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1 INTRODUCTION

Under the Department of Local Government Integrated Planning and Reporting Framework Councils are required to draw together their various plans, to understand how they interact and to plan holistically for the future.

As a result of the new legislation the Bega Valley Shire Community Strategic Plan is being prepared to provide a vehicle for expressing long term community aspirations in accordance with current requirements. However these aspirations can only be achieved if sufficient resources - time, money, assets and people are allocated.

The diagrammatic representation of the Integrated Planning and Reporting Framework is shown below.

Through the proposed Bega Valley Shire Council Delivery Program, Council will outline how the objectives of the Community Strategic Plan will be implemented during its term of office. Implementation based on the resources identified in the Resourcing Strategy.

The Resourcing Strategy focuses on long term planning strategies in three key areas:

- financial planning;
- asset management planning; and
• workforce planning.

The Resourcing Strategy is the critical link between the Community Strategic Plan and the Delivery Program, detailing the provision of resources required to implement strategies established by the Community Strategic Plan for which Council is responsible.

Council’s Asset Management Strategy 2010/11-2019/20 is part of our Resourcing Strategy and is in revision will focus on fixed physical assets or infrastructure. Subsequent revisions will develop to included unfixed physical assets (plant, materials, library books, equipment) and finally soft assets (intellectual property, information, technology).

Bega Valley Shire Council recognises the importance of asset management planning to provide and maintain infrastructure assets which support and deliver agreed levels of services to the community.

Asset management requirements for Councils throughout Australia are being steered by the National Frameworks for Asset Management, and implemented in NSW via the Integrated Planning and Reporting Framework. In accordance with State Government requirements, Council is in the process of preparing the following documents:

- Asset Management Strategy (This document).
- Asset Management Policy (also included in this document).
- Asset Management Plans (currently under development).

2 BACKGROUND

Assets play a vital role in providing, or supporting, services to the community. Roads, bridges and paths connect people and places, and thus have a social and economic function. Parks, sportsgrounds, libraries and halls help people recreate and remain healthy and social. Water, sewer, drain and waste assets are provided to protect the environment and ensure public health, while most of the buildings accommodate other services such as libraries, gallery and offices.

2.1 Financial Strategy

The 2009 Financial Strategy acknowledged the role infrastructure (assets) play in shaping community and providing services. Key principles adopted with that Strategy are summarised below:

Guided by the settlement hierarchies established in the South Coast Regional Strategy and 20 Year Plan, it is appropriate that infrastructure and facility standards be established to optimise and rationalise Council’s investment and replacement of assets.
The hierarchy established in that Strategy adopted the following principles:

- Regional or Shire Wide – one facility only, within 45 minutes drive.
- District or Larger Towns – one facility in each of the major settlements (Bega, Bermagui, Eden & Merimbula), within 25 minutes drive.
- Local or Smaller Towns – one facility in each of the villages and towns, within 15 minutes drive.
- Neighbourhood – several facilities in each of the villages and town, within 15 minutes walk or cycle.

Those principles should guide decisions in providing, upgrading of new infrastructure and facilities, and rationalising existing infrastructure facilities where the capacity has diminished due to change in demographics or poor serviceability.

Once those standards are established and published through the asset plans, council may refine the levels of service (maintenance, cleaning, operating) assigned to those assets with a primary focus on quality of construction to meet climate change and vandalism standards, and frequency of servicing (cleaning and maintenance).

Council should continue its current efforts to build partnerships with local community groups and clubs to build or renew and maintain facilities and reserves such as halls and sporting grounds. Council will assist community in seeking government grants, and may provide ‘seed’ funding or provision of materials to construct community project infrastructure on council land, based in business case proposals presented to council.

Council has commissioned the preparation of an asset register across all classes of infrastructure and facilities. The preparation of the register and asset plans will assist:

- the cyclic assessment of the Condition and serviceable life of assets (in turn guiding the revaluation of those assets in accord with financial reporting requirements)
- the assessment of the Pressures (loads, traffic counts, failures, accidents, development activity etc) on those assets
- the assignment of affordable maintenance and renewal programs in Response to the condition and pressure on the assets
- the calculation of life cycle costings for assets
- the assignment of day labour and outsource capacity to service and maintain the assets.

The asset management plans and related development contribution plans will be costed to reflect:

- initial cost of construction or provision of service,
• life cycle cost of maintenance and renewal of the asset, or
• replacement or modification of that asset or service.

To assist the strategic assessment of networks and proximity of facilities, as well as presentation to Councillors and community of the condition and priority of networks and facilities, we will progressively publish spatial images of our infrastructure. Similarly, to communicate the siting and circumstances of public domain infrastructure such as footpaths, cycleways, boardwalks and the like, the town DCP’s will contain a spatial public domain layer.

For some major new assets, deferred maintenance may be amortised into a ‘sinking fund’ to meet renewal of those assets. The Financial Strategy recognises that new subdivision development annually transfers several million dollars of new public infrastructure (general, water, sewer) into Council’s ownership. This adds an annual maintenance tail.

An infrastructure replacement reserve is proposed in each Fund, notionally securing 1% of the value of new assets acquired annually.

Council noted the purpose of an Asset Strategy was to focus on the service and support infrastructure provides to economic and social activity and the effect on the environment. The outcomes of the Asset Strategy should draw out the quantity, quality, demand and location of infrastructure and facilities in the context of anticipated population growth, demographic change and localities, making recommendations to optimise or rationalise assets based on standards to be set by councillors in the context of Council’s ability to resource the maintenance and renewal of those assets.

Budgets and special report schedules will be progressively prepared from 2010 to identify recurrent and capital costs; operating costs; and resourcing patterns.

The Delivery Program and Budgets will be prepared to reflect the key components of projects (cost and timelines) including: concepts, designs, consultation, approvals, and construction.

As part of the Community Strategic Plan process in 2011, council will review the infrastructure and facility hierarchy from the 20 Year Plan to inform the asset strategy and asset management plans. Levels of service appropriate to that hierarchy will be developed to inform the asset management plans

### 2.2 Asset and Financial Sustainability Review

Council commissioned an independent review of its infrastructure and financial capacity in 2010 drawing on the findings of the NSW Local Government Inquiry 2006, the Operational Examination of Bega Valley Council 2006 and the principles of the adopted Financial Strategy. The brief for the consultancy (Review Today) included the following:

• Gauge condition of Council’s infrastructure.
- Gauge size of any backlog.
- Establish Council’s infrastructure upgrade/expansion needs based on demographic and economic projections.
- Estimate required infrastructure renewals ~ 20yrs.
- Calculate Council’s required maintenance needs.
- Sum up Council’s total infrastructure requirements.

The Review team included TreEnt Financial Services and GHD consultants. The relationship of that Review to the Asset Strategy and Asset Plans is illustrated below.

The key findings of that review are listed below:

- Council has $1.1 billion of infrastructure assets, two thirds of which are civic: (e.g. roads, bridges, storm water drains, waste, etc) and the rest: water, sewerage and recycled water assets (W&S).
- The backlog of unsatisfactory infrastructure is $5 million in civic (0.7% of assets) and $15m (4%) in W&S.
- Council’s existing under-investment in capital infrastructure would increase the backlog to $112 million in civic and $129 million in W&S by 2030.
- That would result in the share of infrastructure in an unsatisfactory condition rising to 15% in civic and 36% in W&S by 2030.
- Existing underspending on infrastructure renewal to prevent the backlogs growing is $3.6 million a year in civic and $7.9 million in W&S.
The consultancy reports assessed existing council policy on asset and finances. Those reports supported the policy approaches council has used under existing arrangements, and made recommendations in regard to Intervention Condition Levels and life cycle asset management and costings; and financing assets and debt levels. Those reports recommended the use of debt to finance infrastructure assets rehabilitation and enhancements, particularly on inter-generational equity grounds.

The draft Asset Strategy will be informed by the findings of the RT sustainability review, and assess and make recommendations to inform asset management plans, having regard to:

- Infrastructure condition, renewal and capacity needs,
- Rationalising and optimising existing assets,
- Properly size, site and schedule new assets,
- Prioritise assets on the basis of:
  - Asset condition, age, load, local geography,
  - Risks such as climate change, and
  - Demographic changes

The Asset Strategy should identify assets under greatest stress (condition or load pressures) or presenting greatest benefit for attention (economic or environment), such as focussing on key routes or assets for presentation or protection. Alternately, decisions may be based on adopted intervention condition levels (ICL) per the GHD assessment and asset plans, or community opinion (satisfaction or priority) established in the community survey.

It is proposed the long term pricing path in the Financial Plan incorporate the following approach, which is broadly in accord with the financial sustainability requirements:

- Rates and annual charges (general, waste), and access charges (water and sewer), less non-infrastructure special rate variations/service levies (library, lifeguards, tourism etc), to recover:
  - asset maintenance
  - debt servicing (P&I)
  - infrastructure rehabilitation
  - infrastructure renewals

- Depreciation (assuming current level of service), to reflect:
  - infrastructure rehabilitation
  - infrastructure renewals, and
  - asset replacement reserve utilised to hold depreciation balance
The Responsible Scenario adopted by Council in February 2011 assumes that by the tenth year:

- Council’s net financial liabilities ratio won’t exceed 80% and its operating surplus ratio will be at least 2.5%;
- The infrastructure backlog ratio will not exceed 2%;
- Infrastructure stock will expand by half the population growth;
- Operating services will expand in line with population growth;
- Average fees and user charges revenue per property will have grown in real terms by no more than 2% per annum.

