

SOUTH GIPPSLAND SHIRE COUNCIL

Asset Management Strategy



March 2023



South Gippsland
Shire Council

Acknowledgment of Country

We acknowledge the Bunurong and Gunaikurnai people as the Traditional Custodians of South Gippsland and pay respect to their Elders, past, present, and future, for they hold the memories, traditions, culture, and hopes of Aboriginal and Torres Strait Islander people of Australia.

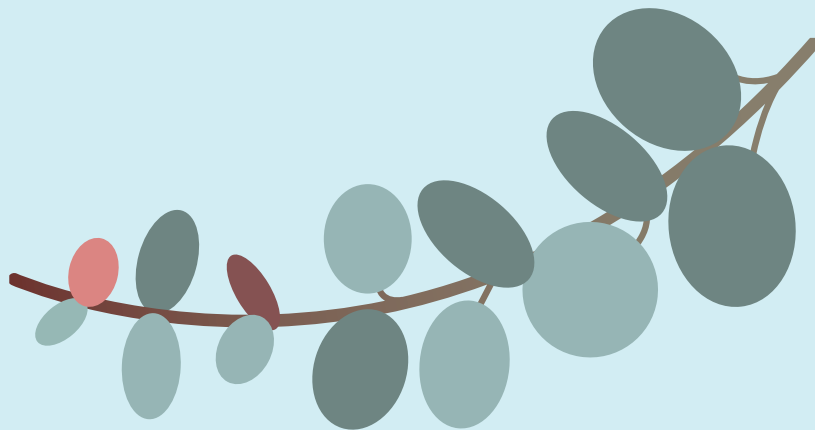




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Executive Summary

This Asset Management Strategy has been prepared to assist Council to improve the way it delivers services from infrastructure including roads, bridges and major culverts, footpaths, stormwater and buildings. Council's infrastructure assets have a replacement cost of \$659,250,147.

The Asset Management Strategy enables Council to:

- show how its asset portfolio will meet the service delivery needs of the community into the future,
- enable Council's asset management policy to be achieved, and
- ensure the integration of Council's asset management practices with its long-term strategic plan.¹

Adoption of this Asset Management Strategy will assist Council to meet the requirements of national sustainability frameworks, by demonstrating what level of service can be delivered in a financially sustainable manner.

The Asset Management Strategy is prepared following a review of the Council's service delivery practices, financial sustainability indicators, asset management maturity and fits with Council's vision for the future outlined in the Council Plan 2022-2026. The strategy outlines an asset management improvement plan detailing a program of tasks to be completed and resources required to bring Council to a minimum 'core' level of asset maturity and competence.

Strategy Outlook:

1. Our overall lifecycle budget is slightly lower than the projected lifecycle costs. As a result Council is not able to fund the current infrastructure required lifecycle costs in order to maintain the current levels of service and/or provide new services in the long term.
2. Major initiatives and projects that are deferred for the next 10 years under the current long-term financial plan funding levels are:
 - Delivering all the missing links in the footpath network
 - Widening all the roads which do not meet the width criteria
 - Upgrading all the unsealed roads networks
 - Renewal/upgrade of all storm water assets
 - Renewal/upgrade of all ageing buildings/bridges

Council will endeavour to manage these risks within available funding by:

- Aligning future asset expenditure to match adopted projects approved by Council
 - Develop affordable stormwater upgrade program
 - Actively identify pedestrian access issues and address based on risk
3. Council's current asset management maturity level is up to the desired level for most of the asset and financial management elements. Some of the elements are below 'core' level and improvement is needed in those areas. Elements with low maturity scores are:
 - Asset Management Strategy/Plans
 - Governance and Management
 - Level of Service
 - Data and Systems
 - Skill and Processes

¹LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

Summary of the Asset Management Strategy:

The key strategic activities and desired outcomes related to the Asset Management Strategy are shown below.

