Mansfield Shire Council

Asset Management Strategy

February 2022

DOCUMENT CONTROL

CT Management Group P/L PO Box 1374 GEELONG VIC 3220 Phone: (03) 5221 2566 Email: admin@ctman.com.au Web: www.ctman.com.au	Document: Mansfield Shire Council - Asset Management Strategy (Draft)
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	Synopsis: Strategy outlining the implementation of the Asset Management Framework

DISTRIBUTION SCHEDULE

Version No.	Date	Distribution	Reference
2.0	December 2021	Peer Review	Draft AM Strategy
2.1	December 2021	Mansfield Shire Council	Draft AM Strategy
2.2	February 2022	Mansfield Shire Council	Updated draft AM Strategy
2.3	February 2022	Mansfield Shire Council	Updated draft AM Strategy
2.4	March 2022	Mansfield Shire Council	Updated draft AM Strategy
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SCHEDULE OF ADOPTION

Version No.	Date	Comment	Reference
1.0	July 2011	Adopted by Council on 19 July 2011.	E895
2.5	June 2022	To be adopted by Council	E9810

This Asset Management Strategy is owned and managed by:

Mansfield Shire Council
33 Highett Street
Mansfield VIC 3722

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1   INTRODUCTION

1.1   What is Asset Management?

Infrastructure is at the heart of our economy and enriches our community's experience of our shire.

As infrastructure assets can provide services over extended periods of time, the choices we make today can impact the quality of life of future generations.

Asset Management is a systematic business practice to manage and maintain infrastructure in a sound and reliable condition and is based on minimising whole-of-life costs.

It also aims to significantly reduce operating and maintenance cost, as well as long-term capital expenses.

Asset Management provides us with the ability to understand the immediate, medium, and long-term impacts of decisions and provide solutions on how to mitigate risk.

Asset Management benefits include:

- Improve the cost efficiency by looking at the whole of lifecycle costs,
- Target critical assets to ensure performance is maintained and risk is managed,
- Understand what level of service can be achieved for different costs,
- Ensure infrastructure networks are appropriately funded for the long term and
- Improve customer satisfaction by matching the services we provide to the community's expectations

In simple terms, asset management is about how we manage our assets throughout their lifecycle on both a day to day basis as well as in the medium to long term.

Day to day asset management requirements include the monitoring of our assets as well as operational and maintenance activities to ensure our assets are kept in a safe and serviceable condition.

This includes activities like maintenance inspections, cleansing, grass mowing, graffiti removal, as well as maintenance activities such as road patching and footpath repairs.

1.2   What is the Purpose of the Asset Management Strategy?

The purpose of the *Asset Management Strategy* is to establish guiding principles and to provide a sound basis for decisions on the procurement, management, utilisation, and disposal of assets in accordance with our business needs and in line with our strategic and operational plans.

The *Asset Management Strategy* intends to deliver sustainability by integrating service planning, asset planning, and financial planning.

The *Asset Management Strategy* is an important document which supports our Asset Management Policy and outlines:

- Our current position in relation to our asset management practices,
- Our desired future asset management state,
- Our current capacity to manage and fund our assets,
- The actions we will implement to help us improve upon our asset management practices which are consistent with our Council Plan and budget objectives, and
- Our performance monitoring processes to ensure that we are accountable.

The Asset Management Strategy underpins the direction of the *Asset Plan* and subsidiary Asset Management Plans that provide a direction on an asset category basis.

This strategy applies to all infrastructure assets owned or controlled by Council and is supported by a **5 year** improvement road map.

1.3   Scope

This *Asset Management Strategy* includes the physical assets, systems, and processes that are required for the provision of the wide range of services that we provide to our community.

The *Asset Management Strategy* is focused on enhancing asset management capability and has been developed in line with the *Asset Management Policy*.

It applies to all physical assets, systems, and processes that support the delivery of services to our stakeholders and the community in accordance with the direction set in the Council Plan.

1.4   Outcomes

Strategic asset management underpins all activities related to managing our assets for optimal outcomes.

This document will provide an effective and integrated strategic and operational framework for all classes of our assets leveraging their inherent capabilities to assist us to achieve our strategic objectives and service priorities.

For this to occur, we must develop and implement strategies that match the quality, quantity, and type of assets with the defined service requirements, and a vertical perspective that ensures the decisions taken about each asset or group of assets are supported with structured methodologies and decision-making tools that consider the total life of the asset.

2   OUR ASSETS

2.1   Asset Value

All our infrastructure assets, with a collective replacement cost of approximately ***$224.2 million***, belong to our ratepayers and are managed and operated by Council on their behalf.

Ensuring our assets are appropriate for the community's needs enables us to deliver the services that make our shire a great place to live, work and visit.
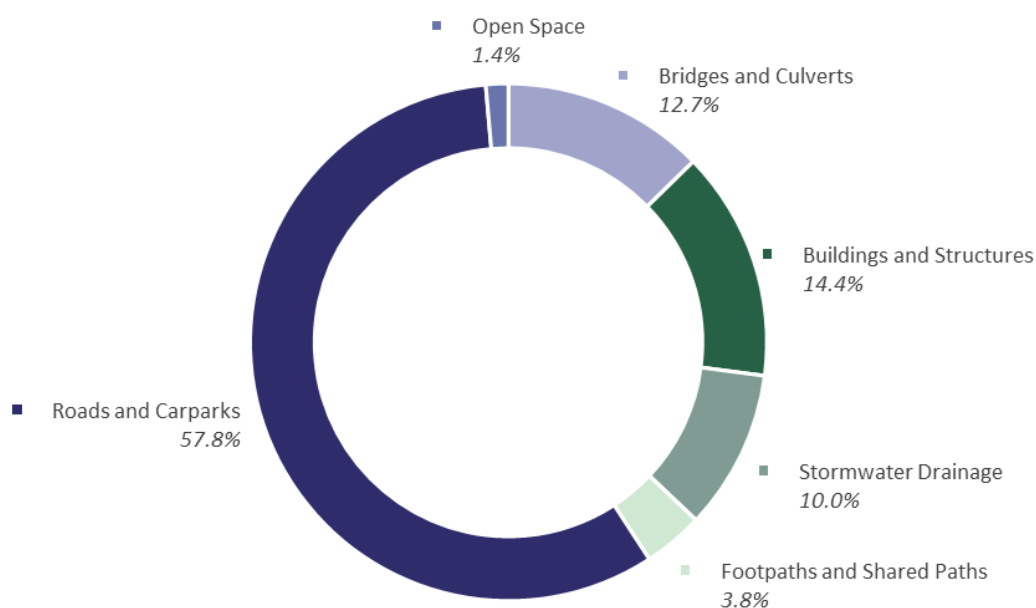
Our infrastructure assets are grouped into the following key asset classes:

Asset Class	Quantity	Replacement Value ($ 000's)
Bridges and Culverts	▪ 73 bridges ▪ 141 culverts	28,424.26
Buildings and Structures	▪ 62 buildings ▪ 24 sheds and outbuildings ▪ Bus stops and shelters	32,248.37
Stormwater Drainage	▪ 56.4 km of underground pipes ▪ 2,449 stormwater pits	22,421.35
Footpaths and Shared Paths	▪ 51.6 kilometres of footpaths and shared paths on-road reserves ▪ 47.8 kilometres of off-road shared paths (rail trail)	8,429.94
Roads and Car Parks	▪ 259.7 kilometres of sealed roads ▪ 577.3 kilometres of unsealed roads ▪ Kerb and channel ▪ Car parks	129,481.60
Open Space	▪ 67 open space furniture, playgrounds, and sportsgrounds	3,160.39
Total		**224,165.91**

2.2   State of Our Assets

Our community determine the demand and value of the services our assets provide. The performance of our infrastructure is measured on agreed service levels through ongoing condition assessments of our infrastructure.

