2020-2024

# Asset Management Strategy

# Contents

# 1   Executive Summary

This Asset Management Strategy has been prepared to enable Kingborough Council (KC) to improve the way it delivers services from infrastructure assets[1] including transport, buildings, stormwater and open space assets. These infrastructure assets have a replacement value of $726M.

The Asset Consumption Ratio[2] for Council's infrastructure assets is predominately in the range of 51% to 80% which places them in the stable phase of their life cycle. In this phase, the majority of assets are in the early to middle portion of their life and the demand and urgency on funding i.e. capital renewal expenditure is lower relative to the later life phases. On the lower end of the Asset Consumption ratio are the transport assets and as this asset class is the largest, particular strategies are needed to avoid these assets degrading further over the next few years and moving into the action phase.

It is in the action phase where the majority of assets transition from the middle period of their life cycle to their penultimate phase. This means the requirement for asset renewal expenditure will grow at a significantly faster rate than historical levels. The cost of repairs is four to five times the cost in the stable phase and this inherently leads to an increased risk of future backlogs[3]. Every 10% of our assets that progressively slip into the action phase potentially pose a high likelihood risk of needing immediate replacement to the tune of 10% of the replacement value. This figure is $72 million out of a circa $726 million. This is our challenge and our motivation to embrace this strategy.

Moving forward, the challenge for Council is continuing to deliver expected quality services to the community from its ageing and increasingly more costly infrastructure while making the best use of its financial resources. To meet this challenge, Council has embarked on a continuous improvement journey to build on its asset management competencies and capabilities so that it becomes a 'Better Practice' organisation shifting from an 'Asset Centric Focus' to a 'Service Centric Focus'. The action plans in the strategy are aligned to achieve these competencies.

The Asset Management Strategy is to enable Council to show[4]:

- How its asset portfolio will meet the service delivery needs of its community into the future;

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[1] Not including non-infrastructure assets such as information, communication and technology assets, fleet, plant, and equipment.

[2] The current life left in our assets based on a condition-based assessment approach

[3] Using Asset Genetics to Unlock Hidden Capital – McKinsey Global Infrastructure Initiative

[4] LGPMC, 2009, Framework 2 Asset Planning and Management, p 4.

- Enable Council's asset management policies to be achieved;
- Ensure the integration of Council's asset management with its long term strategic plans.

This Asset Management Strategy will assist Council in meeting the requirements of national sustainability frameworks, State legislative requirements and provision of services needed by the community in a financially sustainable manner.

The Asset Management Strategy is prepared following a review of Council's service delivery practices, asset management planning and fits with Council's vision for the future outlined in the Kingborough Council Strategic Plan 2020-2025. The strategy outlines an asset management improvement plan detailing a program of tasks to be completed and resources required for Council to maintain a 'core' level of asset maturity and competence.

**Strategy Outlook:**

1. The process of formulating an updated Long Term Financial Plan (LTFP) informed by Council's Asset Management Plans (AMPs) for transport, buildings, stormwater and open space assets will follow from the adoption of this strategy.

2. The ability of Council to fund current infrastructure life cycle costs at current levels of service and available revenue will be determined within the LTFP. The projected infrastructure life cycle cost over the next 10 years will be determined within Council's Asset Management Plans.

3. Council's current asset management maturity is within the 'core' level with on-going investment required to improve information management, lifecycle management, service management and asset management systems. It is anticipated that the majority of this investment will be staff time and centred on the activities of the Engineering Services area.

The identified improvement items form a roadmap for improvement over the next four years, to evolve into an organisation that is practising service driven optimisation wholly is detailed in section 5.2.

## 2   Introduction

### 2.1   Background

Kingborough Council is one of the fastest growing municipalities in Tasmania, offering urban and rural lifestyles. It is located 10km south of Hobart and is known for its extensive stretches of coastline (over 330km).  It covers a total area of 717 square kilometres with a population of 37,000.

