSW imagery over the site taken during a dry period identifies one spring within the Site, as shown in **Figure 19**. It can be seen that there are no likely springs within the PP site.

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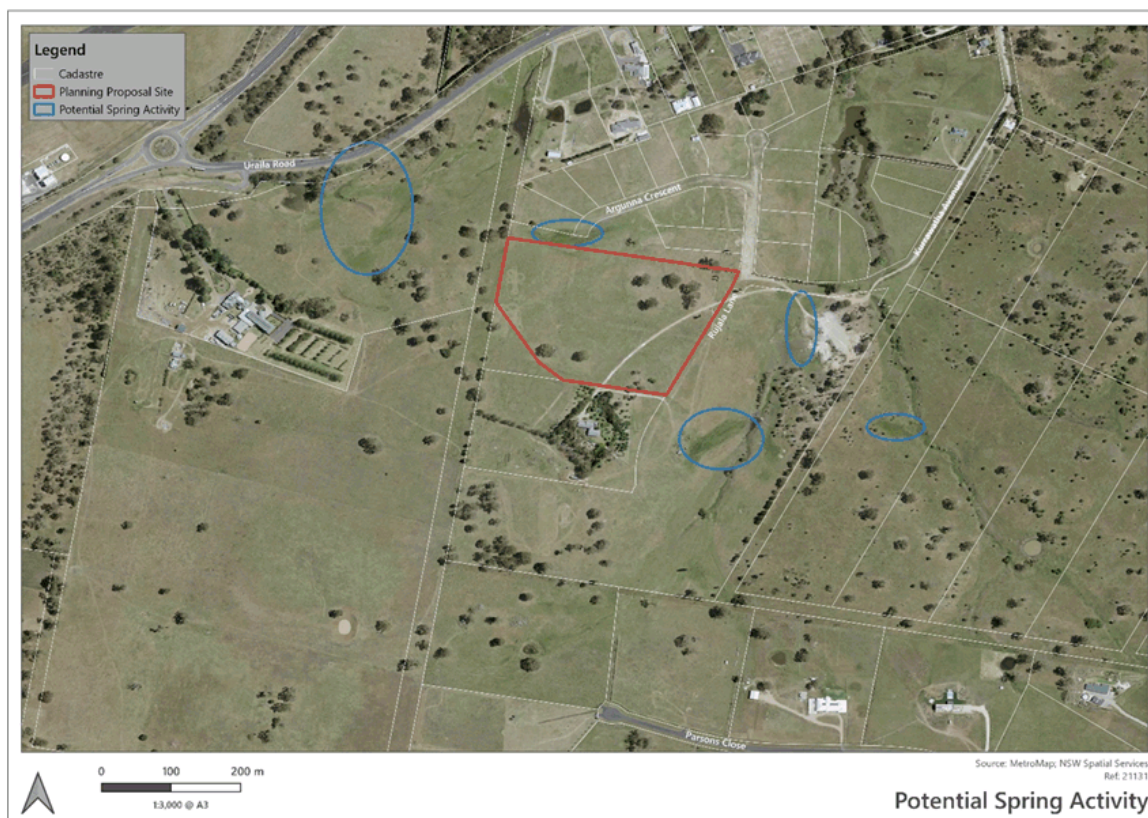


Figure 19 – Potential Spring Activity in Proximity to the Site

Visual

The *City of Armidale – Environmental Protection Zone Review* (Hill Top Planners and Manidis Roberts Pty Limited, 1995) analysed the extent of environmental protection zones and their appropriateness with respect to reticulated services and scenic values (ridgelines). Justification for much of previous 7(a), 7(b), and 7(c) zoned land in ADLEP 2008, and subsequent C3 Environmental Management and C4 Environmental Living zoned land in ADLEP 2012, was extracted from the Review.

The most visible structure from development of the site would be a potential two-storey dwelling erected on the highest elevation on the Site. A visibility analysis has been undertaken using geographical information systems to determine where the existing terrain would allow visibility of a two-storey building up to 8.5 metres above existing ground level, this being the maximum permissible height of a dwelling on the site, and results are shown in **Figure 20**. The shaded area represents those ‘worst-case’ vantage points where local topography would potentially allow visibility of an 8.5 metre high dwelling located on the highest point on the Site. The shading however does not consider where trees and existing developments may block the view, nor landscaping which is likely to occur within development allotments which would also shield dwellings from view.

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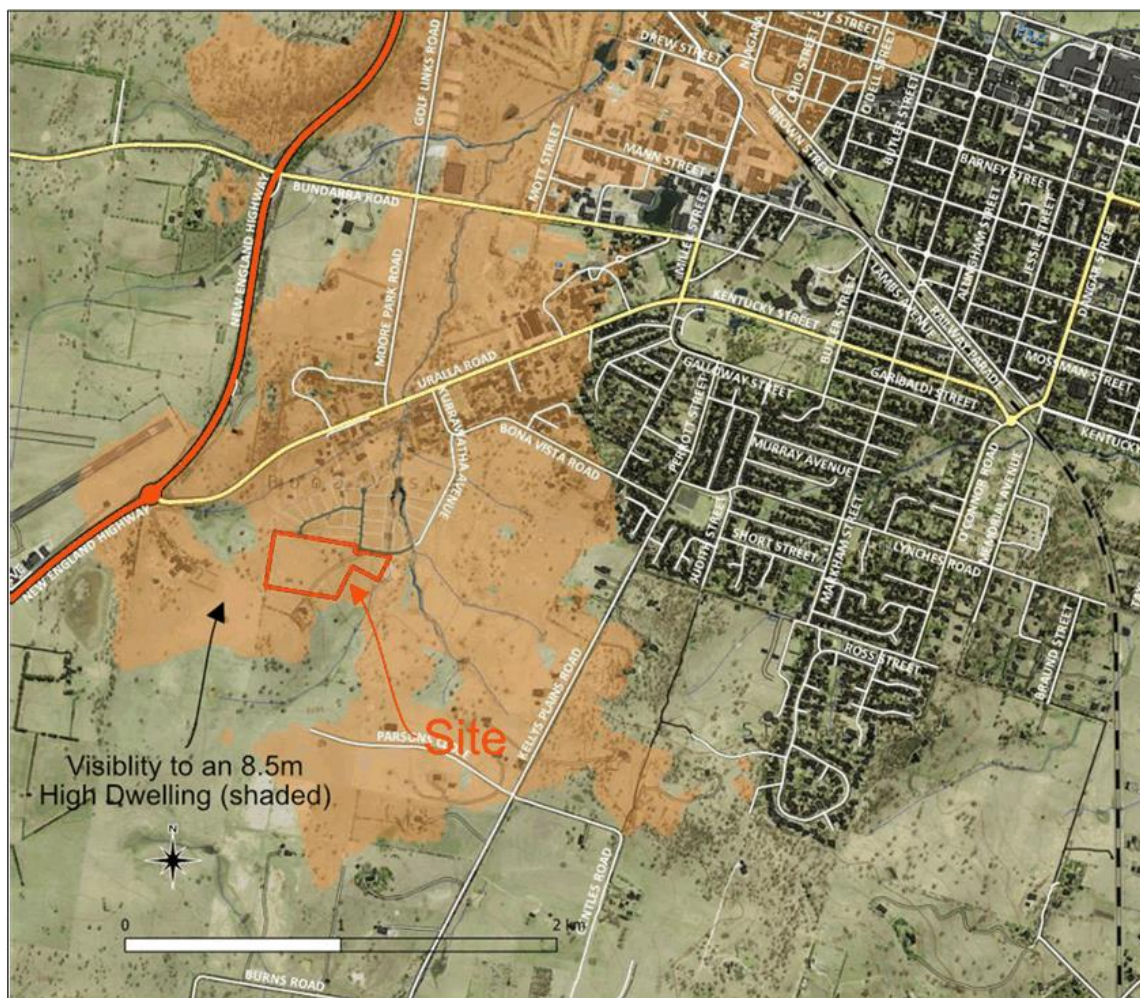


Figure 20 – Potential Visibility to an 8.5m High Dwelling on the Site

The Site is largely shielded from public visibility by local topography, tree corridors and existing development. No public open spaces have any close proximity to the development, and occasional glimpses will only be possible from a limited number of public roads. No dwelling will be seen as a skyline backdrop from approach roads to Armidale.

Flooding

The land to the east of the PP site is mapped as being affected by the 100 year flood and consequentially the Flood Planning Area (refer **Figure 21**).

The PP site is serviced by the road Kurrawatha Ave which has been designed and constructed so that the surface is no inundated by 100 year flood. This provides for evacuation in the design flood event.

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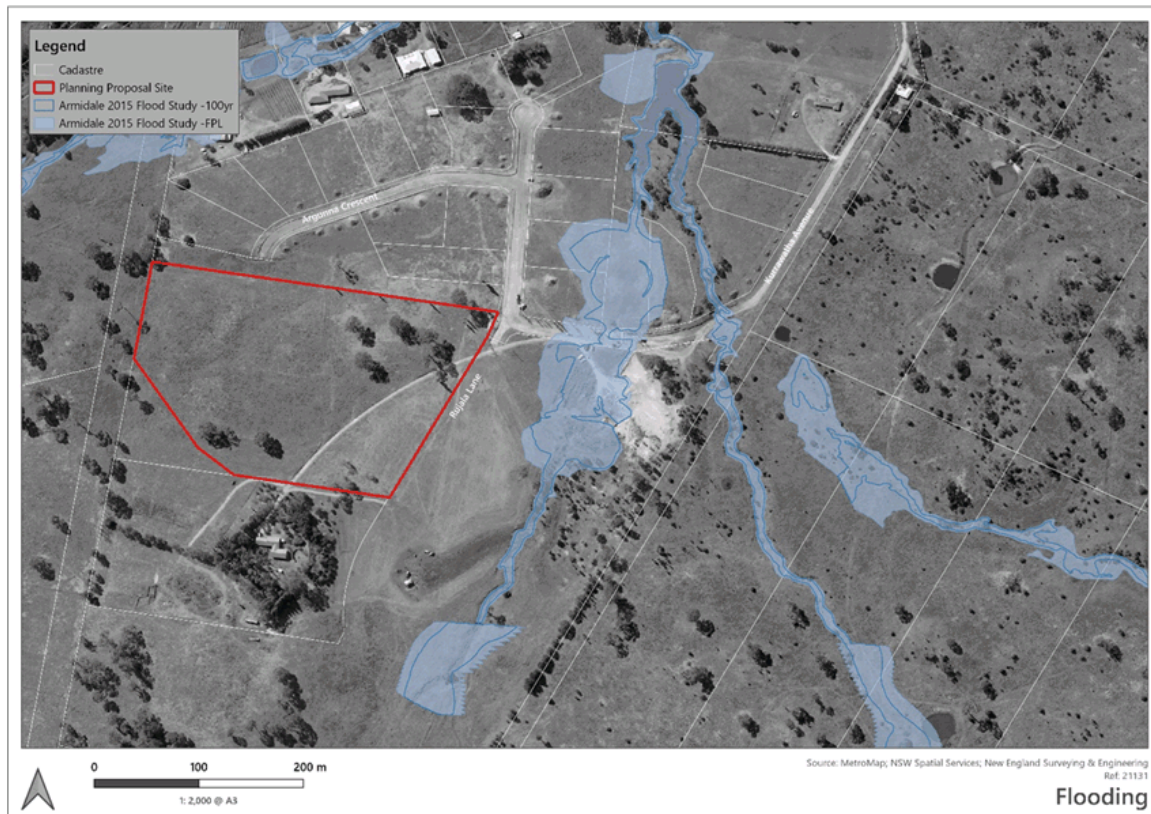


Figure 21 - Flooding

Q10. Has the planning proposal adequately addressed any social and economic effects?

European Heritage

There are no European heritage items listed in Schedule 5 Environmental Heritage of LEP 2022 on the Site. The nearest heritage items listed in LEP 2022 all have local heritage significance and are shown in **Figure 22**, and include:

- 63 Moore Park Land, (Item No I151 - House and chapel, "Moore Park")
- 30 Bona Vista Road (Item No I031 - House and grounds, "Bona Vista")
- 17 Bona Vista Road (Item No I030 - Trees, garden, timber garage and paddock gate)

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Figure 22 – Heritage Items in Proximity to the Site

All identified heritage items are located more than 500 metres north and/or east of the Site. The Planning Proposal will have the effect of reducing lot size from 10,000m² to 4,000m² and the PP will only have the effect of the increasing the density of new dwellings compared to the approved subdivision consent over the Site. The Planning Proposal is unlikely to have any negative impacts on the above heritage items. The Site does not affect the setting of the items, is not on a major approach to the items and is compatible with the residential character of land surrounding the items.

Aboriginal Heritage

A search of the Office of the Environment and Heritage Aboriginal Heritage Information Management System (AHIMS) Web Services was conducted for the Site on 17 September 2021. The AHIMS report shows that no Aboriginal places have been declared on the Site or in the near vicinity.

A comprehensive Aboriginal Heritage Impact Assessment was prepared over the former Cameron's Dairy, in 2010, which wholly includes the Site of the Planning Proposal (refer **Attachment F**) (RPS, 2010). The Armidale Local Aboriginal Land Council was consulted and participated in the archaeological field survey. One (1) Aboriginal site was identified on the originally assessed land area, and this site is not located within the Site of the Planning Proposal. Overall, the study area was identified as having low archaeological sensitivity due to extensive clearing and past land uses including:

- use as a dairy; and
- a history of farming, including extensive soil disturbance from disc ploughing; and
- landscaping, earthworks and fencing of the land.

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Residential Growth

The NEDS (Worley Parsons, 2010) estimated an average annual population growth rate for Armidale of 1.1% up to 2021. The 2019 population projections issued by NSW Government forecast an average annual population growth rate for Armidale Regional Council of 0.9% between 2016 and 2041, representing an increase of 7,800 people. Most of the increase in population is expected to continue to occur within Armidale City.

This is further addressed in Question 4 of Part 3 of this PP.