Footpaths and Shared Paths
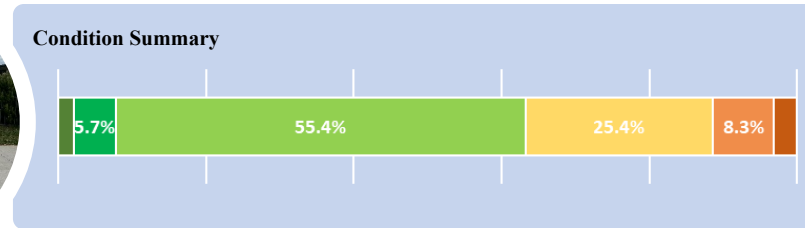
Condition Summary

| 5.7% | 55.4% | 25.4% | 8.3% | |

Stormwater Drainage

Condition Summary

| 20.2% | 16.4% | 61.8% | 1.5% |

Roads and Car Parks

Condition Summary

| 3.0% | 9.6% | 45.7% | 34.5% | 6.1% |

Buildings and Structures

Condition Summary

| 4.9% | 58.9% | 34.4% |

Bridges and Culverts

Condition Summary

| 40.0% | 56.8% | 1.0% |

| Excellent | Brand new | Very Good | Fit for the future | Good | Adequate for now | Fair | May require minor maintenance | Poor | Requires significant maintenance | Very Poor | Approaching end of life | End of Life | No longer serviceable |
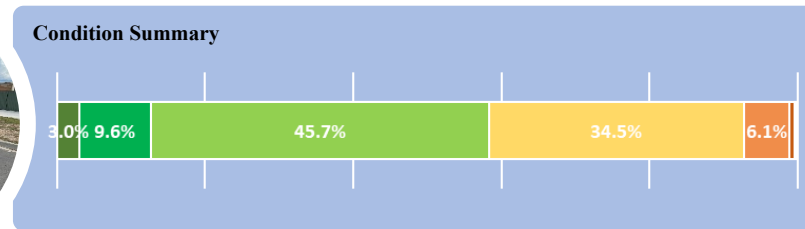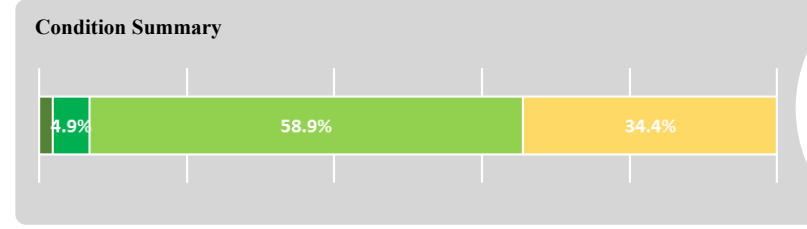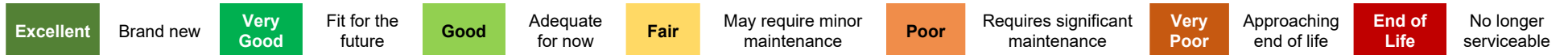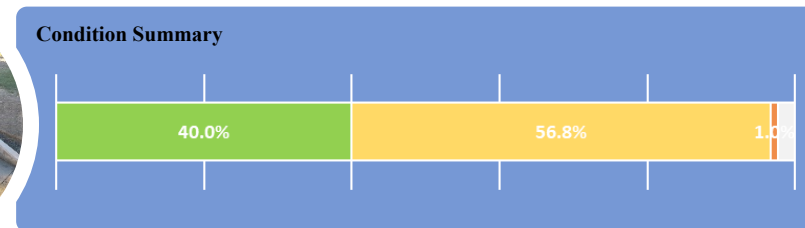
3   ASSET MANAGEMENT FRAMEWORK

Our *Asset Management Framework* allows us to develop the strategies that match the quality, quantity, and type of assets we have to meet defined service needs. It allows us to make sure that decisions we make about our assets are supported with structured processes and decision-making tools that consider the total lifecycle of our assets.

The *Asset Management Framework* follows the principles of the National Asset Management Accountability Framework (NAMAF) and the *ISO:55000* series of asset management standards with the aim of achieving the following benefits:

- Lower asset management costs over the long term.
- Alignment of strategic initiatives across the *Asset Management Framework*.
- Increased engagement of our people, including leadership, communications, and cross-disciplinary teamwork.
- Alignment of processes, resources, and functional contributions.
- Better understanding and use of data and information to provide consistent and informed decisions.
- Consistent, prioritised, and auditable risk management.
- Improved asset management planning.

Our *Asset Management Framework* is presented in Figure 1.

This framework has been developed following good practice principles and in particular the relationship between the key elements of an *ISO:55000* asset management system and the NAMAF.

The *Asset Management Framework* aims to ensure that a systematic approach to asset management delivers prudent and efficient outcomes that meet our corporate and asset management objectives.

3.1   Scope of the Asset Management Framework

Key elements of Council's Asset Management Framework include:

- Asset Management Leadership and Governance.
- Asset Management Policy and other related policies.
- Asset Management Strategy.
- Asset Plan – statutory requirement under Section 92 *Local Government Act 2020.*
- Asset Management Plans – Plan for each asset category.
- People, processes, data, and supporting asset management information systems.

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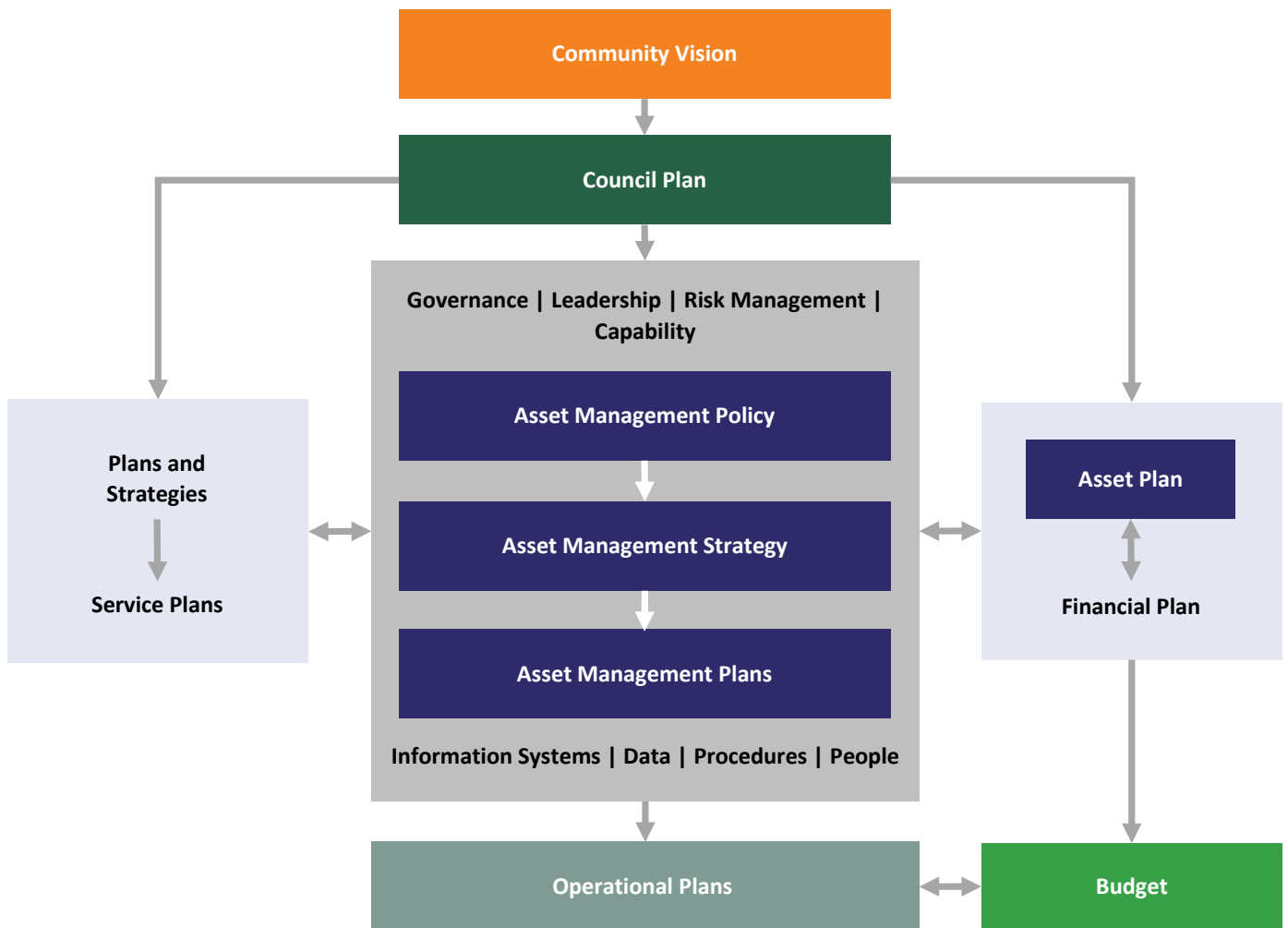
Figure 1 - Asset Management Framework