The main towns are Taroona, Kingston, Blackmans Bay, Margate, Snug, Kettering, Woodbridge and Middleton. The Municipality also includes Bruny Island which lies just off the coast and can be reached by vehicular ferry from Kettering.  Kingston is the major commercial, retail and administrative centre for the Municipality. Local industries include fish processing, aquaculture, tourism, viticulture, boat building, civil engineering as well as the Australian headquarters for Antarctic Research, the Antarctic Division.  Kingborough is essentially residential in nature and has one of the highest growth rates in the State. The rate of population growth in the last five years was 5.8%, or 1.2% per annum. The localities with the greatest population growth rates are Kingston, Blackmans Bay, Margate and Snug.  By 2022, Kingborough's population is likely to be about 41,000.

Kingborough Council is the custodian of an extensive range of community assets that deliver a range of Council services. In order to deliver these services over the long term in a rapid growth environment, Council must ensure that the assets supporting these services are managed in a sustainable way. This Asset Management Strategy along with Council's Asset Management Policy and Asset Management Plans for transport, buildings, stormwater and open space assets form the basis of developing a framework for sustainable service delivery.

### 2.2   Purpose and Objective

The purpose of this Asset Management Strategy is to define and document the necessary approaches to be undertaken to achieve the implementation of Council's Asset Management Policy. The Strategy's objective is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for Council to provide services to the community.

### 2.3   Asset Management Systems and Planning Process

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

planning is integrally linked with formulating an informed LTFP. These links are iterative with the forecast asset expenditure costs from Asset Management Plans (AM Plans) fed into the LTFP. If the required expenditure cannot be met by available income, then service levels from AM Plans are formulated and reviewed to allow a sustainable LTFP.

Asset management planning commences with defining stakeholder and legislative requirements and needs, incorporating these needs into the organisation's strategic plan, developing an Asset Management Policy, Asset Management Strategy, Asset Management Plans and operational plans and linking these to the LTFP.

The asset management planning process and its relationship to organisational Council processes is shown in Figure 1 below.



| Strategic Plan/Vision | Asset Management Policy | Asset Management Strategy | Asset Management Plans | Long Term Financial Plan |
|---|---|---|---|---|
| Sets organisational values and goals | • Sets Asset Management direction to meet organisation goals | • Provides a State of Assets<br>• Provides how Asset Management directions will be met<br>• Has a program of ongoing improvments | • Detailed information on each asset class<br>• Describes level of service sought<br>• Provides State of Assets for each class<br>• Provides specific improvement actions | • Encapsulates 10 year financial snapshot<br>• Based on service level demand |

*Figure 1 – Asset Management Planning Process*

An asset management system is a set of interrelated and interacting elements of an organisation to establish the asset management policy and asset management objectives and the processes needed to achieve those objectives. An asset management system is more than 'management information system' software. The asset management system provides a means for:

- Coordinating contributions from and interactions between functional units within an organisation[5];
- Consistent application of the asset management processes to achieve uniform outcomes and objectives.

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[5] ISO, 2014, ISO 55000, Sec 2.5.1, p 5

The asset management system includes:

- The Asset Management Policy;
- The Asset Management Objectives;
- The Strategic Asset Management Plan (or Asset Management Strategy );
- The Asset Management Plans, which are implemented in
    - operational planning and control
    - supporting activities
    - control activities
    - other relevant processes.[6]

The Local Government and Planning Ministers' Council Framework 2 - Asset Planning and Management (May 2007), seeks to develop a nationally consistent asset management framework to support improvement in local governments' asset management performance and sustainability.

The framework aims to assist in highlighting key management issues, promote prudent, transparent and accountable management of local government assets and introduce a strategic approach to meet current and emerging challenges. As part of the framework, this Asset Management Strategy enables Council to:

- Meet the objectives set out in its Strategic Plan;
- Satisfy the service delivery needs of its community into the future;
- Comply with its Infrastructure Asset Management Policy;
- Integrate asset management with its LTFP.