No	Strategy	Desired Outcome
1	Continue the transition from Annual Budgeting to long-term financial planning	The long-term implications of Council services are considered in each annual budget deliberations.
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (ideally for more than 80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.
3	Adopt a Long-Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
4	Incorporate Year 1 of Long-Term Financial Plan revenue and expenditure projections into annual budgets.	Long term financial planning drives budget deliberations.
5	Review and update asset management plans and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability, and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within two years.	Improved financial and asset management capacity within Council.
11	Report six monthly to Council by Audit Committee/CEO on development and implementation of Asset Management Strategy, AM Plans and Long-Term Financial Plans.	Oversight of resource allocation and performance.

Summary of the Asset management improvement plan:

The program of tasks and resources required to achieve a minimum 'core' asset management maturity was developed in the Asset Management Strategy.

Ref	Task	Responsibility	Resource Required
1	Include all the asset classes in the Asset Management Strategy. Currently parks and open space are included in the Asset Management Strategy.	Infrastructure Planning	Internal
2	Prepare individual Asset Management Plan (AMP) for all the asset classes. AMP for buildings, park and open space need to be prepared.	Infrastructure Planning	Internal
3	Fine tune AMP service levels to the standard that defines operational standards. Link AMP service levels to operational service standards.	Infrastructure Planning	Internal
4	Develop a process for defining Service Levels and adopt this in future revisions of AMPs. Document comprehensive Community and Technical Levels of Service for all Assets class.	Infrastructure Planning, Operation and Delivery teams	Internal
5	Complete development of a corporate strategic plan that has a closer link between strategic plan and LTFP that reports on levels of service targets achievable under the LTFP and AMPs. Include a statement about future outlook for service levels in the update of the corporate strategic plan.	Infrastructure Planning and Finance	Internal
6	Review of AM Plans to include documented hierarchies, asset utilisation and performance, where necessary (e.g. disposal plans, service request targets)	Infrastructure Planning	Internal
7	Annual review of unit costs for renewal/ replacement activities	Infrastructure Planning and Finance	Internal
8	Develop the Asset Steering Committee to monitor the AM improvement program	Infrastructure Planning	Internal

1. Introduction

Assets deliver important services to communities. A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement.

Infrastructure assets such as roads, drains, bridges, water and sewerage and public buildings present unique challenges. Their performance and longevity can be difficult to determine. Financing needs can be large, requiring planning for large peaks and troughs in expenditure for renewing and replacing such assets. The demand for new and improved services also adds to the planning and financing challenges.²

The acquisition of new assets also presents challenges in funding the ongoing operating costs necessary to provide the needed service over the assets' full life cycle.³

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require councils to adopt a longer-term approach to service delivery and funding comprising:

- A strategic longer-term plan covering, as a minimum, the term of office of the Council and:



- bringing together asset management and long-term financial plans,
- demonstrating how council intends to resource the plan, and
- consulting with communities on the plan

- Annual budget showing the connection to the strategic objectives, and

- Annual report with:



- explanation to the community on variations between the budget and actual results,
- any impact of such variances on the strategic longer-term plan,
- report of operations with review on the performance of the council against strategic objectives.⁴

Framework 2 Asset Planning and Management has seven elements to assist in highlighting the key management practices that promote prudent, transparent, and accountable management of local government assets that introduce a strategic approach to meet current and emerging challenges.

- Asset management policy,
- Strategy and planning,
 - asset management strategy,
 - asset management plan,
- Governance and management arrangements,
- Defining levels of service,
- Data and systems,
- Skills and processes, and
- Evaluation.⁵

²LGPMC, 2009, Framework 2 Asset Planning and Management, p 2.

³LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 2-3.

⁴LGPMC, 2009, Framework 3 Financial Planning and Reporting, pp 4-5.

⁵LGPMC, 2009, Framework 2 Asset Planning and Management, p 4.

The Asset Management Strategy enables Council to:

- show how its asset portfolio will meet the service delivery needs of its community into the future,
- to enable Council's asset management policies to be achieved, and
- to ensure the integration of Council's asset management practices with its long-term strategic plan.⁶

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

- in the most cost-effective manner,
- through the acquisition, maintenance, operation, renewal, and disposal of assets,
- for present and future consumers.