3.2   Asset Management Policy

To aid alignment of our asset management activities to our strategic goals, Council has adopted an *Asset Management Policy*. The *Asset Management Policy* applies to all of our assets and associated activities and is the overarching document that guides our asset management framework.

The *Asset Management Policy* provides a critical platform for us to deliver our vision to be a thriving organisation known for inspiring, motivating, and equipping people for success.

3.3   Asset Management Strategy

This *Asset Management Strategy* outlines how we will deliver our asset management policy intentions. It does so by establishing the direction and actions necessary for improvement of relevant asset management practices to achieve the Council's vision and organisational objectives.

3.3.1 Asset Management Vision

The vision for asset management at Mansfield Shire Council is:

Council is committed to meeting the expectations of present and future residents for the delivery of quality asset-based services at the lowest long-term economic and environmental cost, through the development and implementation of best appropriate asset management practices.

In doing this Council will comply with all legal, regulatory, safety and environmental requirements placed upon it and will not compromise the safety of its employees or the public.

The *Asset Management Policy* establishes the core principles and objectives to achieve our asset management vision and to guide our practices.

These objectives will be achieved through the following strategies that span the life cycle of our assets:

Objectives	Asset Management Strategies
Provide for the service needs of our community	We will achieve this by: - Ensure assets are created, acquired, maintained, operated, and renewed to enable Council to meet our strategic service delivery goals in a cost-effective manner. - Taking an integrated approach so that asset and service planning and reporting is aligned with Council's vision and broader corporate planning objectives. - Ascertaining service level needs through a community consultation process.
Optimise the service potential of our assets	We will achieve this through: - Effective management of our existing assets. - Assessing asset condition in accordance with accounting standards and revaluation cycles. - Flexibility of our asset base. - Rigorous planning, evaluation, and budgetary processes. - Using economies of scale to deliver cost effective services.
Maximise value for money	We will achieve this by: - Taking account of the full costs of holding, using, and disposing of assets throughout their life cycles. - Ensuring asset management decisions are responsive to performance measurement and monitoring. - Adopting a life-cycle management approach, optimising the performance, cost, and risks of the asset portfolio, and incorporating life cycle costing into capital investment decision making.
Contribute to economic growth and prosperity	We will achieve this by: - Making sure that our assets are fit for purpose, safe, reliable, and sustainable and remain available for the benefit of current and future generations. - Appropriate matching of assets to meet service delivery demands. - Ensuring that all asset management decisions are made within the context of council's overall resource allocation and management framework.

Objectives	Asset Management Strategies
Assign responsibility and accountability	We will achieve this by: - Clearly defining ownership and control of assets through asset information systems that meet both government and management decision making requirements. - Establishing an appropriate governance structure so that ownership, control, accountability and reporting requirements for assets are established, clearly communicated, and implemented. - Investing in appropriate and timely asset management training and development program for staff and Councillors as required.
Promote balance between development and sustainability	We will achieve this by: - Making decisions that lead to a cost-effective asset base, by focussing on asset renewal before new assets, rationalising under-utilised assets, and limiting asset expansion unless justified. - Making asset decisions that consider and protect the needs of future generations having regard to natural environment. - Continuing to pursue external funding to support and maintain infrastructure assets to minimise the financial impact to the community.
Minimise risks to the community and to Council's financial viability	We will achieve this through: - The application of risk assessment and reduction strategies. - Planning, designing, and building our assets so that they are resilient to the impacts of climate change. - Regular condition audits consistent with the criticality of the various asset categories. - Delivery of appropriate asset maintenance and renewal programs.

Table 1 - Asset Management Strategies

3.4 Asset Plan

The *Asset Plan* is a key document required under the integrated planning framework introduced by the *Local Government Act 2020*. The *Asset Plan* represents one of the keystones in our *Asset Management Framework by* providing a strategic and financial view of how we will manage the assets that we own and control over the next ten (10) years and beyond.

Our *Asset Plan* will facilitate a review of our *Long-Term Financial Plan*'s (LTFP) commitment to capital investment - renewal, upgrade, new and expansion.

The *Asset Plan* will assess if:

- Our renewal gap creates any risk for diminished levels of service over the long term will assess
- Investment in the growth and improvements to our asset base is affordable and sustainable through an analysis of our capital works prioritisation framework.
- Our data and key assumptions (e.g., valuations, useful lives, depreciation charges, etc) for asset management decision making are current, accurate, and do not place at financial risk.

The overall output from the *Asset Plan* may result in us needing to review our levels of service or, alternatively, increase the investment in capital works in the LTFP.

3.5 Asset Management Plans

Our *Asset Management Plans* provide information on how we intend to manage our assets to meet the demands of our community in the future. They provide the roadmap for achieving value from our assets by optimising cost, risk, and performance across the lifecycle of an asset.

Asset Management Plans are a central pillar to our asset management framework and will cover the following asset classes:

- Roads and Car Parks
- Bridges and Culverts
- Footpaths and Shared Paths
- Buildings
- Stormwater Drainage
- Open Space

It is our intention to prepare *Asset Management Plans* for each major asset category to assist in the management of our assets over their lifecycle and will cover a period of no less than ***10 years***.

3.6 Risk Management

The effective management of risk is central to the core business and efficient management of Council. Our approach to risk management involves managing to achieve an appropriate balance between realising opportunities for gains while minimising adverse impacts. Risk management is viewed as an integral part of good management practice and an essential element of good corporate governance.

An integral part of how we operate is the identification and treatment of risk, so our stakeholders prosper. Our ability to deliver quality assets and services is significantly influenced by the effectiveness of our management of risk.

We aim for risk management to become a part of an integral part of culture, embedded into our operating philosophy, business practices and processes. Our *Risk Management Policy* is the overarching document that provides guidance on risk management practices.

It is a high-level document that clearly establishes expectations in relation to risk management.

3.6.1 Asset Condition and Risk

Our assets are ageing and are at various stages of their lifecycle. A key focus for us is to manage the associated asset risk due to poor condition effectively to achieve our asset management, service, and cost performance objectives.