Social Infrastructure

The Site has the potential for the development of approximately 13 low density residential lots under the proposed MLS, or approximately six (6) large lot rural residential allotments under current MLS. There has been very keen interest in the R2 zoned land to the immediate north of the Site, which is reflective of current supply and demand, and so the Planning Proposal is similarly expected to be in demand due to factors including the north-easterly aspect allowing sustainable house design, and desirable location being within:

- 600m of Martins Gully Public School, 2km of New England Girls School and 2km of Armidale Secondary College;
- 3km of Armidale Regional Airport;
- 3.5km of Armidale Hospital;
- 5km of the Armidale CBD

No negative social or economic effects are anticipated from the intended outcomes of the Planning Proposal. Being located immediately adjacent to the existing urban area and residential zoned land in Armidale, future residential subdivision of the Site will connect socially and be physically integrated with the urban area.

Noise

The PP site is located approximately 600m from the Armidale Airport. The ANEF 20 contour and Obstacle Limitation Surface (OLS) levels are shown on **Figure 23**. The PP will not increase residential densities within the ANEF 20 to 25 area. The PP will not facilitate development that would ordinarily penetrate the OLS.

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Figure 23 – Airport Controls

Section D. State and Commonwealth interests

Q.11 Is there adequate public infrastructure for the planning proposal?

Telecommunications and Electricity

Land immediately to the north of the Site was rezoned to an R2 low-density residential zoning as part of PP No. 10, which also had the effect of reducing the MLS to permitting the creation of parcels having a size of 4,000m². Construction is currently underway on the first stage of the subdivision associated with PP No. 10, which includes provision of telecommunication and electricity infrastructure.

The PP site will be able to be serviced by extension of the existing telecommunication and electricity infrastructure in the adjacent land, including the additional lots facilitated by the PP.

Vehicular Access

The PP site has access to two public roads being Argunna Crescent and Rujala Lane. Both connect to Kurrawatha Avenue, which connects to Uralla Road.

Water and Sewer

The water mains extended along Kurrawatha Avenue to the adjoining residential development have capacity to permit adequate pressure and flowrate for the proposed MLS and subsequent density of development of the Site.

The Site has natural fall to the east and gravity sewerage can be constructed to service the Site, without reliance on a sewage pumping station.

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Waste Management

Council has an existing waste management facility with capacity to service current and any additional demand generated by future residential development on the Site.

Social Infrastructure

Armidale is well serviced with social infrastructure, such as nine (9) public and three (3) private schools, a regional public hospital, a private hospital and many health support services. The Site is located 600m from Martins Gully Public School, 2km from New England Girls School and 2km from Armidale Secondary College; 3km from Armidale Regional Airport; 3.5km from Armidale Hospital; and 5km from the Armidale CBD.

The additional seven (7) allotments is not considered to result in a measurable increase in demand for social infrastructure.

Traffic

The change in MLS will permit an estimated additional seven (7) lots compared to that permissible and approved under the current MLS. Based on typical land use traffic generation, this will generate up to 5.5 additional peak hour trips (based on 0.78/dwelling) on Kurrawatha Avenue and Uralla Road (NSW Roads & Maritime Services, 2013). Traffic will then disperse depending on destination though most traffic is expected to continue across the Main Northern Railway to the Armidale CBD via Kentucky Street, and either Markham Street or Dangar Street.

It is not expected that this additional traffic will exceed the capacity of these roads nor result in any adverse impacts in terms of functioning or safety of the local road network.

Q.12 What are the views of State and Commonwealth Public Authorities consulted in accordance with the gateway determination?

Preliminary views of State or Commonwealth public authorities have not been obtained prior to preparing this Planning Proposal.

Table 6 identifies the State and Commonwealth public authorities to be consulted and outlines the particular land use issues or site conditions which have triggered the need for the referral.

Table 6 – State and Commonwealth Agency Referrals

State or Commonwealth agency	Need for referral
NSW Department of Planning & Environment – Environment & Heritage	Biodiversity – refer to Question 7 of the Planning Proposal. Aboriginal Cultural Heritage – refer to Question 9 of the Planning Proposal.
Civil Aviation Safety Authority (CASA)	Airport

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PART 4 – MAPPING

The following mapping is included in the Planning Proposal.

- **Attachment A** identifies the land subject to the Planning Proposal, and shows the current minimum lot sizes applying to the land.
- **Attachment B** identifies the land subject to the Planning Proposal, and shows the proposed minimum lot sizes applying to the land.

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PART 5 – COMMUNITY CONSULTATION

In accordance with Schedule 1 of the EP&A Act 1979, this Planning Proposal must be approved under a Gateway Determination prior to community consultation being undertaken by Council.

Pursuant to the *Local Environmental Plan Making Guideline* (NSW Department of Planning & Environment, 2022), the subject proposal meets the following definition of being a Standard Planning Proposal:

A Standard Planning Proposal is a PP that, in the opinion of the person making the Gateway determination is:

- *To change the land use zone where the proposal is consistent with the objectives identified in the LEP for that proposed zone*
- *That relates to altering the principal development standards of the LEP*
- *That relates to the addition of a permissible land use or uses and/or any conditional arrangements under Schedule 1 Additional Permitted Uses of the LEP*
- *That is consistent with an endorsed District/Regional Strategic Plan and/or LSPS*
- *Relating to classification or reclassification of public land through the LEP*

It is recommended that this Planning Proposal is exhibited for a period of 20 working days and adjoining property owners are notified of the exhibition period.

PART 6 – PROJECT TIMELINE

The anticipated project timeline for completion of the Planning Proposal is outlined in **Table 7**.

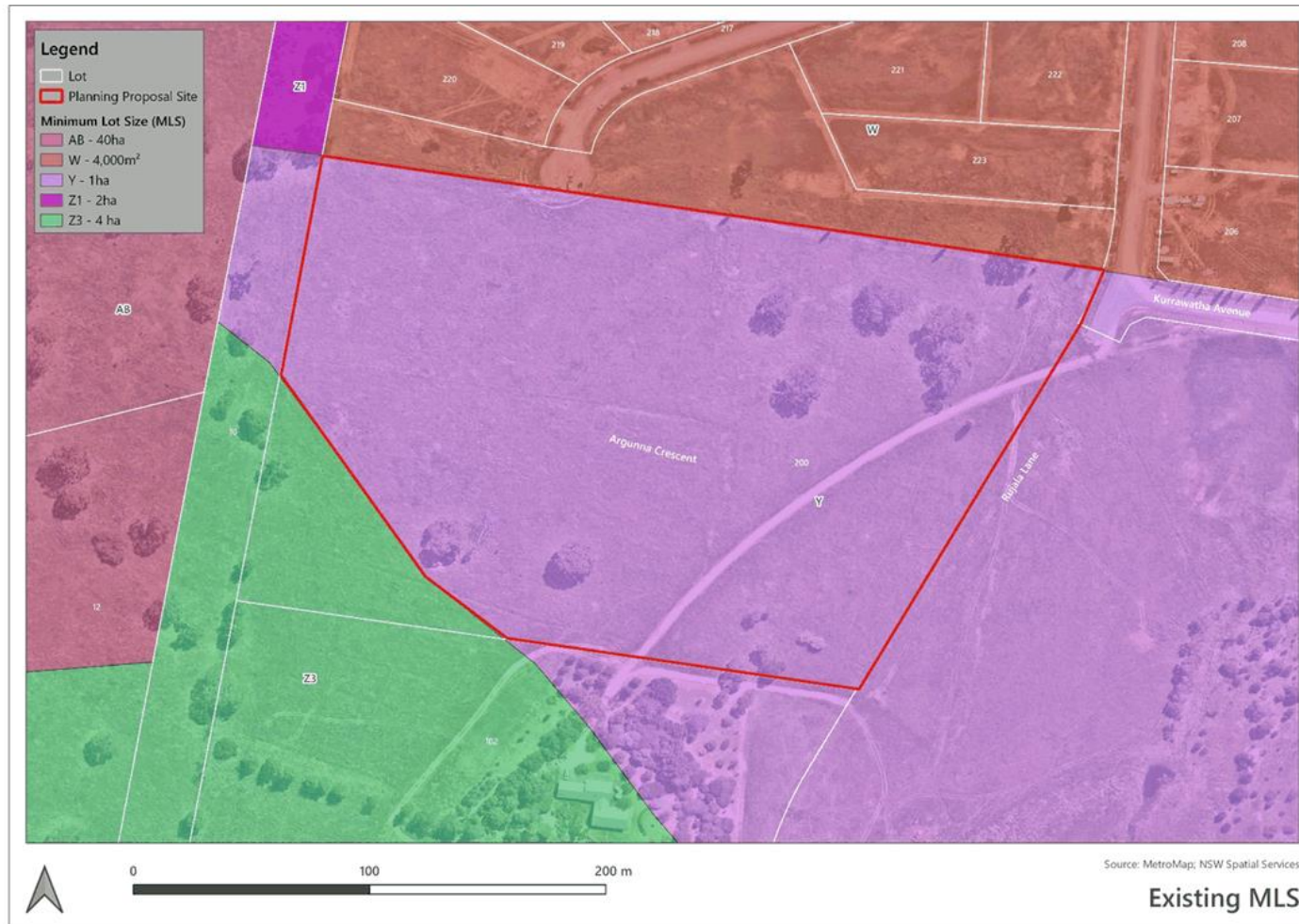
Table 7 – Indicative Project Timeline

Stage	Timeframe and/or date
Consideration by council	November 2022
Council decision	November 2022
Gateway determination	25 working days (January 2023)
Pre-exhibition	50 working days (March 2023)
Commencement and completion of public exhibition period	25 working days (April 2023)
Consideration of submissions	25 working days (May 2023)
Post-exhibition review and additional studies	45 working days (July 2023)
Submission to the Department for finalisation (where applicable)	20 working days (August 2023)
Gazettal of LEP amendment	35 working days (October 2023)

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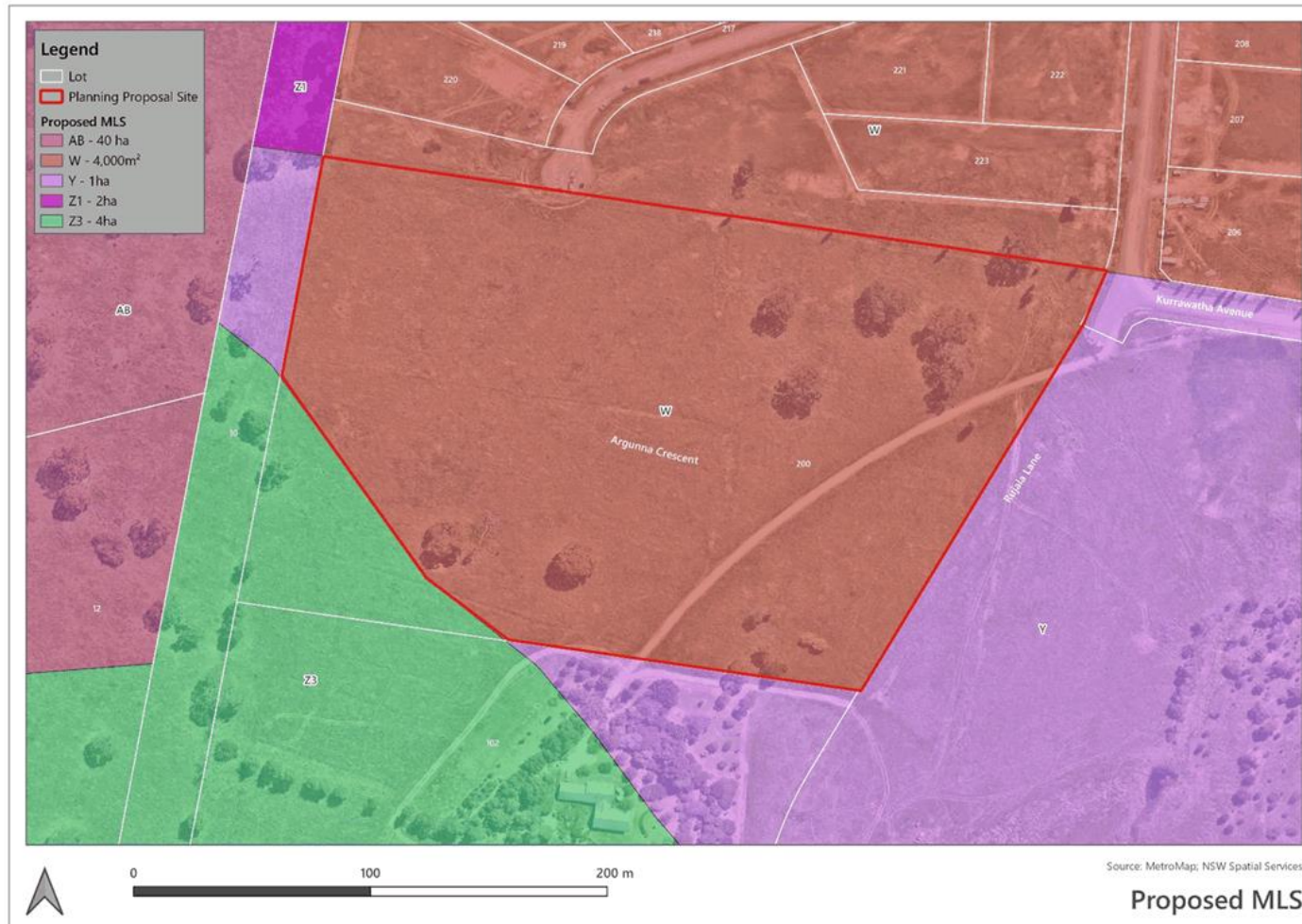
Attachment A: CURRENT ARMIDALE DUMARESQ LEP 2022 LOT SIZE MAP



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Attachment B: AMENDMENT OF THE ARMIDALE DUMARESQ LEP 2022 LOT SIZE MAP