### 2.3 Settlement, Assets and Services Hierarchy

The 2006 20 Year Plan established the initial Settlement assets and Services Hierarchy, nominating placement of assets in towns and villages in a statewide, regional, district and village context.

That Hierarchy will be reviewed with the Community Strategic Plan, and in turn guide asset hierarchies, and standards through the various asset management plans.

### 2.4 State of The Shire Report

A core component in developing the community strategic plan, Bega Valley 2030, has been assessing progress against Council’s current adopted 20 year Plan which was adopted in 2006 and runs until 2025. The plan has been in place for 4 years at the time of reporting, and will be replaced by the new community strategic plan.

Council engaged consultants who have undertaken an assessment of progress against targets set in 2006 and identified emerging issues which need to be considered in the development of the community strategic plan.

The State of the Shire Report provides an assessment of progress to date against the (then) five theme areas of the 20 year plan, including infrastructure:

The Report recognised access to transport is a key issue identified in Council-community consultation, particularly because the combination of distance and a lack of affordable transport options (public, community and private) for residents. The transport needs of the community are affected by the relative remoteness of some areas, access to existing infrastructure and the particular needs of different groups within the community. Lack of access to, and the high cost of, transport mean people are not able to access important health, training, work, education or recreational activities and appointments.

While the Shire is blessed with abundant natural and developed recreation facilities, participation in recreation for families can involve significant journeys which can be expensive. A key challenge is to balance resource investment with the relative needs of small communities, in the context of limited resources.
In the 2009 Community Survey, Bega Valley Shire residents placed higher importance but were less satisfied with: adequacy of public toilets, maintenance of sealed roads and availability of car parks than in 2006. The top ten priorities for Bega Valley Shire in the next five to ten years included increased parking and traffic management (10.6%) and water and waste management (10.2%).

The State of the Shire Report also highlighted the role council plays in relation to infrastructure and what actions remain outstanding from the 20 year Plan.

### 2.5 Position Statements

Council has prepared a number of Position Statements to guide revision of policy and procedures, some of which will influence asset plans and policy. They include:

- asset management
- roads and bridges
- water and sewer
- recreation

### 2.6 Relationships with Other Plans

Below is a schematic illustrating the relationship of the asset strategy and asset management plans, with land use planning, risk management and financial management. The siting and sizing of new infrastructure, and the proposed optimisation of existing infrastructure, will be influenced by land use policy (LEP), the science and local planning behind climate change assessments, the impact of visitation load during peak events, the mitigation of risk brought about by infrastructure standards or levels of service, and the ability to finance those standards and levels.
3 CHALLENGES

3.1 Geography

The Bega Valley Shire is located at the south-eastern extremity of New South Wales. The Shire’s coastal fringe extends from Wallaga Lake in the north to Cape Howe and the Victorian border in the south. Collectively this 220 kilometre section of coastline forms the beautiful Sapphire Coast. Inland the higher peaks of the Great Dividing Range give way to rolling hills and numerous rivers and streams. The shire covers some 6,279 square kilometres, making it spatially the largest Coastal Council in New South Wales, 75% of this is either National Park or State Forest, leaving only a quarter of the Shire as rateable land.

The Shire’s coastal plain is renowned; and tourism has become an important local industry alongside agriculture, fishing and forestry. The local fishing fleets are mostly located at the ports of Eden and Bermagui. Historically, white development began in the 1830s when cattle farmers settled in the district. Beef and dairy farming became the mainstay of the local economy; produce was shipped to Sydney first from Twofold Bay then from Tathra. In 1899 the Bega Dairy Cooperative was formed and ‘Bega cheese’ become Australia’s best selling brand with 30% of its produce exported overseas, an annual trade income worth $50 million.

Key Challenges:

- Extensive network cover sparsely populated areas
- Difficult terrain from mountainous areas through river/watercourse crossings to coastal lakes and dunes.
- Relatively long travel distances.
- Heavy reliance on road transport for both commercial activity and access to isolated areas.
- The need for an additional link road (s) to the west to not only improve access but to also facilitate alternatives for emergency evacuation for certain settlements

3.2 Demography

The Shire has a relatively small population of approximately 32,000 people (2006 ABS Census data). However, the population has increased by 1.7% per annum from 1996 to 2001, which is much stronger than the rest of Country NSW. This strong growth is expected to continue to 2031, and will be more than double that of Country NSW.
The Shire’s combination of natural beauty, temperate climate, recreational opportunities and its proximity to Sydney, Melbourne and Canberra has attracted visitors for many years. Seasonal growth that sees a large influx of tourist and holidaymakers during summer and school holiday periods. This is expected to continue in the future

Like many other coastal communities, Bega Valley Shire has a higher than average proportion of aged persons, and growing at a rate greater than average population growth for the shire. It is predicted 25% of the shire population will be over the age of 65 by 2030, due to continued high in-migration of retirees, and residents ageing in place.

**Key Challenges:**

- Adapting infrastructure to accommodate aging population
- Capacity demands with increasing growth
- The impact on peak loads during holiday periods and the stress this places on the existing infrastructure that may cause infrastructure failure needs to be addressed.
- Limited mobility access demand
- Increasing pedestrian access demands
- Demand for recreational support assets
- The need for improved road safety on urban and rural roads
- The future need for water treatment in the main 5 Shire centres. As the community becomes more sophisticated the need for improved water quality increases as well as the relative reduction in the purity of the original water sources as development and other man made influences impact on natural water sources.
- The future need for necessary treatment of sewer effluent. The Merimbula, Bermagui and Eden Treatment Plants may require up to $10M to provide Ocean Outfalls etc to cope with current and future demand and health and risk requirements.
3.3 Infrastructure

Council infrastructure (assets) are established and maintained to provide a service to community. They include network infrastructure (roads, bridges, drains, paths, water, sewer); structures, (buildings, amenities, halls, facilities, pools); property (land, reserves, waste); as well as operational assets (office, depots). The services they provide include transport (roads), recreation (sports fields), health (water supply) and environment (sewer, waste).

Council acknowledges much of the infrastructure facilities (assets) under its care and control was constructed through Federal and State Government funding or community fundraising. Council recognises the standards envisaged for those assets have changed over time and Council’s ability to maintain and replace those assets to those standards have declined.

**Key Challenges:**

- The gap between the standards to which assets should be maintained and the ability of Council to finance those standards.
- The gap between expectation and affordability.
- Meeting regulatory requirements such as urban water and sewer services based on standards not set by the community e.g. state government.
- Rationalisation of existing assets with changing community demand.
- The substantial impact of large projects such as the Bega Marketplace, Port of Eden and Merimbula Airport on the Shire’s infrastructure.
- The need for a clear risk policy on the gap between maintained assets and those unable to required service levels because of limited resources.
- The relative liability and priority system to minisise risk to Council when allocating new or renewal works.

3.4 Climate Change

Council recognises the science and government position on climate change. It is understood climate change may manifest as variable and intense weather patterns causing environmental, economic and social harm through drought, flood, bushfire and storm, and the potential of inundation along lower lying areas of the coast, due to sea level rise. The effects of climate change may be felt in the siting and design of housing, infrastructure and emergency accommodation. Council does not wish to place people and property at risk from its planning or infrastructure decisions.

**Key Challenges:**

- Siting and location of infrastructure assets.
- Design standards to future environment loading.
• Risk to performance of existing assets availability
• The impact on assets of sea level rise, storm surges, the intensity and frequency of storms on low lying areas.
• Need to provide more accurate Flood Hazard Mapping to anticipate future problems and to better plan for future residential development and for any flood mitigation measures.

4 LEGISLATION

4.1 The Need for Infrastructure Planning

The majority of the Council’s existing infrastructure stock was built by other governments when the provision of essential housing and infrastructure was the priority as well as providing rural access to the developing farming activities over many years. During these past periods of infrastructure expansion, little or no analysis was done to determine a strategy to sustain this infrastructure stock by matching future maintenance and renewal expenditures with future income projections. Additionally there has not been a good understanding of the long term cumulative consequences of decisions to build infrastructure.

Past systems and processes had a focus on optimising the funds allocated in a given year (or the next 2-3 years) but did not analyse the long-term sustainability of managing the existing infrastructure stock. The pattern of infrastructure construction in the past points to a future peak in infrastructure renewal over and above maintenance activities.

Under the Division of Local Government’s Integrated Planning and Reporting Framework, agreed levels of service performance will have an accompanying Long Term Financial Plan that aims to fully fund the capital, maintenance and operating costs needed to sustain the agreed service level targets. In order to achieve this, a number of service level scenarios and long term cash flows will be created to determine the optimum balance between environmental, economic, social and cultural objectives.

Asset Planning must also take account of the population trends and projections as well as the seasonal impacts on the region.

This Asset Management Strategy is a continuation of a process of improving asset management to ensure that Council is able to bring its Infrastructure andAsset Management practices, processes and systems to a reasonable level. This will be required if Council is to successfully implement the visions identified in the Vision, Community Strategic Plan and Delivery Program.
The following is provided in the Division of Local Government Planning and Reporting Guidelines (2010) as related to Asset Management Strategies and the Community Strategic Plan:

“Asset Management Planning

What are the general requirements for asset management planning?

2.9 Each Council must account for and plan for all of the existing assets under its ownership, and any new asset solutions proposed in its Community Strategic Plan and Delivery Program.

2.10 Each Council must prepare an Asset Management Strategy and Asset Management Plan/s to support the Community Strategic Plan and Delivery Program.