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

1.1 Legislative requirements

The Local Government Act 2020 is the key legislation affecting the Council's Asset Management Strategy.

The principles of good governance are demonstrated in the development of the Asset Management Strategy. In alignment with the Asset Management Strategy, the Act requires the Council to develop, adopt and keep in force an Asset Plan.

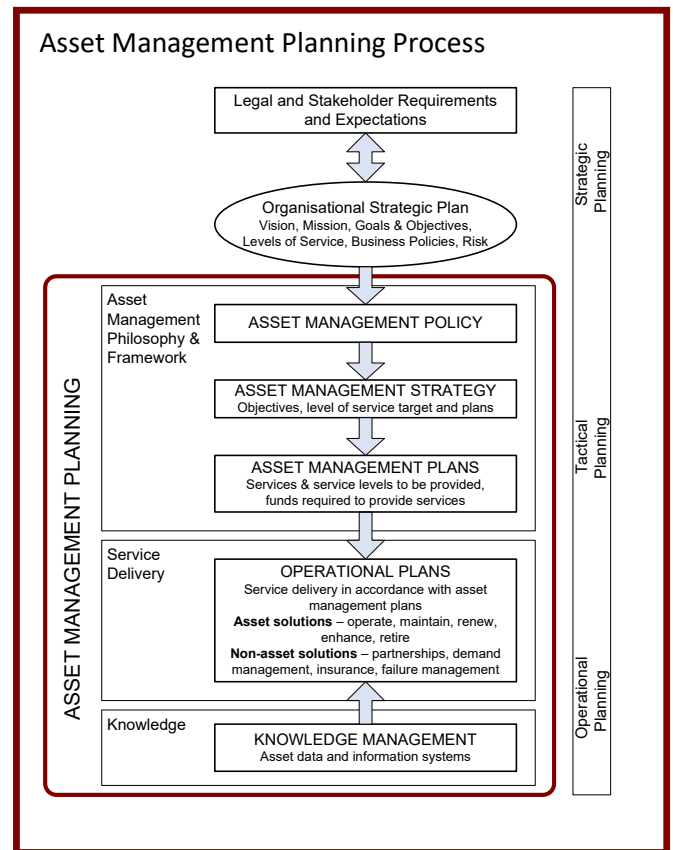
Council's Asset Plan was adopted in June 2022 and has a planning horizon of 10 years. It includes details about the current state of the assets under Council's control. Other matters that are addressed in the Asset Plan relate to the choices and challenges that face Council when making decisions about asset management. It is expected that the Asset Plan will evolve over time as the regulations are further developed and refined. This Strategy and the Asset Plan will be updated to meet future requirements in the regulations.



1.2 Asset Management Planning Process

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

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation's strategic plan, developing an asset management policy, strategy, asset management plan and operational plans, linked to a long-term financial strategy and funding plan.



2. What Assets do we have?

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in Table 1.

Table 1: Assets used for providing services

Asset Class	Description	Services Provided
Road (Surface, Pavement, Kerb and Channel)	The road network connects different regions of the shire and provides access to residential, commercial and community services. The road network also provides alternate transport choices, incorporating public transport, bicycle lanes, and shared path networks	<ul style="list-style-type: none"> Traffic and Transport Community Transport Community Care Services (HACC Aged Services, In-home Support and Food Services) Waste Place Management
Footpaths (Footpath, Shared Path)	Pathways connect communities within the municipality, whilst providing a robust and safe pedestrian environment. Pathways offer other benefits to the community by: <ul style="list-style-type: none"> Offering an economic and healthy transport alternative Improving accessibility for people of all abilities Promoting features of the town not accessible via motorised vehicle 	<ul style="list-style-type: none"> Traffic and Transport Open Space Management Leisure Services Place Management
Carparks (Surface, Pavement, Kerb and Channel)	Carparks within the shire support the use of Council and community services, and support a number of major shopping precincts. They also indirectly assist other sustainable methods of transport – such as buses, bicycles and walking.	Most Council Services
Buildings (Amenities, Arts Centre, Clubrooms, Community Centres/Houses/Halls, Education Centre/Kindergartens, Library, Offices, Play Groups, Public toilets)	Council buildings support the delivery of community services, and act as focal points for community life. They contribute to the social, cultural and economic development of the local community. Council's building portfolio reflects current services, and the history of development within the Shire of South Gippsland.	Most Council Services
Bridges and Major Culverts (Pedestrian Road/ Vehicle)	Council's bridge and culvert assets have been constructed to support Council's road and path network, in order to promote connectivity across the shire for vehicles, cyclists and pedestrians. They also facilitate stormwater management	<ul style="list-style-type: none"> Traffic and Transport Community Transport Waste Place Management Integrated Water Management
Drainage (Pits, Pipes, Gross Pollutant Traps, Open Drains)	The drainage network assists the community by providing: <ul style="list-style-type: none"> Flood mitigation and runoff management Environmental sustainability (stormwater harvest and reuse) Dissipating stormwater runoff flows and protecting receiving waterways 	<ul style="list-style-type: none"> Integrated Water Management Open Space Management Traffic and Transport Place Management