Attachment C: APPLICABLE STATE ENVIRONMENTAL PLANNING POLICIES

SEPP	Consistent	Comment
Biodiversity & Conservation SEPP (B&C SEPP)	YES	<p>Koala Habitat Protection 2021</p> <p>Chapter 4 of the B&C applies to development within the ARC LGA, outside of the RU1, RU2 & RU3 zones. There are no specific provisions relating to LEP amendments.</p> <p>Chapter 4 aims to:</p> <p><i>... encourage the conservation and management of areas of natural vegetation that provide habitat for koalas to ensure a permanent free living population over their present range and reverse the current trend of koala population decline.</i></p> <p>As there are no KPoMs within the LGA and the site has an area of more than 1 ha, Section 4.9 of the SEPP would be applicable to any future development of the site. This section requires Council to consider whether the development is likely to have any impact on koalas or koala habitat. The Flora & Fauna Assessment (Birdwing Ecological Services, 2021) states:</p> <p><i>No evidence of koala usage was recorded in the surveys. This indicates that the site has relatively low potential for koala use. DPIE BioNet records are present in the locality,</i></p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>
Building Sustainability Index: BASIX 2004	YES	<p>This SEPP operates in conjunction with the <i>Environmental Planning and Assessment Amendment (Building Sustainability Index: BASIX) Regulation 2004</i> to ensure the effective introduction and consistent implementation of BASIX in NSW by overriding competing provisions in other environmental planning instruments and development control plans. There are no specific provisions relating to LEP amendments.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>
Exempt and Complying Development Codes 2008	YES	<p>This policy aims to provide streamlined assessment processes for development that complies with specified development standards by providing exempt and complying development codes that have state-wide application. There are no specific provisions relating to LEP amendments.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>
Housing SEPP 2021 (Housing SEPP)	YES	<p>The Housing SEPP provides for:</p> <ul style="list-style-type: none"> the development of diverse housing types, including purpose-built rental housing,

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SEPP	Consistent	Comment
		<ul style="list-style-type: none"> the development of housing that will meet the needs of more vulnerable members of the community, including very low to moderate income households, seniors and people with a disability, short-term rental accommodation as a home-sharing activity and contributor to local economies, while managing the social and environmental impacts from this use <p>There are no specific provisions relating to LEP amendments.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>
Industry & Employment SEPP 2021	Yes	<p>The I&E SEPP provides planning controls for <i>inter alia</i> Advertising & Signage (former SEPP 64). It aims to ensure that signage (including advertising) is compatible with the desired amenity and visual character of an area, provides effective communication in suitable locations, and is of high-quality design and finish.</p> <p>There are no specific provisions relating to LEP amendments.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>
Planning Systems SEPP 2021	Yes	<p>The Planning Systems SEPP provides for identification of certain projects that are deemed to be state or regionally significant.</p> <p>There are no specific provisions relating to LEP amendments.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>
Primary Production SEPP 2021	Yes	<p>The aim of the SEPP is to facilitate the orderly and economic use and development of primary production lands. There are no specific provisions relating to LEP amendments.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>
Resilience & Hazards SEPP (R&H SEPP)	Yes	<p>R&H SEPP provides State-wide planning controls for the remediation of contaminated land. There are no specific provisions relating to LEP amendments.</p> <p>Where a development will result in a change of use of the land, the following land is not to be included unless council has considered whether the land is contaminated and, if so, whether it requires remediation to be made suitable for any purpose permitted in the proposed zone:</p> <ul style="list-style-type: none"> Land that is within an investigation area. The Site is not within an investigation area. land on which development for a purpose referred to in Table 1 to the contaminated land planning guidelines is being, or is known to have been, carried out. The extent to which it is proposed to carry out development on the land for residential, educational, recreational or child care purposes or for the purposes of a hospital - land—

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SEPP	Consistent	Comment
		<ul style="list-style-type: none"> in relation to which there is no knowledge (or incomplete knowledge) as to whether development for a purpose referred to in Table 1 to the contaminated land planning guidelines has been carried out, and on which it would have been lawful to carry out such development during any period in respect of which there is no knowledge (or incomplete knowledge). <p>Based on the known historical use of the site for grazing and a thorough inspection by the proponent, which did not reveal the remains of any potentially contaminating past activities, it is considered that there is a low likelihood of any soil contamination being present on the Site. The property is not listed as a potentially contaminated site by council.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>
Resources & Energy SEPP 2021	Yes	<p>This SEPP aims to properly manage and develop mineral, petroleum and extractive material resources in NSW and includes provisions for the permissibility of mining and extractive industries. There are no specific provisions relating to LEP amendments.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>
Transport & Infrastructure SEPP 2021	Yes	<p>Infrastructure</p> <p>Chapter 2 of the SEPP permits certain infrastructure and services that are exempt development or development that may be carried out with or without consent where specific development standards and criteria are met. There are no specific provisions relating to LEP amendments.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p> <p>Educational Establishments and Child Care Facilities</p> <p>Chapter 3 of the SEPP includes provisions for the permissibility of educational establishments and child care facilities. There are no specific provisions relating to LEP amendments.</p> <p>The Planning Proposal is not inconsistent with this SEPP.</p>

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Attachment D: APPLICABLE MINISTERIAL DIRECTIONS (SECTION 9.1 DIRECTIONS)

Focus Area 1: Planning Systems

Direction		Consistent	Comments
1.1	Implementation of Regional Plans	Yes	The PP is not inconsistent with the Regional Plan as outlined in Q1.
1.2	Development of Aboriginal Land Council land	N/A	The land is not shown on the Land Application Map of chapter 3 of the State Environmental Planning Policy (Planning Systems) 2021.
1.3	Approval and Referral Requirements	Yes	The PP does not: <ul style="list-style-type: none"> include any requirements for concurrence, consultation or referral of development applications to a Minister or public authority. not identify development as designated development.
1.4	Site Specific Provisions	Yes	The PP does not amend another environmental planning instrument in order to allow particular development to be carried out The PP only includes an indicative subdivision layout for the purposes of demonstrating impact.
1.5	Parramatta Road Corridor Urban Transformation Strategy	N/A	Not applicable to the site.
1.6	Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan	N/A	Not applicable to the site.
1.7	Implementation of Greater Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	N/A	Not applicable to the site.
1.8	Implementation of Wilton Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	N/A	Not applicable to the site.

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Direction		Consistent	Comments
1.9	Implementation of Glenfield to Macarthur Urban Renewal Corridor	N/A	Not applicable to the site.
1.10	Implementation of the Western Sydney Aerotropolis Plan	N/A	Not applicable to the site.
1.11	Implementation of Bayside West Precincts 2036 Plan	N/A	Not applicable to the site.
1.12	Implementation of Planning Principles for the Cooks Cove Precinct	N/A	Not applicable to the site.
1.13	Implementation of St Leonards and Crows Nest 2036 Plan	N/A	Not applicable to the site.
1.14	Implementation of Greater Macarthur 2040	N/A	Not applicable to the site.
1.15	Implementation of the Pyrmont Peninsula Place Strategy	N/A	Not applicable to the site.
1.16	North West Rail Link Corridor Strategy	N/A	Not applicable to the site.
1.17	Implementation of the Bays West Place Strategy	N/A	Not applicable to the site.
1.18	Implementation of the Macquarie Park Innovation Precinct	N/A	Not applicable to the site.
1.19	Implementation of the Westmead Place Strategy	N/A	Not applicable to the site.

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Focus Area 2: Design & Place

Direction	Consistent	Comments
Nil		

Focus Area 3: Biodiversity & Conservation

Direction	Consistent	Comments
3.1 Conservation Zones	Yes	The PP would not change the zoning of the existing C4 land. As outlined throughout this PP, the PP would not reduce the conservation standards applying to the land as the changes are consistent with existing strategies that initially created the environmental zoning.
3.2 Heritage Conservation	Yes	There are no items, places, buildings, works, relics, moveable objects or precincts of environmental heritage significance, Aboriginal objects or Aboriginal places, or Aboriginal areas, Aboriginal objects, Aboriginal places or landscapes known to be affected by the PP.
3.3 Sydney Drinking Water Catchments	N/A	Not applicable to the site.
3.4 Application of C2 and C3 Zones and Environmental Overlays in Far North Coast LEPs	N/A	Not applicable to the site.
3.5 Recreation Vehicle Areas	Yes	The PP does not enable land to be developed for the purpose of a recreation vehicle area.
3.6 Strategic Conservation Planning	N/A	The PP: <ul style="list-style-type: none"> Does not apply to avoided land identified under the State Environmental Planning Policy (Biodiversity and Conservation) 2021 Does not apply to strategic conservation area identified under the State Environmental Planning Policy (Biodiversity and Conservation) 2021

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Focus Area 4: Resilience & Hazards

Direction	Consistent	Comments
4.1 Flooding	N/A	The PP does not affect land that is identified as flood prone land.
4.2 Coastal Management	N/A	The PP does not affect land that is within the coastal zone.
4.3 Planning for Bushfire Protection	N/A	The PP does not affect land that is mapped as being within a bush fire prone area.
4.4 Remediation of Contaminated Land	N/A	<p>The PP does not affect:</p> <ul style="list-style-type: none"> land that is within an investigation area within the meaning of the Contaminated Land Management Act 1997, land on which development for a purpose referred to in Table 1 to the contaminated land planning guidelines is being, or is known to have been, carried out, the extent to which it is proposed to carry out development on it for residential, educational, recreational or childcare purposes, or for the purposes of a hospital – land: <ul style="list-style-type: none"> in relation to which there is no knowledge (or incomplete knowledge) as to whether development for a purpose referred to in Table 1 to the contaminated land planning guidelines has been carried out, and on which it would have been lawful to carry out such development during any period in respect of which there is no knowledge (or incomplete knowledge).
4.5 Acid Sulfate Soils	N/A	The PP does not affect land having a probability of containing acid sulfate soils
4.6 Mine Subsidence and Unstable Land	N/A	<p>The PP does not affect:</p> <ul style="list-style-type: none"> land that is within a declared mine subsidence district in the Coal Mine Subsidence Compensation Regulation 2017 land that has been identified as unstable in a study, strategy or other assessment undertaken by or on behalf of the relevant planning authority or by or on behalf of a public authority and provided to the relevant planning authority.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Focus Area 5: Transport & Infrastructure

Direction	Consistent	Comments
5.1 Integrating Land Use and Transport	N/A	This PP does not create, alter or remove a zone or a provision relating to urban land, including land zoned for residential, business, industrial, village or tourist purposes.
5.2 Reserving Land for Public Purposes	Yes	<ul style="list-style-type: none"> This PP does not create, alter or reduce existing zonings or reservations of land for public purposes The Minister or public authority has not requested a relevant planning authority to reserve land for a public purpose. The Minister or public authority has not requested a relevant planning authority to include provisions in a planning proposal to rezone and/or remove a reservation of any land that is reserved for public purposes because the land is no longer designated by that public authority for acquisition.
5.3 Development Near Regulated Airports and Defence Airfields	Yes	<ul style="list-style-type: none"> Consultation will be undertaken with CASA as part of the PP. The Armidale Airport is not a core regulated airport or a defence airfield The PP will not increase residential densities within the ANEF 20 to 25 area. The PP will not facilitate development that would ordinarily penetrate the OLS.
5.4 Shooting Ranges	N/A	The PP will not affect, create, alter or remove a zone or a provision relating to land adjacent to and/ or adjoining an existing shooting range.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Focus Area 6: Housing

Direction	Consistent	Comments
6.1 Residential Zones	N/A	This PP does not affect land within an existing or proposed residential zon, or any other zone in which significant residential development is permitted or proposed to be permitted.
6.2 Caravan Parks and Manufactured Home Estates	Yes	<ul style="list-style-type: none"> The PP will not impact provisions that permit development for the purposes of a caravan park to be carried out on land. The PP does not change any provisions relating to suitable zones, locations and provisions for manufactured home estates (MHEs).

Focus Area 7: Industry & Employment

Direction	Consistent	Comments
7.1 Business and Industrial Zones	N/A	The PP will not affect land within an existing or proposed business or industrial zone.
7.2 Reduction in non-hosted short-term rental accommodation period	N/A	Not applicable to the site.
7.3 Commercial and Retail Development along the Pacific Highway, North Coast	N/A	Not applicable to the site.

Focus Area 8: Resources & Energy

Direction	Consistent	Comments
8.1 Mining, Petroleum Production and Extractive Industries	N/A	<p>The PP does not have the effect of:</p> <ul style="list-style-type: none"> prohibiting the mining of coal or other minerals, production of petroleum, or winning or obtaining of extractive materials, or restricting the potential development of resources of coal, other minerals, petroleum or extractive materials which are of State or regional significance by permitting a land use that is likely to be incompatible with such development.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Focus Area 9: Primary Production

Direction	Consistent	Comments
9.1 Rural Zones	N/A	The PP does not impact on any rural zonings.
9.2 Rural Lands	Yes	<ul style="list-style-type: none"> The PP is: <ul style="list-style-type: none"> The PP is consistent with the strategic plans as outlined in Sections A & B of this PP The site is currently zoned C4 and has a MLS of 1ha. Whilst there is a small area of the site mapped as BSAL, the PP would have no greater impact on the significance of agriculture and primary production compared to the current MLS. Whilst a small part of the site is mapped as containing HEV, the biodiversity assessment that has been completed as part of this PP has identified that the site is substantially degraded and remnant native vegetation is in low condition. Consequently, few major biodiversity constraints are present that would be a limitation to the potential rezoning and development of the site The natural and physical constraints of the site, including the topography, size, location, water availability and ground and soil conditions, have been an integral consideration in the PP as outlined in the Introduction section of this PP. The promotion of opportunities for investment in productive, diversified, innovative and sustainable rural economic activities would not be hindered by this PP. supporting farmers in exercising their right to farm would not be hindered by this PP. this PP would provide no further fragmentation of rural land nor increase any land use conflict. The PP would not impact on the ongoing viability of the rural use of the land as it is already zoned for conservation. The proposed reduction in MLS: <ul style="list-style-type: none"> Would not create any additional fragmentation of rural land or increase land use conflict compared to the existing MLS. Will not measurable increase any adverse affect on the operation and viability of existing and future rural land uses and related enterprises. Will be supported by appropriate utility infrastrcture and transport infrastructure. The minor increase in dwelling yield as a result of the change in MLS would not result in significant additional demand on human services. The PP site is located adjacent to an

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Direction	Consistent	Comments
		<p>existing similar development and as such has appropriate proximity to existing centres.</p> <ul style="list-style-type: none"> As outlined in Section B Q6 of this PP, there is an absence of supply of land with this MLS. In relation to the clause 5.16 principles: <ul style="list-style-type: none"> The land to the north, east and south of the site is zoned for large lot residential and rural residential style development, with areas developed and yet to be developed in accordance with this zoning/MLS. The land to the west of the site is zoned RU4 Primary Production Small Lots, which is used for grazing activities and a funeral home. The PP will reduce the minimum lot size compared to the existing but consistent with the development to the north of the site, which will enable a greater number of allotments and consequentially dwellings to be located within the PP site. It is not expected that the net additional allotments from the change in MLS would significantly impact upon the preferred and predominant land uses in the vicinity of the site. The change in lot size facilitated by the PP would not result in development that is incompatible with the preferred and predominant land uses. No measures are considered required to avoid/minimise incompatibility due to the absence of incompatibility.
9.3 Oyster Aquaculture	N/A	The PP is not located within a 'Priority Oyster Aquaculture Areas' or oyster aquaculture.
9.4 Farmland of State and Regional Significance on the NSW Far North Coast	N/A	Not applicable to the site.

