2025–2035

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STRATEGIC ASSET MANAGEMENT PLAN

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KEMPSEY Shire Council

Strategic Asset Management Plan (SAMP) 2025–2034

Kempsey Shire Council | March 2025

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1. Executive summary

Kempsey Shire Council manages an asset portfolio valued at $1.9 billion (gross), with a value of $1.64 billion of depreciable assets (i.e. excluding bulk earthworks). These assets, including roads**,** bridges**,** drainage systems, water and sewer infrastructure, buildings, and open spaces, are fundamental to ensuring the delivery of essential services to the community. This Strategic Asset Management Plan (SAMP) establishes a structured approach to maintaining, renewing, and improving these assets over the next decade to achieve long-term financial and service sustainability.

The SAMP aligns with Kempsey Shire Council's strategic objectives by integrating asset planning with financial sustainability, risk management, and long-term service delivery. This ensures that infrastructure investments meet community needs while maintaining affordability and resilience. Council's asset management practices are informed by a combination of financial sustainability principles, community expectations, and the most recent 2024 comprehensive condition assessment. This condition data provides the most current insight into asset performance, supporting informed decision-making around renewal priorities and funding requirements.

The Climate Change Adaptation Strategy, currently in development, will further shape Council's asset management framework. This strategy will identify risks such as flooding, coastal erosion, and extreme weather impacts to ensure future infrastructure resilience. Once adopted, the strategy will guide renewal priorities to better protect vulnerable assets.

The Asset Renewal Funding Ratio (ARFR) currently sits at 66.3%, indicating a renewal funding shortfall. With planned funding measures, this ratio is projected to improve to 96%, ensuring that critical assets can be maintained at safe and functional service levels. However, challenges remain, particularly in long life major infrastructure, where a network-wide assessment will guide future investment priorities.

Community engagement has been central to this plan. The 2024 Micromex Community Survey confirmed that residents' top priorities are roads, stormwater systems, and water infrastructure. Council has responded by focusing resources on maintaining existing assets and ensuring infrastructure reliability, while continuing to pursue additional funding opportunities to address long-term renewal needs.

1.1. Purpose of the SAMP

Kempsey Shire Council manages a total asset portfolio valued at **$1.9 billion** (gross value), with a value of **$1.64 billion** excluding bulk earthworks.

The SAMP 2025–2034 provides Kempsey Shire Council with a structured framework to manage its portfolio of infrastructure and community assets. This plan is a vital component of Council's integrated planning approach, linking directly to the Community Strategic Plan *Your Future 2042*, the Long-Term Financial Plan (LTFP), and the Workforce Management Plan (WMP). Together, these documents guide how Council plans, funds, and delivers essential services to the Kempsey community over the coming decade.

The SAMP emphasises a shift from simply maintaining physical assets to optimising the services they provide, balancing community expectations, financial constraints, and environmental sustainability. It focuses on ensuring infrastructure remains safe, functional, and adaptable in the face of future challenges, including climate change and economic pressures.

1.2. Key Updates from 2023 SAMP

Since the adoption of the 2023 SAMP, Kempsey Shire Council has made significant progress in improving asset data quality, community engagement, and alignment with community expectations. Key updates include:

- Comprehensive Condition Assessments Completed:
  End of 2024, Council completed a full condition assessment of all roads, footpaths, and kerb and gutter assets, providing more accurate and up-to-date data on the current state of these critical assets. This data is being integrated into Council's asset systems, improving forecasting, prioritisation, and lifecycle planning.
- Community Priorities and Satisfaction Measured:
  In 2024, Council commissioned Micromex Research to survey residents about their quality of life, service expectations, and satisfaction with Council's performance. The survey found that while 89% of residents rate their quality of life in Kempsey Shire as good to excellent, satisfaction with Council's overall performance declined to 66%, down from previous years and below industry benchmarks.
- Clear Priorities Identified by the Community:
  The survey confirmed that residents strongly favour maintaining existing assets over building new infrastructure, with 61% supporting prioritised maintenance and renewal programs. Residents identified roads, traffic

management, and infrastructure upgrades as the top priorities for the next decade, alongside concerns about housing affordability and availability.

- Focus on Financial Transparency and Communication:
  The survey also highlighted the importance of clearer communication around Council's financial management, asset investment decisions, and the link between rates (including the Special Rate Variation) and service delivery. This feedback has informed strategies to improve reporting, engagement, and transparency in future asset management communications.

Asset Valuation: The total value of Council-managed assets has been confirmed at $1.9 billion, with updates reflecting enhanced data accuracy for major asset categories such as transport, with a total value of $625.6 million (Figure excludes non-depreciable Bulk Earthworks, $303.2M).

Funding Performance: The Asset Renewal Funding Ratio (ARFR) for 2023–2024 has been calculated at 66.3%, highlighting a moderate gap between current funding and the ideal required to sustain all assets over their lifecycle (Target: 100%).
Going forward, as planned in our current LTFP, the ARFR is calculated at 96%, which places Council in a much better position, and very close to the target. Note: this is only to keep the existing assets at the current level of service.

Risk Strategies: Enhanced risk management frameworks have been adopted, prioritising critical infrastructure such as bridges, water treatment facilities, and flood mitigation systems. These updates incorporate learnings from recent natural disasters and community feedback.
Should the funding level be reduced, and therefore our ARFR lowered, these frameworks will have to be reviewed to focus on priorities; therefore, reduce the level of service elsewhere, and rationalise.

1.3. Critical Challenges and Opportunities

Kempsey Shire Council faces several critical challenges and strategic opportunities as it seeks to manage and renew its asset portfolio over the next decade:

- **Aging Infrastructure and Growing Maintenance Demand:** Many of the Shire's assets —particularly roads, bridges, and stormwater infrastructure— were constructed decades ago and now approaching the end of their functional lives.
  The condition assessment of all roads, footpaths, and kerb and gutter assets completed in December 2024 confirmed that a significant proportion of these assets require targeted maintenance or full renewal within the next 15 years. The aging water and sewerage networks, timber bridges (remaining since the Fixing Country Bridges grant), and stormwater systems are in the same situation.

- **Community Expectations for Infrastructure and Services:** The 2024 Micromex Community Survey reinforced that maintaining existing infrastructure is the community's top priority, with 61% of the respondents preferring that Council focuses on maintaining current assets rather than building new ones. This preference aligns with the need to address deferred renewals and manage aging assets within existing funding constraints.
  At the same time, residents expect continued or increased investment across most service areas, showing very little appetite for reductions in service levels.
- **Declining Satisfaction and Focus on Transparency:** The decline in resident satisfaction to 66%, as recorded in the Micromex survey, reflects growing concerns about roads, financial management, and development processes. The community has raised concerns about affordability and value for money. This challenge presents an opportunity for Council to improve communication, demonstrate value, and rebuild trust by clearly linking asset renewal decisions and project outcomes to community priorities.
- **Funding Uncertainty and partial SRV approval:** Council was only granted partial SRV approval. This meant Council was not given approval to increase rates by the proposed 15% in the 2026-27 year. This reduction in projected revenue further constrains Council's ability to fund the borrowing costs (related to new loans) and some of the depreciation for the proposed asset renewals, increasing the risk of further deferred maintenance and declining service levels, especially for transport infrastructure.
  This funding shortfall makes it even more important to prioritise projects based on risk, condition data, and community priorities, ensuring every dollar is spent where it delivers the greatest value and service impact.
- **Climate Resilience and Disaster Impacts:** The Shire's exposure to flooding, coastal erosion, and bushfires continues to create challenges for the resilience and ongoing maintenance of assets. Residents highlighted climate resilience and disaster recovery as key areas of concern. This reinforces the need for asset management strategies that embed climate resilience into asset design, renewal, and maintenance programs.

In response, the SAMP 2025–2034 introduces targeted strategies to optimise asset performance, address identified funding gaps and build resilience through data-driven and sustainable management practices. By prioritising projects with high community impact and aligning investment decisions with the community's clear preference for maintaining existing assets, Council aims to ensure that available resources deliver maximum benefit. Coupled with a stronger focus on financial transparency, ongoing engagement with residents, and proactive pursuit of external

funding opportunities, these strategies will help Council support the region's growth while maintaining the quality of life, connectivity, and community cohesion that residents value across the Macleay Valley.

2. Community Engagement and Feedback

Kempsey Shire Council is committed to fostering transparent, open communication with the community.

As part of the development of the SAMP 2025–2034, Council has drawn on extensive community consultation, including the 2024 Micromex Community Survey, to better understand how residents perceive service delivery, their quality of life, and their priorities for the future.

2.1. Incorporating Feedback

This feedback has been directly integrated into the development of the SAMP 2025–2034, shaping the way Council prioritises and manages its $1.9 billion asset portfolio.

Key responses include:

Prioritisation of Projects: Feedback from the community highlighted specific areas of concern, such as increased attention will be given to improving road surfaces, drainage, and traffic management across the Shire, supported by the comprehensive condition assessments completed in 2024.

Maintaining Existing Assets Over New Builds: Council will focus on sustaining and renewing existing infrastructure—roads, footpaths, community facilities, and stormwater systems—before considering any major new asset investments, in line with the community's preferences.

Concerns About SRV: Some community members expressed concerns about the financial burden of the SRV. In response, Council has taken steps to ensure that the SRV funds are allocated in ways that will have a direct, tangible impact on the services residents rely on. The SRV will primarily fund critical asset renewals that directly benefit the community such as road repairs.

Ongoing Communication: Council commits to maintaining an open dialogue with the community throughout the implementation of the SAMP. We will provide updates on the progress of major projects.

2.2. Future Engagement

Looking ahead, Council will continue to engage with the community to ensure that future decisions regarding asset management and funding are made collaboratively. Community consultation will be an ongoing part of the review and update process for

the SAMP, helping to align asset management priorities with the evolving needs and expectations of the Shire.

The LTFP which formed part of the SRV submission included investment to address critical funding gaps related to managing and maintaining the Shire's infrastructure. These funding gaps were revealed through detailed financial modelling and asset management assessments. The funding gaps related to sustaining and renewing key assets, such as roads, water and sewer systems, and stormwater infrastructure. Without this additional funding, many essential projects would be deferred, leading to higher future costs and reduced service levels.

3. Context and Framework

Council has established clear accountability for asset management, ensuring that responsibilities for planning, funding, and maintaining assets are well-defined. The Asset Steering Committee (ASC) plays a key role in overseeing asset management strategies, reviewing investment priorities, and ensuring alignment with financial and service delivery objectives. This governance framework promotes coordinated decision-making across departments, enhances financial oversight, and ensures compliance with legislative requirements.

By aligning asset management with financial and workforce strategies, the SAMP ensures that critical infrastructure is maintained, renewed, and adapted to support essential services. This alignment fosters an efficient, resilient, and community-focused approach to managing the Shire's $1.9 billion asset portfolio, ensuring infrastructure meets both current and future needs.