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[6] ISO, 2014, ISO 55002, Sec 4.1.1, p 2.

# 3 Assets and their Management

## 3.1 Infrastructure Assets

Council infrastructure assets which are outlined in Table 1 below provide a wide range of services throughout the municipality.

| Asset Group | Asset Category | Measure |
|---|---|---|
| **Transport** | Car Parks | 87,844 (Area sq m) |
| | Kerb | 276 (Length km) |
| | Pathways | 359 (Length km) |
| | Roads-Sealed | 288(Length km) |
| | Roads-Unsealed | 262(Length km) |
| | Bridges & Jetties | 199 (Count) |
| | Traffic Management Devices | 235 (Count) |
| **Building** | Buildings | 102 (Count) |
| **Open Space** | Play Equipment | 153(Count) |
| | Active Recreation, Structures | 302 (Count) |
| | Stormwater Drains | 322(Length km) |
| **Stormwater** | Stormwater Gross Pollutant Traps (GPTs) | 10(Count) |
| | Stormwater Pits | 15740 |
| | Flow and rain guages | 5 |

*Table 1 – Assets covered by this strategy as at 30$^{th}$ June 2020*

## 3.2 State of the Assets

The financial status of Council's infrastructure assets as at 30 June 2020 is shown in Table 2.

| Asset Class | Replacement Value | Annual Depreciation | Accumulated Depreciation | Written Down Value |
|---|---|---|---|---|
| **Transport** | $525,568,794 | $6,969,890 | $256,344,775 | $269,224,019 |
| **Building** | $66,207,618 | $1,172,871 | $25,191,767 | $41,015,851 |
| **Open Space** | $18,275,296 | $455,896 | $3,978,350 | $14,296,946 |
| **Stormwater** | $116,792,518 | $1,142,960 | $32,861,302 | $83,931,216 |
| Grand Total | **$726,844,226** | **$9,741,617** | **$318,376,194** | **$408,468,032** |

*Table 2 – Financial status of assets as at 30 June 2020*

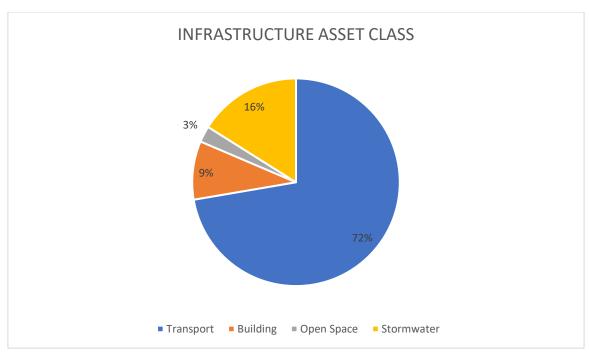Figure 2 below provides the asset class asset split by replacement value:

*Figure 2 – Asset Replacement Values as % of Total Value*

The asset consumption ratios of Council's assets (i.e. the average proportion of 'as new' condition remaining in assets in accord with financial valuations) are shown in Figure 3.
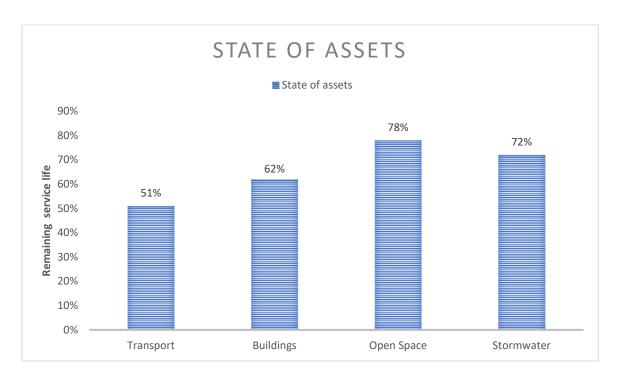


*Figure 3 – Asset Consumption Ratio - % 'As New' Remaining*

The asset consumption ratios of Council's assets as shown in these figures show that the transport assets are by far Council's largest asset class comprising over 72% of total asset value and that assets have been the most heavily consumed with an overall average of 51%

remaining by value. This higher level of consumption puts this class onto the cusp of a sustained action phase for the network and has come about by two main factors:

- Componetisation of transport assets and recognition of previously unaccounted for assets has changed the understanding of life cycle phase of the overall class.
- A general under investment in the class has caused gradual deterioration of the network over a period of time.