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Attachment E: Flora & Fauna Assessment

Planning Proposal No. 18 – Rezoning at Kurrawatha Avenue, Armidale, NSW



Attachment F: Aboriginal Heritage Impact Assessment



Armidale Regional Council Section 7.12 Contributions Plan 2018 – 2022 Revision

Armidale Regional Council Section 7.12 Contributions Plan 2018 – 2022 Revision

Armidale Regional Council Section 7.12 Contributions Plan 2018 Produced by:
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This updated version has been produced by Armidale Regional Council.

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1. Executive Summary

1.1 Background

1.1.1. What are development contributions?

Development contributions are contributions made by those undertaking development approved under the Environmental Planning and Assessment Act 1979 (the Act). Contributions may be in the form of money, the dedication of land or some other material public benefit (or a combination of these). The mechanisms available for development contributions are limited to:

In the case of contributions made under Sections 7.11 or 7.12 of the Act - toward the provision or improvement of amenities or services (or the recouping of the cost of provision or improvement of amenities or services), or

In the case of contributions made under a planning agreement prepared in accordance with sections 7.4 to 7.10 of the Act toward public purposes.

The Plan deals with Section 7.12 contributions.

1.1.2. Section 7.11 and 7.12 levies

Sections 7.11 and 7.12 of the Act provide Council the means to levy contributions towards the cost of public facilities and services to meet the increased demand created by development. In the case of Section 7.11 contributions, there has to be a direct nexus between the development being levied under section 7.11 and the need for the public amenity or service (infrastructure) for which the contribution is required. Section 7.12 contributions do not require a nexus between the development, infrastructure and the contribution.

A condition of development consent may be imposed by Council under a Section 7.12 contribution plan with a requirement that the applicant pay a levy based on a percentage of the proposed cost of carrying out the development. A condition under Section 7.12 that is allowed by and determined in accordance with a contributions plan may not be disallowed or amended by the Court on appeal.

The monies collected will assist Council towards the provision, extension or augmentation of public amenities or public services. The application of the money is subject to any relevant provision of the Contribution Plan and the Works Schedule at Appendix 1.

1.2 Purpose

The purpose of this Contributions Plan is:

- To authorise the Council to impose a condition on certain development consents and complying development certificates requiring the payment of a contribution pursuant to section 7.12 of the Act;
- To require a certifying authority (the Council or an accredited private certifier) to impose, as a condition of issuing a complying development certificate, a requirement that the applicant pay to Council a levy determined in accordance with this Plan;
- To assist the Council to provide public facilities and amenities which are required to maintain and enhance amenity and service delivery within the area;
- To state the purposes for which the levies are required, and
- To provide for the governance of the contributions and their application in accordance with the Act and Regulations.

1.3 Timescales identified in the plan

This Plan aims to cater for development to 2028. It is anticipated that the Plan will be reviewed in the intervening period and updated.

Council recognises that demographic change in the existing and new population is driving changes in the demand for public services and amenities, and accordingly this Plan seeks to respond to these future needs.

The Work Schedule in this Plan is based on the provision of public facilities in key locations across the LGA with amounts located based on expected development, the population of each location and the demand for new or augmented public amenities and facilities.

1.4 Summary of facilities

This Plan seeks contributions towards the following categories of public services and facilities:

- Public Assets and related infrastructure.
- Pedestrian and cycling Infrastructure.
- Open Space and Recreation.
- Civic and community facilities.

1.5 Summary of contribution rates

The contribution rate is calculated as a percentage of the cost of development, as per the table below.

Cost of Development	Contribution levy rate %
All development valued at \$100,000 or less	0.0%
All development valued at \$100,001 up to \$200,000	0.5%
All development valued in excess of \$200,000	1.0%

Certain exemptions apply to the Contribution. Details can be found in Section 3.13.

1.6 Work schedule

The Work Schedules can be found in Appendix 1 to this Plan.

2. Introduction

2.1 Name of the Plan

This Plan is the Armidale Regional Council Section 7.12 Contributions Plan 2018.

This Contributions Plan has been prepared in accordance with the Environmental Planning and Assessment Act 1979 (the Act), the Environmental Planning and Assessment Regulation 2000 (the Regulation), the then Department of Planning and Infrastructure's Development Contributions Practice Notes 2005, relevant Ministerial Directions, and Department of Planning and Environment Circulars and Guidelines.

2.2 Commencement of Plan

This Contributions Plan takes effect on 1 November 2018.

Development applications and applications for complying development certificates determined on or after this date will be subject to the provisions of this Plan.

2.3 Savings and transitional arrangements

A development or complying development application which has been submitted prior to the adoption of this Plan but not determined shall be determined in accordance with the provisions of the Plan which applied at the date of determination of the application.

2.4 Purpose of the Plan

The purpose of this Contributions Plan is:

- To authorise the Council to impose a condition on certain development consents and complying development certificates requiring the payment of a contribution pursuant to Section 7.12 of the Act;
- To require a certifying authority (the Council or an accredited private certifier) to impose, as a condition of issuing a complying development certificate, a requirement that the applicant pay to Council a levy determined in accordance with this Plan;
- To assist the Council to provide public facilities and amenities which are required to maintain and enhance amenity and service delivery within the area;
- To state the purposes for which the levies are required, and
- To provide for the governance of the contributions and their application in accordance with the Act and Regulations.

2.5 Area to Which the Plan Applies

This Contributions Plan applies to all land within the Armidale Regional Council Local Government Area

2.6 Types of Development to which this Plan applies

This Plan applies to all applications for development consent and complying development certificates on the land to which the Plan applies.

Development types also include (but are not limited to):

- Solar Energy Developments
- Wind Energy Developments
- Hydroelectricity Energy Developments

- Battery Storage Developments
- Regional Developments
- State Significant Developments

Note: “development” referred to in this clause has the same meaning as in the Act.

2.7 What does Section 7.12 of the Act provide?

Section 7.12 of the Act provides as follows:

7.12. Fixed development consent levies

- (1) A consent authority may impose, as a condition of development consent, a requirement that the applicant pay a levy of the percentage, authorised by a contributions plan, of the proposed cost of carrying out the development.
- (2) A consent authority cannot impose as a condition of the same development consent a condition under this section as well as a condition under section 7.11.
- (2A) A consent authority cannot impose a condition under this section in relation to development on land within a special contributions area without the approval of:
 - (a) the Minister, or
 - (b) a development corporation designated by the Minister to give approvals under this subsection.
- (3) Money required to be paid by a condition imposed under this section is to be applied towards the provision, extension or augmentation of public amenities or public services (or towards recouping the cost of their provision, extension or augmentation). The application of the money is subject to any relevant provisions of the contributions plan.
- (4) A condition imposed under this section is not invalid by reason only that there is no connection between the development the subject of the development consent and the object of expenditure of any money required to be paid by the condition.
- (5) The regulations may make provision for or with respect to levies under this section, including:
 - (a) the means by which the proposed cost of carrying out development is to be estimated or determined, and
 - (b) the maximum percentage of a levy.

2.8 Relationship to other Plans and Policies

This Plan supersedes and repeals the following current contributions plans applying to the local government area by amending and/or repeal the following:

- Armidale Contributions Plan 1993- former Armidale City Local Government Area
- Dumaresq Section 94 Development Contributions Plan 1993 – former Dumaresq Shire Local Government Area
- Armidale Contributions Plan No.2 1992 Rockvale Rd footpath/road widening
- Armidale Contributions Plan No.1 1993 Footpath Grafton and Canambe Road
- Armidale Contributions Plan No.4 1993 Footpath Northcott and Munro Streets
- Armidale Contributions Plan No.1 1996 Link Road pedestrian cycleway
- Armidale Dumaresq Development Contributions Plan 2013 Macdonald Drive shared pathway
- Armidale Dumaresq Development Contributions Plan 2013 Cookes Road Bridge Upgrade
- Guyra Section 94A Plan 2006

This Plan complements the Armidale Regional Council Section 7.11 Contributions Plan 2018 - Heavy Vehicles. Aspects of development to which the Section 7.11 Plan applies are not to be levied contributions under the Section 7.12 Plan 2018.

Unspent contributions raised and paid under the authority of the previous Section 94 or 94A Contributions Plans:

- will be continued to be directed towards achieving the outcomes sought by the respective facilities and infrastructure described in the Work Schedule of those Plans. Where items from the previous Section 94 or 94A Contributions Plans have continued in the Armidale Regional Council Section 7.12 Plan 2018, those funds are to be reallocated towards the relevant facilities and infrastructure in the Works Schedule of this Plan, or
- will be redirected towards other facilities and infrastructure to those described in the Works Schedules of this Plan. These facilities and infrastructure will achieve the same or similar outcomes sought by the previous Section 94 or 94A Plan. The reallocation of funds received under the previous Plans to facilities and infrastructure in the Works Schedule in this Plan is shown in Appendix 3.

2.9 Infrastructure and Growth

At the 27 January 2022 Ordinary Council Meeting the Council resolved to set an aspirational target to grow jobs in the Armidale Regional LGA by 4000 by 2040 and generate at least 1000 new jobs over the next 5 years. As part of the resolution it was identified that the way to achieve this was to provide the region building infrastructure as a catalyst for job growth projects that will maximise the regions potential.

The vision noted that if the Armidale Regional LGA is to succeed it will need a jobs growth strategy based on catalyst projects such as leveraging the renewal of the Armidale and Guyra Central Business Districts which will assist in the attraction of sustainable industries drawing on our future role as Australia's largest renewable energy community, and expanding opportunities for intensive horticultural enterprises. Accordingly, it was identified that among other matters, the development of the regions cultural infrastructure is important in ensuring that that we can offer a lifestyle proposition that is second to none.

At a presentation to Council in February 2022, Macroplan Consultants provided a Population Growth and Dwelling Demand forecast for the region, which compares DPE estimates against a 'Base Case' estimate based on Macroplan research and an 'Aspirational' estimate which could be realised if the vision set by Council in January 2022 was achieved.

The below tables show that in each scenario there is growth expected across the regional areas and townships within the LGA. Importantly, ARC should plan for growth and should consider the aspirational growth scenario as a feasible growth projection, accordingly if Council follows its aspirational growth targets there is a likelihood that these targets could be achieved.

Armidale Region Actual and Projected POPULATION (Source Macroplan, 2022):

	2021	2026	2031	2036	2041	2046	2052
Armidale Regional LGA							
DPE (2019)	29,500	32,300	34,100	35,600	36,900	37,500	38,300
Macroplan Base Case	29,500	32,600	34,900	36,700	38,500	39,900	41,600
Macroplan Aspirational	29,500	32,600	35,600	38,300	41,300	44,000	47,400
Armidale City							

Macroplan Base Case	24,200	27,100	29,300	30,900	32,700	34,000	35,500
Macroplan Aspirational	24,200	27,100	30,000	32,500	35,300	37,700	40,900
Guyra Township							
Macroplan Base Case	2,400	2,600	2,700	2,900	3,000	3,100	3,200
Macroplan Aspirational	2,400	2,600	2,800	3,000	3,200	3,400	3,600

Armidale Region Actual and Projected DWELLINGS (Source Macroplan, 2022):

	2021	2026	2031	2036	2041	2046	2052
Armidale Regional LGA							
DPE (2019)	12,100	13,400	14,000	14,700	15,300	15,600	16,100
Macroplan Base Case	12,100	13,600	14,300	15,100	16,000	16,700	17,500
Macroplan Aspirational	12,100	13,600	14,600	15,800	17,100	18,400	20,000
Armidale City							
DPE (2022)	9,800	9,800	10,100	10,300	10,700		
Macroplan Base Case	9,800	11,000	11,900	12,600	13,400	14,000	14,800
Macroplan Aspirational	9,800	11,000	12,200	13,200	14,400	15,500	17,000
Guyra Township							
Macroplan Base Case	1,000	1,100	1,100	1,200	1,300	1,300	1,400
Macroplan Aspirational	1,000	1,100	1,200	1,300	1,300	1,400	1,500

3. Operation of the Plan

3.1 Payment of the contribution

This Plan authorises Council to require the payment of a monetary contribution as a condition of development consent in accordance with the provisions of this Plan.

Contributions will be determined on the basis of the proposed cost of development. Section 208 of the Environmental Planning and Assessment Regulation 2021 provides details of inclusions and exclusions from the cost calculations, as follows:

208 Determination of proposed cost of development—the Act, s 7.12(5)(a)

- (1) The proposed cost of carrying out development must be determined by the consent authority by adding up all the costs and expenses that have been or will be incurred by the applicant in carrying out the development.
- (2) The costs of carrying out development include the costs of, and costs incidental to, the following—
 - (a) if the development involves the erection of a building or the carrying out of engineering or construction work—
 - (i) erecting the building or carrying out the work, and
 - (ii) demolition, excavation and site preparation, decontamination or remediation,
 - (b) if the development involves a change of use of land—doing anything necessary to enable the use of the land to be changed,
 - (c) if the development involves the subdivision of land—preparing, executing and registering—
 - (i) the plan of subdivision, and
 - (ii) the related covenants, easements or other rights.
- (3) In determining the proposed cost, a consent authority may consider an estimate of the proposed cost that is prepared by a person, or a person of a class, approved by the consent authority to provide the estimate.
- (4) The following costs and expenses must not be included in an estimate or determination of the proposed cost—
 - (a) the cost of the land on which the development will be carried out,
 - (b) the costs of repairs to a building or works on the land that will be kept in connection with the development,
 - (c) the costs associated with marketing or financing the development, including interest on loans,
 - (d) the costs associated with legal work carried out, or to be carried out, in connection with the development,
 - (e) project management costs associated with the development,
 - (f) the cost of building insurance for the development,
 - (g) the costs of fittings and furnishings, including refitting or refurbishing, associated with the development, except if the development involves an enlargement, expansion or intensification of a current use of land,
 - (h) the costs of commercial stock inventory,
 - (i) the taxes, levies or charges, excluding GST, paid or payable in connection with the development by or under a law,
 - (j) the costs of enabling access by people with disability to the development,
 - (k) the costs of energy and water efficiency measures associated with the development,

- (l) the costs of development that is provided as affordable housing,
- (m) the costs of development that is the adaptive reuse of a heritage item.