What is the minimum timeframe for the Asset Management Strategy and Plan/s?

2.11 The Asset Management Strategy and Plan/s must be for a minimum timeframe of 10 years.

What is the basic structure of the Asset Management Strategy?

2.12 The Asset Management Strategy must include a Council endorsed Asset Management Policy.

2.13 The Asset Management Strategy must identify assets that are critical to the Council’s operations and outline risk management strategies for these assets.

2.14 The Asset Management Strategy must include specific actions required to improve Council’s asset management capability and projected resource requirements and timeframes.”

4.2 Legislative Reform

In addition to the requirements of the Integrated Planning and Reporting Framework there have been other legislative reforms that affect asset management planning, these include:

4.2.1 Financial Reporting Requirements

The Division of Local Government requires that Councils comply with the accounting standard AASB116 for reporting on infrastructure assets. This has been implemented on a staged process with Buildings, Operational Land, Roads and Stormwater assets having been fully valued in accordance with “Fair Value” requirements to provide a more realistic asset valuation than in the past.

The data required to provide this level of financial reporting is also essential for the planning of future infrastructure renewal requirements.
4.2.2 Strategic Issues at A National Level

• At its meeting on 4 August 2006, the Local Government and Planning Ministers’ Council (LGPMC) agreed to a nationally consistent approach to asset planning and management, financial planning, and reporting and assessing financial sustainability.

• On the 20 October 2006 the LGPMC endorsed the draft National Frameworks for Financial Sustainability in Local Government as a basis for consultation.

• On the 21 March 2007 the LGPMC endorsed the Frameworks for implementation in the context of their relationships with their local government sectors.

• On the 8 May 2009 the LGPMC agreed to the enhancement and acceleration of Frameworks.

The National Frameworks consists of three (3) main frameworks:

- Framework 1 - Criteria For Assessing Financial Sustainability
- Framework 2 - Asset Planning and Management
- Framework 3 - Financial Planning and Reporting

Specifically in relation to the need for an Asset Management Strategy the 2009 National Framework advises that an Asset Management Strategy will address the following:

- What assets do we currently have?
- What is the current situation with regard to Council’s assets and their management?

This would include current and forecast future needs, and adequacy of funding;

- Where do we want to be? A Council’s asset management strategy should fit with the goals and objectives of its Council plan; and
- How will we get there? This would include a comparison between the current situation and the proposed future to highlight where strategies will need to be developed to cater for any changes.

Each State and Territory has agreed and is expected to implement the National Frameworks in consultation with local government, with a target date of 31 December 2010. The State Government’s legislative changes are consistent with the National Frameworks.
5 OUTCOMES

5.1 Goals and Objectives

The goal of asset management is to ensure that services are provided:

- in accordance with load based capacity and user behaviour;
- in the most cost effective manner;
- through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets;
- for present and future communities

The objective of the Asset Management Strategy is to establish a framework to guide the planning, renewal, maintenance and operation of the infrastructure essential for Bega Valley Shire Council to provide services to the community.

6 PURPOSE OF ASSET STRATEGY

The purpose of the Asset Management Strategy is to provide direction to developing the ongoing processes for managing infrastructure assets for the next 10 year horizon.

The Asset Management Strategy will continue to evolve as the strategic objectives of Council develop and change. The key steps in this process include reviewing the strategic trends, assessing potential impacts on the asset stock, and assessing gaps in the asset knowledge required to prepare the Asset Management Plan(s) and Asset Management Improvement Plan(s).

It is essential to recognise that asset management is a corporate, not a technical responsibility. The key components of a sound asset management approach cannot be achieved within the individual operational areas of Council alone. Some of the areas where the need for a corporate cooperative can be demonstrated include:

- Sound information and systems;
- Comprehensive asset management planning;
- Community involvement in establishing service standards;
- Rigour in financial assessments; and
- Performance measurement of asset management.

Bega Valley Shire Council has an acceptable level of cooperation at the management level to implement good asset management practices. However, the need to develop the internal asset management capacity of local government which is being driven by the
National Frameworks and the NSW Integrated Planning and Reporting requirements creates the need for a formal corporate approach to monitor and guide the integration of planning and asset management.

To enhance Council’s commitment to asset management across divisional boundaries an Asset Management Steering Group (AMSG) is required to oversee this important activity. The continuing role of this group will be important in implementing, monitoring and reporting on the corporate approach to asset management.

The role of this group will be to oversee:

- Implementing and monitoring the Asset Management Plans;
- Ensuring that the responsibility for all asset management activities is assigned within the organisation, and that skill levels are sufficient to achieve the required results;
- Coordinating a consistent corporate approach to the preparation of Asset Management Plans;
- Ensuring that the information flow for financial planning and reporting is in place; and
- Reporting to Senior Management Team on progress.

### 6.1 Asset Classes

The emphasis in the Asset Management Strategy is to address the approach to Council’s main or Infrastructure Assets as follows:

<table>
<thead>
<tr>
<th>CLASS</th>
<th>ASSET VALUE $,000,000 (2009)</th>
<th>MAIN CATEGORY</th>
</tr>
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<tbody>
<tr>
<td>TRANSPORT ASSETS</td>
<td>$684</td>
<td>ROADS</td>
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<td></td>
<td></td>
<td>BRIDGES and CULVERTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>STORMWATER DRAINAGE</td>
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<tr>
<td>BUILDINGS ASSETS</td>
<td>$16</td>
<td>SPORTS GROUNDS</td>
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<tr>
<td>RECREATION ASSETS</td>
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<td>PARKS</td>
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<td>NATURAL RESERVES</td>
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<td>OPEN SPACE</td>
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<td>SWIMMING POOLS</td>
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<td>BOATING INFRASTRUCTURE</td>
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<td></td>
<td></td>
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</tbody>
</table>
### 6.2 Infrastructure Asset Portfolio

The length/area/number, condition and expenditure on assets are reported each year in Council’s Annual Report. The figures and information quoted below are current as at 2010.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Asset</th>
<th>Length/Area/No</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sealed Pavement Urban - Local</td>
<td>1,624,264 sqm</td>
<td>Below Average</td>
<td></td>
</tr>
<tr>
<td>Sealed Pavement Rural - Local</td>
<td>1,969,223 sqm</td>
<td>Below Average</td>
<td></td>
</tr>
<tr>
<td>Sealed Pavement Regional</td>
<td>1,961,429 sqm</td>
<td>Below Average</td>
<td></td>
</tr>
<tr>
<td>Unsealed Pavement Urban - Local</td>
<td>89,131 sqm</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>Unsealed Pavement Rural - Local</td>
<td>3,370,138 sqm</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>Unsealed Pavement Regional</td>
<td>160,211 sqm</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>Sprayed Seal Urban - Local</td>
<td>1,624,264 sqm</td>
<td>Very Good</td>
<td></td>
</tr>
<tr>
<td>Sprayed Seal Rural - Local</td>
<td>1,875,465 sqm</td>
<td>Very Good</td>
<td></td>
</tr>
<tr>
<td>Sprayed Seal Regional</td>
<td>1,958,233 sqm</td>
<td>Very Good</td>
<td></td>
</tr>
<tr>
<td>Kerb and Gutter</td>
<td>281,780 mtr</td>
<td>Very Good</td>
<td></td>
</tr>
<tr>
<td>Footpath Concrete</td>
<td>67,241 mtr</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Roadside Furniture Bus Shelters</td>
<td>40 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Asset Class</td>
<td>Asset</td>
<td>Length/Area/No</td>
<td>Condition</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------------</td>
<td>----------------</td>
<td>-------------------</td>
</tr>
<tr>
<td><strong>Bridges</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timber - Local</td>
<td>5,505 sqm</td>
<td>Below Average</td>
<td></td>
</tr>
<tr>
<td>Timber Regional</td>
<td>1,784 sqm</td>
<td>Below Average</td>
<td></td>
</tr>
<tr>
<td>Non Timber - Local</td>
<td>16,126 sqm</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Non-Timber - Regional</td>
<td>17,588 sqm</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Causeways Concrete Local</td>
<td>4,981 sqm</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td><strong>Storm Water</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drainage - Pipes</td>
<td>109,150 Mtr</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td><strong>Water and Sewer</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dams - Structures</td>
<td>4,088 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Treatment Works - Structures</td>
<td>31 No</td>
<td>Above Average</td>
<td></td>
</tr>
<tr>
<td>Reservoirs - Tanks</td>
<td>68 No</td>
<td>Above Average</td>
<td></td>
</tr>
<tr>
<td>Reticulation Water Mains AC - CI</td>
<td>145,000 Mtr</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Reticulation Water Mains - PVC</td>
<td>192,000 Mtr</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Reticulation Water Mains – DI Pipes</td>
<td>10,000 Mtr</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Water Metres</td>
<td>11,903 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td><strong>Sewerage and Reuse</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treatment Works - Structure</td>
<td>1,899 No</td>
<td>Above Average</td>
<td></td>
</tr>
<tr>
<td>Pumping Stations - Structure</td>
<td>58 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Mains AC-Conc Pipes</td>
<td>108,000 Mtr</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Mains – VC &amp; CI Pipes</td>
<td>69,000 Mtr</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Mains – DI Pipes</td>
<td>7,000 Mtr</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Mains – PVC, PE</td>
<td>87,000 Mtr</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Odour Control</td>
<td>97 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td><strong>Parks and Recreation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wharfs</td>
<td>2 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Jetties</td>
<td>6 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Asset Class</td>
<td>Asset</td>
<td>Length/Area/No</td>
<td>Condition</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>--------------------------------</td>
<td>----------------</td>
<td>------------</td>
</tr>
<tr>
<td>Boat Ramps</td>
<td>13 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Sportsgrounds</td>
<td>320,000 sqm</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Sport and Rec ground structures</td>
<td>17 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Swimming Pools</td>
<td>6 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Skate Parks</td>
<td>6 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Courts</td>
<td>54 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Buildings/Grandstands</td>
<td>1,090 sqr</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Playground Equipment</td>
<td>56 No</td>
<td>Below Average</td>
<td></td>
</tr>
<tr>
<td>Lagoons and Estuaries</td>
<td>43,100,000 sqm</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>Cultural Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Art Gallery</td>
<td>1 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Library</td>
<td>3 No</td>
<td>Below Average</td>
<td></td>
</tr>
<tr>
<td>Halls</td>
<td>22 No</td>
<td>Below Average</td>
<td></td>
</tr>
<tr>
<td>Commercial Business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airport</td>
<td>1 No</td>
<td>Below Average</td>
<td></td>
</tr>
<tr>
<td>Saleyards</td>
<td>1 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Quarries</td>
<td>1 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Childcare/Preschool</td>
<td>4 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Caravan Parks</td>
<td>4 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Museums</td>
<td>4 No</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Cemeteries</td>
<td>13 No</td>
<td>Average</td>
<td></td>
</tr>
</tbody>
</table>
7 ASSET MANAGEMENT POLICY