This has been recognised and is starting to be addressed by gradually increasing expenditure on renewing transport assets. This increase in funding commenced 5 years ago and is allowing in particular more replacement of road seals and renewal of major unsealed roads. A recent condition assessment of the sealed road part of the Transport asset class has identified that this strategy has had some traction and this is expected to be reflected with an improved consumption ratio at the next asset class revaluation in 2021/22.

This is reflected in Figure 4 below that shows the Asset Sustainability ratio (proportion of renewal works being spent on assets relative to the annual depreciation) over the last 5 years being highest for Transport and Stormwater assets classes. In particular this relates mainly to the following:

- Increased expenditure for resealing of sealed roads with over triple the budget being allocated over previous historical budgets.
- The setting of a stormwater levy which has allowed funding for undercapacity and poor condition infrastructure.

More detailed information is held within the individual asset management plans for each asset class and is supported by various condition assessments and anyalsis of networks.
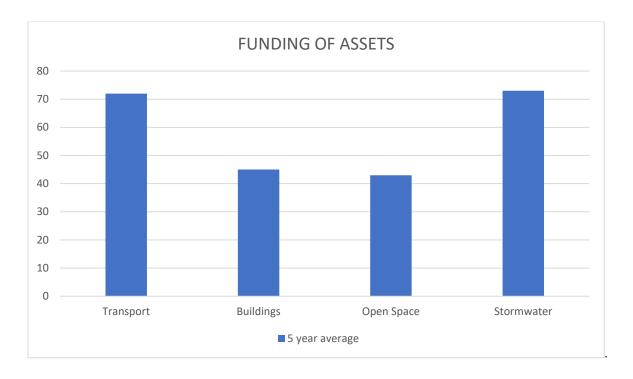


*Figure 4 – Asset Sustainability Ratio – average 5-year renewal spend versus depreciation*

## 3.3    Asset Management Structure

The organisational structure of Council places infrastructure assets in the Engineering division under the Executive Manager of Engineering Services. Within the division lies the Asset Management section which perform all the asset management related functions. Closely related and supporting this area are Council's GIS unit and Finance area.

In 2018 Council undertook a redevelopment of the long-term Asset Management Plan and this will be due for review in 2020 to support and complement this Asset Strategy and the Asset Policy. These items are considered as foundational in ensuring Council fast growth is well planned and managed and Council's physical assets are well maintained and in turn enabling the development of an informed LTFP.

## 3.4    Corporate Asset Management Team

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

- Demonstrating corporate support for sustainable asset management;
- Encouraging corporate buy-in and responsibility;
- Coordinating strategic planning, information technology and asset management activities;
- Promoting uniform asset management practices across the organisation;
- Pooling of corporate expertise;
- Championing of asset management process;
- Wider accountability for achieving and reviewing sustainable asset management practices.

Council has an established Asset Management Group, compromising members of the asset team and finance team, however it may be there is better value in having a more representative council wide group to ensure that projects and initiatives meet Council's strategic objectives.

## 3.5    Financial and Asset Management Core Competencies

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define ten elements for asset management. Eleven core competencies have been developed from these ten elements[7] to assess 'core' competency under the National Assessment Framework. The core competencies and corresponding core questions are:

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[7] Asset Planning and Management Element 2 Asset Management Strategy and Plans divided into Asset Management Strategy and Asset Management Plans competencies.