3. Our infrastructure assets and their management?

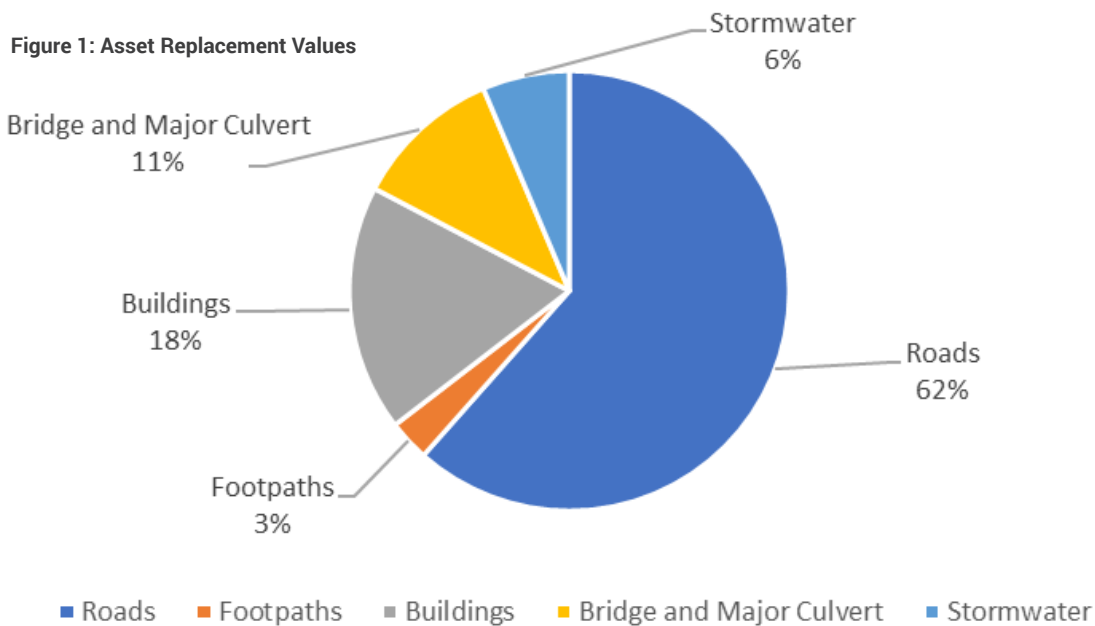
3.1 State of the Assets

The financial status of the organisation’s assets is shown in Table 2, and figure 1 below.