(5) The proposed cost may be adjusted before payment of a development levy, as specified in a contributions plan, to reflect quarterly or annual variations to readily accessible index figures adopted by the plan between the day on which the proposed cost was determined by the consent authority and the day by which the development levy must be paid.

Example—

A contributions plan may adopt the Consumer Price Index.

(6) To avoid doubt, this section does not affect the determination of the fee payable for a development application.

Applicants are advised to consult the Regulation for any changes in the above list, which was current on 6 October 2022.

3.2 Calculation of the contribution

The contribution will be calculated as follows:

Levy payable = %C x \$C

Where

%C is the levy rate applicable

\$C is the proposed cost of carrying out the development as certified.

3.3 Contribution Rate

The contribution rate is calculated as a percentage of the development value, as per the table below.

Cost of Development	Contribution levy rate%
All development valued at \$100,000 or less	0.0%
All development valued at \$100,001 up to \$200,000	0.5%
All development valued in excess of \$200,000	1.0%

Certain types of development may be exempt from a section 7.12 contribution. Details can be found in Section 3.13.

3.4 Cost estimate reports

In order to enable the amount of the contribution to be accurately determined, a cost estimate report must accompany an application for a development application or a complying development certificate.

A development application, or subdivision certificate application, or application for a complying development certificate must be accompanied by a report setting out an estimate of the proposed cost of carrying of the development.

A cost summary report must be completed for works with a value no greater than \$ 3,000,000;

A Quantity Surveyor's Detailed Cost Report must be completed by a registered Quantity Surveyor for works with a value greater than \$ 3,000,000, and example cost estimate reports have been included in Appendix 4.

Applicants can use alternate cost estimation methods as agreed to by Council.

Without limitation to the above, Council may review the valuation or works and may seek the services of an independent person to verify the costs. In these cases, all costs associated with obtaining such advice will be at the expense of the applicant and no construction certificate, complying development certificate or subdivision

certificate will be issued until such time that the levy has been paid.

3.5 Complying Development

In accordance with Section 156 of the Environmental Planning and Assessment Regulation Accredited Certifiers must impose a condition requiring monetary contributions in accordance with this Plan, in accordance with Section 7.12 of the Environmental Planning and Assessment Act. The amount of the contribution is to be determined in accordance with the formulas contained in this Plan. The conditions imposed must be consistent with Council's standard Section 7.12 consent conditions and be in accordance with this Plan. It is the responsibility of accredited certifiers to correctly calculate the contribution and apply the Section 7.12 contribution.

Complying Development Certificates must be assessed and issued by Council if the developer wishes Council to consider land dedication, material public benefits or works in kind.

3.6 Construction Certificates

In accordance with Clause 156 of the Environmental Planning and Assessment Regulation, a certifying authority must not issue a construction certificate for building work or subdivision works under development consent unless it has verified that each condition requiring the payment of monetary contributions has been satisfied.

In particular, the certifier must ensure that the applicant provides a receipt(s) confirming that contributions have been fully paid and copies of such receipts must be included with copies of the certified plans provided to the Council in accordance with clause 156(2) of the Environmental Planning and Assessment Regulation. Failure to follow this procedure may render such a certificate invalid.

The only exception to this requirement is where works in kind, material public benefit, dedication of land or deferred arrangement has been agreed by the Council. In such cases the Council will issue a letter confirming that an alternative payment method has been agreed with the applicant.

3.7 Alternatives to Payment

Council may accept an offer by the applicant to provide an "in-kind" contribution (i.e. the applicant completes part or all of work/s identified in the plan) or through provision of another material public benefit in lieu of the applicant satisfying its obligations under this plan. The decision to accept such offers is at the sole discretion of the Council.

Council may accept such alternatives when made as an offer as part of a development application.

The applicant may include in the relevant development application or in an application for a modification under section 4.55 of the Act, an offer to carry out works or provide a material public benefit towards which the levy is to be applied. The Council will consider the offer as part of its assessment of the development application or as an application for a modification to a development approval under section 4.55 of the Act where a levy has been imposed pursuant to this plan. If the Council agrees to the arrangement and grants consent to the application, it will substitute a condition of consent requiring the works to be carried out or the material public benefit to be provided for a condition requiring payment of a levy under section 7.12.

In assessing the applicant's offer, the Council will have regard to any relevant requirements of the current Practice Note issued by the NSW Government and such other matters as the Council considers relevant in the circumstances of the case including, but not limited to:

- The value of the works to be undertaken is at least equal to the value of the contribution that would otherwise be required under this plan. Council does not issue credits to applicants for works in kind which are provided in excess of the approved condition outside of a standard procedure involving approval by Council, such as staged development; and
- The standard of the works is to Council's full satisfaction and the works are handed over to the Council at completion without restriction of limitation, and
- The provision of the material public benefit will not prejudice the timing or the manner of the provision of public facilities included in the works program.

The value of an offer to provide Works in Kind, or a material public benefit towards which the levy is to be applied, in lieu (in full or in part) of satisfying a condition of consent relating to payment of a Section 7.12 contribution will be valued utilising the following mechanism:

- Any credit will be calculated based on the actual cost of works or the agreed cost estimate, whichever is the lesser. The agreed cost estimate will be determined by a review of the costs submitted by the applicant via Council's Service Delivery Group (or a Registered Quantity Surveyor at Councils discretion);
- The agreed cost estimate can be amended by submission of a variation request by the applicant which will be reviewed and certified by a registered Quantity Surveyor;
- The actual cost of works is required to be evidenced and verified by a registered Quantity Surveyor;
- The Quantity Surveyor to act on the project will be chosen by Council from a list of 3 recommended by the applicant all of whom are to be members of Panels for The NSW Department of Finance, Services and Innovation or Local Government Procurement, and
- Quantity Surveyor service costs are to be borne by the applicant.

3.7.1. Legal agreements pertaining to works in kind

All offers, should they be accepted, to provide Works In Kind, or a material public benefit towards which the levy is to be applied, in lieu (in full or in part) of satisfying a condition of consent relating to payment of a Section 7.12 contribution will be subject to a legal agreement between Council and the applicant. All agreements will include, but not limited to, the following:

- The works to be undertaken;
- The timing of the works;
- The quality of the works;
- The costs of the works;
- Handover and signoff by Council;
- The applicant's rights and responsibilities, and
- Council's rights and responsibilities.

3.7.2. Planning Agreements

An applicant may offer to enter into a Planning Agreement with the Council in connection with a development application or a rezoning application that is made for the purposes of being able to subsequently make a development application. The applicant's provision under a Planning Agreement may be additional to, or instead of, making contributions under Section 7.12 of the Act.

Provision is made for Planning Agreements under Section 7.4 of the Environmental Planning and Assessment Act 1979, as amended.

Under a Planning Agreement, the applicant may offer to pay money, dedicate land, carry out works, or provide other material public benefits for public purposes.

The offer to enter into a Planning Agreement, together with the draft Agreement, will generally need to accompany the relevant development or rezoning application. The Council will publicly notify the draft Agreement and explanatory note relating to the draft Agreement along with the relevant application and will consider the Agreement as part of its assessment of the relevant application. If the Council agrees to enter into the Agreement, it may impose a condition of development consent requiring the Agreement to be entered into and performed.

Council encourages the use of Planning Agreements, particularly for larger and/or more complex development.

3.8 Reassessment of Contributions

Council may consider an application for the reassessment of the development monetary contribution payable. This may result in the contribution being reduced or waived or modified.

Where a condition of development consent has already been imposed requiring the payment of a contribution, the applicant will be required to lodge an application to review the consent in accordance with Section 8.3 of the Environmental Planning and Assessment Act 1979, as amended, to reassess the contribution charged.

The request shall be in writing and provide sufficient information to satisfy Council of the inappropriate nature of the contribution and the implications to Council of reducing or waiving the contribution in the particular circumstances.

3.9 Are refunds for payments of levies possible?

For a refund of levy payments to be considered, the applicant/landowner must:

- Submit a written request to Council;
- In the request demonstrate that the development has not been commenced;
- Submit the request for a refund by the first working day after 31 January within the year following payment of the levy e.g. payment is made in April 2017 then a refund request cannot be made until first working day after 31 January 2018; and
- Formally surrender the consent that applied the levy.

Part or full refunds may only be provided in circumstances that are considered reasonable and where a formal request has been made. The decision to provide part or full refunds will always be the subject of a report to an appropriate meeting of Council.

3.10 Adjusting Contributions at the Time of Payment

This provision aims to ensure that the value of contributions is not eroded over time by movements in the Consumer Price Index, land value increases, the capital costs of construction of facilities and administration of the Plan, or through changes in the costs of studies to support the Plan.

Contributions required as a condition of development consent will be adjusted at the time of payment using the following formula.

$$CP = \frac{ODC \times \text{Current index}}{\text{Base index}}$$

where:

- CP is the amount of the contribution calculated at the time of payment.
- ODC is the amount of the original contribution as set out in the development consent.
- Current index the Consumer Price Index: All Groups Index for Sydney (as currently available from the Australian Bureau of Statistics at the time of payment).
- Base index is the Consumer Price Index: All Groups Index for Sydney which applied at the time of calculation as shown on the development consent.

3.11 Payment of Contributions

3.11.1. Timing of Payments

The time of payment of contributions shall be as follows:

- Development applications involving subdivision only – prior to the release of the Subdivision Certificate.
- Development applications involving building work only – prior to the release of the Construction Certificate or Complying Development Certificate;
- Development involving both subdivision and building work (e.g. Integrated housing developments) – prior to the release of the Construction Certificate, or the release of the Subdivision Certificate, whichever occurs first, and
- Development applications where no Construction Certificate is required – prior to the issue of an Occupation Certificate.

Where an application is dealt with by an Accredited Certifier other than Council, the development consent shall not operate unless and until the amount required by the consent under this Contributions Plan is paid to Council.

The amount of any monetary contribution to be paid will be the contribution payable at the time of consent,

and depending upon the time of payment will be subject to reasonable adjustment due to movements in the Consumer Price Index and/or changes to the rates indicated within this Plan (refer to Section 3.10).

3.11.2. Deferred or Periodic Payments

Council may consider the deferred payment of contributions or payments made by periodic instalments. This will be a merit based decision, considered on a case by case basis and subject to approval by Council.

A request for deferral or periodic payment must be made in writing to Council, stating the proposed length of deferral, and may only be accepted where:

- There are valid reasons for the deferral or periodic payment;
- The deferral will not prejudice the efficiency and operation or cash flows of the Plan;
- The granting of the request for deferred payment will not jeopardise the timely provision of works or land identified within the Plan;
- A suitable bank guarantee (or equivalent security) can be, and is, provided in the event that the request is accepted by Council;
- Where the applicant intends to make a contribution by way of a planning agreement, works-in-kind or land dedication in lieu of a cash contribution, and Council and the applicant have a legally binding agreement for the provision of the works or land dedication, and
- The periodic or deferred contributions are paid, including interest, at no cost to Council.

The conditions under which Council may accept deferred payment by way of a bank guarantee are that:

- The bank guarantee is by an Australian Bank;
- Indexing will be calculated from the date the contribution was due until the date of payment.
- The bank guarantee is for a maximum period of twelve months.
- The amount of the bank guarantee is the sum of the total contribution or the amount of the outstanding contribution at the time of deferring payment, plus an amount equal to thirteen months' interest;
- The bank unconditionally pays the guaranteed sum to Council if Council so demands in writing, no earlier than 12 months from the provision of the guarantee or completion of the work, whichever occurs first;
- The bank must pay the guaranteed sum without reference to the applicant or landowner or other person who provided the guarantee, and without regard to any dispute, controversy, issue or other matter relating to the development consent or the carrying out of development in accordance with the development consent;
- The bank's obligations are discharged when payment to the Council is made in accordance with the approved bank guarantee or when Council notifies the bank in writing that the guarantee is no longer required, and
- Council's registration and release of bank guarantee fee is paid.

Any outstanding component of the contribution shall be indexed quarterly in accordance with the Consumer Price Index movements. Indexing will be calculated from the date the contribution was due until the date of payment.

The conditions under which Council may accept periodic payment for a staged development are:

- That the instalments are paid before the work commences on each relevant stage of the development, and
- The amount to be paid at each stage is to be calculated on a pro-rata basis in proportion to the demand for the relevant facility being levied by the overall development, including CPI if required.

3.12 Goods and Services Tax

Monetary Section 7.12 development contributions are exempt from the Federal Government Goods and Services Tax (GST).

3.13 Exemptions

Under Directions issued by the Minister in relation to Section 7.17 of the Act a levy under section 7.12 cannot be imposed on development:

- If a development contribution under former section 94 of the *Environmental Planning and Assessment Act 1979* has been required in respect of the subdivision of land (*initial subdivision*), a levy under section 7.12 of that Act may not be required in respect of any other development on the land, unless that other development will, or is likely to, increase the demand for public amenities or public services beyond the increase in demand attributable to the initial subdivision, and

In addition, certain types of development are effectively exempt from a levy under Section 7.12 because they are not to be included in the costing of a development for the purposes of a levy under Section 208 of the Regulation, including:

- enabling access by disabled persons in respect of the development,
- energy and water efficiency measures associated with the development,
- any development that is provided as affordable housing,
- any development that is the adaptive reuse of a heritage item.
- any development that Council deems has adequately satisfied the provisions of Part 2, Section 2.5 of DCP Chapter 2.3 - European Heritage.