3.1. Legislative and Policy Alignment

The SAMP is a core component of Kempsey Shire Council's Integrated Planning and Reporting (IP&R) framework, developed in compliance with the Local Government Act 1993 (NSW) and relevant State Government policies.

The SAMP ensures asset planning supports the objectives of:

- The **Community Strategic Plan – Your Future 2042**, ensuring that asset management strategies directly contribute to achieving the community's long-term vision.
- The **Delivery Program and Operational Plan**, which translates strategic objectives into specific asset programs, projects, and activities.
- The **Long-Term Financial Plan (LTFP)**, ensuring that asset funding requirements are fully integrated into Council's financial modelling.
- The **Workforce Management Plan (WMP)**, ensuring that Council has the skills, systems, and capacity to deliver its asset management responsibilities.

- The **Asset Management Policy**, which establishes the principles for sound asset governance, including service delivery, risk management, and lifecycle optimisation.
- The **Grants Management Policy** is also now incorporated into the SAMP, ensuring that all grant-funded projects align with Council's strategic direction and financial sustainability principles.

3.2. Climate Change Adaptation Strategy

Kempsey Shire Council is developing a Climate Change Adaptation Strategy to address the increasing risks posed by extreme weather events, coastal erosion, and natural disasters. This strategy will guide Council's approach to embedding climate resilience into asset planning, ensuring infrastructure can withstand environmental challenges. Once adopted, the Adaptation Strategy will align with the Community Strategic Plan (Your Future 2042), the Delivery Program, and the Operational Plan.

The Climate Change Adaptation Strategy will:

- Establish clear priorities for protecting vulnerable infrastructure.
- Inform renewal planning for flood-prone areas, erosion-affected coastal assets, heat-sensitive public spaces.
- Ensure climate risks are integrated into asset lifecycle planning.

3.3. Key updates since the 2023 SAMP

- **Comprehensive condition assessment** completed in late 2024, covering all roads, footpaths, and kerb and gutter assets, providing the most up-to-date data on asset condition.
- **Integrated Planning Updates:** Refinements to ensure consistency with the CSP 2042 and recent amendments to the IPR framework.
- **Environmental Compliance:** Enhanced strategies for managing risks associated with climate change and natural disasters, addressing state and federal policy directives.
- **Alignment of asset programs with community preferences** identified in the 2024 Micromex Community Survey, particularly the preference for maintaining existing infrastructure over building new assets.

A legislative alignment checklist is provided in section 122. Appendices, detailing compliance with relevant regulations and policies.

3.4. Community Priorities

The SAMP reflects extensive community engagement conducted through surveys, public meetings, and workshops over the past 3 or more years. Feedback was analysed to identify key priorities across demographic and geographic segments, ensuring the plan addresses the diverse needs of the Kempsey Shire community Results are collated in Table 1.

Table 1:Top Priorities by Segment

Demographic/Locality	Key Priorities	Challenges Identified
Urban Areas	Road safety and maintenance	Aging sealed roads; limited pedestrian pathways
Coastal Communities	Recreational facilities and open spaces	Coastal erosion and maintenance demands
Rural Areas	Accessibility and transport networks	Poor conditions of unsealed roads and aging timber bridges
All Demographics	Climate resilience and disaster recovery	Flood-prone areas; bushfire vulnerability

This feedback ensures that the SAMP's objectives are rooted in community needs, guiding the prioritisation of infrastructure investments and service delivery improvements.

By incorporating both technical asset condition data—including the recent comprehensive assessment of roads, footpaths, and kerb and gutter assets—and community priorities, Council aims to deliver measurable outcomes that align with community expectations and build public confidence in the value and transparency of Council's asset management approach.

4. Overview of Council's Assets

4.1. Asset Categories and Values

Kempsey Shire Council manages an extensive and diverse portfolio of infrastructure assets, valued at $1.9 billion. These assets support essential services, ranging from transportation and water supply to recreation and community facilities. Table 2 shows the different asset categories and their gross replacement cost.

Table 2: Asset category and gross replacement value

Asset Category	Total Asset Value ($M)
Buildings	82.3
Open Space & Recreation	36.5
Stormwater & Flood Mitigation	179.4
Commercial Businesses	71.2
Transport	625.6
Plant & Equipment	23.0
Waste	7.2
Water Supply Network	339.6
Sewerage Network	274.3
Bulk earthworks (Non depreciable)	301.5
TOTAL:	**1,940.6**

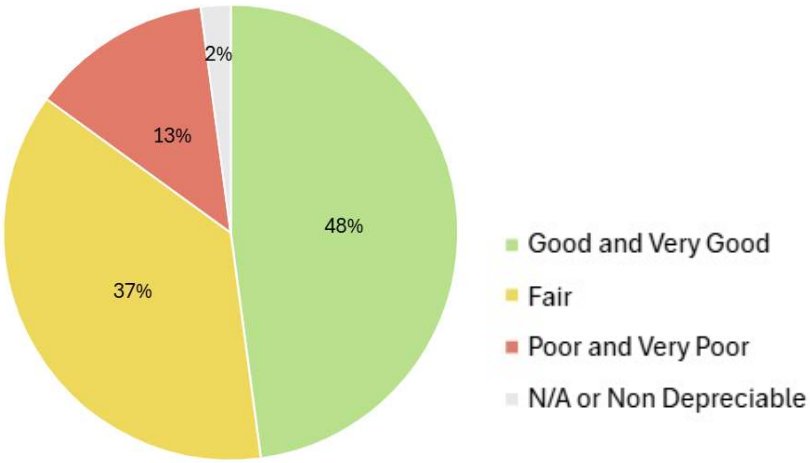
These assets form the backbone of the Shire's economic, social, and environmental systems, ensuring communities remain connected, safe, and supported.

4.2. Current Asset Condition

The condition of Council's assets varies significantly across asset classes, influenced by age, design standards at the time of construction, and ongoing maintenance levels.

The current condition of Council's assets varies widely by category (Table 3). A significant proportion of transport and stormwater infrastructure is rated as fair to poor, while recreational and community buildings are in better condition overall. Figure 1 presents the overall asset condition distribution. Further details are in the Appendix 4: Asset at a glance.

Figure 1: Asset Condition Distribution (Percentage of Total Value)



A comprehensive condition assessment of all roads, footpaths, and kerb and gutter assets was completed in 2024, providing Council with the most up-to-date and accurate data to date on the condition of the transport network. This data confirms that a significant portion of the road network, particularly unsealed roads and older sealed pavements, requires targeted maintenance and renewal over the next 10 years.

Table 3: Current Condition Snapshot (by Asset Category)

Asset Category	Estimated Value (2024) in $M	Overall Condition	Key Challenges
Buildings	82,3	Mixed	Accessibility and functional upgrades required in older community buildings
Open Space & Recreation	36,5	Fair to Good	High maintenance demands in coastal areas; aging facilities needing renewal
Stormwater & Flood Mitigation	179,4	Aging	Increased maintenance requirements during extreme weather; aging systems not designed for
Commercial Assets	71,2	Mixed	Holiday Park assets require modernisation to meet visitor expectations
Transport (roads, bridges, footpaths)	625,6	Fair overall	Aging sealed pavements; unsealed road deterioration following wet weather; condition risks for older timber bridges
Waste	7,1	Mixed	Ongoing renewal programs aligned with operational needs
Water Supply	339.7	Aging	Increased renewal pressures for treatment plants, particularly in flood-prone areas
Sewerage	274.3	Aging	Increased renewal pressures for treatment plants, particularly in flood-prone areas

These figures emphasise the need for prioritised maintenance and renewal to address aging infrastructure and avoid service disruptions.

4.3. Climate Resilience and Environmental Adaptation

The impacts of climate change, including increased rainfall and flooding, bushfires, and coastal erosion, pose significant risks to Kempsey's infrastructure. To address these challenges, Council continuously updates its climate resilience strategies:

- **Flood Mitigation:** Regular inspections and upgrades of levees and flood gates, focusing on high-risk areas.

- **Bridge and Road Resilience:** Investments in materials and designs resistant to flood and erosion damage.

- **Coastal Adaptation:** Reinforcement of vulnerable coastal infrastructure to counteract erosion and rising sea levels.

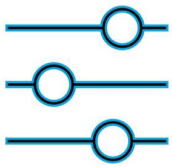
- **Renewable Energy Integration:** Transitioning council facilities to renewable energy sources to reduce environmental impact and operational costs.

These resilience strategies align with community expectations, with climate resilience and disaster recovery identified as priority issues in the 2024 Micromex Community Survey, with state and national environmental policies, ensuring that Kempsey Shire remains prepared for future climate risks while safeguarding community well-being.

Overall, Kempsey Shire Council's asset portfolio is a critical enabler of community well-being and economic resilience. Through the SAMP, Council will prioritise maintaining and renewing existing assets, aligning investment decisions with current asset condition data and community preferences to ensure infrastructure supports sustainable growth and service delivery for future generations.

5. Levels of Service (LoS)

5.1. Service Delivery Expectations



Council defines Levels of Service (LoS) to establish performance expectations for each asset class. This ensures assets are managed in a way that reflects community needs, financial sustainability, and technical performance standards

Following the 2024 Micromex Community Survey, residents expressed a strong preference for maintaining and renewing existing assets over building new asset (Table 4). This preference directly influences LoS targets for roads, stormwater, and community facilities.

These insights, along with comprehensive condition assessments for roads, footpaths, and kerb and gutter assets, inform the targeted service levels within this plan.

Table 4: Service Targets for Major Asset Classes

Asset Class	Community Targets	Technical Targets
Sealed Roads	Achieve an average satisfaction score of 3.5/5 in community surveys.	Maintain 85% of roads in "fair" or better condition. Repair all reported defects within 30 days.
Unsealed Roads	Reduce community complaints by 20% p.a..	Grade 100% of the network over the life of the SAMP
Stormwater Systems	Decrease flood-prone complaints by 15% by 2028.	Ensure 95% functionality during 1-in-10-year storm events.
Open Spaces	Maintain an average user satisfaction score of 4/5 for parks and recreational spaces.	Ensure 100% of playground equipment complies with Australian safety standards.
Water Supply	Limit service interruptions to less than 2 hours for 90% of customers annually.	Achieve 99% compliance with water quality standards.
Bridges	Ensure 80% of bridges are rated as "fair" or better.	Conduct structural assessments every 4-5 years; prioritise repairs for high-traffic or critical connections.

These targets provide a structured framework for assessing asset performance and aligning service delivery with community and operational priorities.

5.2. Performance Monitoring

Council employs a robust system for monitoring the performance of its assets against the defined LoS targets. Key performance indicators (KPIs) are tracked across asset categories to measure success and identify areas for improvement.