Financial Planning and Reporting:

1. Strategic Longer-Term Plan – Does Council have an adopted strategic longer-term plan?
2. Annual Budget – Does Council prepare an annual budget?
3. Annual Report – Does Council publish an annual report?

Asset Planning and Management:

4. Asset Management Policy – Does Council have an adopted Asset Management Policy?
5. Asset Management Strategy – Does Council have an adopted Asset Management Strategy?
6. Asset Management Plan – Does Council have adopted Asset Management Plans?
7. Governance & Management – Does Council have good management practices linking asset management to service delivery?
8. Levels of Service – Does Council have a defined process for determining current and target levels of service and costs?
9. Data and Systems – Does Council have the data and systems to perform asset management activities?
10. Skills and Processes – Does Council have the data & systems knowledge to perform asset data management activities?
11. Evaluation – Does Council have a process to evaluate progress and use of resources on the implementation of the National Frameworks?

As part of the NAMS.PLUS 3 system the Institute of Public Works Engineering Australia (IPWEA) has developed maturity assessment models to assist Councils to assess their asset management maturity and capability. The maturity assessments are based on the Australian National Asset Management Assessment Framework (NAMAF) and the international asset management Standard, ISO 55001 Asset Management – Management Systems – Requirements.

To determine where Council is on its strategic asset management journey, a reference to the NAMAF scorecard is made. The NAMAF scorecard is illustrated in Figure 5. Each category is scored against a set list of criteria that seek to audit Council AM knowledge and functions.

Collectively, these criteria assess an organisation's advanced asset management competency. Each criterion is assessed with multiple questions aimed at identifying where Council is on its journey to better practice asset management. While a score of 100% indicates that better practice has been achieved in a particular assessment criteria, a score of 80% indicates that good practice asset management standard has been achieved. It is generally accepted that the organisational target should be to achieve a good practice asset management standard across all categories before aiming higher.

Overall, Council is well placed on its Strategic Asset Management journey. The areas requiring the greatest level of improvement are those involving the capacity and functionality assessment of Council's infrastructure assets which are characteristics of advanced asset management maturity and a service-oriented framework to manage assets.

If these areas of assessment are set aside, the assessment shows that Council is operating with most of the criteria at "better practice" and some at "good practice" for Core Asset Management Competency.
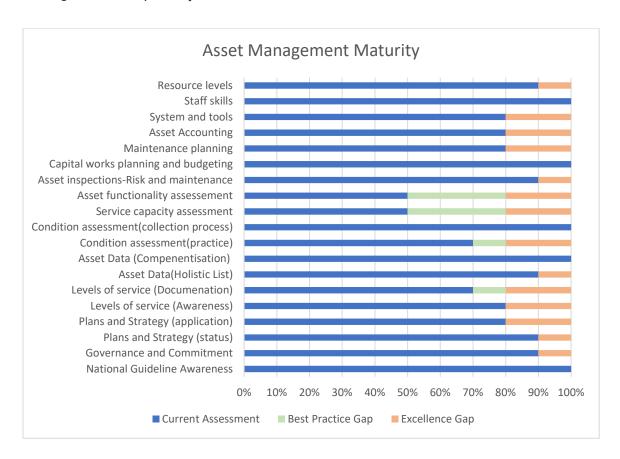


## Asset Management Maturity

Legend: ■ Current Assessment  ■ Best Practice Gap  ■ Excellence Gap

*Figure 5 – Asset Management Maturity*

Specific actions to allow Council to obtain a full "better practice" with core targets are documented in Table 5. These actions are listed as improvement items as an output of this strategy and will be driven through Council's Asset Management area.