Council’s Asset Management Strategy is underpinned by the Asset Management Policy.

Council’s Asset Management Policy will be an integral part of the Strategic Planning process whereby it will establish Council’s adopted position on Asset Management at a higher policy level. The Policy outlines Council’s guiding principles regarding asset management and planning. Having such a policy in place is not only best practice but is also a requirement of the Integrated Planning and Reporting Framework.

Beyond compliance with mandatory requirements, the benefits of having an Asset Management Policy in place include:

- Guiding principles for how the Asset Management Strategy and Asset Management Plans connect with other planning documents;
- The time horizon for financial and service planning; and
- Ensuring asset provisions meet current policies, but also emerging and rapidly changing circumstances and competitive global environments.
- Ensures that the stakeholders all understand their obligations as related to asset management.

An asset management policy provides the framework which, together with the organisational strategic plan enables the asset management strategy and specific objectives, targets and plans to be produced.

8 CAPABILITY

8.1 Current Asset Management Capability and Progress

The current level of asset management awareness within Bega Valley Shire Council is of a reasonable standard and able to focus on delivering Council’s proposed Delivery Program. Each responsible Department has developed and will develop further systems and processes to deliver the adopted program of works. The next stage in developing asset management progress at Bega Valley Shire Council will require improving corporate systems, increasing internal asset management capacity and improving long term planning.
8.2 Future Required Asset Management Capability

The immediate future requires that Bega Valley Shire Council achieve the compliance requirements of NSW Legislation and the targets set for the National Asset Management Frameworks.

Meeting these targets will require:

1. Service levels and performance targets to be documented in the Asset Management Plans and funded by a Long Term Financial Plan. These will aim to fully fund the capital, maintenance and operating costs needed to sustain the adopted service level targets. Performance indicators for sustainable social, environmental, economic and governance goals should be set in these plans along with appropriate monitoring and reporting. To achieve this balance a number of service level scenarios and long term cash flows will need to be considered to determine the optimum balance between environmental, governance, economic, social and cultural objectives.

- The key functional requirements of the corporate asset management system will be reassessed, with the focus being on the mandatory reporting requirements of the Local Government Amendment (Planning and Reporting) Bill 2009 and the NSW Division of Local Government Integrated Planning Framework.

- A focus on resourcing the action plan which is an important outcome of the Gap Analysis carried out for Council in May 2010. This is expanded later upon in this strategy.

8.3 Steps to Achieve the Required Asset Management Capacity

In 2010 Council commissioned a comprehensive Asset Management Gap Analysis. This process established the difference as to where Council was and where it should be with respect to community assets. The outcome of this process delivered an action plan of steps necessary to achieve compliance. Each step was prioritised to ensure that the earlier deliverables were achieved and that the resources needed were distributed along a reasonable time frame. Therefore to achieve the desired asset management capacity Bega Valley Shire Council will need to implement the recommended Asset Management Action Plan (AMAP) and in so doing be able to implement business processes, systems and resources.

9 RESPONSIBILITY

Bega Valley Shire Council is constituted under the Local Government Act 1993. The organisational structure under which Council operates consists of the Mayor and 8 Councillors, which are elected every four years by residents. The “Council” establishes the policy direction of Council. Under the Elected Representatives is the corporate structure of Council who have the day to day running responsibilities of Council.
9.1 Corporate structure

The General Manager is responsible for the operation of Council’s organisation and for implementing the policies and decisions of the Council. The General Manager is responsible for the day to day management of Council, exercising any functions delegated by the Council; and the appointment, direction and dismissal of staff.

Responsible to the General Manager are two Executive Managers who Manage Organisational Support and Business performance and three Group Managers who manage the Divisions of Community and Relationships, Planning and Environment and Infrastructure, Waste and Water.

The General Manager, along with the Executive Managers and Group Managers comprises the Leadership Executive Group that ensures the organisation is meeting its obligations and provides staff with strategic direction. The role of the General Manager is also to oversee Mayoral and Councillor support and legal services.

The Group Manager Infrastructure Waste and Water is responsible for the delivery of infrastructure and operational activities including the maintenance of built assets such as buildings, roads, footpaths and drainage and recreational facilities.

The Group Manager, Infrastructure Waste and Water has the overall responsibility in Council for the major infrastructure assets. The balance of the Executive Team and Staff support the overall asset management process particularly the Finance Team and the IT section.

In the second round of Asset Management planning, the other Council assets will also be dealt with. However the main emphasis of this Strategy planning is the main Infrastructure assets as these have a major impact on Council’s finances and require long term responsible management.

10 ASSET MANAGEMENT STRATEGY

10.1 Develop and Manage Asset Knowledge

Council needs to understand and know what assets it has before it can responsibly manage them. It also needs to know where they are and in what condition. As a result a careful system of procedures, protocols, naming standards and an asset hierarchy must be determined for each asset class and the sub classes.

A systematic approach will reduce rework and wasted time on collecting data unnecessarily.
Once the hierarchy is in place, it is necessary to collect data in a consistent manner. Clear procedures and guidelines must be written down and understood by those collecting the data.

The condition, age and extent of assets forms the basis of the valuation of the assets. This also needs to be documented so that a consistent approach is possible.

Finally, an internal procedure should be developed for the capture of asset data and especially the hand over of new Council and developer assets. This information must be reliably and regularly captured to ensure the asset knowledge is up to date.

The new assets must be brought to book and capitalized as they are completed.

### 10.2 Develop and Implement Strategic Asset Planning Processes

In line with the National Planning Framework Levels of Services, Plans of Management, Risk Assessment, Lifecycle planning and costing, Long Term Financial Plans and the development of the Operational frameworks must be developed in a carefully planned manner. This planning framework includes nine (9) key areas of asset management that underpin and guide the direction for future systems, processes and planning include:

1. **Sustainable Environmental Performance** - All aspects of the management of Council’s assets will include criteria to achieve sustainable environmental performance.

2. **Life-Cycle Asset Management Principles** - Apply a “whole of life” methodology for managing infrastructure assets such that the full costs of ownership are considered including:
   - Planning;
   - Acquisition/creation;
   - Maintenance;
   - Operation;
   - Renewal;
   - Disposal.

3. **Best Value** - Council will balance financial, environmental and social aspects to achieve best value for the community.

4. **Decision Support Systems and Knowledge** - Council’s systems will be a corporate resource integrated with core packages and will include the measurement, monitoring, evaluation, and reporting on the performance of assets to enable better and more informed decisions.

5. **Service Levels** - Asset service levels will be clearly defined and reflect the needs of the community, meet corporate policy objectives, and balance capital investment, operational safety and costs.

6. **Long Term Financial Plans** - Asset practices, plans, and systems will enable the development of long term financial plans for asset classes.
7. **Asset Planning Strategies** - Council is committed to integrating long term sustainability objectives into asset planning and project delivery. Council recognises the need to strategically plan to meet the service delivery needs of stakeholders.

8. **Asset Management Practices** - Council will adopt a consistent and standard methodology to the management of all infrastructure asset groups including the development of infrastructure asset and risk management plans for all asset groups.

9. **Responsibility** - The responsibility for all individual aspects of the management and use of Council’s assets will be clearly defined by means of a responsibility matrix or decision chart.

Asset management planning aims to optimise services to the community at a cost and risk that is acceptable. To assist in undertaking this, Council has and is developing various sustainability planning tools, the primary being the Community Strategic Plan, Asset and Risk Management Plans, along with the Long Term Financial Plan.

Implementation is guided by the Asset Management Strategy within the context of the Asset Management Policy.

This relationship is best described by balancing the Asset Management Plans Objectives (What we should do with our Assets) with the Long Term Financial Plan Objectives (What Money we can anticipate will be available). The Asset Strategy and Asset Policy are the mechanisms and tools used to achieve this.

### 10.2.1 Asset Management Plan

Asset Management Plans will become policy documents that provide a clear direction and guidelines for the effective short and long term management of the Council assets under Council’s control. It will contain at least a 10-year forward plan for each of the Asset classes.