5.2.1 Key KPIs:

- **Asset Condition:** Percentage of assets rated as "fair" or better. Further details are in appendix at Appendix 4.
- **Community Satisfaction:** Average satisfaction scores for asset-specific surveys.
- **Service Reliability:** Metrics such as downtime for critical infrastructure (e.g., water supply interruptions).

5.2.2 Annual Review Process:

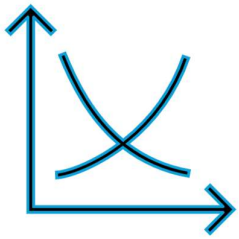
- **Data Collection:** Asset performance data is collected through inspections, community surveys, and service logs.
- **Analysis and Reporting:** KPI results are analysed and presented in Council's Annual Report and Delivery Program Review.
- **Target Adjustments:** Targets are reviewed annually to incorporate emerging community needs, regulatory changes, and budgetary considerations.

By continuously refining its LoS framework, Kempsey Shire Council ensures that asset management practices remain aligned with evolving community priorities and service expectations.

6. Financial Sustainability and Planning

Kempsey Shire Council's financial sustainability depends heavily on ensuring asset management practices are aligned with realistic long-term funding. This SAMP is closely linked to the Long-Term Financial Plan (LTFP) to balance renewal needs, operational budgets, and available funding.

6.1. Overview of Financial Metrics



Financial sustainability is critical to ensuring that Kempsey Shire Council can **maintain, renew, and improve essential infrastructure** while continuing to deliver core services to the community. Council manages a $1.9 billion asset portfolio, with significant ongoing costs to maintain service levels and address aging infrastructure.

Key financial metrics provide insights into the health of Council's asset management practices:

- **Asset Renewal Funding Ratio (ARFR):** The ARFR for 2023–2024 stands at **66.3%,** indicating a gap between available funding for asset renewals and the required expenditure to sustain assets over their lifecycle. This is below the target of 100%, underscoring the need for additional resources or revised asset strategies.
- **Depreciation Costs:** Annual depreciation expenses are **$24.93 million**, reflecting the ongoing consumption of asset value across all asset classes.
- **Operating Result:** The net operating surplus for 2023–2024 is **$34.05 million**, demonstrating sound financial management but highlighting the need to strategically allocate funds towards high-priority asset renewals. Excluding grants, the operating result per fund shows a deficit in the general fund (-$3.4M), and a benefit in water and in sewer (+$1.1M and +$2.4M respectively).

6.2. Funding and Revenue Strategies

Kempsey Shire Council employs a diversified approach to funding its asset management activities, balancing internal revenue sources with external grants and block grants. This approach is designed to ensure that essential infrastructure

services are maintained, even as financial pressures and community expectations evolve.

6.2.1 Revenue Streams:

- **Rates and Charges:** A primary source of income, contributing **$52.3 million** in 2023–2024.
- **Grants and Contributions: $38.46 million** in capital grants and **$15.63 million** in operational grants have been secured for projects such as road upgrades and water and sewer system enhancements.
- **User Fees:** Revenues from water supply, sewerage services, and community facilities totalled **$19.8 million**, providing essential supplementary funding for infrastructure maintenance and operations.

6.2.2 Grant Management Integration

Council's Grants Management Policy ensures all grant-funded projects align with Council strategies, consider full lifecycle costs, and are reported to Council quarterly, maintaining transparency.

6.2.3 Funding Challenges and Actions:

- **Partial SRV approval**: The third year of the proposed SRV increase of 15% was not approved by IPART. This puts further pressure on delivering the asset renewal program in the LTFP, requiring additional loan borrowings or a reassessment of planned works. Reassessment of planned works would lead to further and greater expenses in future years when council already had a backlog of renewals to complete. For better sustainability, the better option is funding the planned works.
- **Funding Gaps:** The ARFR shortfall highlights the gap between available funding and the actual investment required to sustain assets over their lifecycle. Without additional funding, this gap would widen, increasing long-term risks and future renewal costs.
- **Grant Applications:** Council continues to proactively seek state and federal funding for infrastructure projects, with a particular focus on critical assets like flood mitigation systems, roads and bridges, and climate resilience projects.
- **Revenue Optimisation:** To subsidise revenue short falls, Council is considering strategies to enhance or explore new revenue opportunities through partnerships and community programs.

6.3. Deferred Renewals and Risk

Deferred renewals—postponed maintenance and upgrades due to decades of aging infrastructure, increasing climate impacts, and periods of underfunding—pose significant risks to service delivery and asset longevity. As of 2023–2024, several asset categories, such as roads, bridges, and water networks, face renewal backlogs.

6.3.1 Impacts of Deferred Renewals:

- **Service Level Decline:** Aging infrastructure can lead to reduced reliability and safety, particularly for transport and stormwater systems.
- **Higher Future Costs:** Deferring maintenance often results in costlier interventions later, including complete asset replacement.
- **Community Impacts:** Delays in renewing critical assets may negatively affect community satisfaction and resilience during emergencies.

6.3.2 Mitigation Strategies:

- **Prioritisation Framework:** Assets are ranked based on risk, condition, and community impact to ensure high-priority renewals are addressed first.
- **Proactive Maintenance:** Emphasis on preventive maintenance to extend asset life and reduce immediate renewal demands.
- **Long-Term Planning:** Integration of deferred renewal projections into the LTFP to guide funding allocations.

By aligning asset management strategies with realistic funding projections, community expectations, and technical asset data, Kempsey Shire Council is committed to bridging funding gaps, mitigating risks, and ensuring long-term service sustainability.

7. Risk Analysis

Kempsey Shire Council faces a range of risks that can impact the performance and sustainability of its assets. Managing these risks effectively is essential to maintaining service delivery, ensuring community safety, and minimising financial impacts.

7.1. Risk Assessment Framework

Council applies a risk-based approach to asset management, categorising risks into three key areas:

- **Service Delivery Risks:** These include asset failures that may interrupt essential services such as water supply, road access, or stormwater drainage.

Council mitigates these risks through proactive maintenance, renewal programs, and condition monitoring

- **Environmental Risks:** Climate change, extreme weather events, and coastal erosion pose significant threats to Council's infrastructure. To address these risks, Council is developing a Climate Change Adaptation Strategy, which will identify vulnerable assets and recommend targeted adaptation measures. Once implemented, this strategy will guide design standards, renewal priorities, and maintenance practices to improve the resilience of Council's infrastructure
- **Financial Risks:** Limited funding, rising construction costs, and ongoing budget constraints create financial risks that can impact Council's ability to deliver renewal programs. The Grants Management Policy has been introduced to ensure all grant-funded projects are assessed for financial sustainability and include detailed lifecycle cost assessments to mitigate unexpected financial burdens.

7.2. Risks to Critical Assets

The following table (Table 5) outlines key risks to Kempsey Shire's critical assets, including the impact of recent extreme weather events, financial and operational factors:

Table 5: Risk Assessment for Critical Assets

Asset Type	Key Risks	Probability	Impact	Risk Level
Water Treatment Plants	Aging infrastructure leading to equipment failure.	Likely	High	High
Bridges	Structural degradation due to age and floods.	Likely	High	High
Stormwater Systems	Failure during extreme rainfall events.	Possible	High	High
Emergency Service Buildings	Inadequate resilience to natural disasters.	Possible	Very High	High
Sewerage Treatment Plants	Overcapacity or system malfunction.	Possible	Very High	High
Roads	Accelerated deterioration due to prolonged wet weather.	Almost Certain	High	Extreme

7.3. Climate Risk and Adaptation

Council recognises that climate change poses significant risks to the long-term sustainability and performance of its infrastructure assets. Flooding, coastal erosion,

bushfires, and temperature extremes can accelerate asset deterioration, increase maintenance costs, and disrupt essential services.

To address these risks, Council is developing a Climate Change Adaptation Strategy (budget pending a grant application) that will identify asset-specific vulnerabilities and recommend targeted adaptation measures. The latter will establish clear guidelines for:

- Embedding climate resilience into asset planning and design.
- Prioritising renewal projects that enhance asset durability under climate stressors
- Monitoring environmental conditions and asset performance in high-risk areas
- Integrating climate considerations into asset risk assessments and lifecycle costing processes
- Aligning with disaster recovery frameworks to streamline funding access following extreme weather events

Once adopted, the Adaptation Strategy will become a key input into all future SAMP reviews and updates, ensuring that climate risk and adaptation remain at the core of Council's long-term asset management framework.

7.4. Risk Mitigation Strategies

Council has been developing targeted strategies to mitigate risks across critical asset categories, including addressing the challenges posed by recent weather events on the road network.

- **Water Treatment Plants:** Upgrade aging equipment and incorporate redundancy systems for uninterrupted operation.
- **Bridges:** Prioritise maintenance for high-traffic bridges and invest in flood-resilient designs.
- **Stormwater/Flood mitigation Systems:** Regular inspections and proactive maintenance of levees and floodgates to ensure reliability, and enhancing stormwater network inspections, increasing network capacity where needed, and incorporating nature-based solutions to improve resilience.
- **Emergency Service Buildings:** Upgrade structures to modern disaster-resilience standards and establish contingency response sites.
- **Sewerage Treatment Plants:** Expand treatment capacity to meet growing demand and implement automated monitoring systems.
- **Roads:**

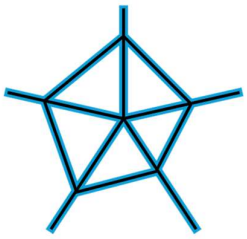
- Developing a reseal program to extend road life and prevent further damage and considering innovative options to extend the life of sealed and unsealed roads
- Prioritise high-traffic routes and roads critical to community access.
- Implement data-driven planning to optimise works schedules, directly reducing depreciation costs and lifecycle expenses.
- Secure external funding for emergency road rehabilitation projects and road safety projects
- Roads will be designed or maintained to the actual need, and where there is an excess, it will be rationalised.

These actions not only mitigate immediate risks but also improve asset performance, extend lifecycle durations, and reduce long-term financial burdens. By integrating these strategies into asset management plans, Kempsey Shire Council aims to enhance infrastructure resilience and maintain essential community services.

By consolidating risk management strategies, enhancing climate resilience planning, and applying rigorous financial assessments, Council will continue to deliver reliable and sustainable services to the Kempsey Shire community.

8. Asset Lifecycle and Renewal Gap

8.1. Lifecycle Management Approach



Effective asset lifecycle management ensures that Kempsey Shire Council's infrastructure delivers reliable services throughout its useful life while minimising costs. The approach focuses on the following key strategies:

- **Proactive Maintenance:** Regular inspections and preventive maintenance programs extend asset lifespan, reduce unexpected failures, and optimise operational efficiency.
- **Strategic Renewals:** Renewal projects are prioritised based on asset condition, criticality, and community impact. This ensures resources are directed toward high-priority assets while balancing available funding.
- **Disposal Planning:** Assets that have reached the end of their useful life and are no longer cost-effective to maintain are decommissioned or replaced. Disposal decisions are guided by long-term service delivery goals and financial sustainability.