Table 2: Financial Status of the Assets

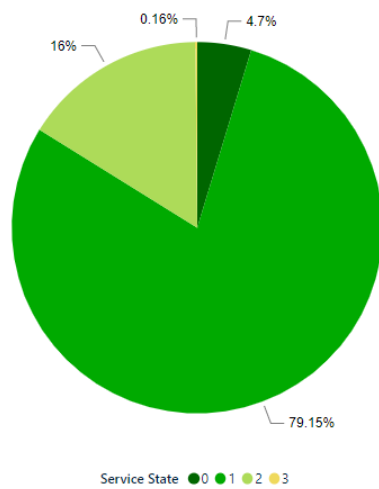
Asset Class	Replacement Cost (\$000)	Depreciable Amount (\$000)	Depreciated Replacement Cost (\$000)	Depreciation Expense/Year
Roads	405,755,855	405,755,855	288,244,240	24,020,353
Footpaths	19,921,944	19,921,944	17,098,137	2,823,807
Buildings	119,514,176	119,514,176	23,349,222	2,686,531
Bridge and Major Culvert	71,876,079	71,876,079	37,876,284	790,594
Stormwater	42,182,093	42,182,093	22,954,313	19,227,779
Total	\$659,250,147	\$659,250,147	\$389,522,196	\$49,549,064

% of Assets - Based on replacement Cost

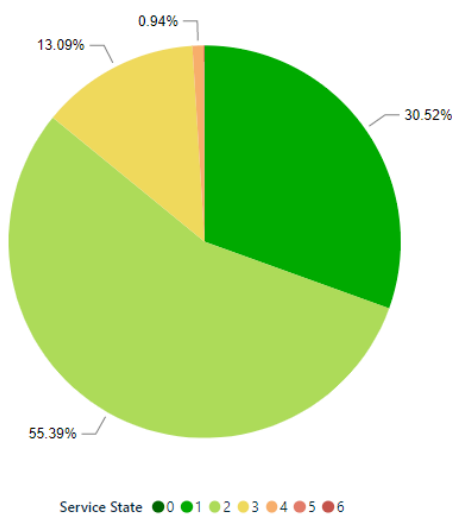


The proportion of assets in new, very good, good, fair, poor, very poor and end of life condition is shown in Figure 2. Conditions are represented by 0 to 6 from new to end of life

Sealed Roads – Overall Service State



Footpaths – Overall Service State



Buildings – Overall Service State

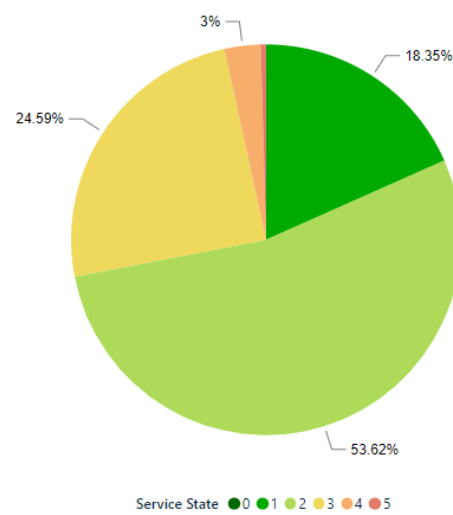


Figure 2: State of the Assets

The figure above represents the current condition state of Council's sealed road network, footpath network and building portfolio. These data are derived utilising Council's predictive modelling software. We are in the process of utilising this software for all assets. In the future, we will include all other assets including bridges, major culverts and other structures.



3.2 Lifecycle Costs

Lifecycle costs (or whole of life costs) are the average annual costs that are required to sustain the service levels over the longest asset life. Lifecycle costs include operations, maintenance, renewal, and acquisition costs. The lifecycle cost for the services covered in the asset management plan(s) is shown in Table 3.

Table 3: Lifecycle Costs for Council Services

Service	Average annual forecast lifecycle costs			Lifecycle Cost (\$/yr)
	Operations and Maintenance (\$/yr)	Renewal (\$/yr)	Acquisition (\$/yr)	
Roads	5,100,363	9,976,486	205,163	15,282,012
Footpaths	252,844	356,019	152,889	761,752
Buildings and Facilities	3,772,431	7,184,390	504,275	11,461,096
Bridge and Major Culvert	2,570,628	233,430	0	2,804,058
Stormwater Drainage	644,716	373,084	0	1,017,800
TOTAL	12,340,982	18,123,409	862,327	31,326,718

Lifecycle costs can be compared to the lifecycle funding allocated in the financial plan to give an indicator of sustainability in service provision. The lifecycle planned budget includes operations, maintenance, capital renewal and acquisition expenditure annualised over the planning period. The lifecycle planned budget can vary depending on the timing of asset renewals. The annualised lifecycle planned budget at the start of the plan is shown in Table 4.