Council also may not impose a Section 7.12 levy on the following:

- An application on or behalf of Council for infrastructure, including that funded by Section 7.11 or 7.12 of the Act, such as but not limited to libraries, community facilities, recreation areas, recreation facilities and car parks;
- An application for development that involves rebuilding or repair after natural disasters such as flooding or bushfires;
- An application for demolition (where there is no replacement building or development), and
- In rare exceptional cases, where Council considers an exemption is warranted, and the decision is made by formal resolution of Council at an Ordinary Council meeting.

To apply for an exemption to the payment of a Section 7.12 Levy, a written application must be submitted to Council at development assessment stage, giving reasons under the relevant category, and providing any necessary evidence and justification for the exemption.

3.14 Review of the Plan

This Plan may be reviewed in full, or in part, when considered appropriate having regard to the rate and type of development, cost of facility provision, and community response to service and facility provision.

A complete review of this Plan is anticipated every five (5) years from the date of commencement of the Plan.

3.15 Accountability

Financial management and accountability are important components of Section 7.12, and Council is obliged to maintain an accurate and up to date register of all Section 7.12 contributions. Council is required to comply with a range of financial accountability and public access to information requirements in relation to section 7.12. These are addressed in Division 4 of Part 9 of the Regulation and include:

- Maintenance of, and public access to, a contributions register;
- Maintenance of, and public access to, accounting records for contributions received and spent;
- Annual financial reporting of contributions, and
- Public access to contributions plans and supporting documents.

Monetary contributions received under the authority of this Plan will be recorded and kept through a separate account specifically established for this Plan. The records will indicate the contributions received, contributions expended and include the interest, if any, earned on invested funds for each account.

These records are updated on a monthly basis.

Separate accounting records are maintained for all Council's Section 7.11 and Section 7.12 Contribution Plans. Information on Section 94 accounts and funds relating to this Plan will be provided in a condensed format within Armidale Regional Council's Annual Report/s in accordance with requirements of the Regulation

Information is also available in Council's contribution register relating to this Plan, which can be inspected at Council during normal business hours.

3.16 Unspent Section 94 funds

This Plan also authorises that unspent monies collected through the previous Section 94 or 94A Plans are to be expended on works identified in the works schedules included in the Appendices of this Plan, or the Works Schedule of the Section 7.12 Plan, to achieve the same or similar outcomes sought by the previous Section 94 or 94A Plan.

3.17 Application of the Funds

Money paid to the Council under a condition authorised by this plan is to be applied by the Council towards meeting the cost of the public amenities or services that will be or have been provided within the area as listed in the Works Schedule at Appendix 1.

3.18 Pooling of Contributions

Pursuant to section 7.12 (1)(g) of the EP&A Act 1979, this Plan expressly authorises monetary Section 7.12 Contributions paid for different purposes to be pooled and applied (progressively or otherwise) for those purposes. The priorities for the expenditure of the contributions are shown in the Works Schedules.

3.19 Condition of Consent

Unless otherwise determined by Council, or directed by the NSW Government, the standard condition described in Appendix 6 will be used on Development Application determinations and Complying Development Certificates for monetary contributions levied under this Plan.

Appendix 1: Works Schedule

Location	Expected Works	Estimated Annual Expenditure (total expenditure)
Armidale & Surrounds	Streetscape Works, Mall Activation Works, Creekland Works, Footpath & Cycleway Works, Biodiversity & Green Corridors, Heritage activation and conservation, Connectivity links, tourist activities, strategic land purchase & uses, recreation works,	\$700,000 (\$3.5M)
Guyra & Surrounds	Streetscape Works, Footpath & Cycleway Works, Biodiversity & Green Corridors, Heritage activation and conservation, Connectivity links, tourist activities, strategic land purchase & uses, recreation works,	\$300,000 (\$1.5M)
Ben Lomond Village & Surrounds	Streetscape works, Footpath & cycleway works, Heritage activation and conservation, Connectivity links, tourist activities, strategic land purchase & uses, recreation works,	\$80,000 (\$400,000)
Ebor Village & Surrounds	Streetscape works, Footpath works, Heritage activation and conservation, Connectivity links, tourist activities, strategic land purchase & uses, recreation works,	\$80,000 (\$400,000)
Hillgrove Village & Surrounds	Streetscape works, Footpath works, Heritage activation and conservation, Connectivity links, tourist activities, strategic land purchase & uses, recreation works,	\$80,000 (\$400,000)
Wollomombi Village & Surrounds	Streetscape works, Footpath works, Heritage activation and conservation, Connectivity links, tourist activities, strategic land purchase & uses, recreation works,	\$80,000 (\$400,000)
Black Mountain Village and Surrounds	Streetscape works, Footpath and cycleway works, Heritage activation and conservation, Connectivity links, tourist activities, strategic land purchase & uses, recreation works,	\$80,000 (\$400,000)
Llangothlin Village & Surrounds	Streetscape works, Footpath and cycleway works, Heritage activation and conservation, Connectivity links, tourist activities, strategic land purchase & uses, recreation works,	\$40,000 (\$200,000)

The Works Schedule is based on an average annual expenditure and the total cost of expected works over the life of the plan, this being 2028 when the next review is expected. The works plan does not have any priorities for works or expenditure.

Appendix 2: Land to which this plan applies

This Plan applies to the all land in the Armidale Regional Council local government area.

Appendix 3: Previous Plans - unspent fund reallocation

Unspent funds received under previous section 94 or 94A Contributions Plans will be reallocated to similar facilities in the Works Schedule that maintain a nexus to the development to which the funds were collected. Funds are to be reallocated as follows:

Previous Plan – facility in works schedule	ARC Section 7.12 Plan – facility in works schedule
Armidale Contributions Plan 1993 – purchase and embellish land as bushland reserve, Box Hill Drive	Purchase Scholes Street bushland reserve, Armidale – recoupment
Armidale Contributions Plan 1993 – carparking – Hanna’s carpark extra deck, Rusden Street	Car parking, 124-126 Allingham Street, Armidale
Dumaresq Shire Section 94 Contributions Plan 1993 (as amended) – open space: Dumaresq School site – tennis court, picnic facilities, toilet block, fencing Purchase 4 hectares to establish a West Armidale Reserve	Dumaresq Dam embellishment - BBQ covered area, tables, seating, and wildlife viewing platform

Whilst the facilities in the above works schedule are not strictly mentioned in the revised works schedule, all previous facilities are capable of being funded under the new works schedule. However it is noted that the Scholes Street reserve recoupment has already occurred and the Dumaresq Dam Embellishment has been allocated funding using 7.12 contributions under the 2022-23 FY budgets. Accordingly any unspent funding reallocations will be pooled and assigned to other projects which align with the revised works schedule.

Appendix 4: Sample Cost Summary Report

[Development between \$100K and \$ 3 million]

DA / CC / CDC No.	Date
Applicant Name	
Applicant's Address	
Property Address	

ANALYSIS OF DEVELOPMENT COSTS:

Demolition and alterations	\$	Hydraulic services	\$
Structure	\$	Mechanical services	\$
External walls, windows and doors	\$	Fire services	\$
Internal walls, screens and doors	\$	Lift services	\$
Wall finishes	\$	External works	\$
Floor finishes	\$	External services	\$
Ceiling finishes	\$	Other related work	\$
Fittings and equipment	\$	Sub-total	\$
Sub-total above carried forward	\$		
Preliminaries and margin	\$		
Sub-total	\$		
Consultant Fees	\$		
Other related development costs	\$		
Sub-total	\$		
Goods and Services Tax	\$		
TOTAL DEVELOPMENT COST	\$		

I certify that I have:

- Inspected the plans the subject of the application for development consent or construction certificate.
- Calculated the development costs in accordance with the definition of development costs in clause 25J of the Environmental Planning & Assessment Regulation 2000 at current prices.
- Included GST in the calculation of development cost.

Signed

Name

Position

Qualification

Date

Appendix 5: Sample Quantity Surveyor's* Detailed Cost Report

[Development in excess of \$ 3 million]

*A member of the Australian Institute of Quantity Surveyors

DA / CC / CDC No.	Date
Applicant Name	
Applicant's Address	
Property Address	

DEVELOPMENT DETAILS:

Gross Floor Area - Commercial	m ²	Gross Floor Area - Other	m ²
Gross Floor Area – Residential	m ²	Total Gross Floor Area	m ²
Gross Floor Area – Retail	m ²	Total Site Area	m ²
Gross Floor Area – Car Parking	m ²	Total Car Parking Spaces	m ²
Total Development Cost	\$		
Total Construction Cost	\$		
Total GST	\$		

ESTIMATE DETAILS:

Professional Fees	\$	Excavation	\$
% of Development Cost	%	Cost per square metre of site area	\$ /m ²
% of Construction Cost	%	Car Park	\$
Demolition and Site Preparation	\$	Cost per square metre of site area	\$ /m ²
Cost per square metre of site area	\$ /m ²	Cost per space	\$ /space
Construction – Commercial	\$	Fit-out – Commercial	\$
Cost per square metre of commercial area	\$ /m ²	Cost per m ² of commercial area	\$ /m ²
Construction – Residential	\$	Fit-out – Residential	\$
Cost per square metre of residential area	\$ /m ²	Cost per m ² of residential area	\$ /m ²
Construction – Retail	\$	Fit-out – Retail	\$
Cost per square metre of retail area	\$ /m ²	Cost per m ² of retail area	\$ /m ²

I certify that I have:

- Inspected the plans the subject of the application for development consent or construction certificate.
- Calculated the development costs in accordance with the definition of development costs in clause 25J of the Environmental Planning & Assessment Regulation 2000 at current prices.
- Included GST in the calculation of development cost.

Signed

Name

Position

Qualification

Date

Appendix 6: Standard Condition

A contribution is to be paid to Council towards the provision or improvement of public facilities (as per ARC's section 7.12 Contributions Plan 2018).

Proposed Cost of Development *	Levy Percentage	Total Contribution	Note
			<i>Contribution Rate remains current until first date of next quarter</i>

*Proposed cost of carrying out the development less any credits which may apply.

Contributions are indexed quarterly at the beginning of each new quarter.

Contribution fees can be paid online on Council's website or in person to the cashier at Council's offices. For online payments select PAYMENTS/Application Payments and enter your payment reference (provided at the end of this consent).



Armidale Regional Ratepayers / Residents Association Inc.

18 Nov. 2022

Submission

Draft Armidale Regional Council Section 7.12 Development Contribution Plan – 2022 Update

It is very pleasing to read the proposed changes to the Development Contribution Plan – 2022 Update. It shows an inclusivity of the actual communities of all the smaller towns and villages that make up our region and it gives each of them a voice in the development and priorities that they wish to progress.

People choose to live in these towns/villages and to give them a degree of autonomy to choose how to enhance their lifestyle choice will be well received. Collectively, they can decide on the real projects that they value that will bring meaningful improvements to their community. To be able to choose from a variety of areas will foster great discussion and result in a more personalized cultural infrastructure choice being made. The following categories of roads, public assets and related infrastructure, pedestrian and cycling Infrastructure, open space and recreation, and civic and community facilities allows great scope for individuality and planning.

To allow them the opportunity to directly decide what their community sees as a meaningful improvement project for their town/village community is a great step forward. It most definitely should not be seen by Council as a token gesture and a means to 'repair' some existing Council infrastructure as that will discredit the whole exercise. This money is to be set aside for the community to decide what it is spent on.

It is also fair and equitable to base the contributions on the population of each of these towns/villages and to allow them to pool the contributions until they have the necessary funds to complete the project of their choosing.

As a region, we all need to be mindful that attracting newcomers to every area of the region is a priority – every village and every town – and to allow them to enhance their infrastructure to attract and welcome newcomers is a progressive step forward.

Lou Forsythe
Executive
For and on behalf of the
Armidale Regional Ratepayers/Residents Association



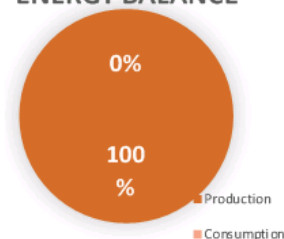
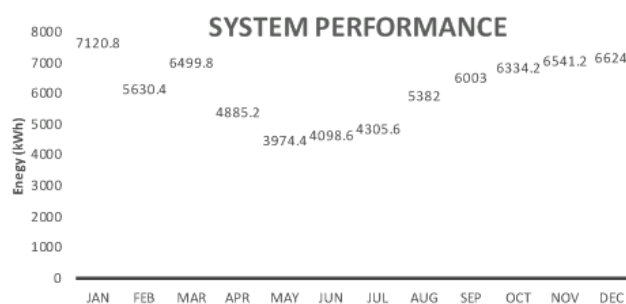
To:
ARC Armidale
Waterfall Way Landfill site
Armidale 2350

		Quantity	Amount \$	GST \$
Inverter:				
Panels:	Sumec 450 Watt PV Modules	92	\$35,769.60	\$3,576.96
Roof Mounts and Rail: Ground Mount			\$28,014.25	\$2,801.43
	Redearth Copperhead battery system 123kWh with 2 Fronius Symo inverters		\$183,125.00	\$18,312.50
Cable and Fittings:			\$941.16	\$94.12
Installation:			\$15,490.00	\$1,549.00
		1		
Fees	Quote doesn't include trenching or cabling and assumes ground mount, generator & inverters will be located together with no connecting to loads or load control boards.			
		Sub Total:	\$289,674.01	inc GST
457 STC's generated @ \$32 each:			-\$14,624.00	

Total	\$275,050.01	inc GST
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Quote Acceptance Sign Here Please. _____

BSB: 932000 Account No: 767650
For Customers who transfer funds from a Regional Australia Bank account
please use Account No: 767650S3



Terms & Conditions:

- You acknowledge that you will sign over the STCs (the "rebate") to NESP and we will give you a discount to the value indicated in the quotation above.
 - You acknowledge that prior to any ground works taking place, you will identify the location of any underground services, and that NESP will take reasonable steps to locate those services, however if any damages occur, repairs will be at your additional cost. If it is not possible to reach the required trench depths due to rock, covering of electrical conduits with concrete will be at your additional cost.
 - You are responsible for any planning permission required by local authorities regarding the installation. NESP can provide dimensions of the proposed installation on request to assist you in this regard.
 - You must pay to NESP the balance of our invoice amount within seven business days of the completion of our installation being the time when we notify you that the solar modules (panels), inverter, DC array cabling, switching & AC connection to the main switchboard have been installed.
 - NESP provides 2 years workmanship warranty on all of our installations from date of payment.
 - All warranty claims on installed equipment by NESP will be as per manufacturer's warranty – we reserve the right to charge travel costs associated with these claims. Any warranty approval will be at the discretion of the component supplier.
 - NESP agrees to supply and install the equipment listed in the quotation, subject to availability. If the specified equipment is not available, prior to installation we will discuss with you alternatives, including the supply of equivalent equipment.
 - At the time of signing this agreement you must pay to NESP a deposit of 10% of the total invoice amount.
 - You acknowledge that New England Solar Power offers a 7 day cooling off period during which you may terminate this agreement and receive a full refund of your deposit.
 - You are aware that we will submit a connection application with your Distribution Network Service Provider (typically Essential Energy), and that they may impose conditions to an approval such as export-limiting the solar system or specific inverter settings that may affect feedin limit.
 - You acknowledge that the process following the physical installation of the solar system is as follows:
 1. A Certificate of Compliance Electrical Work (CCEW) will be provided to you when you pay in full the outstanding invoice from NESP.
 2. NESP will assist you in completing an application to your electricity retailer for an upgrade to grid interactive NET metering. (CCEW required)
 3. Once the metering upgrade is completed, you may turn on your solar system. You may be penalised if it is turned on prematurely.
 - You acknowledge that internet connections will be established at time of installation but if reconnection is required, further instructions will be provided by NESP. If further site visits are required to re-establish an internet connection, charges will apply.
- ABN if applicable:

Full Name: Date of Birth:

Signature:

Date of Signature:



AUDIT, RISK AND IMPROVEMENT COMMITTEE

Held on

Tuesday, 22 November 2022
11:30 am - 2 pm

at

Council Function Room

PRESENT: Mr Phil Thomas (Chairperson), Mr Jason Masters and Mr Michael O'Connor

IN ATTENDANCE: Mr James Roncon (ARC – General Manager), Mr Darren Schaefer (ARC – Acting Chief Officer Corporate & Strategy), Mr Alex Manners (ARC – Chief Officer Assets and Services), Mr Daniel Boyce (ARC – Chief Officer Sustainable Development), Ms Ann Newsome (ARC Chief Finance Officer), Mr Brad Munns (ARC - Financial Accountant), Ms Simone Mooketsi (ARC - Manager Governance & Strategy) and Michaela Giandomenico (ARC – Administration Officer - Governance) Jacob Sauer (Forsyth's - Auditor).

MINUTES

Armidale Regional Council
 Audit, Risk and Improvement Committee
 Tuesday, 22 November 2022 Page 2

1. APOLOGIES

Ms Annie Harris (ARC - Executive Manager People and Culture)

2. CONFIRMATION OF PREVIOUS MINUTES -

CONFIRMATION OF THE MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD ON 20 SEPTEMBER 2022

RECOMMENDATION:

That the minutes be taken as read and be accepted as a true record of the Meeting.

ACCEPTED

2. DECLARATIONS OF INTEREST

**MICHAEL O'CONNOR- TENURE AT TAMWORTH WALCHA AND URALLA FINISHED
 MICHAEL O'CONNOR - BATHURST REGIONAL COUNCIL ARIC AS OF TOMORROW (23/11/2022)**

4. APPROVAL FOR MANAGEMENT TO BE PRESENT

APPROVED

5. ADMINISTRATION REPORTS

5.1 Agenda - matching Charter Requirements - November 2022 *Ref: AINT/2022/45626 (ARC22/*

2. OFFICERS' RECOMMENDATION:

That the Committee note the detailed Agenda, matching to the Charter Requirements.

NOTED

5.2 Audit Risk and Improvement Committee - Minutes of 20 September 2022 Meeting

Ref: AINT/2022/47682 (ARC22/5007)

RECOMMENDATION:

That the Minutes of the Audit Risk and Improvement Committee meeting held on 20 September 2022 be noted.

NOTED

5.3 Presentation of Audited Financial Statements and Audit Reports Year Ended 30 June 2022

Ref: AINT/2022/45683 (ARC22/5007)

2. OFFICERS' RECOMMENDATION:

That the Committee note the report on the presentation of the audited Annual Financial Statements for the year ended 30 June 2022. Commentary was provided by Jacob Sauer

Armidale Regional Council
 Audit, Risk and Improvement Committee
 Tuesday, 22 November 2022 Page 3

(Forsyth's - Auditor).

Commentary from Jacob Sauer:

Recognition was given to Brad Munns and the Finance Team in completing the financial statements and audit by the 31 October 2022 deadline and achieving an unmodified audit opinion.

The Management Letter is not yet issued and will be available for the March 2023 ARIC.

Additional commentary:

James Roncon - Recognition of the work performed by Forsyths and appreciation specifically to Katheryn and team all of their hard work and Brad Munns and team.

Jason Masters – Matter to discuss in camera with management and Chair. Expressed concerns about the Audit Office approach to the 21/22 audit.

Brad Munns – impact of indexation and the flow on costs. The audit office could have informed earlier of the indexation requirements. Which resulted in workload pressure.

ACTION ITEMS

1. ARIC recommended Council consider providing feedback to the Audit Office on the audit process.
2. ARIC recommended Council provide feedback also to the Audit Office via the feedback survey.
3. Council to send details of the Splinter Award details to Michael O'Connor.

NOTED

Jacob Sauer left the meeting at 12.15pm.

5.4 ARIC Action Items Report November 2022

Ref: AINT/2022/45627 (ARC22/5007)

2. OFFICERS' RECOMMENDATION:

That ARIC note the report summarising the actions taken on action items arising from previous ARIC meetings.

Action Items:

- Include open and close dates and separate reference numbers for each item and note any change of action dates.
- Status of Item 12 to be changed to complete.

NOTED

5.5 OCM Internal Audit - Fraud Prevention Review - Terms of Reference documents

Ref: AINT/2022/45631 (ARC22/5007)

Armidale Regional Council
Audit, Risk and Improvement Committee
Tuesday, 22 November 2022 Page 4

RECOMMENDATION:

That the Committee note the Terms of Reference documents for the next Internal Audit Review being conducted on Fraud Prevention by O'Connor Marsden (OCM).

NOTED**5.6 Internal Audit Plan - Calendar of Proposed Reviews 2022-2023** *Ref: AINT/2022/45629 (ARC.***2. OFFICERS' RECOMMENDATION:**

That ARIC note:

- a. The status of the Annual Internal Audit Plan 2021 / 2022
- b. A suggested list of items subject to future prioritisation into 2022 / 2023.

ACTION

- Manager of Governance to prepare the internal audit plan for 2022- 2023 and present to the Feb 2023 meeting.

Suggested items on audit schedule as recommended by ARIC committee:

- Development approval process
- Crown land management
- Heavy vehicle regulatory requirements
- Tree management
- Procurement.

5.7 Proposed 2023 ARIC Meeting Schedule

Ref: AINT/2022/46780 (ARC22/5007)

2. OFFICERS' RECOMMENDATION:

That ARIC adopt the proposed meeting Schedule.

Jason Masters unavailable for the scheduled November 2023 meeting – will be in contact regarding.

Confirmed meeting start times as 11:00am to allow for travel by Committee members.

5.8 Status of Outstanding Audit Recommendations - November 2022 *Ref: AINT/2022/45628 (A***2. OFFICERS' RECOMMENDATION:**

That the Committee note the status of the Outstanding Audit Recommendations as at November 2022.

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The Committee noted concerns regarding the status of outstanding items from the Cyber Security audit and requested Council present ARIC with a plan of action to close out the recommendations.

It was confirmed Council holds cyber insurance, however cyber insurance does not negate business disruptions, compliance risks and reputational damage.

ARIC recommended ELT watch directly over the audit recommendation implementation status, with a sharp focus on the IT and cyber security items.

ARIC advised that the Commonwealth Privacy Act is being updated and Council should consider if this will impact any of their activities.

ARIC noted the implementation of a number of items depended on the Tech One implementation and recommended interim measures be put in place or to determine if Council is willing to accept the residual risk in the interim.

ACTION

- Status update on Audit Recommendations to be included on ELT agenda on a regular basis.
- Business continuity cyber-attack scenario to be undertaken in Q1 2023.
- Penetration testing to be implemented.
- Comprehensive update on IT/Cyber item status to be provided at Feb 2023 meeting.

5.9 Risk Management - Status update

Ref: AINT/2022/47292 (ARC22/5007)

2. OFFICERS' RECOMMENDATION

That ARIC note the status update of the Council's Risk Management Roadmap 2020-2023 and its implementation.

It was confirmed that the external review of the Internal Audit is not a high priority item and will provide better value when the risk management framework is fully implemented.

Council recognised the support of State-wide Mutual Regional Risk manager Matthew De Witt in his assistance of risk management at Council.

Progress of implementation of road map should increase with recruitment of the Business Improvement Officer.

NOTED

5.10 Investment Policy - Annual Review

Ref: AINT/2022/46551 (ARC22/5007)

2. OFFICERS' RECOMMENDATION:

That ARIC:

1. note the annual review of the Investment Policy.
2. note that no proposed amendments or updates are recommended.
3. note that the Policy is not required to be placed on public exhibition given no changes are proposed.

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NOTED

Typo on page 185- 5.4- investment funds

Council confirmed no feedback was received during the public exhibition process.

Jason Masters recommended considering ethical investments in future policy reviews.

5.11 IT Steering Committee - Terms of Reference, Applications Technology Services Plan 2022, Minutes of IT Steering Committee Meetings *Ref: AINT/2022/45630 (ARC22/5007)*

RECOMMENDATION:

That the Committee note:

- a. The IT Steering Committee Terms of Reference,
- b. a draft Applications Technology Service Plan 2022 and
- c. Minutes of the IT Steering Committee Meetings to date.

NOTED

ACTION:

- Update TOR to include cyber-security responsibilities
- Focus on ICT security in projects.

5.12 Fraud and Corruption Prevention - Verbal update *Ref: AINT/2022/47509 (ARC22/5007)*

2. OFFICERS' RECOMMENDATION:

That ARIC note the verbal update of Council's Fraud and Corruption Prevention activities.

NOTED

5.13 2022-23 First Quarter Budget Review *Ref: AINT/2022/47668 (ARC22/5007)*

2. OFFICERS' RECOMMENDATION:

That ARIC:

- a. Note the 2022-2023 First Quarter Budget Review.
- b. Note the proposed revised 2022-2023 budget produces an unrestricted cash forecast of \$4.9 million and the following fund results:

Fund	Operating Surplus / (Deficit) ('000)
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General	(\$4,708)
Water	\$1,632
Sewerage	\$1,739
Consolidated Result	(\$1,337)

- c. Note the request to Council to resolve to amend the 2022/23 budget in accordance with the Quarterly Budget Review Statement for the period 1 July 2022 to 30 September 2022 tabled in the attachments.

Discussion focused on:

Status of Kempsey Road Project page 219 and impact of wet weather events- work still progressing.

Guyra Main street upgrade deferred – operational perspective- water and sewer upgrades to be done- deferred so that these works can happen concurrently

Page 222 unrestricted funds- Within the range specified for our council, with the desire to continue to grow.

NOTED

5.14 Integrated Planning and Reporting - Delivery Program 2018-2022 and Operational Plan 2021-2022 Progress Report - January to June 2022 *Ref: AINT/2022/47662*

2. OFFICERS' RECOMMENDATION:

That ARIC note the Operational Plan 2022-2023 Progress Report for the period July to September 2022.

Actions:

- For future reporting only report on red and yellow status items to reduce volume of paper for ARIC review.
- Michael O'Connor requested further information on the YMCA MOU arrangement for the pools as it may be of interest to another council.

NOTED

5.15 Permanent Special Rate Variation Application *Ref: AINT/2022/47663 (ARC22/5007)*

2. OFFICERS' RECOMMENDATION:

That ARIC note the following items presented to Council;

- a) the content of the Community Engagement Summary Report.
- b) the content of the Capacity to Pay Report.

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- c) the request to Council to commit to proceed with a section 508(A) (permanent) Special Rate Variation option in order to address Armidale Regional Council's (ARC) financial sustainability and maintain essential community infrastructure including Council's road network, footpaths and community buildings.
- d) On or before 25 November 2022, formally notify the NSW Independent Pricing and Regulatory Tribunal (IPART) that Council intends to submit a Special Rate Variation application;
- e) That Council staff update the Integrated Planning & Reporting (IP&R) Suite of Documentation including the Delivery Program (DP) and Long-Term Financial Plan (LTFP) to meet the SRV application requirements. In particular, to include an addendum to the DP demonstrating the impact of a 50% SRV.
- f) The amended IP&R documents to be presented at the December 2022 ordinary Council meeting for the purpose of being endorsed by Council for public exhibition.
- g) Convene an extra-ordinary meeting of Council in late January 2023 for the purpose of receiving submissions on the revised IP&R documentation suite and to adopt the revised IP&R suite to be submitted to IPART as part of the SRV application.
- h) By 3 February 2023 ARC submits to IPART a permanent Special Rate Variation application of 50% (58.8% cumulative) to be phased in over a three-year period commencing in 2023-2024.
- i) Acknowledge the feedback received from the community during the community engagement and public exhibition process.

NOTED

6. GENERAL BUSINESS

- Notes ARC accepted Audit Office ruling on RFS equipment to avoid a qualification on the audit of the financial statement.
- Consider providing feedback on the RFS ruling via the Public Accounts Committee.
- The request by NEWA to utilise ARC 's ARIC was formally declined.

There being no further business the Chairperson declared the meeting closed at 13:58pm.