Regarding asset condition and risk, we will continue to set service-based targets for assets to balance the risk of asset failure and the associated reliability impacts with cost.

4   ORGANISATIONAL CONTEXT

The needs of our community, local business, and industry all place demands on us for better services, higher quality infrastructure, value for money services, and innovative solutions. The challenge for us is to balance expectations with the best use of our limited resources.

Our capacity to respond to the demands for services depends largely on our financial resources. As part of our budget processes, resources are allocated to achieve the objectives and priorities according to our strategic priorities that are set in response to these demands.

Strategic asset management is the concept of aligning our assets with service delivery needs and guides decision-making processes over the entire life of the asset.

The challenge for us is to balance expectations with the best use of our limited resources while considering growth and changing service delivery models and needs.

4.1   Relationship with Organisational Strategic Objectives

Our *Council Plan* defines the overarching goals and specific targets to direct organisational focus and resources towards the broad objectives that we wish to see achieved for the community.

It goes hand in hand with the *Mansfield Community Vision*, articulating the role Council will play in leading, supporting and advocating for the best possible outcomes for all of the Mansfield community.

In order to effectively contribute to these outcomes, our assets must meet the current and future needs of the wider communities with which we engage.

This *Asset Management Strategy* has been prepared under the direction of the Community Vision and strategic objectives.

Connected and Healthy Community	• The health and wellbeing of families and communities is maximised • Activities that promote connection and fitness of our people and visitors	**Vision** 21st century regional liveability for a healthy and connected community
Vibrant Liveability	• Future focused: Intelligent land use and infrastructure • Clean and green: Waste and energy sustainability • Prosperous: Industries, businesses, and workforces of the future	
A Trusted, Effective and Efficient Council	• Council possesses in-house and outsourced capability to meet community expectations • Financial sustainability and value for money • A consultative Council that represents and empowers its community	

Figure 2 - Our Vision and Strategic Objectives

4.2   The Regulatory Framework

We operate in a complex legislative and policy environment that directly influences the way we do business.

The principal legislation in Victoria governing the establishment and operation of councils is the *Local Government Act 2020* ('The Act'). This defines the purposes and functions of local government as well as providing the legal framework for establishing and administering councils.

The Act requires all councils to develop an integrated, longer-term, and transparent approach to planning organised around a ten (10) year community vision.

The Act also requires an Asset Plan in accordance with the provisions of section 92.

As well as the general powers and responsibilities given under the Act, we are responsible for a wide range of services and functions under various other Acts of Parliament. In fact, we have responsibilities under more than 120 different Victorian pieces of legislation.

4.3   Stakeholder Requirements

Key stakeholders with respect to managing our assets to ensure sustainable service delivery are summarised in Table 2.

Key Stakeholder	Expectation/Requirements
State Government	The State expects Council to: ▪ Comply with legislative and regulatory responsibilities. ▪ Maintain public assets as a reliable and sustainable system. ▪ Be cost effective with capital delivery (that facilitates community growth). ▪ Performance – demonstrate that we meet the needs of our community. ▪ Be honest and open in our dealings.
Community	The Community expects that Council will: ▪ Be a cost effective service provider. ▪ Make prudent decisions and be financially responsible. ▪ Be transparent and provide information on Council's activities and outcomes. ▪ Provide safe, reliable, and responsible services (measured by a community that has confidence in us).
Business and Developers	Business and Developers expect Council to: ▪ Be responsive and timely in providing advice. ▪ Be transparent and provide information on Council's activities and outcomes. ▪ Be timely with capital delivery (that facilitates growth and development). ▪ Provide safe, reliable, and responsible services.

Table 2 - Stakeholder Summary

To achieve stakeholder requirements, we have developed the following strategic goals:

▪ Understand our customers by making them central to all we do.
▪ Enable our people to deliver value.
▪ Care for our assets, delivering safe and reliable services.
▪ Deliver sustainable outcomes.

4.4   Stakeholder Engagement

We recognise that decision making, and service provision are enhanced when the community has an opportunity to provide input and express its expectations, aspirations, and ideas.

We work with our stakeholders to:

- Understand the issues we face.
- Help to identify options to address these issues.
- Influence what changes we make to our assets, facilities, and service delivery.
- Help to clarify the decisions we must make.
- Gain support for the decisions that we make.

We have a broad group of stakeholders who have many different contact points across our organisation. Our *Community Engagement Policy* provides the framework when we talk to and involve our stakeholders in guiding our decision making.

We have yet to define customer levels of service for our assets and facilities, although we have acknowledged that we need to define these so that we are able to reflect demand and to balance asset standards with the expectations of our stakeholders and financial resources.

5 ORGANISATIONAL ROLES AND RESPONSIBILITIES

This chapter discusses the organisational management structure and their roles and responsibilities.

5.1 Organisational Structure
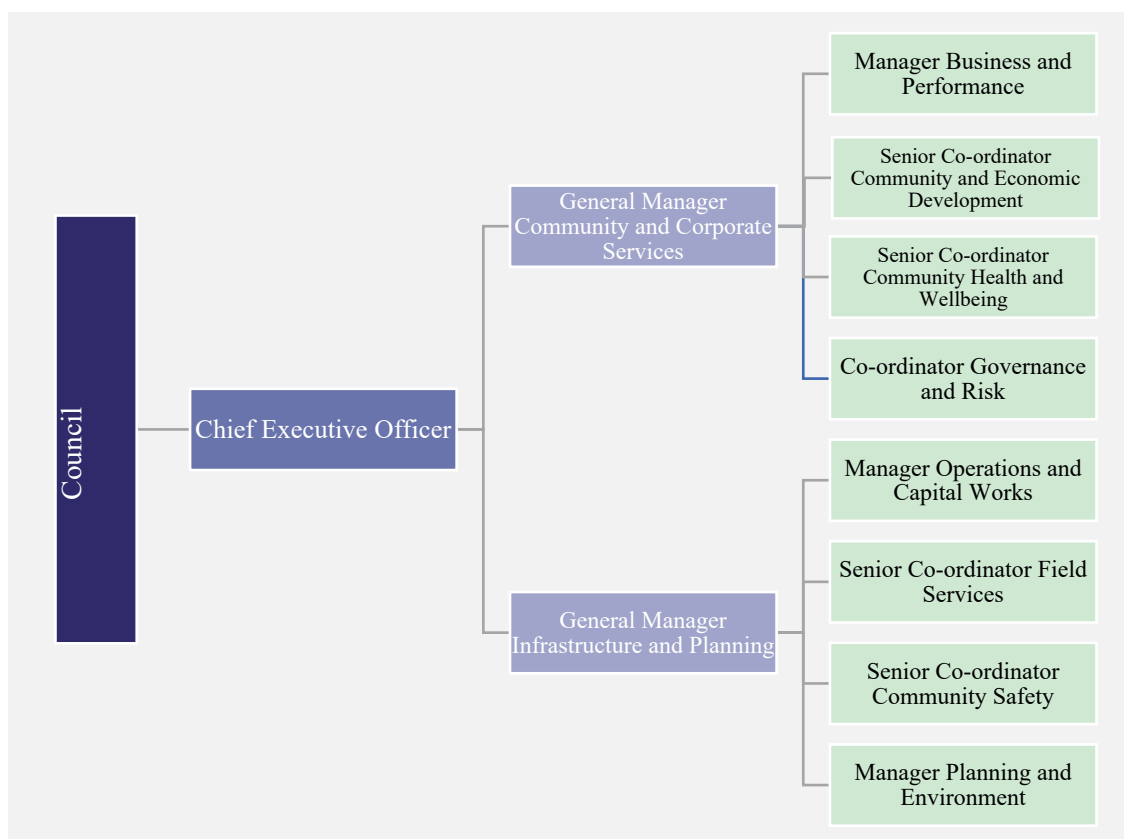
Figure 3 shows our organisational management structure.