- **Technology Integration:** Advanced tools, such as predictive modeling and real-time monitoring, are utilised to identify maintenance needs and anticipate asset degradation, supporting informed decision-making.

By employing this lifecycle management approach, Council aims to maintain a balance between immediate maintenance needs and long-term sustainability.

8.2. Managing the Renewal Gap

The renewal gap, the difference between required expenditure on asset renewal and available funding, poses a significant challenge for Kempsey Shire Council.

The last ARFR of 66.3% highlighted a shortfall in resources needed to fully sustain the Shire's $1.64 billion portfolio.

The planned ARFR with in the LTFP is targeting **96%**. However, this is only to keep the same level of service. Council must still prioritise investments based on risk and community needs.

Further details are available for other asset classes, in Appendix 3, in Table 7.

8.3. Strategies to Address the Renewal Gap:

To bridge the funding gap while ensuring long-term service reliability, Council will implement the following strategies:

- **Prioritisation Framework:** High-priority projects with significant community or service impacts are allocated funding first.
- **Lifecycle Optimisation:** Focus on cost-effective renewal options that maximise the lifespan of assets while addressing immediate risks.
- **Targeted Grants and Funding:** Continued applications for state and federal funding to address critical infrastructure needs.
- **Community Engagement:** Transparent communication with stakeholders to align renewal priorities with community expectations.
- **Infrastructure Right-Sizing:** Reviewing and adjusting infrastructure dimensions to match actual community needs, including rationalisation where excess capacity exists, leading to lower maintenance costs and improved efficiency.

By combining proactive lifecycle management with targeted financial strategies, Council aims to progressively reduce the renewal gap while maintaining essential infrastructure, ensuring long-term asset sustainability, and enhancing resilience against future challenges.

9. Improvement Plan

Integrating Kempsey Shire Council's Asset Management Maturity with its Financial Sustainability Plan is crucial for achieving long-term service delivery and infrastructure reliability. The Council's LTFP serves as the Financial Sustainability Plan, projecting the capacity to meet service levels outlined in the Community Strategic Plan over a ten-year horizon.

By strengthening the connection between asset management and financial planning, Council can optimise resource allocation, extend asset lifecycles, and ensure the community continues to receive essential services.

9.1. Current Asset Management Maturity

Kempsey Shire Council has made notable progress in asset management, improving strategic planning, data management and operational practices. The current asset management maturity level is assessed as **"Developing"**, reflecting these advancements while acknowledging areas for further improvement.

To achieve a higher maturity level, asset management must be fully integrated into council's financial decision-making, ensuring infrastructure renewal is both sustainable and strategically prioritised.

9.1.1 Areas for Improvement:

The following improvement actions have been identified to address current gaps and align asset management practices with best practice standards:

- **Enhanced Condition Data Integration:** Building on the 2024 comprehensive condition assessment, Council will further improve the integration of asset condition data into financial planning models. This will enhance Council's ability to predict renewal timing, refine lifecycle cost projections, and prioritise asset investments effectively.
- **Strengthened Climate Resilience Planning:** The forthcoming Climate Change Adaptation Strategy will guide Council's approach to protecting infrastructure from climate-related risks. This will include integrating climate risk assessments into renewal planning and strengthening design standards for assets in flood-prone or coastal areas.
- **Improved Performance Reporting:** Council will introduce a structured annual reporting framework that tracks asset performance against defined service level targets. This will improve transparency, align with community expectations, and inform future funding priorities
- **Defined Timeline and Accountability Framework:** Council already implemented a 'Financial Sustainability Program' (FSP) framework to record actions to develop and their timeline to track improvement actions, assigning clear milestones and responsibilities to ensure delivery within defined

timeframes. Key actions will be prioritised over 1-, 3-, and 5-year periods to ensure achievable progress is maintained.

- **Risk Management prioritisation:** Risk assessment frameworks need to be more deeply embedded in all stages of asset management, from procurement to renewal, to improve proactive decision-making: to prioritise climate resilience and disaster recovery investments. High-risk areas need to be identified and addressed.
- **Staff Competency:** Ongoing training and development are essential to ensure the workforce is equipped with the necessary skills and knowledge to manage assets effectively.
- **Enhanced Indigenous and Heritage Engagement:** Council will strengthen consultation with Indigenous communities, in line with its recent commitment to establish an Aboriginal Advisory Group, to ensure that cultural values are embedded in asset design and renewal programs. This will involve formal engagement processes and improved recognition of cultural significance in asset decision-making

9.2. Key Improvement Actions

Kempsey Shire Council has identified several short- and long-term improvement actions to improve asset management practices, achieve a higher level of maturity, and enhance financial sustainability.

9.2.1 Short-Term Actions (1–2 years):

- **Enhanced Condition Data Integration:** upgrade asset management system to enable consistent and accurate data collection. This includes integrating asset registers with condition monitoring tools, maintenance schedules and financial planning.
- **Defined Timeline and Accountability Framework:** once this SAMP is approved, addition of these actions in the FSP.
- **Enhanced Reporting and Decision Support:** develop more detailed asset performance reports to improve transparency and strategic planning; and ensure reports align with LTFP forecasts for sustainable funding of asset renewal.
- **Staff Development:** Improve resource level in the asset team and implement targeted training programs for staff to build competencies in risk management, asset lifecycle management, and advanced data analysis tools.
- **Enhanced Indigenous and Heritage Engagement:** once the Advisory Group is established.

9.2.2 Medium-Term Actions (3 years):

- **Stakeholder Engagement and Transparency:** Renew the Micromex Survey or similar for ongoing engagement with community stakeholders, ensuring asset management priorities align with public expectations and long-term sustainability goals. Improve public reporting on funding gaps, service levels, and planned asset improvements.
- **Strengthened Climate Resilience Planning:** Use climate risk mapping (to be developed in the Climate Change Adaptation Strategy) to prioritise investment in flood-prone, fire-risk, and erosion-/landslide-vulnerable areas; and ensure resilience planning aligns with Disaster Recovery Funding Arrangements (DRFA) or latest funding and policy frameworks set by the NSW Reconstruction Authority (RA), the National Emergency Management Agency (NEMA), and relevant state and federal resilience initiatives to maximise eligibility for disaster recovery and resilience grants. Funding for climate resilience projects is not included in financial forecasts and may require additional funding in case of betterment; however, these are likely to be attracting grants.

9.2.3 Long-Term Actions (5 years):

- **Adoption of Advanced Analytics:** to forecast asset performance, renewal needs, and climate resilience measures; and implement early-warning systems to detect deteriorating infrastructure before failures occur.

9.3. Progress and Next Steps

At the end of 2024, Council completed a comprehensive condition assessment of roads, footpaths, and kerb and gutter assets. These findings will guide future investment decisions, ensuring asset management remains data-driven and responsive to community needs.
Also, Council will finalise the Bridge asset management plan (AMP), progress the Buildings AMP, and prepare Transport AMPs as the data is still new.

By addressing these improvement areas and aligning asset management with financial sustainability, Council aims to achieve an **"Optimised"** maturity level—where asset management is seamlessly embedded in long-term financial planning and service delivery.

10. Indigenous and Heritage Considerations

Kempsey Shire Council acknowledges the significant cultural and heritage values of the land and is committed to respecting and incorporating Indigenous perspectives into its asset management practices. The Shire is essentially located on the traditional lands of the Thunggutti/Dunghutti Nations, and Council recognises the importance of all indigenous communities' connections to the land and its heritage sites.

10.1. Recognition and Collaboration

Council recognises the importance of respecting, preserving, and integrating Indigenous knowledge into asset management.

In line with the SAMP 2023, Council has committed to engaging with Indigenous communities to ensure their values, needs, and priorities are integrated into asset management strategies. This includes:

- **Consultation and Collaboration:** Regular consultation with local Indigenous groups, via the Aboriginal Advisory Group, to understand their priorities and ensure these are reflected in the planning and maintenance of community assets.
- **Cultural Awareness:** Incorporating cultural sensitivity into asset planning and management, particularly when dealing with lands of significant cultural importance.
- **Opportunities for Indigenous Employment and Procurement:** Ensuring that the economic benefits of asset management are shared with Indigenous communities through employment, training, and procurement opportunities.

10.2. Asset Management and Cultural Sensitivity

In alignment with the SAMP, Council ensures that:

- Asset planning considers Indigenous cultural landscapes and sacred sites to prevent disruption and enhance cultural heritage preservation.
- Community infrastructure projects incorporate design elements that acknowledge and celebrate local Indigenous heritage.
- Nature-based solutions and environmental management strategies align with traditional ecological knowledge to enhance sustainability and resilience.

By embedding these principles into the SAMP, Kempsey Shire Council strengthens its commitment to reconciliation, cultural preservation, and inclusive infrastructure development that respects and honours the region's Indigenous heritage.

11. Conclusion

Kempsey Shire Council remains firmly committed to delivering a resilient, sustainable and community-focused asset management approach that aligns with financial constraints, climate challenges, and evolving community expectations. Through this Strategic Asset Management Plan, Council has outlined clear strategies for risk management, infrastructure renewal, and long-term financial sustainability, ensuring

that the Shire's $1.9 billion asset portfolio continues to provide essential services to the community.

Key advancements include the completion of a comprehensive roads, footpaths, kerb, and gutter condition assessment in late 2024, which will guide targeted maintenance and renewal efforts. Council has also strengthened its risk mitigation strategies, aligning asset investments with service priorities while embedding climate resilience and sustainability into infrastructure planning.

The prioritisation of Indigenous and heritage considerations ensures that asset management decisions respect and incorporate the cultural and historical significance of Country. Additionally, financial strategies have been refined to address funding gaps, leveraging grants, innovative revenue streams, and right-sizing infrastructure to actual community needs.

Next Steps:

- **Ongoing Community Engagement:** Continue to engage with residents and stakeholders to align asset management priorities with community needs.
- **Implementation of Improvement Actions:** Execute short-, medium- and long-term actions identified in the Improvement Plan to advance asset management maturity.
- **Monitoring and Review:** Regularly review and update the SAMP to reflect changing conditions, emerging risks, and new opportunities for improvement.

Through these steps, Kempsey Shire Council is committed to ensuring that our assets are managed in a way that balances financial sustainability, service delivery, and community well-being, securing a resilient future for the Shire.

12. Appendices

Appendix 1: Glossary of Terms

This glossary provides definitions of key terms used throughout the Strategic Asset Management Plan (SAMP) to ensure clarity and understanding.