Table 4: Lifecycle planned budget for Council Services

Service	Average annual forecast lifecycle costs			Lifecycle Budget (\$/yr)
	Operations and Maintenance (\$/yr)	Renewal (\$/yr)	Acquisition (\$/yr)	
Roads	4,319,782	9,572,900	514,600	14,407,282
Footpaths	252,844	257,852	181,374	692,070
Buildings and Facilities	1,293,553	6,077,202	693,900	8,064,655
Bridge and Major Culverts	1,285,314	513,051	0	1,798,365
Stormwater Drainage	322,358	47,700	165,000	535,058
TOTAL	7,473,851	16,468,705	1,554,874	25,497,430

The lifecycle costs and planned budget comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the lifecycle budget is less than the lifecycle cost, it is most likely that outlays will need to be increased in the budget or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is unavailable will assist council in providing services to their communities in a financially sustainable manner. This is the purpose of integrating the AM Plans with the Long-Term Financial Plan.

A shortfall between lifecycle costs and planned budgets gives an indication of the lifecycle gap to be addressed in the asset management and Long-Term Financial Plan.

The lifecycle gap and lifecycle indicator for services covered by the asset management plan(s) is summarised in Table 5.

Service	Lifecycle Cost (\$/yr)	Lifecycle Budget (\$/yr)	Life Cycle Gap * (\$/yr)	Lifecycle Indicator (%)
Roads	15,282,013	14,407,282	874,731	94.28
Footpaths	761,752	692,071	69,682	90.85
Building and Facilities	11,461,097	8,064,656	3,396,441	70.37
Bridge and Major Culvert	2,804,059	1,798,365	1,005,693	64.13
Stormwater Drainage	1,017,801	370,058	647,743	36.36
All Services	31,326,722	25,332,432	-5,994,290	81

Note: * The lifecycle gap is calculated as the LCC less the LCB reported as a negative value.

The lifecycle Indicator is calculated by dividing the LCB by the LCC expressed as a percentage.

The lifecycle gap indicates that we currently do not have the funding to continue to provide all services at the desired service levels, and cannot fund any new services. The details related to the risk from this funding gap and how Council will manage risks within the available budget is outlined in section 3.6.

3.3 Asset Management Structure

Council recognises that asset management requires a “whole of organisation” approach and involves the participation of, and is the responsibility of Council, Executive and other staff. To achieve this, the following key roles and responsibilities are identified.

1. Council

- Ensure that the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy.
- Review and adopt Asset Management Plan(s) to comply with the Local Government Act 2020 support the Community Strategic Plan and delivery program(s).
- Act as overall stewards for infrastructure assets that are owned or controlled by Council.
- Ensure commitment to sustainable asset management principles is incorporated in the Council Plan.
- Approve organisational objectives, Asset Management Policy, Strategy, and Plans.
- Approve appropriate resources for asset management activities in the Long-Term Financial Plan and the Annual Budget.

2. Executive Leadership Team

- Provide leadership and direction in the implementation of the Asset Management Policy and Strategy.
- Ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and the Strategic Resource Plan.
- Ensure that accurate and reliable information is presented to Council for decision-making.
- Ensure that adequate resources are provided to implement approved asset management strategies and plans.
- Ensure assets are managed in accordance with relevant legislation, best practice, and comply with legal obligations.
- To ensure that the training needs of Councillors and staff in financial and asset management practices are provided.

3. Asset Management Steering Committee

- Monitor and review the implementation of the Asset Management Policy and Asset Management Strategy, including the development of an Asset Management Implementation and Improvement Plan.
- Develop service levels, with community input, for asset renewal, upgrade, and extension works together with any funding requirements.
- Ensure that community needs and the outcomes of service reviews are incorporated into asset management plans.