Figure 3 - Organisational Structure

5.2 Roles and Responsibilities

Asset management requires a whole-of-organisation approach. The roles and responsibilities of the key stakeholders involved in managing assets are shown in Table 3.

Group	Roles and Responsibilities
Councillors	- To act as overall stewards for assets that are owned or controlled by Council. - Ensure that asset management requirements and lifecycle costs are appropriately considered in decision making and catered for in council planning and financial management. - To meet all legislative and Accounting Standard obligations - Approve the Asset Management Policy, the Asset Management Strategy, the Asset Plan, and Asset Management Plans.

Group	Roles and Responsibilities
Executive Management Team	- To ensure alignment/compliance with Council's legislative responsibilities including under the Local Government Act 2020. - To meet all obligations of the Australian Accounting Standards as they relate to Asset Management. - Accountable for overall organisational Asset Management and Service Planning performance. - To continually promote asset management across the organisation and Council. - Ensure that accurate and reliable information is presented to Council for decision-making. - Provide adequate resources and oversight in the implementation and review of the Asset Management Framework. - Ensure that asset management and its governance are integrated into corporate governance including enterprise planning, financial management, reporting, and risk management. - To ensure Council's agreed levels of service are funded in the Council's Long Term Financial Plan (LTFP) including renewal, upgrade, new and expansion investments.
Asset Management and Council Staff	- Prepare, implement, and review the Asset Management Policy, Asset Management Strategy, the Asset Plan, and Asset Management Plans. - Manage asset systems, develop procedures, and ensure compliance with standards and to support decision making, accountability and improvement. - Maintain detailed asset registers providing a common data set for organisational purposes. - Effectively and efficiently manage funds allocated for asset maintenance, operations, and asset related projects. - Promote and raise awareness of asset management across the organisation and through the community. - Proactively seek development of skills, abilities, and education where required to meet the requirements of the role. - Provide asset information and assistance to Council's Service Managers. - Be innovative, identify and communicate opportunities for improvement.

Table 3 - Organisational Responsibilities

5.2.1   Organisational Oversight

The Executive Management Team will ensure that there is a coordinated and integrated approach to asset management across the organisation. They will also be responsible for promoting an understanding of asset management issues across the organisation and to make sure that investment into physical infrastructure supports Council's strategic planning objectives.

Our Asset Management Team will take responsibility for the development and implementation of the Asset Management Improvement Plan. They will regularly monitor and report on the progress of the asset management improvement actions to the Executive Management Team.

5.3   Service Driven Asset Planning

Our assets exist to enable the provision of a broad range of services for community benefit. Our ability to effectively manage our assets has a direct impact on the quality of services enjoyed by the community.

We are continuously looking to improve the ways that we plan our services. This is to make sure that our services are aligned with our goals, have clear and measurable outcomes, and respond to community expectations and affordability.

We are striving to strengthen the alignment between our assets and the services

5.4   Leadership and Culture

Building a high-performance culture and high levels of employee engagement is essential to supporting the achievement of our strategic objectives and to enable us to be sustainable.

To drive our culture, we invest in the development of our people at all levels to build self-awareness and leadership capability, focusing on communication, teamwork, business improvement, and change.

Our capacity to implement the Asset Management Strategy and framework will rely on the continued leadership, commitment, and involvement of our management and staff. Leadership will form the major influence in the development and application of this Asset Management Strategy together with strategic and operational continuous improvement plans.

To ensure success and a positive change in our asset management practices, leadership will be paramount across the entire organisation.

The CEO, management team, and all leaders aim to champion our ongoing commitment to sustainable asset management in their actions and messages to our staff, as well as effective mentoring.

5.5   Training and Developing our People

To ensure that Council's asset management capabilities are best appropriate practice, we are committed to:

- Clearly defining asset management roles, and continuously recruit staff accordingly.
- Continuously encourage innovation to improve the way we manage our assets.
- Reviewing skills and development needs in asset management related areas as part of employee performance planning and providing appropriate development opportunities.
- Providing relevant staff with appropriate briefings in relevant asset and financial management principles, practices, and processes.
- Providing and allocating resources for training to support asset management across the organisation.

6   OUR CHANGING SHIRE

We face a number of challenges with the potential to significantly impact our ability to meet the community's needs. These challenges also provide opportunities which we can leverage to our advantage.

Challenge	What does this mean for Asset Management?
Population Change Population will change at different rates across Victoria over the coming decades. Population growth will be minimal for small shire councils.	We will face challenges in maintaining revenue raising capacity in the future in order to fund the care, renewal, and improvement of our infrastructure.
Diminishing Own Source Income We are experiencing a significant reduction of our own source revenue. This had previously contributed to the consolidated revenue of Council and was able to be utilised for the cross-subsidy of other services or had minimised the impact of the net cost to the community.	Loss of own source income due to commercial competition and changed patterns of use has materially affected Council's financial sustainability. This will impact the way we invest in our assets and services in the future.
Ageing Infrastructure One of the biggest financial challenges facing us is the cost of renewing our ageing infrastructure. Council's assets have been built and developed in the past. Many years on, this period of development has created a large peak in the need to invest in asset maintenance and renewal.	There is a critical need to introduce systems and processes to ensure that our spending on our existing assets is optimised. As our assets continue to age, more investment in maintenance and renewal expenditure will be required to ensure that the current levels of service enjoyed by the community continue to be delivered.
Climate Change We are already experiencing the impacts of climate change. In the future, we can expect; increased risk of bushfire and flooding; storm damage to infrastructure; drought; and reduced summer outdoor activities.	Ageing infrastructure that is not designed for climate extremes in rural areas are especially vulnerable to increasing natural strains. We will need to recognise climate change risks and examine the vulnerability of our asset network. If and when disasters occur, we will need to consider rebuilding our assets to a higher standard with the expectation that risks will only increase in the future.

Challenge	What does this mean for Asset Management?
Rapid Technological Change The world is becoming more connected. People, businesses, and governments are increasingly moving online to connect, deliver and access services, obtain information and to perform day to day activities. These changes will affect how we deliver services and how we manage our assets.	Technological advancement is rapid, with digital technologies shaping and reshaping the way we operate. There will also be fundamental changes in the way stakeholders will engage with us in the future. These changes will affect how services are delivered and, by extension, the facilities and assets that are needed
Legislative and Policy Influence We operate in a complex legislative and policy environment that directly influences the way we do business: ▪ There is an expectation that Council will continue to deliver services, even when State and Federal government funding is withdrawn. ▪ The cap on rate increases means our ability to control revenue is constrained. ▪ Compliance and reporting requirements are increasing.	We need to meet our statutory obligations while being conscious of maintaining affordability and financial sustainability. This requires good decisions to be made to manage competing funding demands across a broad range of projects, programs, and services.

Table 4 - Future Challenges

7   LIFECYCLE STRATEGIES

The goal of asset management is to meet a required level of service in the most cost-effective manner, through the prudent and efficient management of assets for present and future customers.

The key elements of effective asset management are:

- Adopting a life-cycle approach.
- Developing cost-effective management strategies for the long term.
- Providing defined and agreed levels of service.
- Monitoring performance.
- Understanding and meeting the impact of changing service needs through demand management and infrastructure investment.
- Managing risk associated with asset failures.
- Sustainably using physical resources.
- Continually improving asset management processes and practices.

Ageing and potentially unreliable assets are managed as part of our overall asset management planning. The focus of this planning is to ensure that replacement of assets is determined on asset condition and risk rather than age alone.