- **Asset Renewal Funding Ratio (ARFR):** A financial metric that measures the proportion of funding allocated for asset renewal compared to the total required for asset renewal.
- **Climate Resilience:** Strengthening infrastructure to withstand environmental challenges like floods, fires, and erosion.
- **Condition Assessment:** The evaluation of an asset's current state to determine maintenance and renewal priorities.
- **Deferred Renewals:** Maintenance or replacement work on assets that has been postponed, often due to funding constraints.
- **Funding Gap:** The difference between the money needed for asset renewal and the funding available.
- **Levels of Service (LoS):** Performance standards that define the quality and reliability of services provided by Council's assets.
- **Lifecycle Management:** The process of managing an asset from acquisition through to disposal, ensuring it delivers value throughout its life.
- **Risk-Based Prioritisation:** A method of ranking projects based on urgency, safety, and funding constraints.
- **SAMP:** Strategic Asset Management Plan – a comprehensive document that outlines the framework for managing assets in alignment with Council's long-term goals.

Appendix 2: Legislative and Policy Checklist

This checklist (Table 6) outlines the key legislative and policy requirements that the SAMP complies with to ensure transparency, accountability, and alignment with government standards.

Table 6: key legislative and policy requirements

Legislation/Policy	Requirement	Compliance Status
Local Government Act 1993 (NSW)	Requires councils to develop asset management plans as part of their Integrated Planning & Reporting (IPR) obligations.	Compliant – Council meets this through the SAMP, Long-Term Financial Plan, and annual reporting.
Local Government (General) Regulation 2021 (NSW)	Supports asset management planning by detailing financial reporting and long-term asset sustainability requirements	Compliant – Asset financial data is included in the SAMP and aligns with reporting requirements.
Integrated Planning and Reporting (IPR) Framework	Ensures that asset planning aligns with the Community Strategic Plan and financial sustainability goals.	Compliant – SAMP aligns with Your Future 2042 and the Delivery Program
Environmental Planning and Assessment Act 1979 (NSW)	Requires asset management to consider environmental impacts and planning requirements.	Compliant – Environmental risks are addressed in the SAMP's risk management and climate resilience sections.
NSW Climate Change Policy Framework	Guides local governments on incorporating climate adaptation into asset planning.	In Progress – Council is developing a Climate Change Adaptation Strategy, to be completed by 2026.
NSW State Emergency and Disaster Response Plans	Ensures infrastructure planning incorporates disaster resilience.	Compliant – The SAMP prioritizes resilience in flood, fire, and storm-prone areas.
Disaster Recovery Funding Arrangements (DRFA)	Outlines funding eligibility for repairing or replacing disaster-affected assets.	Compliant – Council aligns asset renewal planning with DRFA guidelines to secure funding post-disaster.
KSC Grants Management Policy (Kempsey Shire Council)	Ensures grant-funded asset projects align with Council's strategic priorities.	Compliant – The SAMP integrates the Grants Management Policy for funding alignment
Asset Management Policy (Kempsey Shire Council)	Sets principles for managing Council's assets, including lifecycle planning, service levels, and risk management.	Compliant – The SAMP follows the Asset Management Policy to guide infrastructure investment and maintenance.

Appendix 3: Detailed Financial Tables

The following detailed financial tables provide a comprehensive breakdown of Council's asset management costs, funding sources, and projections for future renewal and maintenance expenditures:

- **Table 7: Asset Renewal Funding Summary**

Table 7 provides a summary of asset renewal costs, available funding, and the renewal funding gap for each major asset category in Kempsey Shire. It highlights the projected funding requirements for asset renewal over the next 10 years and identifies areas where additional investment is needed to ensure long-term sustainability.

Table 7: Asset Renewal Funding Summary

Asset Category	Total Asset Value ($M)	Required Renewal Cost ($M)	Available Funding ($M)	Renewal Funding Gap ($M)	Renewal Funding Ratio (%) - new LFTP
Buildings (Community & Corporate)	82.3	11.9	5.7	6.2	48%
Open Space & Recreation	36.5	10.1	10.1	0.0	100%
Stormwater & Flood Systems	179.4	14.3	7.4	6.9	51%
Commercial Assets	71.2	30.5	30.5	0.0	100%
Transport Infrastructure	625.6	141.6	141.6	0.0	100%
Plant and Equipment	23.0	31.4	31.4	0.0	100%
Waste	7.2	0.6	0.6	0.0	100%
Water Supply	339.7	39.0	39.0	0.0	100%
Sewerage	274.3	96.2	96.2	0.0	100%
TOTAL:	**1,639.2**	**375.6**	**362.5**	**13.1**	**96%**

Total Renewal Gap: $13.1 million
Average Renewal Funding Ratio: 96% (Target is 100%)

This table outlines the required asset renewal funding, available resources, and funding gaps. The renewal funding ratio highlights areas needing additional investment to maintain infrastructure.

Stormwater remains underfunded, pending a full network condition assessment.

- **Table 8: Depreciation and Lifecycle Costs**
  Projected depreciation values for major assets and the expected lifecycle costs over the next 10 years.

The following table provides projected depreciation values for major asset categories in Kempsey Shire over the next 10 years, along with the expected lifecycle costs, including operational maintenance and renewal expenses. These projections reflect the ongoing wear and tear on assets, as well as the planned investment required to maintain their functionality throughout their lifecycle.

Table 8: Depreciation and Lifecycle Costs

Asset Category	Total Asset Value ($M)	Annual Depreciation ($M)	Forecast Lifecycle Cost (10 Years Avg) ($M)	Planned Lifecycle Cost (10 Years) ($M)
Buildings (Community & Corporate)	82.3	1.3	2.7	2.0
Open Space & Recreation	36.5	1.0	5.1	5.1
Stormwater & Flood Systems	179.4	1.5	2.3	1.6
Commercial Assets	71.2	1.4	6.1	7.7
Transport Infrastructure	625.6	9.5	18.0	22.6
Plant and Equipment	23.0	1.5	4.2	5.8
Waste	7.2	0.5	9.3	8.8
Water Supply	339.7	5.4	17.6	16.1
Sewerage	274.3	6.7	22.0	24.9
TOTAL:	**1,639.2**	**28.8**	**87.3**	**94.6**

The projected depreciation values represent the annual reduction in asset value due to wear and tear, while the lifecycle costs reflect the total investment needed to maintain or replace assets over the next decade.
These projections provide a clear view of future financial requirements to ensure assets continue to deliver reliable services.

- **Table 9: Capital Expenditure Projections**
  Forecasted capital expenditures for new assets and major renewals, including external funding sources.

The following table presents the forecasted capital expenditures for new assets and major renewals in Kempsey Shire over the next 10 years. It also includes projections for external funding sources, such as grants and contributions, that will support these expenditures.

Table 9: Capital Expenditure Projections

Asset Category	Forecasted Capital Expenditure (10 Years) ($M)	Upgrade/ New Assets ($M)	Major Renewals ($M)	External Funding Sources ($M)
Buildings (Community & Corporate)	10.3	4.6	5.7	0.6
Open Space & Recreation	18.7	8.6	10.1	8.7
Stormwater & Flood Systems	11.6	4.3	7.4	4.3
Commercial Businesses	55.2	24.7	30.5	4.9
Transport Infrastructure	189.5	47.9	141.6	73.3
Plant & Equipment	31.4	0.0	31.4	0.0
Waste	18.7	18.2	0.6	0.0
Water Supply	113.1	74.1	39.0	27.0
Sewerage	262.4	166.3	96.2	22.5
TOTAL:	**710.9**	**348.7**	**362.5**	**141.3**

Total Forecasted Capital Expenditure (10 Years): $710.9 million
Total External Funding (10 Years): $141.3 million

This table provides an overview of the anticipated capital investments required for new assets and major renewals, including expected contributions from external sources. The figures illustrate a significant commitment to maintaining and improving Kempsey Shire's infrastructure, with external funding helping to offset a portion of these costs. These projections ensure that the Shire can meet the demands of growth, sustainability, and service delivery while minimising the burden on local ratepayers.

- **Table 10: Annual Financial Summary**
  A summary of the annual budget allocation for asset management activities, including operational maintenance, renewals, and new projects.

The following table provides a summary of the annual budget allocation for Kempsey Shire's asset management activities. It covers key areas such as maintenance, renewals, and new projects, outlining the expected financial commitments for each category on an annual basis over the next 10 years.

Table 10: Annual Financial Summary

Asset Category	Annual Operational Maintenance ($M)	Annual Renewals ($M)	Annual Upgrade/ New Projects ($M)	Total Annual Allocation ($M)
Buildings	1.5	0.6	0.5	2.5
Open Space & Recreation	4.1	1.0	0.9	5.9
Stormwater & Flood Systems	0.8	0.7	0.4	2.0
Commercial Assets	4.7	3.0	2.5	10.2
Transport Infrastructure	8.5	14.2	4.8	27.4
Plant & Equipment	2.7	3.1	0.0	5.8
Waste	8.8	0.1	1.8	10.7
Water Supply	12.2	3.9	7.4	23.5
Sewerage	15.2	9.6	16.6	41.5
TOTAL	**86.6**	**36.2**	**34.9**	**129.5**

Total Annual Allocation: $129.5 million

This table provides a breakdown of the annual budget needed for the upkeep and development of Council's assets, ensuring that sufficient funding is allocated to maintain asset performance, renew aging infrastructure, and support new projects. The allocation represents the ongoing investment required to keep services running efficiently, reduce the risk of asset failure, and support the Shire's long-term growth and development.

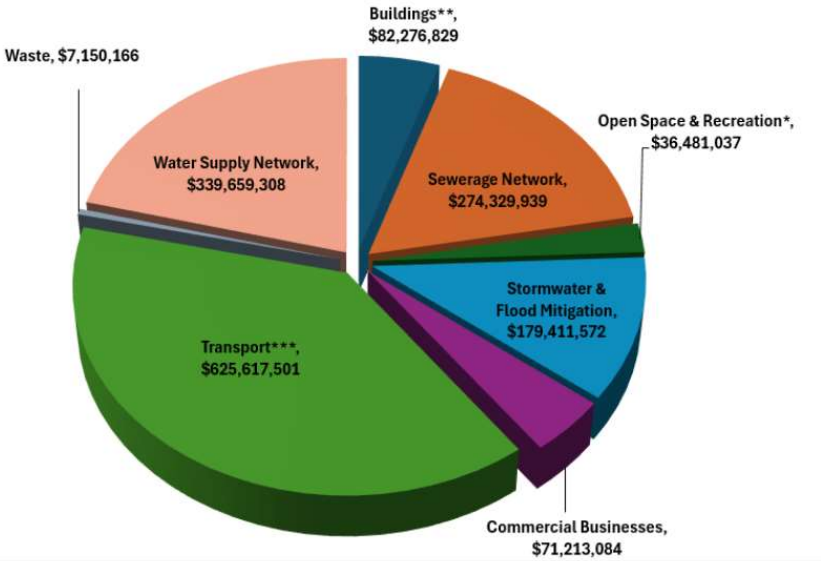
These tables offer a transparent view of the financial aspects of the SAMP, ensuring informed decision-making and supporting long-term planning efforts.