- Promote and raise awareness of asset management within the organisation.
- Monitor the development and implementation of asset management improvements.
- Recommends budget allocations for renewal expenditure as per Council's Long-Term Financial Planning.
- Review and report to Council on the "state of the assets", sustainability of asset services, and expenditure in terms of operational, maintenance, renewal, upgrade, and extension.

4. Sustainable Infrastructure Directorate

- Develop an Asset Management Strategy for Council and review as required.
- Develop and implement Asset Management Plans for individual asset classes and present to the Asset Management Steering Committee and Executive Leadership Team before presenting to the Council for endorsement.
- Establish service delivery needs and define service levels in consultation with local community stakeholders, and balances competing social, financial, and environmental priorities.
- Monitor the implementation of maintenance, renewal, and improvement works programs in accordance with Asset Management Plans.
- Monitor the performance of assets and ensure they comply with relevant acts and regulations.
- Utilise an Asset Management System for asset management tasks, which includes an asset register, works management system, valuations, and condition assessments.
- Analyse asset data to develop and assess options for optimising "whole-of-life" costs.

5 Corporate Asset Management Team

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

- Demonstrate corporate support for sustainable asset management,
- Encourage corporate buy-in and responsibility,
- Coordinate strategic planning, information technology and asset management activities,
- Promote uniform asset management practices across the organisation,
- Information sharing across IT hardware and software,
- Pooling of corporate expertise
- Championing of asset management process,
- Wider accountability for achieving and reviewing sustainable asset management practices.

The role of the asset management team will evolve as the organisation maturity increases over time in several phases.

Phase 1

- Strategy development and implementation of asset management improvement program,

Phase 2

- Asset management plan development and implementation,
- Reviews of data accuracy, levels of service and systems plan development,

Phase 3

- Asset management plan operation
- Evaluation and monitoring of asset management plan outputs
- Ongoing asset management plans review and continuous improvement.

3.5 Financial & Asset Management Maturity

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define ten elements. Eleven practice areas have been developed from these elements⁷ to assess maturity under the National Frameworks. The core competencies are:

Financial Planning and Reporting

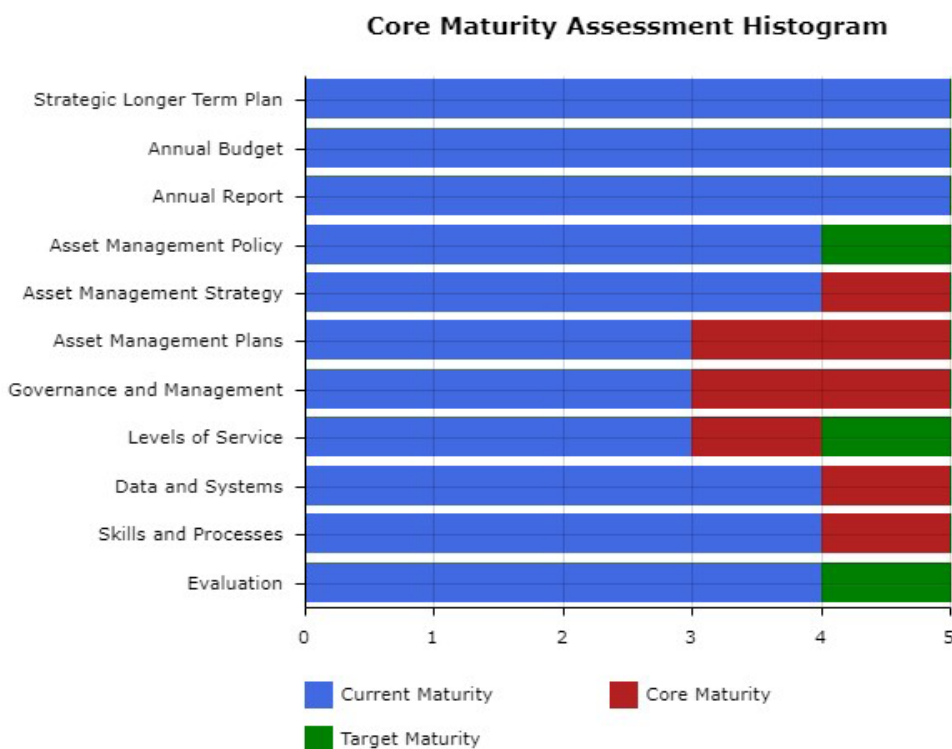
- Strategic Longer-Term Plan
- Annual Budget
- Annual report