In developing strategies in relation to potentially unreliable assets we take a holistic approach to asset renewals, improvements, and disposal across our asset portfolio. We aim to ensure that our Asset Management Plans align with our Service Plans to drive the most efficient outcome with a balance between cost, risk, and performance.

A formal approach to the management of assets is essential to providing our services in the most cost-effective manner. This enhances our ability to demonstrate our approach to asset management to our stakeholders

Our approach to asset management is centred on asset lifecycle management. There are four key stages in the asset lifecycle as shown in Figure 4.

At the end of the asset's lifecycle.
If there is still a need for the asset, it is renewed or replaced, and the lifecycle recommences. If not, the asset is sold, re-purposed or recycled.

Planning is the first stage of the asset lifecycle.
This stage establishes asset requirements based on evaluation of business need and options.

Operations and Maintenance.
The operations and maintenance stage indicates the application and management of an asset, including ongoing maintenance.

This begins the lifecycle of the asset.
Once the asset is identified, acquired, or constructed it can be monitored throughout its entire lifecycle.
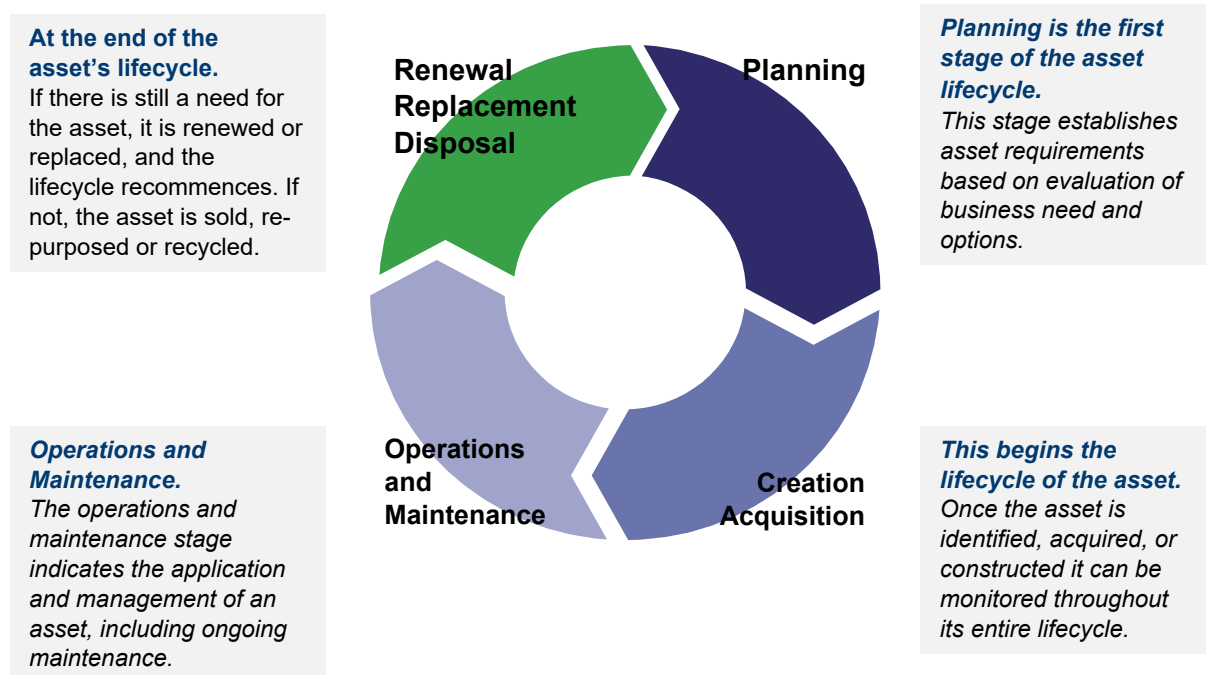
Figure 4 - Asset Lifecycle

7.1   Lifecycle Strategies

Each phase of the lifecycle has a corresponding lifecycle strategy, which describes our approach to the activities in that stage, objectives relevant to that stage, and strategies for providing performance to required levels.

Our lifecycle strategies that we employ in each phase are summarised in Table 5.

Lifecycle Phase	Our Lifecycle Strategies
Planning	- We consider asset requirements necessary to support our long term objectives and to ensure that the right assets are provided to meet service needs. - Future asset planning and service design considers and balances the key principles of affordability, equity, and the environment. - We use transparent, informed decision-making processes that consider the whole-of-life implications of acquiring, operating, maintaining, and disposing of an asset.
Creation or Acquisition	- Our projects are comprehensively defined so that its objectives are clear. - We select appropriate procurement strategies to ensure we work with the right project partners and achieve value for money. - We use systems and processes to plan, manage, and control projects that result in the creation of assets. - We integrate environmentally sustainable approaches to the design and construction of assets. - Newly acquired assets are checked for quality before they are put into service.
Operations and Maintenance	- We act to enable existing assets operate to their service potential over their useful life. - We regularly inspect, service, and maintain our assets so that they are safe, compliant, and are continuously available for use. - Maintenance is planned to minimise the risk of critical asset failure and ongoing lifecycle costs. - We use systems and processes to help record information about out assets and monitor their performance. - The development and roll out of the Asset Management Information System to monitor and record effort and cost of maintenance to maintain assets.
Renewal, Replacement, or Disposal	- We continuously assess the condition of our assets. - We aim to optimise the timing of the renewal or replacement of our assets so that they remain safe and functional and to minimise overall lifecycle costs. - Our goal is to maximise the use of our assets through adaptive reuse or colocation of services where appropriate. - Where assets do not directly support core service delivery they are considered for rationalisation.

Table 5 - Asset Management Lifecycle Strategies

8   ASSET MANAGEMENT INFORMATION SYSTEM

Our *Asset Management Information System* (AMIS) is a combination of people, processes, information, and the technology applied to provide the essential outputs for effective asset management.

These outputs include reduced risk; enhanced performance; enhanced compliance; effective knowledge management; effective resource utilisation; and optimum infrastructure investment.

AMIS is a tool that interlinks asset management processes through the entire asset lifecycle (refer Figure 4).

8.1   Our Systems Environment

Table 6 provides an overview of the various applications and solutions which we use in the strategic, tactical, and operational management of Council's assets.

Component	Supporting System
Customer request	▪ Open Office CRMS
Financial/Accounting	▪ Synergy Soft
Records management	▪ Trim
Mapping (GIS)	▪ MapInfo ▪ Spectral Spatial Analysis
Asset register	▪ Assetic
Strategic asset management	▪ Predictor

Table 6 - Asset Management Information System

8.2   AMIS Objectives

The key objectives of the AMIS are to assist us in sustaining and improving, where needed, overall performance of our asset portfolio, in order that our organisational and asset management objectives are achieved, by undertaking the following activities:

- Ensuring holistic asset information is collected, maintained and readily accessible to support evidence-based asset management decision making.
- Enhancing the visibility of, accessibility to, and trust in asset information across the organisation.
- Developing effective AMIS improvement practices that support the life cycle asset management business functions in accordance with *ISO:55000* and the *International Infrastructure Management Manual*.

Subsequently, addressing these is expected to result in significant improvements across the following aspects:

- Enhance asset performance.
- Reduce asset related risk.
- Improve asset knowledge management.
- Enhance regulatory compliance.
- Optimise resource use.

- Optimise infrastructure investment.

Successfully achieving these objectives will enable compliance with the requirements of the *Council Plan* and *Asset Management Policy* by significantly improving the quality, completeness, integrity and consistency of asset information, systems, and processes at all levels.