The objective of an Asset Management Plan(s) is to outline the particular actions and resources required to provide a defined level of service in the most cost effective manner.

Preparation of Asset Management Plans is a staged process and Council is currently preparing asset management plans for:

- Transport Asset Management Plan
- Water Asset Management Plan
- Sewer Asset Management Plan
- Recreation Asset Management Plan
- Buildings Asset Management Plan
- Waste Asset Management Plans
- Commercial Undertakings Asset Management Plans
These plans will continue to be updated to ensure they meet Integrated Planning and Reporting Framework requirements and knowledge improvement.

As mentioned elsewhere, further Asset Management Plans will be prepared, as necessary, for other Council infrastructure assets as well unfixed physical assets (plant, materials, library books, equipment) and 'soft' assets (intellectual property, information, technology).

Capital upgrading and renewal projects will be identified for each asset class and will formulate the future Capital Works Program. Maintenance programs will also be included for each asset class for implementation by the service delivery units.

The Asset Management Plans are currently being prepared to ensure they meet the guidelines, which require the following components:

- Encompass all the physical assets under a Council’s control
- Identify asset service standards
- Identify assets that are critical to the Council’s operations and outline risk management strategies for these assets and include specific actions required to improve Council’s asset management capability; and
- Long term projections of asset maintenance, rehabilitation and replacement costs

It is recommended that Council work towards a 20 year asset management plans covering all infrastructure assets linked to the Long Term Financial Plan.

10.2.2 Expenditure Types

The nature of works undertaken by Council and knowledge of the type of expenditure is an important requirement for preparing an Asset Management Plan. An asset management plan distinguishes between operations, maintenance, capital renewal, capital upgrade and expansion, which enhance Council’s existing operating capacity.
The main asset expenditure types can be described as follows:

<table>
<thead>
<tr>
<th>OPERATIONAL</th>
<th>CAPITAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations</strong> – regular activities/expenditure to provide services such as running costs, public health, safety and amenity eg street sweeping, grass mowing and utility costs such as street lighting. Generally relates to consumption of resources. (May also include direct asset service related management costs).</td>
<td><strong>Upgrade</strong> - creation of a new asset to meet additional service level requirements. Upgrade work enhances asset to provide higher level of service or extends asset life beyond its original life. Activities or works (generally of value greater than $X) that enhance an asset to provide higher level of service or extends the asset life beyond its original life.</td>
</tr>
<tr>
<td>These are day to day (often continuous) operational activities that have no effect on asset condition but are necessary to keep the asset appropriately utilised and operating. (Note excludes community service operating costs eg lifeguard staffing of pools or entry counter staff). These activities form part of the asset annual operational budget.</td>
<td><strong>Expansion</strong> - creation of a new asset to meet additional service level requirements. Expansion extends an existing asset or a new asset at the same standard currently enjoyed by users to a new group of asset users. Activities or works (of value greater than $X) which extend an existing asset or provides a new asset to a new group of asset users.</td>
</tr>
<tr>
<td><strong>Maintenance</strong> – all periodic or reactive actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day to day work necessary to keep assets operating eg road patching but excluding rehabilitation or renewal. Maintenance ensures asset reaches its expected useful life. Can be Planned/Unplanned, Reactive.</td>
<td><strong>Renewal</strong> – restores, rehabilitates, replaces existing asset enabling the asset to achieve fully its original service potential, life, performance and capacity (note partial renewal relates to increasing the service potential of an asset but not up to its original intended service potential)</td>
</tr>
<tr>
<td>Generally these activities fall into two broad categories: <strong>Planned</strong> (Proactive) maintenance: Proactive maintenance works planned to prevent asset failure. Work carried out to a predetermined schedule or planned in association with other works. <strong>Unplanned</strong> (Reactive) Maintenance: Reactive action to correct asset malfunctions and failures on an as-required basis, or in response to reported problems (eg. pothole, repairs, emergency repairs).</td>
<td><strong>Replacement</strong> activities are defined as the major re-instatement or repair often of structural component assets (of value greater than $X) to ensure required levels of service are met and prolonged asset life is achieved.</td>
</tr>
<tr>
<td><strong>Upgrade</strong> - creation of a new asset to meet additional service level requirements. Upgrade work enhances asset to provide higher level of service or extends asset life beyond its original life. Activities or works (generally of value greater than $X) that enhance an asset to provide higher level of service or extends the asset life beyond its original life.</td>
<td><strong>Replacement</strong> works are defined as the disposal and substitution (complete replacement) of an asset (of value greater than $X) generally which has reached the end of its life, with an equivalent standard (or agreed alternate) asset.</td>
</tr>
</tbody>
</table>
10.2.3 Risk Management Plans

Council has prepared its Risk Register and Policy, and related risk management plans during 2010. Subplans identify risk and proposed actions to remove and mitigate risk associated with asset provision and maintenance activity.

Service Levels are built into the Asset Management Plans. Risk Management is built into Risk Management Plans, however both can be summarised under three general categories:

**Quality:** Quality indicators are used to measure how assets will be maintained in a condition necessary to deliver targeted standards. Defects found or reported that are outside set service performance standards will be repaired.

Council’s asset management plans set out the renewal and maintenance response if service levels fall below target levels. An important improvement to current practice is that there should be a forward projection of a minimum of 10 years rather than just an annual defect prioritisation.

**Function:** The function of the asset is an important input to determining risk. Risk can be informed by the function to which the asset is being put. Higher risk can be apportioned to assets that have a function outside the public arena as long as OH & S obligations are observed for instance.

**Safety:** The risk management plan sets out how safety and risk will be managed to agreed levels. This includes the inspection and defect prioritisation processes as well as risk mitigation and control measures.

**Risk management for asset management considers the following:**

1. Risk management must be integrated with all service planning and delivery activities rather than an administrative “add on”. This means the Risk Register is an output from infrastructure asset management and risk management plans and are integrated with Delivery Program, Operational Plan and Long Term Financial Plan.

2. Infrastructure risk management plans will be consistent with any existing risk management policy, particularly the steps for risk identification, assessment, management and mitigation, and incorporate use of the corporate Risk Register as the tool for recording and reporting risk. The Risk Management Plan must include a criticality defined priority schedule to apply mitigation of defects in a priority order.

3. The view that risk is both an opportunity and a responsibility will be reflected in infrastructure risk management plans. Innovative solutions and community promotion of solutions will be encouraged.

4. Systematic management of risk is a large task requiring a continuous improvement approach. Most service areas are already managing operational risk but not through a
consistent framework of infrastructure asset management plans and risk management plans.

5. Allocate ownership to risk. Ownership must be linked to capacity in order to control risk.

6. Management of operational risk is a core line management function and is not an “add on” overhead.

7. Strategic risk inherent in resource allocation needs to be communicated, measured and reviewed through the framework of planning and operational plans. The Long Term Financial Plan for resource allocation is the mechanism for implementation.

8. Service performance measurement/review/consultation/incident management is crucial to guide a systematic approach and enable us to learn from our mistakes.

A copy of the current risk policy is attached, with infrastructure subplans available.

10.3 Develop / Implement Operations, Maintenance and Works Processes

A very important foundation for any Asset Management System is a sound Asset Maintenance system.

The creation of appropriate resheeting and resealing plans in the roads area for instance, as well as clear intervention levels, response times and compulsory intervention levels is an excellent first step in creating a systems approach to operations and maintenance.

Council should establish specifications, such as AUS-SPEC for development, construction and maintenance standards for all work carried out in Bega.

A sound and comprehensive inspection system is also necessary to ensure timely condition and defect recording is carried out in a uniform manner.

Economies of scale are also possible and cost savings are possible resulting in reduced costs, reduced insurance premiums and reduced case payouts when such a system is utilised.

Again it is important to ensure that the system is well documented and that the data is captured in a standard and useful system.

10.3.1 Linking Service Levels And Cost

Service levels is also an important measure of the serviceability and maintenance of the Communities Assets and assists in implementing maintenance and operations systems.

Ultimately the setting of service levels should be undertaken in conjunction with the community. This enables Council to make informed decisions on the allocation of community resources in accordance with community priorities and willingness to pay.
The Asset and Financial Sustainability Review in 2011 engaged the community to work towards establishing asset standards and intervention levels for each class of asset. Ultimately those levels will be illustrated by representative images on the website.

The linking of service levels and the cost of service delivery is an essential component of strategic asset management. It is essential that Council knows the true costs of service delivery, priorities placed by the community on infrastructure, the service levels that are desired by the community and what level they are willing to pay for.

By way of example we will consider Roads. The same principles can be applied to the other asset classes.

The first Asset Management Plan (Roads) prepared by Bega Valley Council is a “core” asset management plan. The plan is prepared at a network level and aim to document the costs to maintain the current level of service provided by the existing infrastructure. The core Asset Management Plan was prepared, advertised, exhibited and adopted by Council. It provides an excellent starting point for future consultation.

A next stage is to develop a priority Road and Bridge Hierarchy. This will be a valuable tool for Council to establish long term funding for the road asset base. A colour coded road map separated into say 4 levels of low to high priority will be a simple method to determine priority and asset condition and also a sound way to communicate Council’s priorities to the community.

Council should further develop these service levels in Asset Management Plans for each major asset group and link these service levels to the Delivery Program. This will provide the link between service levels and costs of service delivery, give a tool for community consultation for services, enable Council to make decisions on service levels and costs in setting budgets and rate levels and provide a base for management performance reporting linking service levels and expenditure.