Appendix 4: Asset at a glance

Our total asset value is $1.9bn. This is the gross value. The depreciable value once we remove the components that we would never sell (for instance, the land under the roads) equals to $1.64bn and is distributed as follows.

12.4.1 Asset Service Category (Depreciable Assets):

- **Values:**

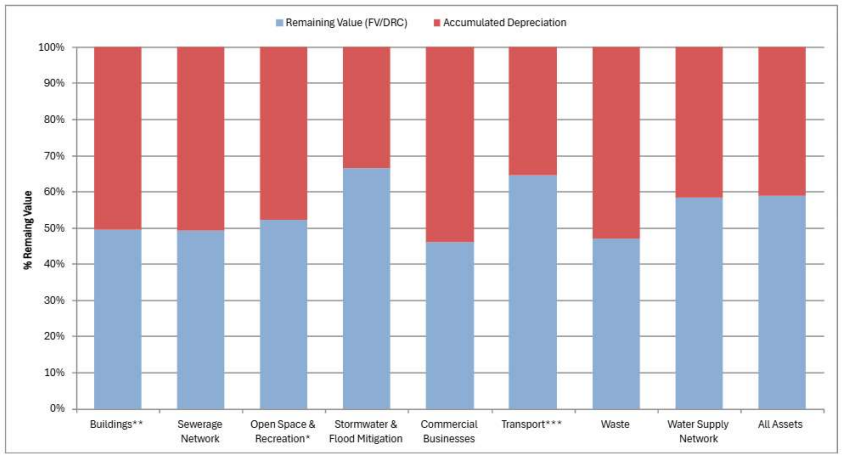


* Figures exclude non-depreciable land improvements ($24.9M)
** Figures exclude Commercial Buildings which are included in Commercial Business ($38.5M)
***Figure excludes non-depreciable Bulk Earthworks ($303.2M)

- **Overall condition ranking**

Good and Very Good	Fair	Poor and Very Poor
49%	38%	13%

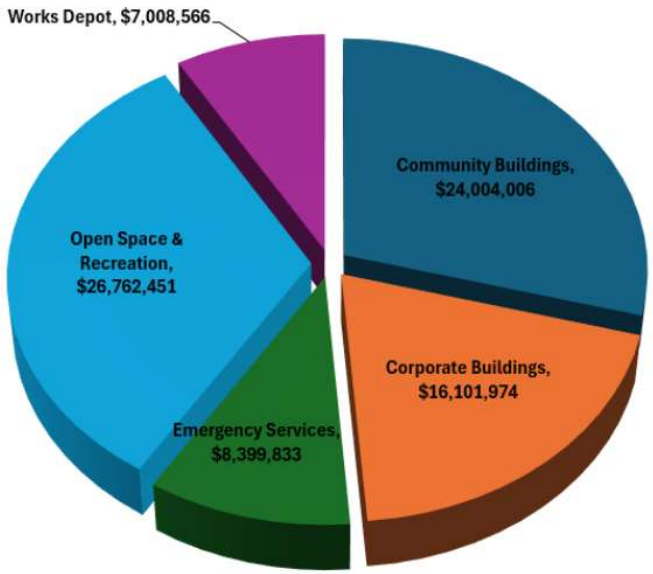
- **Remaining Life vs. Accumulated Depreciation:**