# 4   Where Do We Want to Be?

## 4.1   Council's Vision, Purpose, Values and Goals and Objectives

This Asset Management Strategy is prepared in accord with Council's vision, purpose, values and strategic objectives:

- Council's vision is
  **"Our community is at the heart of everything we do"**

- Council's purpose is:
  **"To make Kingborough a great place to live"**

- Council's values are:
  **"Accountability, respect, excellence and inclusiveness"**

Relevant Council goals and objectives and how these are addressed in this Asset Management Strategy are detailed in Table 3 below:

| Strategic Goal | Strategic Outcome | Objective |
|---|---|---|
| Deliver quality infrastructure and services | Service provision meets the current and future requirements of residents and visitors | Understand current and future service needs and be ready to adjust as community needs change.<br><br>Identify and plan for addressing gaps in community infrastructure that will hinder service provision.<br><br>Leverage technology to provide best value asset/service provision |
| | Infrastructure development and service delivery are underpinned by strategic planning to cater for the needs of a growing population | Ensure long term financial plans and asset management plans are in place and are robust to cater for changing needs.<br><br>Develop stakeholder engagement processes to be aware of community needs and to underpin key delivery performance indicators. |
| | Community facilities are safe, accessible and meet contemporary standards. | Provision of and access to services, and amenities.<br><br>Promote active transport options in the road and open space network.<br><br>Ensure infrastructure is adequate, safe and contributes to the wellbeing of the community.<br><br>Support creation of a connected and active community through the design and delivery of walking and cycling networks.<br><br>Ensure facilities are designed and built to accommodate growth, diverse needs and future flexibility.<br><br>Provision of spaces and places for the community to meet, reflect and 'just be'.<br><br>Undertake integrated open space planning to ensure new neighbourhoods have timely access to reserves, parks, gardens, heritage places and natural assets. |
| **Sustaining the natural environment whilst facilitating development for the future** | Council is able to demonstrate strong environmental stewardship and leadership | Ensure sustainable asset practices are used including considering the use of recycled materials |

*Table 3 - Council's Strategic Objectives*

## 4.2   Asset Management Policy

Council's Asset Management Policy was adopted in September 2016 with the next review date to occur in September 2020. The Asset Management Policy defines Council's vision and service delivery objectives for asset management.

The Asset Management Strategy is developed to support the Asset Management Policy and to enable Council to show:

- How its assets will meet the affordable service delivery needs of the community into the future;
- Enable Council's Asset Management Policy to be achieved;
- Ensure the integration of Council's asset management with its long-term strategic plans, including the LTFP.
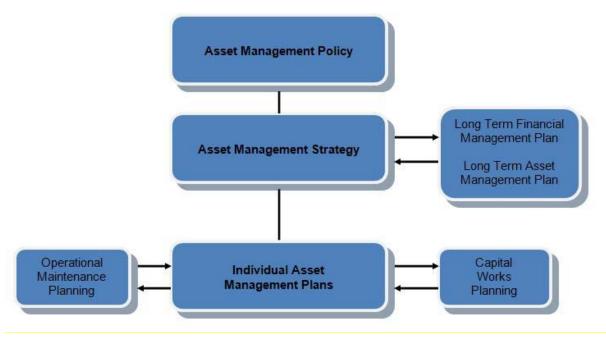


*Figure 6 – Key Elements of Asset Management Planning Strategy*

## 4.3   Asset Management Vision

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

**To ensure that infrastructure assets support services that are appropriate, accessible, responsive, timely and sustainable to the community, in accordance with responsible asset**

**management that will preserve the life of the asset and ensure that the community is receiving the best value for money.**

In line with this vision, the objectives of the Asset Management Strategy are to:

- Ensure that Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability;
- Safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and providing appropriate financial resources for those assets;
- Identify where decision making and investment choices can be enhanced by using smart technology options;
- Support the use of environmentally sustainable approaches to asset provision;
- Adopt the LTFP as the basis for all service and budget funding decisions;
- Meet legislative requirements for all Council's operations;
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated;
- Ensure high level oversight of financial and asset management responsibilities are reported to Council with regards to the development and implementation of the Asset Management Strategy, Asset Management Plans and Long-Term Financial Plan.