The community will have the opportunity to assign priorities for services across all council functions on the website, and in turn will be matched against priorities and areas of satisfaction from the 2009 Community Survey.

10.4 Develop Asset Management Information Systems

10.4.1 System and Knowledge Views

Bega Valley Shire Council requires considerable knowledge of assets in order to provide services to the community in an effective and efficient manner.

The current technical systems provide varying degrees of information on assets. Depending which asset is being considered. Also, not all of this information is available corporately within a single asset register.
This is primarily because much information on assets is still held in individual operational areas of Council. As the capability of the corporate asset management systems improves, further data will be added. This will aid in corporate decision making. Obviously the quality of the information is crucial to the benefit it will provide to decision making, so an important outcome from this strategy will be a continual review of the existing infrastructure data to ensure that it is accurate and complete.

Council requires further information to fulfil its service delivery responsibilities. Until a fully integrated asset system is found to provide the appropriate storage, reports and action schedules the current system is to be further developed.

The asset knowledge needed to achieve asset management improvement currently exists in core corporate systems as well as in standalone databases, spreadsheets, documents, specialist systems and local knowledge.

For data and information under Council’s control, the primary operational objective is to ensure that the right decision support information is provided and maintained at lowest possible overall cost whilst controlling exposure to risk and loss. To carry out these functions and deliver the strategy, Council needs a decision support system that can answer both policy and operational questions for asset management.

The decision support system is a combination of technology, operational and policy processes and corporate knowledge of the past current and future information relevant to decision options before Council.

10.4.2 Steps In The Knowledge Management Plan

The key issues to be resolved in order to establish a sound Asset Management Information System are:

1. Acquire appropriate asset knowledge and manage it properly (people, systems and processes).

2. In conjunction with the Workforce Plan, assess age and skill profiles of asset managers, and develop approach to collate corporate and local knowledge to assign to successors in those key positions.

3. Create a centralised and consolidated corporate information system.

4. Review the current Council situation and improve application and use or acquire a new AM&M system

5. Ensure an integrated system is possible that will communicate with other important Council knowledge systems, Spatial, Corporate etc.

To expand on the above, two (2) key aspects of the asset knowledge management plan are:
1. Single Asset Register Using the Corporate Relational Data Base Management System (RDBMS) - Information system environments should be standardised or compatible with Council's corporate database platform. (SQL).

2. Integrate and Manage Core Information - Information on assets should be integrated into a corporate database. Business functions that need data from multiple applications need to open each application to access the data, adversely affecting both business and technology performance. The strategy is to identify, manage and integrate core data in a RDMS environment with GIS front end is recommended to allow business users to access all data on a topic or view. It is intended to use GIS as the entry point to property and asset information, with appropriate separation between public and staff use – refer IT Strategy.

A knowledge management plan generally recommends an integrated system strategy. This is primarily to bring together the existing asset knowledge which is currently held in various corporate applications, each being managed by separate system owners (e.g. finance, property, records, service requests, works management).

The system owner concept (not integrated) tends to follow a “best of breed” approach to business applications. In this approach the emphasis is on business outcomes over technology or integration preferences. The downside of the business owner concept is the trend towards further fragmentation of corporate knowledge into “operational islands”. This makes policy analysis and the application of corporate knowledge and wisdom difficult to the extent that it cannot be practically achieved at present. The aim is to integrate business knowledge.

The need for corporate ‘wisdom’ should be the driver for integration of knowledge. Corporate wisdom enables informed policymaking and optimises the allocation of scarce resources. It identifies areas of strength and weakness and opportunities for advancement.

Until there is confidence in the ability of the corporate system to achieve the full integration defined above it is appropriate to retain the current best of be-reed systems being used as well as to build and refine the current asset spreadsheets until such a time that this refined data can be ported into the corporate system.

3. In conjunction with workforce plan, assess and profile of asset ?

10.4.3 Integrate Current Systems into A Single Asset Register

Bega Valley Shire Council has commenced incorporating asset data into a single “corporate” register. This is a significant project and is important to future asset management improvements. Whilst technical progress has been achieved, the process has become one of system implementation and data collection, aimed at integration with the corporate software supplier Civica. Implementation of the corporate asset
management software has not yet been achieved so consequently all asset data has not been entered.

Given the new Integrated Planning and Reporting Framework requirements, an examination of the “ownership and coordination” of this application is essential. This assessment should be made with the reporting and management priorities being at the forefront of the review.

10.4.4 Integrate and Manage Core Information

The development of integrated corporate knowledge relevant to asset management is critical. Any system user should be able to readily access all corporate knowledge about any topic without needing to open multiple applications and manually assemble fragmented data. For example clicking on a property on the GIS should display all information known about that property, past present and future. This information first needs to be integrated and then managed as a corporate resource. This requires a project to integrate existing systems and create the necessary links and views and then a corporate resource to work in partnership with system owners to manage data integrity, security, access and metadata.

The current systems do not easily provide information to understand and discern trends on customer preference, needs, trends on asset usage and management, maintenance and renewal trends and performance on policy objectives.

This objective will feature in the IT Strategy.

10.4.5 Financial Reporting and Systems

The information used for decision support and asset management planning should be based on the same core data that is also used for financial reporting. At present not all of Council’s data is linked, and having an audit trail to track changes related to individual assets is difficult, if possible at all.

To achieve the accounting requirements required under AASB116, and the NSW Financial Reporting Code, an asset register that meets both technical and financial reporting requirements is a primary requirement. This register must be managed under corporate business rules to maintain its integrity; hence an asset specific accounting policy is required.

10.5 Establish Organisation Context and Resourcing

Bega Valley Shire Council has undertaken a strategic level review of its asset management practices and systems to provide the future direction and guidance for improving its asset management performance. Council’s Asset Management Strategy is directly aligned with the objectives of the Vision and Delivery Program.
Costs occur in all phases of an asset’s life. It is important to attribute the costs to each phase of an asset’s lifecycle so that the total lifecycle costs can be determined to enable better management decision-making. There are four key phases of the asset management lifecycle of a Council’s assets: acquisition, operation and maintenance, renewal, and disposal. These phases are interrelated.

Council intends to publish timeframes and estimates of that lifecycle sequence, as well as the stages of development of assets in the Delivery Program. Those phases may include: concept, design, consultation, approvals and construction.

The cost of implementing the Asset Management Strategy has been incorporated within Council’s 2010/11-2013/14 budget and accompanying Long Term Financial Plan. However, it should be noted that this Strategy reflects Council’s intentions at the time of publication. As with any plan or budget, the actual results may vary from that forecast.

As a general principle it is reasonable to expect that asset management should be part of good business practice and should not impose high levels of additional demand on the resources of that organisation.

However, when implementing change it is likely that some additional resources will be required to:

- Determine exactly how the changes will be implemented into the routine business practices of the organisation;
- Develop business processes which support the changes;
- Support and train staff who are involved in the change process;
- Assess any long term resourcing impacts; and
- Monitor and review that the outcomes sought by the changes are being achieved.

To manage this process it is proposed that a cross departmental team be established to coordinate Asset Management across Council.

10.5.1 Asset Management Steering Group Constituents and Management.

It is recommended that an Asset Management Steering Group (AMSG) be created and to consist of a multi disciplinary group of Council officers defined below and with the group chaired by the Group Manager, Infrastructure Waste and Water.
Asset Management Steering Group (AMSG)

Chair:
Group Manager, Infrastructure Waste and Water

Members:
Civil Assets Engineer, Transport (Civil Assets, Design and Development)
Civil Assets Engineer (Recreation and Buildings Assets)
Assets Engineer (Water and Sewer Services)
Assistant Finance Manager (Organisation Support – Finance)
GIS Administrator (Organisation Support – Information Services)

The prime role of the Asset Management Steering Group will be to carry out the coordination and implementation of the asset management function for Council and assist to achieve its Asset Management obligations, to implement the Asset Management Strategy and in particular the Asset Management Action Plan (AMAP).

The Manager, Civil Assets, Design and Development, Manager, Water and Sewerage Services and the Manager, Recreation and Building Assets also assist the AMSG to achieve their objectives.

The actions required to undertake improvement of these areas of asset management capability are impacted by both internal and external influences and require resources or enablers. These enablers can be in the areas of People, Processes, Technology and Information and Data and will be at a various level of progress in different organisations.

The Asset Management Action Plan (AMAP) prioritises these specific tasks areas where action is required to raise Bega Valley Shire Council’s Asset Management capacity to the desired level of maturity.

However, implementation of this improvement plan will require resourcing and monitoring and it is recommended that the impact on resources be assessed in detail by the Asset Management Steering Group (AMSG) in consultation with the relevant stakeholders and the Leadership Executive Group (LEG). This will then allow Bega Valley Shire Council to balance the priorities of the gap analysis, the tasks to be undertaken and the resources that are available to implement the associated actions within an acceptable timeframe.

To assist in undertaking resource planning the details should be documented and built into Councils business planning process.
10.5.2 Resourcing Impacts for Asset Management.

To implement improvements to achieve the asset management objectives the following areas will enable the required capacity to be achieved.

- People (Qualification, Experience, Skills)
  Resources required to be determined. A review is recommended to resource the achievement of objectives.

- Processes
  Sufficient processes are not in place. These need to be determined.

- Technology
  Discuss with CIVICA system requirements to meet corporate asset register and process requirements

- Information & Data
  Investigate the possibility of road Data being held and analysed within a Pavement Management System (PMS).