8.3 Future Strategies for AMIS

Future strategies to manage the AMIS include, but are not limited to:

- Continue to check and reconcile our asset data to make sure that is accurate.
- Improving the transparency of our data by linking our asset register to our Geographical Information System (GIS).
- Continue to review our current systems and operating arrangements to enable our transition to greater asset management maturity and capability.
- Developing asset information management and analysis capabilities across the organisation to enable effective evidence-based decision making.
- Working closely with the organisation to understand emerging and future asset management requirements and ensuring sound governance over AMIS development and utilisation.

8.4 Asset Data

One of the underpinning principles of good asset management is the creation, maintenance, and analysis of accurate asset data.

Good quality asset data will enhance evidence-based asset management planning and decision making but even if data is not fully accurate or complete it still contributes to the planning process.

Asset data is stored in a number of systems including Conquest (infrastructure) and TechOne Assets (plant and fleet).

We are committed to continuously improving the accuracy and completeness of asset data to support the achievement of our corporate and asset management objectives.

9   PERFORMANCE MONITORING AND EVALUATION

A key element of this AM Strategy is to review the current status of asset management practices in order to identify key gaps and opportunities for improvement.

9.1   Asset Management Maturity

We use the National Asset Management Assessment Framework (NAMAF) to measure our asset management maturity.

The framework is a self-assessment against 11 elements (refer to Appendix 2). This benchmark is used to evaluate our current practices and to understand the improvements that we need to make.

The objective of the maturity assessment was to determine the current level of our asset management process and system sophistication.

9.2   Assessment Findings

The assessment enabled a baseline competency level to be established for our organisational approach to our asset management functions.

Our current level of maturity is approaching 'Core' capability, with a score of **508**.

Figure 5 shows how we score on each of the maturity elements. 'Core' maturity is recognised as having a score of **1,100** as assessed under the NAMAF.
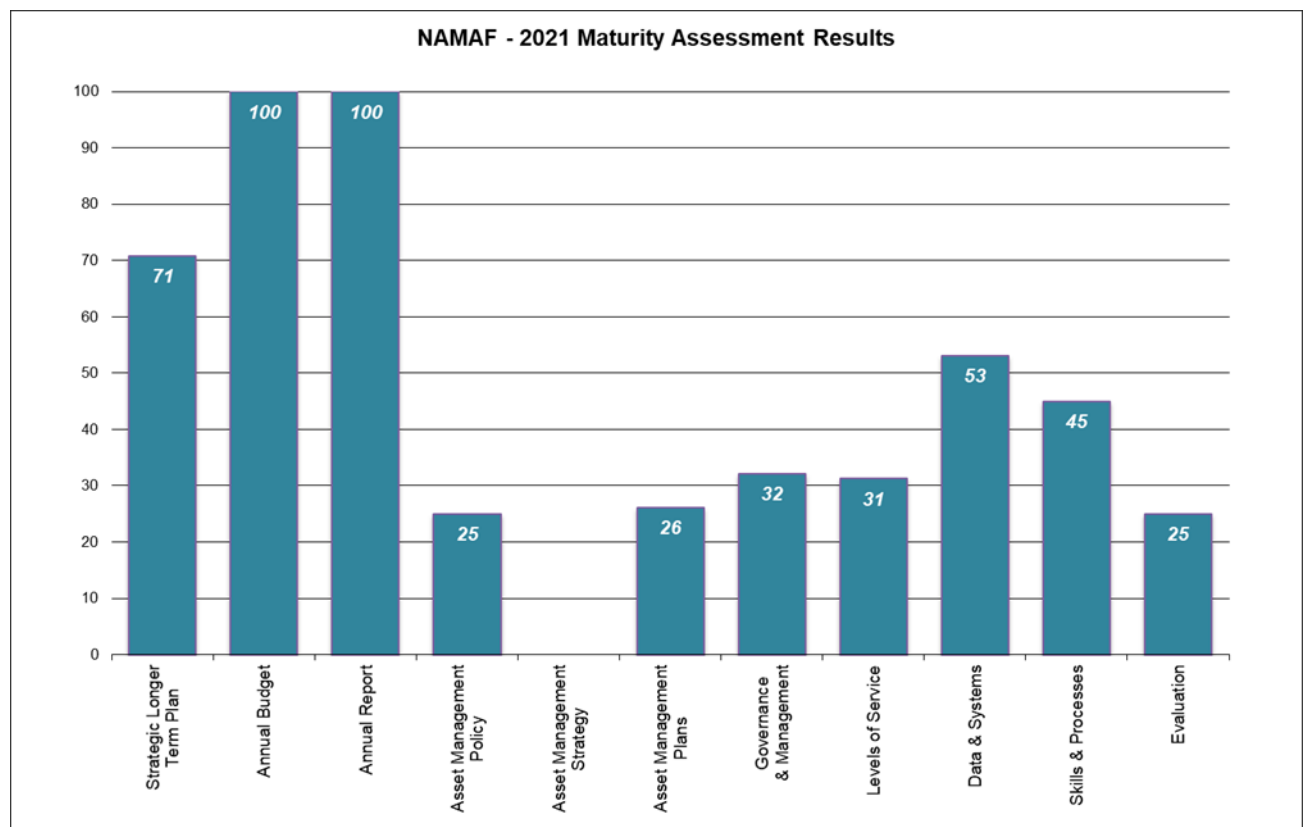

Figure 5 - Asset Management Maturity

9.3 Our Desired Asset Management Future

In moving forward, we desire greater consistency and improved skills with respect to our asset management practices. Our particular areas of focus will be to:

- Further develop a whole of organisational approach to asset management by integrating asset management workflows across the business.
- Finalise Asset Management Plans for all major infrastructure classes to implement the lifecycle management strategies and actions required to achieve the required outcomes.
- Make asset management service driven using asset information to support the optimisation of activities and programs to meet agreed service levels.
- Prepare and adopt an Asset Plan in accordance with section 92 of the Local Government Act 2020 by 1 July 2022.
- Review current resources (staff, systems, tools, etc) and levels of competency to ensure Council's asset management functions are fulfilled appropriately and its assets are managed effectively.
- Comply with external drivers and our legal obligations.
- Document and implement supporting asset management processes.
- Facilitate a strong connection between this strategy and operational activity.

9.3.1 Asset Management Improvement Program

The asset management improvement program elements and activities have been structured to ensure alignment with the NAMAF as good practice guidance.

In moving forward, we desire greater consistency and improved skills with respect to our asset management practices.

Our goal is to reach 'Core' maturity by *June 2026*.

We will assess our maturity annually to track and report on the progress we are making towards achieving our goal.

Reaching a 'Core' level of asset management maturity will mean that quality systems, processes, and data will support the development of long-term cash flow predictions and will drive our decision making.

9.4 Performance Monitoring and Reporting

Implementation of actions under this strategy will be monitored by our AMSC and reported back to the Executive Management Team on an annual basis.

9.5 Review

A comprehensive review of this *Asset Management Strategy* should be completed no later than December 2025.

Intermediary reviews of the strategy may be undertaken from to time as improvements are implemented and to make sure that it retains consistency with our strategic goals and objectives.