Strategies to achieve this position are outlined in Section 5.

# 5 How Will We Get There?

## 5.1 Asset Management Strategies

The Asset Management Strategy proposes strategies to enable the objectives of the Strategic Plan, and Asset Management Policy to be achieved. These strategies are outlined in Table 4 below.

| No | Strategy | Desired Outcome |
|---|---|---|
| 1 | Annually review and update Asset Management Plans covering at least 10 years for all major asset classes. | Identification of services needed by the community and required funding to optimise 'whole of life' costs. |
| 2 | Develop a 10-year LTFP incorporating asset management plan expenditure projections with a sustainable funding position outcome. | Sustainable funding model to provide Council services. |
| 3 | Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance, costs and 'whole of life' costs. | Improved decision making and greater value for money. |
| 4 | Ensure responsibilities for asset management are identified and incorporated into staff position descriptions. | Responsibility for asset management is defined. |
| 5 | Implement Improvement Plan actions. | Improved asset management capacity within Council. |
| 6 | Identify and where appropriate implement new technology options to provide improved value for money services. | Technology as a tool is considered formally in asset management decision making. |
| 7 | Consider where recycled product and/or services that provide a better outcome for the environment can be implemented in asset provision | Active way of reducing Council's enviromental footprint. |
| 8 | Move from annual budgeting to LTFP across all asset classes. | The long term implications of Council services are considered in annual budget deliberations. |
| 9 | Report yearly to Council's Audit Committee on development and implementation of Asset Management Strategy, AM Plans and LTFP. | Oversight of resource allocation and performance. |
| 10 | Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report. | Service delivery is matched to available resources and operational capabilities. |
| 11 | Review and update Asset Management Plans and LTFP after the adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks. | Council and the community are aware of changes to service levels and costs arising from budget decisions. |

*Table 4 – Asset Management Strategies*

## 5.2 Asset Management Improvement Plan

As noted in Section 3.5, Council is well placed on its strategic asset management journey having achieved completion for most improvement actions identified in the last Asset Management Strategy adopted in 2012. The actions range from the development of Council's Asset Management Plans, Strategy and Policy to driving improvements in asset data, condition assessment and management.

The roadmap for improvement over the next four years, to evolve Council into an organisation that is practising service driven optimisation is set out in this strategy as an Improvement Plan. This comprehensive plan is summarised in Table 5 below.

| No | Improvement Items | Responsibility | Timeline |
|----|-------------------|----------------|----------|
| 1 | Communicate the biannual state of the asset reports to improve corporate knowledge relating to assets and asset management. | Asset Management Group | Ongoing |
| 2 | Continually investigate innovative ways to deliver strategic asset management through collaboration with other Councils, improved processes and new technologies. | Engineering Services | Jul-22 |
| 3 | Deliver skills matrix and provide priority professional development as per matrix. | Engineering Services, | Jul-23 |
| 4 | Maintain 10-year asset renewal plans for all asset classes. | Engineering Services | Ongoing |
| 5 | Develop new and review existing business process manuals (BPM) for all asset classes, detailing the business rules and processes on how assets are managed. | Asset Management Group | Jul-22 |
| 6 | Develop resource capability plans that outline the resources, skills and training necessary for Council to analyse and use asset information. | Engineering Services, | Jul-23 |
| 7 | Develop Service Plans for capital and maintenance tasks. | Engineering Services and Property Management | Dec-21 |
| 8 | Review existing Asset Management Group with the view to extending this to a corporate Asset Management Steering Committee. | Engineering Services | Jul-21 |
| 9 | Review asset management and maintenance software systems and processes. | Asset Management Group | Jul-23 |