10.5.3 Life Cycle Costing

Within the overall organisation context it is necessary also to establish processes to consider life cycle costs when making decisions about new/upgrade works and provide recurrent funding to for asset lifecycle management. This recurrent funding must then be fed each year into the review of the Long Term Financial Plan.

Life cycle costing for infrastructure is the sum of two components, the annual maintenance expenditure required to provide the required service levels and the Average Annual Asset Consumption (AAAC).

AAAC is the sum of the current replacement cost for individual assets divided by the economic (or useful life). It is the average annual sum required to maintain the service potential of the assets over their life cycle. Life cycle cost can be compared to present maintenance and asset renewal expenditure in order to assess Council’s position on funding of asset maintenance and renewal. This does not mean that the life cycle cost level of funding needs to be provided now. The actual level of funding required depends on desired service levels and the age and renewal needs of the asset stock. The service levels being target will cover a broad range of items inclusive of condition, risk, environmental, social, economic and governance factors.

10.5.4 Expenditure Types

To achieve benefits from undertaking life cycle analysis it is important to be able to compare predicted costs with current expenditures. This requires Council’s expenditures
to be identified as operating, maintenance, capital renewal, capital upgrade or capital expansion.

The purpose of the Asset Management Plan is to estimate the level of funds required to meet desired service levels taking into account the timing of asset renewals. For this analysis to be undertaken it is essential to know what Council currently spends on Operations and Maintenance as well as Capital at the detail of Renewal, Upgrade and Expansion. Unless this detail of expenditure is available the assessment of sustainability will not be adequately informed.

10.5.5 Funding Models

Council’s Long Term Financial Plan has been developed from data across Council including the outputs from the Asset Management Plans.

Council should develop a funding model that addresses the sustainable renewal of infrastructure identified in the introduction. The funding model can include options such as:

• Rate revenues;
• Borrowing strategies;
• Non asset renewal;
• Reduction in service levels;
• External grant funding;
• Fees and charges;
• Extending asset life;
• Non asset service provision;
• Transfer service provision to others; and
• Agreed deficit funding.

Council adopted the ‘Responsible Scenario’ recommended in the asset and Financial Sustainability Review, setting levels of debt to enable investment in asset renewals, and manage growth in the asset renewal gap to 2020.

10.5.6 Core Progress

If Bega Valley Shire Council is to achieve core progress as related to Asset Management, then it should be based on core custodial responsibilities identified in IIMM, and comprise the proposed minimum requirements for Council as custodian of community assets to carry out the following activities:

• Record and report on the state of all assets to the community
• Meet current statutory reporting requirements
- Ensure community safety
- Provide management information to guide decisions by Council on the cumulative impact of decisions.
- Utilise decision making framework including pointscore systems
- The core progress level also aligns with the expected requirements, and underlying necessary organisational capability, of the State Government legislation around Financial Sustainability Reporting, including Asset Management Plans and Long Term Financial Plans. Council should then aspire to “Core Plus” (between “Core” and “Advanced”) level once “Core” has been achieved.

10.5.7 Continuous Review and Development

In keeping with the obvious need to maintain the momentum in regard to Asset Management it is important to provide training and a management awareness program that will ensure that staff are suitable trained and that Management is made aware of the necessity of sound asset management.

A review of procurement policy and guidelines is also appropriate to ensure that asset management principles are consistent when acquiring new assets and that they are specified to the appropriate standard.

Finally the Asset Management Steering Group (AMSG) should report annually in concert with the CSP cycle to the LEGS to review progress and to compare planned progress with actual progress.
# 11 Summary of Main Strategies

In summary, the main strategies and explanations for implementation in the Asset Management Process are as follows:-

## 11.1 Develop and Manage Asset Knowledge (Data / Processes)
- development and implementation of guidelines and processes for asset knowledge activities including:
  - asset hierarchy, classification and identification,
  - data collection (including attribute and condition data and lifecycle cost data), and data management
- development and implementation of guidelines and processes for collection and reporting of asset accounting data including processes relating to asset valuation
- development and implementation of guidelines and processes for asset capitalisation particularly asset handover and asset capitalisation.

## 11.2 Develop and Implement Strategic Asset Planning Process
- review and development of Levels of Service
- development of Asset Management Plans (AMPs) in two phases, the initial phase AMPs being a “first cut” AMPs utilising available data and information, with the 2nd phase AMPs being developed over the subsequent 12 months with the Integrated Planning and Reporting (IP&R) process and Community Strategic Plan (CSP) process and once asset systems, processes, data and information have been further developed and refined
- basic risk analysis/assessment and risk management plan development
- basic lifecycle planning and costing
- development of asset long term financial forecasts for incorporation into organisation long term financial and resource strategies
- development of long term works/maintenance programs.

## 11.3 Develop / Implement Operations, Maintenance and Works Processes
- development, documentation and implementation of operations and maintenance strategies
- development and implementation of service specifications
- development and implementation of condition monitoring/defect identification and management systems and processes.
11.4 Develop Asset Management Information Systems

- review of existing and development and installation (as necessary) of an Asset Management and Maintenance (AM&M) system/systems ensuring system integration/interface with/across all of Council's corporate and business systems and GIS (consider Civica/AIM capabilities and progress as appropriate or consider additional/alternate systems)
- resolution of responsibilities and resourcing for systems coordination and
- management.

11.5 Establish Organisation Context and Resourcing

- continue development of corporate focus on and commitment to asset management
- asset management development linking strongly with the Integrated Planning and Reporting (IP&R) process and Community Strategic Plan (CSP) process
- development of an Asset Management policy and strategy
- review of organisation structure and resourcing relating to asset management and further definition of and emphasis given to asset management roles and responsibilities
- development of an organisation asset management steering group led by the Infrastructure Group
- development and implementation of an asset management training and awareness strategy/plan including programs for asset management staff, support staff, management team/teams and Councillors
- development and implementation of asset management review and reporting processes.
12 ACTION PLAN

This plan captures the main actions defined in the nominated Strategies developed during this study as well as the actions developed in the Gap Analysis.

It is imperative that Council carry out the actions defined that align with the strategies and provide the appropriate staff resources to complete the tasks nominated and within the nominated time frame.

Council may also need to resource the associated systems and actions necessary to facilitate the completion of the ancillary actions, i.e. Geographical Information System.

The Manager, Civil Assets, Design and Development, Manager, Water and Sewerage Services and the Manager, Recreation and Building Assets will have a guiding, management and support role throughout the process.

Having said this, it is a process that will be on going and the various building blocks to achieve the outcomes will need to be brought on line early to ensure the later stages are achieved.
## Asset Management Action Plan (AMAP)

### 12.1 Asset Knowledge - Data

<table>
<thead>
<tr>
<th>Number</th>
<th>Improvement Activity/ Task</th>
<th>Priority and importance</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Review and develop asset hierarchy down to appropriate asset/component level (develop in tandem with hierarchy development for all infrastructure assets)</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
</tbody>
</table>
| 2      | Review, collect and record required asset location, attribute and condition data to appropriate type/component level with target 98% coverage and 98% confidence (ensure all assets incorporated) | High                    | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility |
| 3      | Review and collect spatial data for all assets                                                | Medium                  | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility |
| 4      | Collect and maintain historical condition data for all assets                                  | Medium                  | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility |
| 5      | Collect and record utilisation and performance data for major assets                          | Medium                  | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility |
| 6      | Record and manage operations and maintenance work type and cost data at asset type/component level | High                    | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility |
<table>
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<tr>
<th>Number</th>
<th>Improvement Activity/ Task</th>
<th>Priority and importance</th>
<th>Responsibility</th>
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</thead>
</table>
| 7      | Record and manage renewals and new works data                                             | High                    | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility                                                     |
| 8      | Develop unit rate cost data for main/routine activities and works                          | Medium                  | - Manager, Civil Assets, Design and Development  
- Manager, Water and Sewerage Services  
- Manager, Recreation and Building Assets                                                                                                        |
| 9      | Review and update asset valuation and depreciation data/calculations                       | High                    | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility                                                     |
| 10     | Review and develop age/life data for all assets                                           | Medium                  | Asset Management Steering Group                                                                                                                     |
### 12.2 Asset Knowledge - Processes

<table>
<thead>
<tr>
<th>Number</th>
<th>Improvement Activity/ Task</th>
<th>Priority and importance</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Develop and implement asset hierarchy/classification guidelines and processes</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>2</td>
<td>Review, develop and confirm/implement asset ID system</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>3</td>
<td>Review, develop and implement data capture strategy, guidelines and processes</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>4</td>
<td>Develop and implement condition assessment strategy, guidelines and processes</td>
<td>High</td>
<td>Asset Management Steering Group with sign off by</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Manager, Civil Assets, Design and Development</td>
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<td></td>
<td>- Manager, Water and Sewerage Services</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Manager, Recreation and Building Assets for their respective areas</td>
</tr>
<tr>
<td>5</td>
<td>Develop and implement guidelines/processes for measurement of utilisation and performance for all assets</td>
<td>Medium</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>6</td>
<td>Review valuation/depreciation methods/processes</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>7</td>
<td>Review, develop and implement formal asset handover guidelines/processes including processes for asset capitalisation, data transfer, operations/maintenance start-up</td>
<td>Medium</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>8</td>
<td>Review asset valuation processes in finance system</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>9</td>
<td>Review, confirm and formalise data management guidelines, processes and responsibilities</td>
<td>Medium</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>Number</td>
<td>Improvement Activity/ Task</td>
<td>Priority and importance</td>
<td>Responsibility</td>
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</tr>
<tr>
<td>10</td>
<td>Develop and introduce data validation and auditing processes</td>
<td>Medium</td>
<td>Asset Management Steering Group</td>
</tr>
</tbody>
</table>
### 12.3 Strategic Asset Planning Processes