North East Area

NEW ENGLAND BUSH FIRE MANAGEMENT COMMITTEE MINUTES

Meeting:	August 2022
Convened by:	Paul Metcalfe, NSW RFS District Manager, New England
Location:	Armidale Fire Control Centre
Date and time:	Tuesday 9 th August 2022 10:00am
Minutes by:	Renee O'Brien

Table 1: Attendance Record

Members (alternates)	Organisation	Present	Apology	Absent
Manners, Alex	Armidale Regional Council		X	
Mephram, Steven	Armidale Regional Council	X		
Martin, Warren	Crown Lands	X		
O'Brien, Rodney	Crown Lands	X		
McWilliam, Paul	Essential Energy			X
Summers, Mark	Essential Energy			X
Chawner, Warren	FCNSW			X
Miller, Gary	FCNSW			X
Gosling, Garry	FCNSW			X
Cooper, Tom	FRNSW			X
Zikan, Wayne	FRNSW			X
White, Roger	UGL Regional Linx (Rail)			X
Livermore, Greg	LALC Anaiwan			X
Deforge, Sam	LALC Guyra			X
Fuller, Ross	LLS			X
Ward, Helen	LLS			X
Crossle, James	LLS			X
Simmon, Aaron	NSW NPWS	X		
Makeham, Mat	NSW NPWS			X
Greenwood, Andrew	NSW NPWS			X
Harrison, Murray	NSW NPWS			X
Williams, Darren	NSW Police			X

Cooper, David	NSW Police			X
Chaffey, Graeme	NSW RFS	X		
Bashford, Garry	NSW RFS		X	
Harrison, Craig	NSW RFS	X		
Carmichael, Steven	NSW RFS	X		
Metcalfe, Paul	NSW RFS	X		
Egener, Peter	NSWAS			X
Leslie, Thomas	SRA			X
Williams, Peter	Transgrid			X
Parsons, Mitchell	Transport NSW	X		
Clarkson, Matthew	Uralla Council			X
Omundson, Barry	Walcha Council		X	
Blomfield, Rob	NSW Farmers	X		
Schaefer, Greg	Walcha Council	X		

Table 2: Documents referred to in the Meeting

Document title	Author	Date
Correspondence Register since August 2021 to August 2022	RFS	Aug 2022

Minutes

Item 1	Welcome/Acknowledgement to Country	Chair
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Meeting opened 10:05 hours.

Acknowledgment to Country - Attendees were welcomed to the meeting by Steve Mephram – Chair, New England Bushfire Management Committee

Item 2	Apologies	Chair
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As per attendance record in Table 1.

Item 3	Disclosure of Interests	Chair
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No disclosures were made.

Item 4	Confirmation of Minutes of 1/2022 held on 10 May 2022	Chair
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The Minutes were confirmed.

Moved: Rodney O'Brien

Seconded: Rob Bloomfield

CARRIED

Item 5	Business arising from previous minutes - Action Items	Chair
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BFMC Membership Contact Details Register handed around for any updates (To be removed from Business Arising after this meeting).

Item 6	Correspondence Register	Chair
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Correspondence received from the Bushfire Coordinating Committee confirming approval of the New England FAFT (Firetrail) Register Plan.

BFMC members have received an information package on the new National Fire Danger Rating System (NFDRS).

Item 7	Bushfire Risk Management Plan BFRMP	All Agencies
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Agency reports that have been received were tabled and will be attached to minutes for future reference.

- › NPWS - Aaron Simmon advised that works at 'Booniedoon' in the Enmore area are underway given the concern around the protection of this property. APZ works are continuing where possible but are hampered by wet weather. Plenty of burn plans on the shelf but currently too wet to implement. Heavy Plant tenders will go out shortly. New reach mower in use, Kunderang works to continue. There is an existing dam on private property that is a key water point which is leaking. Critical water source for operations. NP's would be happy to project manage if RFS could secure funding. New Drager full-faced respirators issued to fire-fighters. New uniform coming, expanded network of fire detection camera's to help pick up fires early.
- › NSW Farmers – Rob Bloomfield reports that timbered country is very green and wet making significant fires unlikely in these areas this season. Grass fires are a likely possibility though given high fuel loads. The firetrails and fences that have been rebuilt after the 2019-20 fires but still need to be sprayed.
- › Walcha Council – Greg Schaefer referred to the roadside areas around Nowendoc raised previously by Nina Hicks where fuel loads are high. Requires funding for heavy plant engagement. Rehab. works occurring along the Oxley Hwy. Which is currently in poor condition due to wet weather. Stability is an issue.
- › Crown Lands – Warren Martin reported that existing APZ works all have contractors engaged to undertake the works when required and the wet condition allow. APZ at Souter St, Bundarra has now been transferred to the Local Aboriginal Land Council. CL's now has their own dedicated budget to fund HR works internally and will no longer need to submit bids via the Portal for funding. Working in conjunction with the RFS to establish APZ's around the village of Ebor. There is currently a state-wide BPED assessment being undertaken that may identify the need for further APZ's to be established in this New England area. In the progress of establishing a Works Agreement with national parks for the situations where there are small sections of Crown road within the NP's estate or that provide critical access to the Park.
- › Armidale Council – Steve Mepham reports Alex Manners trying to get more involved from a Council perspective. Armidale Council to commit to works on Raspberry Rd. Scoping works occurring now as not budgeted for. Portal funding for Council works. Fuel loading in Ben Lomond village should to be addressed.
- › RFS – Steve Carmichael reports HR works have been going into Guardian, Racecourse Rd Hillgrove works completed. Lookout Rd, Uralla area of concern. Crown Lands, Uralla Council and NSW F+R involved in terms of land tenure. Wayne Zirkan (NSW F+R) to work on getting planning done for Mt

Mutten. Bundarra Rd, Quarry area partially completed due to wet weather. Event in Walcha 14th Aug involving National Resilience. RFS will be promoting new National Fire Danger Rating System. Ebor interface APZ's – the RFS is currently working with the multiple land managers involved. There is a technical issue with Guardian involving the cadastral and land tenure layers not lining up as a result of the last spatial update that was carried out. This has resulted in the GIS map projections being shifted and both RFS and Crown Lands are unable to progress the required works in Guardian any further until this issue is corrected. RFS HQ is aware of the issue and are currently working on a solution.

Fuel load assessment to be conducted at "Booniedoon"; FAFT Plan – Rocklea Firetrail 9 of the 11 private agreements signed. 1 x property sold has already been sold and will need to be re-visited. Rodney and Steve to talk further about this issue after meeting; Guardian works all must have a treatment assigned. Workaround currently in place; Sticks River Firetrail works yet to commence; Mt Mutton may be opportunity for joint training exercise; New Fire Control Centre is open and operational; Still awaiting appointment of 2IC.

ACTION 07/22: Craig Harrison to advise "how to put Leaking Dam into Portal for Funding

Note: This project could be entered into the Funding Portal as a "Community Resilience Project Proposal – when you get asked to select HR, FT or Other as the category select "other"

Item 8	Operations Coordination Plan – review/updates	All Agencies
Ops Coordination Plan – awaiting template needed which has been delayed due to the implementation of the NFDRS. Circulate old template to update details. Aaron to send in his new updated details with staff IMT qualifications etc.		

ACTION 8/22: Agency's to send in latest update of staff contact details, position and IMT qualifications

Item 9	Fire Access and Fire Trail Register (FAFT)
<ul style="list-style-type: none"> › NE FAFT Plan approved by BFCC. › Rocklea FT at Invergowrie - landholder agreements are progressing as outlined above. Soil Conservation will be able to carry out a scope of the works shortly. 	

Item 10	Seasonal Outlook	All Agencies
Paul extended his thanks to all those that were able to attend the Agency Pre-season meeting in Glen Innes recently. The new NFDRS will be significant and training modules are available for those that wish to undertake the training and familiarise themselves with the new system.		

Item 12	General Business
Further details discussed on the AFDRS – permits suspended at high not very high. FDRI still at 24. Public education campaign needed. Fire Danger Rating Signs - the two electronic signs cannot be updated in time due to manufacturer issues. Manual sign at Invergowrie has been changed. There will be more Sign locations in the future, if BFMC has sights in mind please advice. New permit books ordered.	

Presentation - Assets of Intergenerational Significance (AIS) Piers Thomas – Team Leader NP’s

Ministerial priority – threatened species on NP’s. Requirement out of Bushfire Inquiry. Goal is for there to be no extinction on NP’s estate in next 4 years.

AIS declaration is a legal process – two species identified in Guy Fawkes River National Parks.

Part 12A of NP&W Act 1974. Clauses 78B and 78C of the NPW Regulations.

Each AIS has a Conservation Action Plan (CAP).

AIS site will show as a green polygon in ICON - COP.

All sites are publicly assessable on NP’s website.

Will have impacts on NP’s HR’s activities, biodiversity branch will have inputs into management actions and these will be species specific.

BFRMP Treatment Register – question ask of the BFMC ‘do we need to report on those treatments identified as “High”?’ Agency responsibility still needs to be allocated against some treatments on the Register. Agencies reports do not necessarily link back to Risk Management Plan. Executive Officer to be briefed in October regarding new BFRMP for New England. New Risk Plan needs to be more targeted, reduced in volume and AIS sites needs to be included. Committee agreed to no change to current reporting methods as they await the review.

District IMX – 15-20 minute BFMC meeting, morning tea and then lead into IMX exercise. Invite to fire-fighting authorities and other key Agencies. Non-IMT trained members of the BFMC welcome to observe.

Lower Creek – issues with access, significant impact during 2019-2020 fires. Petroi FT (Strategic), NP’s, Forestry, Council road tenure. Local residents concerned at state of Kempsey Rd. This firetrail currently sits low in the FAFT register priorities – not in top 25 trails. Forestry section is Old Growth and no plan to log soon, hence no need to upgrade road access. NP section maintained by Dorriggo Branch. 9-10km needs work. Lower Creek residents are looking to secure an alternate emergency egress. Locked gates and wilderness to consider. Not on works schedule for next 3 years. BFMC will revisit status of Petroi FT when revisit FAFT Plan. There is a significant difference between having a firetrail for fire-fighting and backburning purposes and a back-up emergency egress for residents to use as an escape. The latter is not necessarily an RFS issue and would require significant engineering expertise given the location and rugged terrain.

Next meeting date 11th October subject to notification.

Item 14	Close
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The Chair closed the meeting at 11:28 hours.

Table 4. Updated Action Items

Ref No.	Item Description	Responsible	Due Date	Status
01/22	RFS to follow up with agencies that to date, have not confirmed membership status for New England BFMC.	Steven Carmichael	9/8/2022	Ongoing
02/22	All agencies unanimously agreed to submit written reports to newenglandteam@rfs.nsw.gov.au for future BFMC meetings.	All		Ongoing
03/22	The Agency report template and tracking spreadsheet to be sent out approximately one (1) month prior to each BFMC meeting for Agencies to update and return within the fortnight prior to the next BFMC meeting.	Steven Carmichael	9/7/2022	Ongoing
04/22	XO to send out new draft Section 52 plan template for review.	Paul Metcalfe		
05/22	Letter of response regarding a request to re-establish the disused Reddie Water Hole fire trail to be sent Mr Moule by Chair.	XO & Chair	30/5/2022	Completed
06/22	Letter of response regarding tactical fire trails to be sent to Lower Creek RFS Captain by Chair.	XO & Chair	30/5/2022	Completed
07/22	Advice on how to enter "Dam Repair Project" into the Funding Portal	Craig Harrison	11/10/2002	
08/22	Agency's to send update IMT qualification details for Op's Coordination Plan	Agency's	31/08/2022	

Table 5. Next meeting

Date	Start time	Finish time	Location
11 October 2022	1000	1130	Armidale FCC

Documents attached to minutes for distribution

- Agencies Reports
 - National Parks
 - Crown Lands

POOR CONDITION OF CYCLEWAY BETWEEN TAYLOR AND DUMARESQ STREETS

The shared path/cycleway between Taylor Street and Dumaresq Street has deteriorated significantly over the past two decades to the point where it is no longer safe to use in my opinion. I have been complaining to Council via many avenues and nothing gets done to rectify the problems. So I will divide the cycleway into three sections and highlight the issues with photographs.

Taylor Street to Faulkner Street

This section has rough uneven surfaces and poor drainage resulting in water lingering for weeks after rain events. The roots of trees growing alongside the path have pushed up the asphalt pavement creating significant bumps which can cause users of the path both pedestrian and cyclist to lose control of their bike or trip on the bumps causing a fall and subsequent injury.



The path is very narrow just to the east of Stephens Bridge making a collision between bicycles and pedestrians more likely as each try to stay on the paved surface. Some simple maintenance in the past in the form of trimming the invasive Kikuyu grass would have prevented this problem.



There are also drainage issues under Stephens Bridge which could be rectified with some Ag pipe allowing the water to drain away after rain and floods. The constantly wet surface has resulted in algae to grow on the path making it slippery which could cause a fall and further injury.

The section west of Stephens Bridge is also very rough as well as being poorly drained. This section is near the visitor information centre and creates a bad impression for visitors.



Faulkner Street to Dangar Street

This section has some of the smoother pavement sections along the entire path as it is concrete. However it is also the section with the worst drainage problem as well. The grass has grown over 10 cms higher than the path and has created a dam which traps both rain and flood water. The water has been sitting along the path for over two months now and has become so stagnant it is a health hazard as well as a danger to users of the path. This section is also the easiest and least expensive to rectify as all that is required is either a simple drain pipe running towards the creek or a shallow trench excavated to allow the water to drain off the path onto the grass.



I estimate the problem can be rectified for less than \$1000, maybe even less than \$500 depending on the method chosen to rectify the problem.

Dangar Street to the Eastern Causeway Along Dumaresq Street

This section has the roughest surface along the entire path. The pavement has been damaged by flooding, Council works and the construction of the motel next to the Ex-Services Club. Signs have been erected by Council staff so they obviously know about the problem. Signs won't solve the problem and the rough surface is a hazard for both cyclists and pedestrians. Many users avoid this section and are forced to ride on the adjacent footpaths or along busy Dumaresq Street.

Conclusion

Council's responsibility is to the ratepayers first and should ensure there is funding to repair and properly maintain infrastructure that ratepayers and residents use every day. The shared path/cycleway must be upgraded and properly maintained before Council embarks on new projects such as the proposed rail trail which will be of little benefit to those who prefer to cycle or walk to their workplace, place of study or the shops. Independent surveys conducted by concerned citizens and ratepayers has proved beyond doubt that they want their roads, parks and footpaths repaired before any new projects that won't be of any benefit to them are commenced. I have been told for the past two decades that the path will be upgraded as part of a redevelopment of the creek lands. Yet the path has continued to deteriorate in that time with even the most basic maintenance not undertaken. **THIS IS NOT GOOD ENOUGH AND IT IS TIME COUNCIL GOT IT'S ACT TOGETHER TO RECTIFY THE PROBLEMS.**

A map showing the sections mentioned above is included with this report.