- **Conditions:**

12.4.2 Buildings Asset

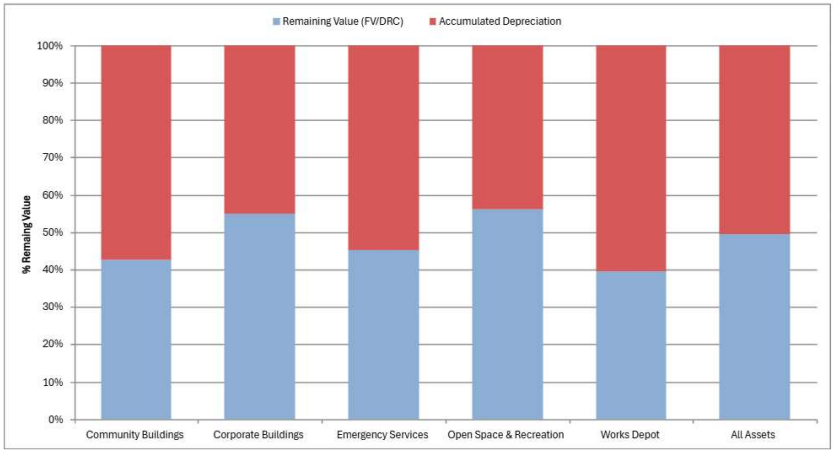
- **Values:**



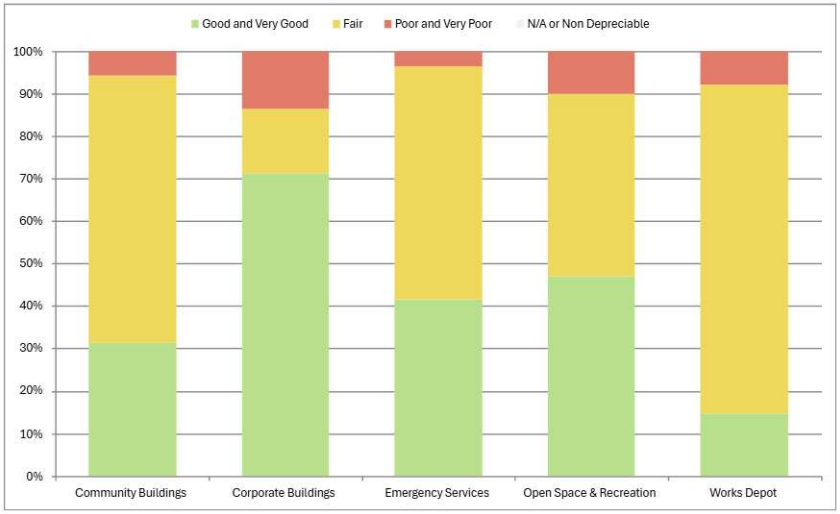
- **Overall condition ranking**

Good and Very Good	Fair	Poor and Very Poor
43.82%	47.54%	8.65%

- **Remaining Life vs. Accumulated Depreciation:**

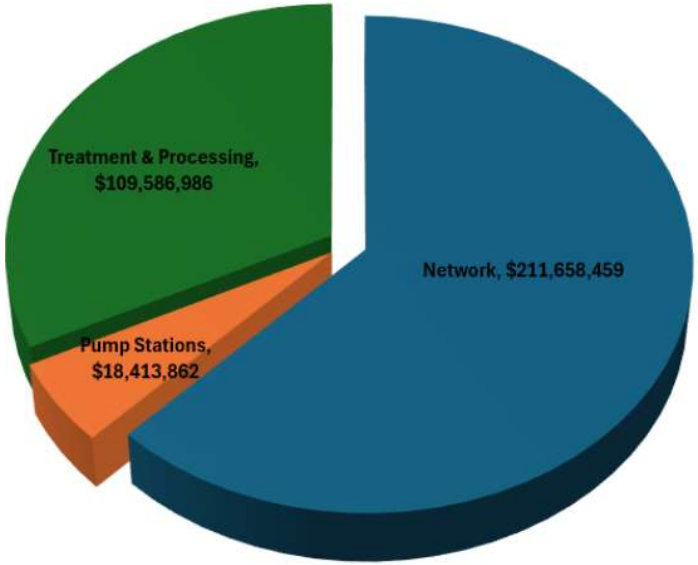


- **Conditions:**



12.4.3 Water Asset

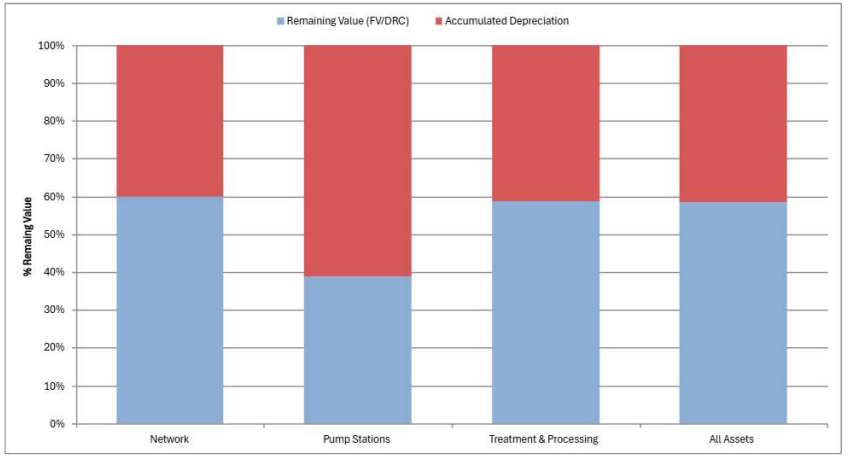
- **Values:**



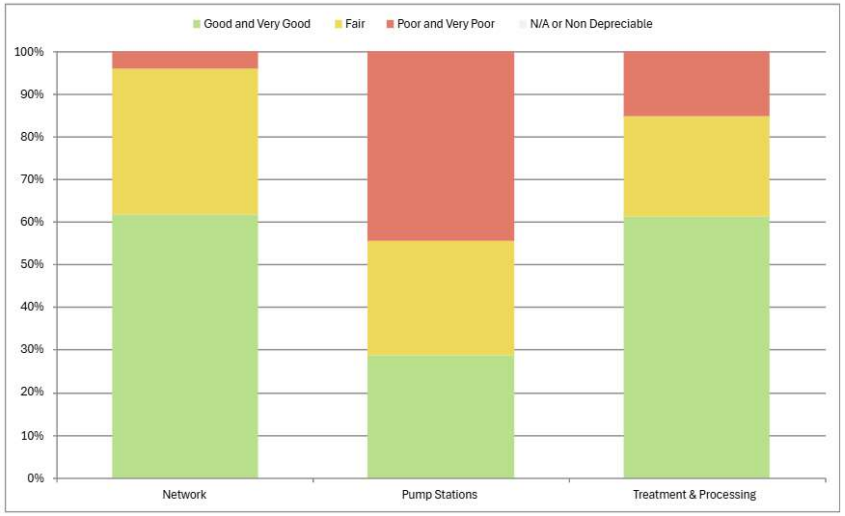
- **Overall condition ranking**

Good and Very Good	Fair	Poor and Very Poor
60%	30%	10%

- **Remaining Life vs. Accumulated Depreciation:**

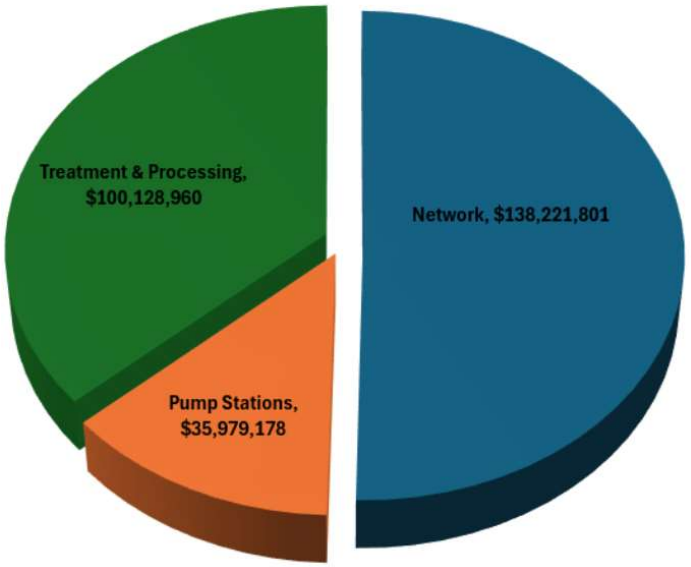


- **Conditions:**



12.4.4 Sewer Asset

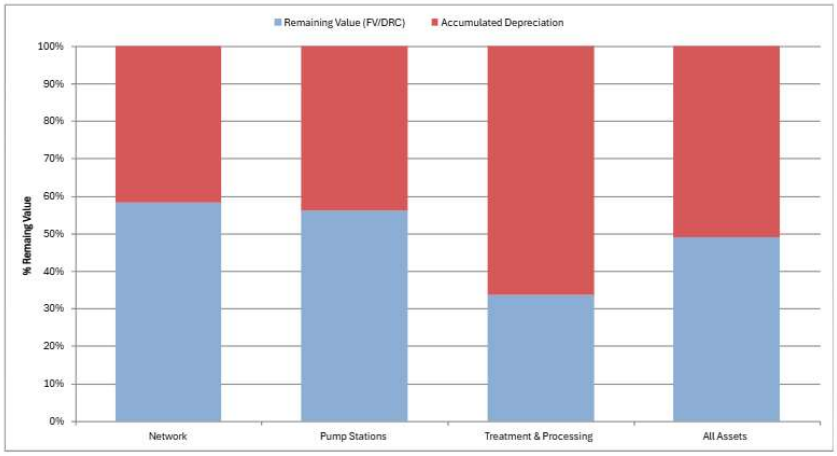
- **Values:**



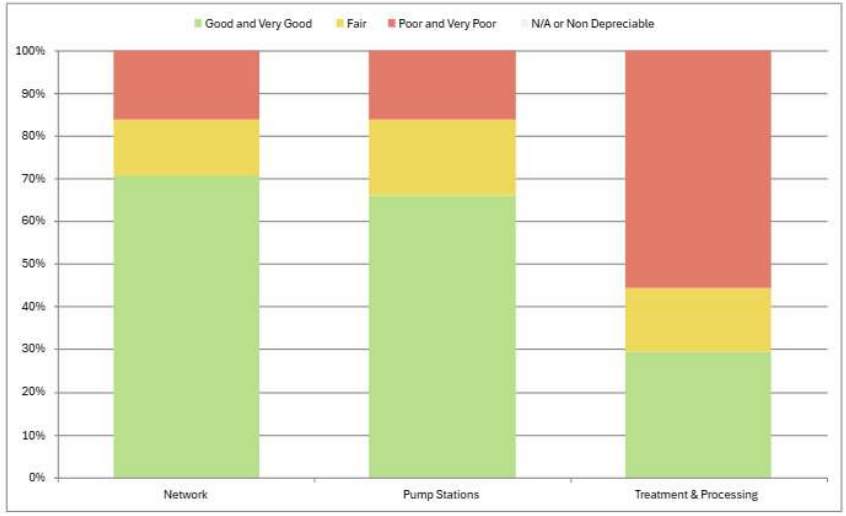
- **Overall condition ranking**

Good and Very Good	Fair	Poor and Very Poor
55%	14%	30%

- **Remaining Life vs. Accumulated Depreciation:**

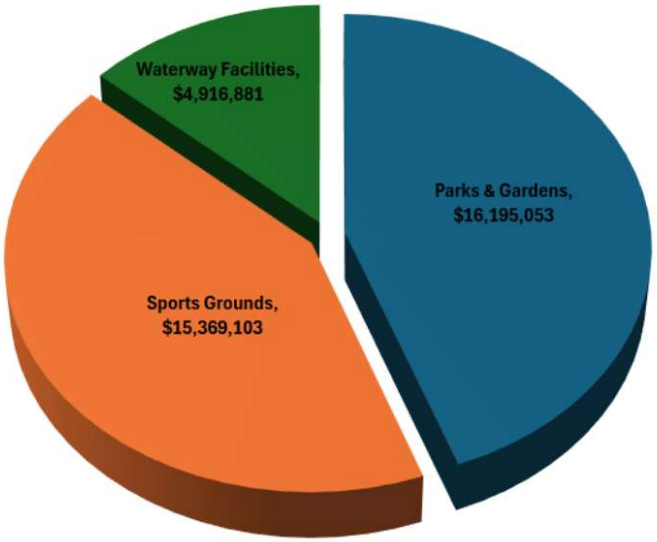


- **Conditions:**



12.4.5 Open Space Asset

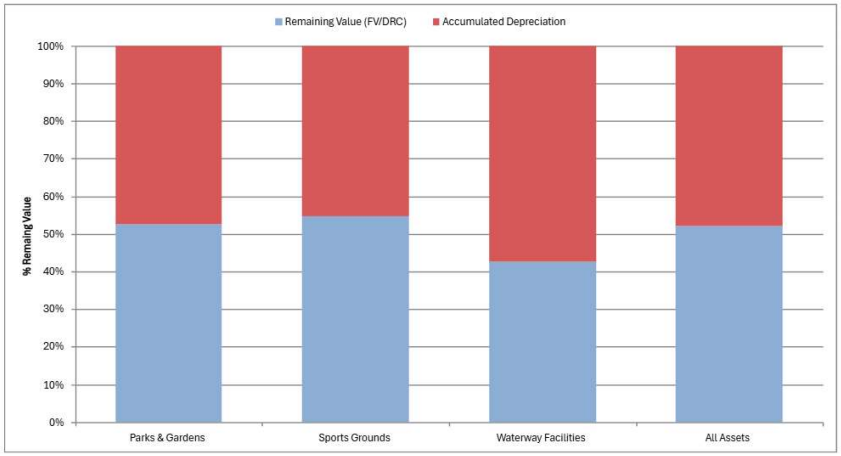
- **Values:**



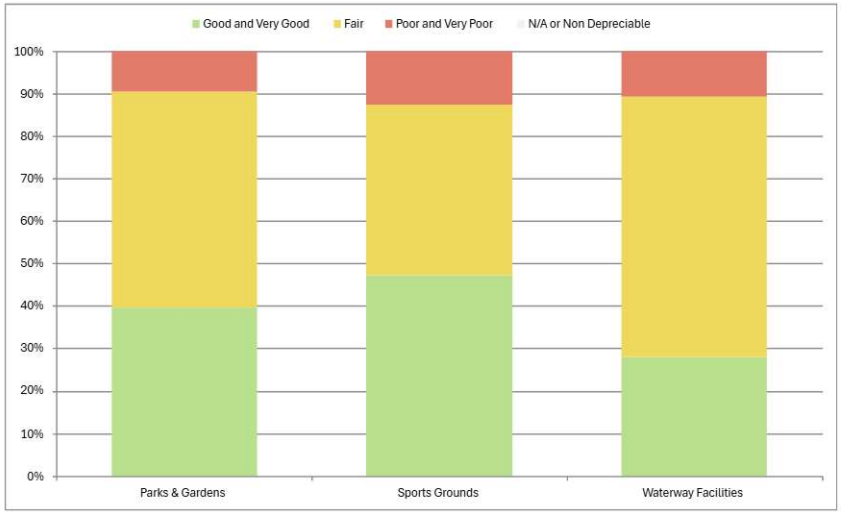
- **Overall condition ranking**

Good and Very Good	Fair	Poor and Very Poor
41%	48%	11%

Remaining Life vs. Accumulated Depreciation:

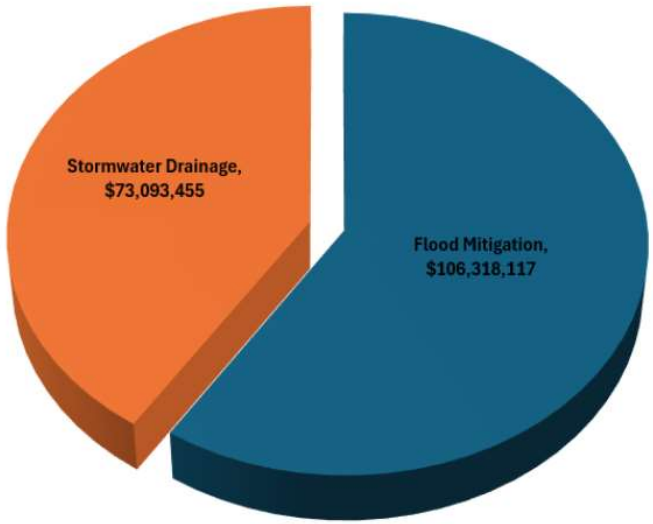


- **Conditions:**



12.4.6 Stormwater & Flood Mitigation Asset

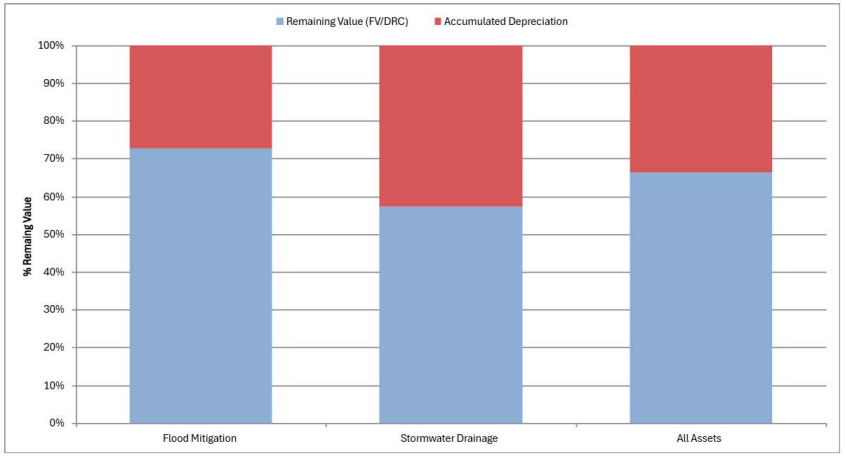
- **Values:**



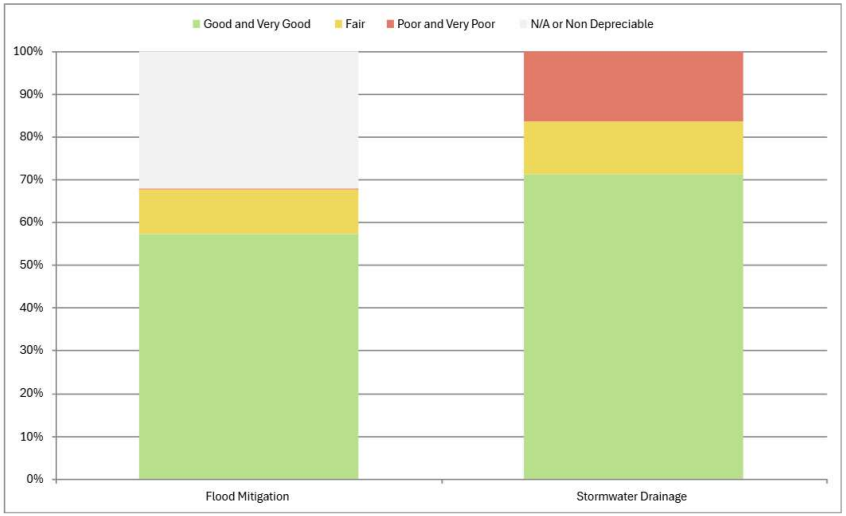
- **Overall condition ranking in %:**

Good and Very Good	Fair	Poor and Very Poor
77.6%	13.9%	8.5%

Remaining Life vs. Accumulated Depreciation:

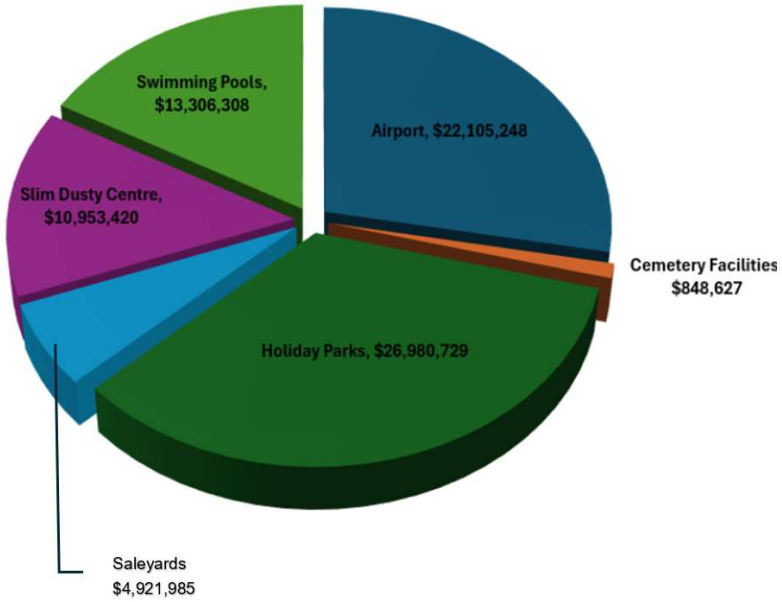


- **Conditions:**



12.4.7 Commercial Asset

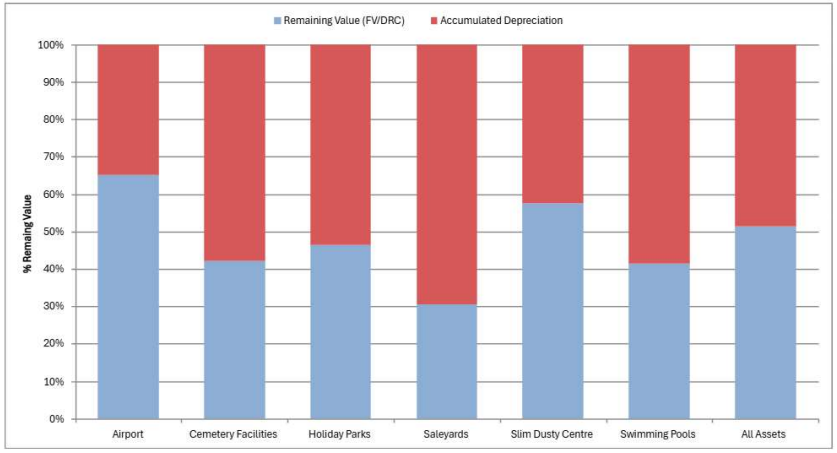
- **Values:**



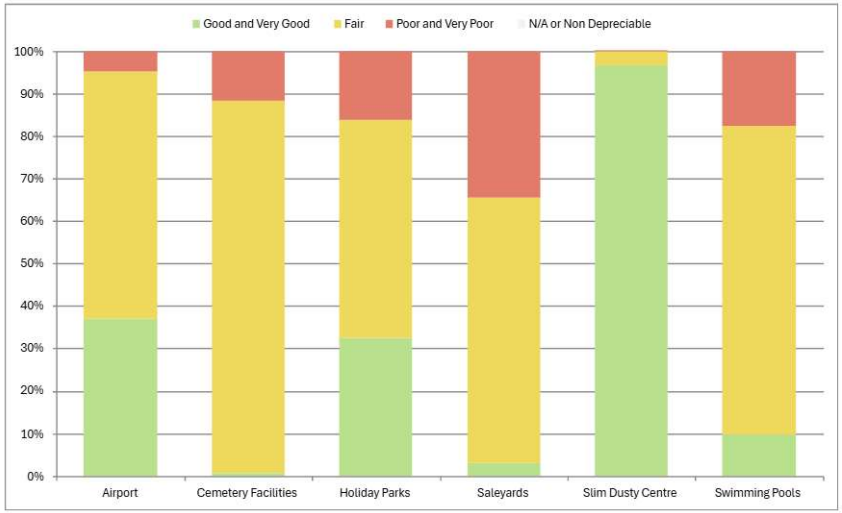
- **Overall condition ranking in %:**

Good and Very Good	Fair	Poor and Very Poor
37%	51%	12%

- **Remaining Life vs. Accumulated Depreciation:**

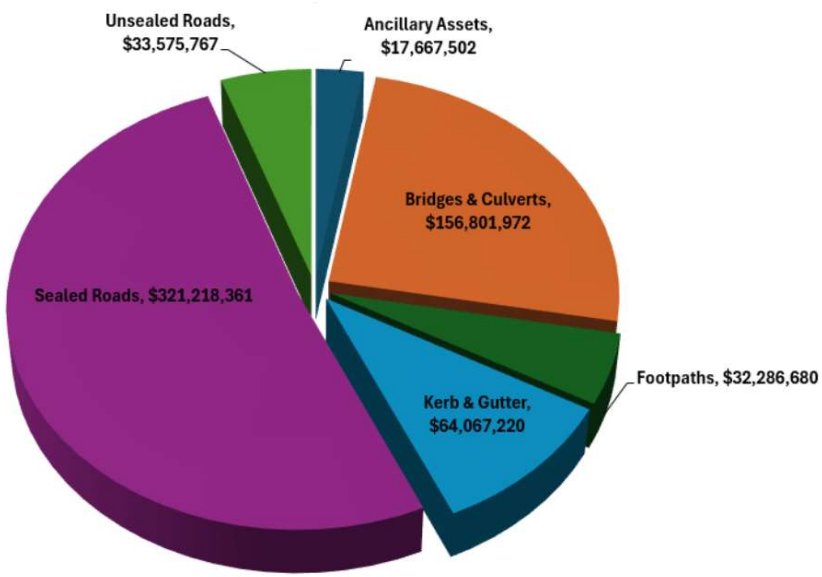


- **Conditions:**



12.4.8 Transport Asset

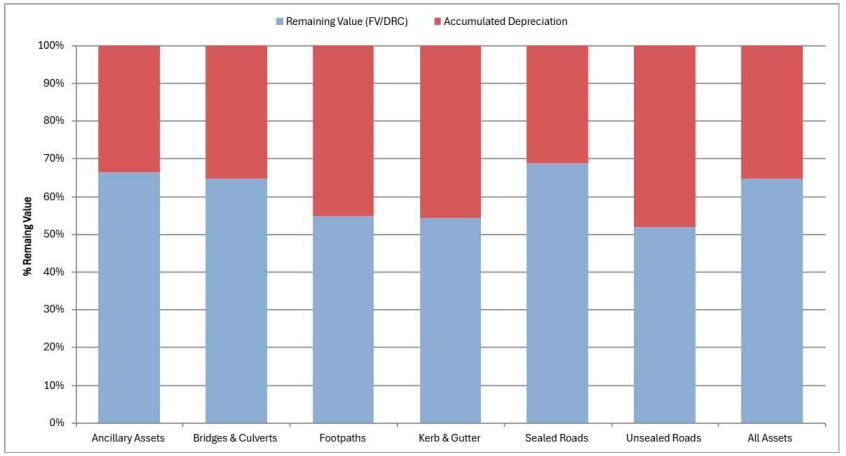
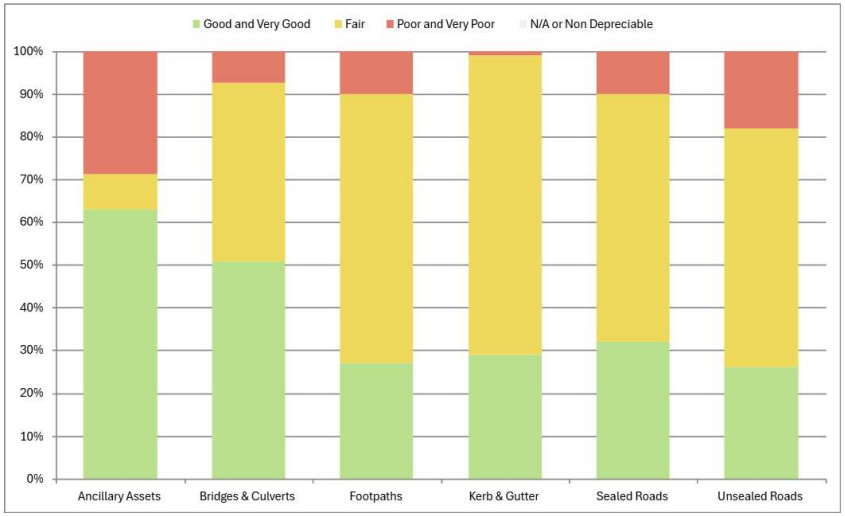
- **Values:**



- **Overall condition ranking in %:**

Good and Very Good	Fair	Poor and Very Poor
37%	54%	9%

- **Remaining Life vs. Accumulated Depreciation:**



- **Conditions**