<table>
<thead>
<tr>
<th>Number</th>
<th>Improvement Activity/ Task</th>
<th>Priority and importance</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Review and develop levels of service for all assets including process for community/ customer research and consultation/input</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>2</td>
<td>Review and develop performance indicators and performance measurement and reporting</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>3</td>
<td>Review and undertake basic demand forecasting and trend analysis; include basic demand management considerations</td>
<td>Medium</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>4</td>
<td>Develop Social and Recreation Plans/Strategies to assist in managing/balancing demand for new community infrastructure and recreation facilities and inform capital works planning</td>
<td>High</td>
<td>Leadership Executive Group</td>
</tr>
</tbody>
</table>
| 5      | Undertake risk analysis/assessment and develop risk registers for all assets and implement risk management systems and processes for critical/major assets | High                    | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility in conjunction with Asset Management Steering Group |
| 6      | Develop lifecycle planning/costing guidelines and processes                                | Medium                  | Asset Management Steering Group                                               |
| 7      | Undertake lifecycle planning for all Infrastructure assets and develop robust long term financial forecasts | High                    | Asset Management Steering Group In close cooperation with the Finance Section |
| 8      | Develop long term forward works programs/projections for all assets                        | High                    | - Manager, Civil Assets, Design and Development  
- Manager, Water and Sewerage Services  
- Manager, Recreation and Building Assets |
<table>
<thead>
<tr>
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<th>Priority and importance</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Review/develop project evaluation/ prioritisation model to guide project/CAPEX expenditure decisions</td>
<td>Medium</td>
<td>Asset Management Steering Group</td>
</tr>
</tbody>
</table>
| 10     | Develop and implement asset rationalisation guidelines and processes for all assets                                                                                                                                               | High                     | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility in conjunction with  
Asset Management Steering Group |
| 11     | Develop Asset Management Plans and adopt as guiding strategy for management of Council assets (develop initial First Cut Plan top down/core approach then develop more robust advanced Plan aligned with IP&R and CSP process using more comprehensive data and driven by community engagement process, LoS, demand forecasting, robust financial forecasting linked to LTFP etc); subsequent review/refinement ongoing and at 3 yearly interval from this date. | High                     | - Asset Engineer, Water and Sewer  
- Civil Assets Engineer, Transport and  
- Civil Assets Engineer Parks and Buildings in their separate areas of responsibility in conjunction with  
Asset Management Steering Group |
## 12.4 Operations, Maintenance and Works Processes

<table>
<thead>
<tr>
<th>Number</th>
<th>Improvement Activity/ Task</th>
<th>Priority and importance</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| 1      | Review, develop and document operations and maintenance strategy with a focus on levels of service, planned maintenance, risk management | High                    | - Manager, Civil Assets, Design and Development  
- Manager, Water and Sewerage Services  
- Manager, Recreation and Building Assets |
| 2      | Undertake maintenance reviews to optimise maintenance processes and systems                 | Medium                  | - Asset Engineer, Water and Sewer   
- Civil Assets Engineer, Transport and   
- Civil Assets Engineer Parks and Buildings  
in their separate areas of responsibility |
| 3      | Investigate need for and implement AM&M system for operations/maintenance works management and work orders with new Civica system implementation | High                    | - Manager, Civil Assets, Design and Development  
- Manager, Water and Sewerage Services  
- Manager, Recreation and Building Assets |
| 4      | Investigate/implement mobile computing and use of data loggers for information transfer and data capture | Medium                  | Asset Management Steering Group in association with the IT group              |
| 5      | Develop and implement service agreements/specifications e.g. AUS-SPEC to guide operations/maintenance service delivery | Medium                  | - Manager, Civil Assets, Design and Development  
- Manager, Water and Sewerage Services  
- Manager, Recreation and Building Assets |
| 6      | Review/develop/introduce formal project management and contract management guidelines and practices | Medium                  | - Manager, Civil Assets, Design and Development  
- Manager, Water and Sewerage Services  
- Manager, Recreation and Building Assets |
| 7      | Review/implement condition monitoring/defect inspection systems/processes for critical/major assets | High                    | Asset Management Steering Group                                                |
| 8      | Develop/introduce best practice maintenance and construction specifications and standards | Medium                  | - Manager, Civil Assets, Design and Development  
- Manager, Water and Sewerage Services  
- Manager, Recreation and Building Assets |
<table>
<thead>
<tr>
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<th>Improvement Activity/ Task</th>
<th>Priority and importance</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| 9      | Identify critical assets and develop basic emergency management/response plans | Medium | - Manager, Civil Assets, Design and Development  
- Manager, Water and Sewerage Services  
- Manager, Recreation and Building Assets |
### 12.5 Information Systems

<table>
<thead>
<tr>
<th>Number</th>
<th>Improvement Activity/ Task</th>
<th>Priority and importance</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Review, rationalise asset registers/ databases inc develop Civica AIM system for Asset Management</td>
<td>High</td>
<td>Asset Management Steering Group in conjunction with the IT group</td>
</tr>
<tr>
<td>2</td>
<td>Review and implement asset management and works/maintenance management system eg Civica/AIM or additional other systems for full capabilities if necessary</td>
<td>High</td>
<td>Asset Management Steering Group in conjunction with the IT group</td>
</tr>
<tr>
<td>3</td>
<td>Consider implementation of strategic system eg Moloney financial forecasting system and integrate with introduction of new systems</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>4</td>
<td>Review system integration/interfacing and implement full integration/interfacing of all asset management and maintenance systems with spatial system and relevant corporate/ business systems</td>
<td>High</td>
<td>Asset Management Steering Group in conjunction with the IT group</td>
</tr>
<tr>
<td>5</td>
<td>Review/develop plans/records management system</td>
<td>Medium</td>
<td>Asset Management Steering Group in conjunction with the IT group</td>
</tr>
<tr>
<td>6</td>
<td>Develop links between spatial system and AM&amp;M system</td>
<td>High</td>
<td>Asset Management Steering Group in conjunction with the IT group</td>
</tr>
<tr>
<td>7</td>
<td>Provide systems training and facilitate systems skills development on an ongoing basis</td>
<td>Medium</td>
<td>IT Group</td>
</tr>
</tbody>
</table>
### 12.6 Organisation Context

<table>
<thead>
<tr>
<th>Number</th>
<th>Improvement Activity/ Task</th>
<th>Priority and importance</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Review corporate/organisation strategies and enhance AM focus as opportunities arise inc integrated with IP&amp;R and CSP process</td>
<td>High</td>
<td>Leadership Executive Group</td>
</tr>
<tr>
<td>2</td>
<td>Develop AM policy and strategy</td>
<td>High</td>
<td>Leadership Executive Group (Complete)</td>
</tr>
<tr>
<td>3</td>
<td>Develop organisation long term financial strategy incorporating asset management forecasts</td>
<td>High</td>
<td>Leadership Executive Group</td>
</tr>
<tr>
<td>4</td>
<td>Develop/confirm AM Improvement Plan</td>
<td>High</td>
<td>Leadership Executive Group</td>
</tr>
<tr>
<td>5</td>
<td>Undertake external review/audits of asset management every three years</td>
<td>Medium</td>
<td>Leadership Executive Group</td>
</tr>
<tr>
<td>6</td>
<td>Review works and services related tendering/procurement guidelines and processes to align with industry best practice</td>
<td>Medium</td>
<td>Leadership Executive Group</td>
</tr>
<tr>
<td>7</td>
<td>Review, enhance and develop organisation quality focus particularly relating to asset management systems, processes and practices</td>
<td>Medium</td>
<td>Asset Management Steering Group for referral to Leadership Executive Group</td>
</tr>
<tr>
<td>8</td>
<td>Review and develop asset management roles and responsibilities</td>
<td>High</td>
<td>Asset Management Steering Group for referral to Leadership Executive Group</td>
</tr>
<tr>
<td>9</td>
<td>Review/define organisation/Infrastructure Department structure to deliver desired asset management and service delivery strategy</td>
<td>High</td>
<td>Leadership Executive Group</td>
</tr>
<tr>
<td>10</td>
<td>Develop asset management steering group and define roles and responsibilities</td>
<td>High</td>
<td>Leadership Executive Group</td>
</tr>
<tr>
<td>11</td>
<td>Review need and program for external specialist assistance</td>
<td>Medium</td>
<td>Leadership Executive Group</td>
</tr>
<tr>
<td>Number</td>
<td>Improvement Activity/ Task</td>
<td>Priority and importance</td>
<td>Responsibility</td>
</tr>
<tr>
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</tr>
<tr>
<td>12</td>
<td>Develop and implement AM training program for AM staff and support staff</td>
<td>High</td>
<td>Asset Management Steering Group in cooperation with the Human Resources Manager</td>
</tr>
<tr>
<td>13</td>
<td>Develop and implement AM awareness programs for corporate team and elected representatives</td>
<td>High</td>
<td>Asset Management Steering Group</td>
</tr>
<tr>
<td>14</td>
<td>Ensure that the Asset Management Steering Group reports on progress to the LEGS in concert with the CSP cycle and reviews planned progress with actual progress.</td>
<td>High</td>
<td>Asset Management Steering Group and LEGS</td>
</tr>
</tbody>
</table>