APPENDIX 1: ASSET MANAGEMENT IMPROVEMENT PROGRAM

Item No.	Task	Responsibility	Priority	Resource Type	2021/22	2022/23	2023/24	2024/25	2025/26	Status
1	**Strategic Long Term Plan**									
1.01	Incorporate financial forecasts from completed Asset Management Plans into the Long Term Financial Plan.	Manager Operations & Capital works	**High**	External support	✓	✓				In progress
1.02	Document the processes covering the development, review, and update of its Long Term Financial Plan. The Long Term Financial Plan should be reviewed annually.	Manager Operations & Capital works	**Medium**	Internal		✓				Not started
2	Asset Management Policy									
2.01	Prepare and adopt new Asset Management Policy following best practice to outline Council's asset vision, objectives, and asset management framework. - Linkage to Council Plan, LTFP, and AMPs - Roles and responsibilities - Process for identifying and implementing training and education of AM concepts	Asset Management Officer	**High**	External support	✓					In progress
3	**Asset Management Strategy**									
3.01	Adoption of new AM Strategy with organisational vision for AM, status, desired future state, and improvement plan.	Asset Management Officer	**High**	External support	✓					In progress

Item No.	Task	Responsibility	Priority	Resource Type	2021/22	2022/23	2023/24	2024/25	2025/26	Status
4	**Asset Management Plans**									
4.01	▪ Prepare AM Plans for the following major infrastructure categories: - Stormwater drainage ▪ Current AM Plans for Transport, Bridges and Major Culverts and Buildings, Recreation and Community Leisure assets prepared by Council's service provider. Ensure the structure and content of all AM Plans should follow good industry practice and guidance such as the International Infrastructure Management Manual (e.g., incorporation of detailed risk management section in current AMPs).	Asset Management Officer	**High**	External support	✓	✓				In progress
4.02	Review the asset classifications within each AM Plan as they are updated so that there is consistency with the adopted infrastructure hierarchy.	Asset Management Officer	**Medium**	Internal with external support		✓	✓			Not started
5	**Levels of Service**									
5.01	▪ Document and confirm the list of services provided by Council. ▪ Review and document present levels of service based on existing Council plans, strategies, etc to facilitate further engagement with the community.	Asset Management Officer	**Medium**	Internal with external support		✓	✓	✓		Not started
5.02	Include community and technical levels of service within relevant AMPs.	Asset Management Officer	**Medium**	Internal with external support				✓	✓	Not started

Item No.	Task	Responsibility	Priority	Resource Type	2021/22	2022/23	2023/24	2024/25	2025/26	Status
5.03	Technical levels of service, once developed, to be embedded into service agreements and other relevant asset management planning procedures.	Asset Management Officer	Medium	Internal				✓	✓	Not started
6	**Data and Systems**									
6.01	▪ Continue with efforts to check the level of accuracy, completeness, and consistency of the current asset data within the asset register that is maintained by Council's service provider. ▪ Implement corrective actions to address any identified issues taking into consideration current contractual arrangements. Work with Council's service provider to ensure that any missing asset data is recorded in the asset register (e.g., stormwater drainage assets).	Asset Management Officer + GIS Officer	High	Internal with external support	✓	✓				In progress
6.02	Review the current infrastructure hierarchy to include the identified key infrastructure asset categories within Council's portfolio.	Asset Management Officer + GIS Officer	High	Internal with external support	✓	✓				Not started
6.03	▪ Formally document processes relating to current defect inspections undertaken by Council's Asset Inspection Officer. ▪ For the purposes of consistency of practice, knowledge sharing, and business continuity it is suggested that Council work together with its current service provider to document current condition rating	Asset Management Officer	Medium	Internal with external support		✓	✓			Not started

Item No.	Task	Responsibility	Priority	Resource Type	2021/22	2022/23	2023/24	2024/25	2025/26	Status
	methodologies for all applicable asset classes.		High							
6.04	• Consolidate remaining disparate data sets including plant and equipment into the asset register maintained by Council's service provider. • Collect and record stormwater drainage asset data into the asset register to provide a comprehensive single source of truth for Council's asset information.	Asset Management Officer + GIS Officer	High	Internal with external support	✓	✓	✓			Not started
6.05	Determine and report against relevant asset management performance measures as part of overall governance framework.	Asset Management Officer	Medium	Internal			✓			Not started
6.06	Current systems administered by Council's service provider has the capability to generate long term renewal programs and associated cash flows. Review with Council's service provider to ascertain how these systems may be able to be utilised to support maintenance planning.	Manager Operations & Capital works	Medium	Internal with external support		✓				Not started
6.07	Continue to exchange information with the North East Asset Management Group on applicable unit rates for use in maintenance, renewal, and upgrade planning.	Asset Management Officer	Medium	Internal with external support	✓	✓	✓	✓	✓	In progress
6.08	Document processes for operations, maintenance, renewal, and upgrade planning within relevant AM Plans.	Asset Management Officer	Medium	Internal with external support		✓	✓			Not started

Item No.	Task	Responsibility	Priority	Resource Type	2021/22	2022/23	2023/24	2024/25	2025/26	Status
7	**Skills and Processes**									
7.01	▪ Risk management processes (aligning with Council's risk management framework), including monitoring and reporting requirements, to be documented in updated AM Plans. ▪ Develop a risk register for various asset classes to identify, assess and document known and likely risks, analyse cause, evaluate actions that can be taken to mitigate the risks and assess how will risk be reduced. ▪ Develop a criticality framework to account for service continuity risks and apply to all asset classes.	Asset Management Officer + Risk Management Officer	**High**	Internal with external support	✓	✓				Not started
7.02	Work with Council's service provider to document an asset handover procedure to - Determine the frequency and sources of data updates - Allocate roles and responsibilities - Establish a process for reviewing incoming data for completeness and accuracy before incorporating into the asset register.	GIS Officer	**Medium**	Internal with external support		✓	✓	✓		Not started
7.03	Finalise the development of Council's Project Management Procedure to formalise the handover of assets to those parts of Council with responsibility for their ongoing care and management.	Manager Operations & Capital works	**Medium**	Internal	✓	✓				In progress

Item No.	Task	Responsibility	Priority	Resource Type	2021/22	2022/23	2023/24	2024/25	2025/26	Status
7.04	Review and update the Asset Plan on an annual basis to provide a report on the state of assets and summarise asset condition, asset performance, financial sustainability options and consequences, etc.	Asset Management Officer	Low	Internal	✓	✓	✓	✓	✓	Not started

Table 7 - Asset Improvement Program

APPENDIX 2: NATIONAL ASSET MANAGEMENT ASSESSMENT FRAMEWORK

There are eleven core elements of asset management under the National Asset Management Assessment Framework (NAMAF). These elements are defined as:

Strategic Planning	Council's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy; including its capital and people.
Annual Budget	Council's budget prepared for a 12-month period. The Annual Budget outlines both the income and expenditures that are expected to be received and paid over the coming year.
Annual Report	A comprehensive report on Council's activities throughout the preceding year. Local Government annual reports are intended to give ratepayers and other interested parties information about the Council's activities and financial performance.
Asset Management Policy	A high-level document that describes how Council intends to approach asset management within the organisation.
Asset Management Strategy	A strategy for the implementation and documentation of asset management practices, plans, processes and procedures within an organisation.
Asset Management Plans	Plans developed for the management of one or more infrastructure asset classes with a view to operating, maintaining and renewing the class in most cost-effective manner possible, whilst providing a specific level of service
Governance and Management	A set of rules and policies designed to ensure that responsibilities within an organisation are well defined, and that the business runs smoothly. While Management are the staff in charge of authorising and delivering such rules. It is very important that Asset Management is intertwined into this framework.
Levels of Service	Defined as the service quality for a given activity. Levels of Service are often documented as a commitment to carry out a given action or actions within a specified time, or the provision of infrastructure to meet a desired level.
Data and Systems	Asset Data is qualitative and/or quantitative information used to identify and describe an asset group or group of assets. The Systems are the framework in which the data is processed and stored.
Skills and Processes	The level of skill and knowledge within the organisation in regard to Asset Management, along with a set of interrelated tasks that endeavour to increase awareness and learning.
Evaluation	How Council internally evaluates and monitors its performance in Asset Management.

Table 8 - NAMAF Assessment Elements