| No | Improvement Items | Responsibility | Timeline |
|---|---|---|---|
| 10 | Identify critical assets and the potential risks of their failure and incorporate this information into Council's Asset Management System. | Engineering Services and Property Management | Jul-24 |
| 11 | Identify the level of asset information needed to support management and decision-making and to meet legal requirements. | Asset Management Group | Jul-21 |
| 12 | Improve access to asset information through the visualisation of data through Business Intelligence applications such as long-term asset models. | Asset Management Group | Jul-21 |
| 13 | Review delivery of asset provision considering where value can be added using smart technology | Engineering Services | Jul-23 |
| 14 | Improve integrations between Council's Asset Management, and GIS to facilitate information sharing and improved decision making. | Engineering Services, Information Services | Ongoing |
| 15 | Improve the integration of asset management and asset maintenance system. Understanding the maintenance and failure history of an asset will assist in predicting the likelihood of future failures or performance issues. | Engineering Services / Asset Management | Jul-23 |
| 16 | Amend Capital project bid sheet to factor in environmental considerations. | Engineering Services | Jul-21 |
| 17 | Participate in Local Government Asset Management forums to improve knowledge and information sharing to facilitate innovation relating to AM practices and technologies. | Engineering Services, Finance | Ongoing |
| 18 | Review and update Council's Asset Management Policy and ensure alignment with other Council policies such as risk and financial management. | Asset Management, Finance | Sep 2024 |
| 19 | Undertake a comprehensive gap analysis to assess asset data completeness considering service capacity and functionality, currency and accuracy (confidence level) for each asset category. | Engineering Services | Jul-22 |
| 20 | Undertake a review of capitalisation process for assets delivered through capital works. | Engineering Services, Finance | Ongoing |
| 21 | Undertake an annual review of each Asset Management Plan and LTFP. | Asset Management Group | Jul-22 |

| No | Improvement Items | Responsibility | Timeline |
|---|---|---|---|
| **22** | Undertake condition audits of assets as per Council's asset valuation and revaluation policy. | Engineering Services | Ongoing |
| **23** | Undertake revaluation of assets as per Council's asset valuation and revaluation policy. | Engineering Services | Ongoing |

*Table 5 – Asset Management Practice Improvement Actions*

It is noted that improvement actions that are specific to a certain asset class is detailed in the individual Asset Management Plan.

## 5.3  Monitoring Progress

This Asset Management Strategy will be reviewed and updated with subsequent versions on a maximum 4 yearly basis. The Improvement Plan is to be reviewed and updated by the corporate asset management team on an annual basis (minimum), with subsequent status reporting to Council.

# 6   Summary

The Asset Management Strategy enables Council to meet national asset management frameworks, State legislative requirements and the provision of community services in an equitable and financially sustainable manner. It presents the current state of Council's assets and Asset Management System[8], highlighting the improvements necessary to meet service delivery requirements as described in the Strategic Plan and Asset Management Policy.

The Asset Management Strategy establishes the framework to support and guide planning and prioritisation of infrastructure investment and activities with holistic data and analysis regarding capital works, maintenance and operation of infrastructure essential for Council to provide services to the community. It answers two key questions:

## How well is our infrastructure performing and how well will it perform into the future?

Overall the asset portfolio is in relatively good condition with the majority of assets in the early to middle portion of their life and the demand and urgency on funding is lower relative to the later life phases.

As these assets degrade further over the next few years they move into the action phase. It is for this very reason that Council is embracing a strategy and the action plans in the strategy to reduce and remove the future risks of assets deteriorating to an action phase.

The Transport Asset Class has been identified as being close to the action phase, however this has been previously recognised and increased funding has been put towards this class over the last five years.  Recent condition assessments suggest that this has postively impacted this class.

## How well equipped is Council to manage its infrastructure now and into the future?

Council has made significant progress in preparing and enabling itself to better manage its asset portfolio. Measurement against national standards shows good growth in maturity but highlights a need for a continued, focused effort to improve its maturity.

An improvement and performance measurement program is in place to continue to guide Council towards its asset management objectives.

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[8] Asset management — Management systems — Guidelines for the application of ISO 55001