Asset Planning and Management

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plan
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

Council's maturity assessment for the core competencies is detailed in Appendix A and summarised in Figure 3. The current maturity level is shown by the blue bars. The maturity gap to be overcome for Council to achieve a core financial and asset management competency is shown by the red bars.

Figure 3: Financial and Asset Management Maturity



⁷Asset Planning and Management Element 2 Asset Management Strategy and Plans divided into Asset Management Strategy and Asset Management Plans practice areas.

Improvement in the “core” maturity is indicated by movement of the blue (current maturity) line to the red line (“core” maturity) and green line (desired maturity).

Council’s current maturity level meets the desired level for most of the asset and financial management elements while some of the elements are below ‘core’ level. The details of the elements with low Core level maturity and improvement plan to improve these areas are outlined in the following sections.

3.6 Strategy Outlook

Our Lifecycle Budget is slightly lower than the Lifecycle Cost. We are not able to fund current infrastructure lifecycle costs at current levels of service and/or provide new services in the long term. Major initiatives and projects that are deferred for the next 10 years under long-term financial plan funding levels are:



- Delivering all the missing links in footpath network
- Widening all the roads which do not meet the width criteria
- Upgrading all the unsealed roads networks
- Renewal/upgrade of all storm water assets
- Renewal/upgrade of all ageing buildings/bridges

We will endeavour to manage these risks within available funding by:



- Aligning future asset expenditure to match adopted projects approved by Council
- Develop affordable stormwater upgrade program
- Actively identify pedestrian access issues and address based on risk
- Defer projects to fund any major new risks identified by Council

The organisation’s current maturity level is up to the desired level for most of the asset and financial management elements while some of the elements are below ‘core’ level and improvement is needed in those area. Elements with low maturity scores are:

- Asset Management Strategy/Plans
- Governance and Management
- Level of Service
- Data and Systems
- Skill and Processes

4. Where do we want to be?

4.1 Council's Vision, Mission, Goals and Objectives

Council has adopted a Strategic Plan – Council Plan, 2022-2026. Council's purpose and reason for existence is set out in the adopted vision statement;

“To support the whole shire in creating economic, environmental and social prosperity for this and future generations.”

The organisation objectives are developed under Values, Vision and Strategic Objectives as below:

Values and Commitment:



- Community and outward focused
- Accountable
- Respectful
- Proactive
- Acting in the interests of the whole shire

Council Vision:



- A healthy, connected and engaged community
- Sustainability and climate change
- Shaping our future
- Enhanced natural environment and cultural heritage
- A destination to live, visit and enjoy

The Strategic Plan sets goals and priorities to be achieved in the planning period. The goals set out where the organisation wants to be. The priorities are the steps needed to get there. Goals and priorities relating to the delivery of services from infrastructure are shown in Table 6.

4.2 Asset Management Policy

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with the Strategic Plan and applicable legislation.

The asset management strategy is developed to support the asset management policy and is to enable council to:

- Show how its asset portfolio will meet the affordable service delivery needs of the community into the future,
- Enable Council's asset management policies to be achieved, and
- Ensure the integration of Councils' asset management practices with its long-term strategic plan.

A copy of Councils' Asset Management Policy can be found in Appendix B.

Table 6: Goals and Objectives for Infrastructure Services

STRATEGIC OBJECTIVE 1: CONNECTING OUR PEOPLE AND PLACES			
Asset Management Objective	Assets Contribute to the community connectivity and safety.	Deliver through	Ensuring transport assets promote connections between towns, tourism sites, health services and within local neighbourhood.
			Ensure all assets- public spaces, facilities and amenities are multipurpose and support community connection.
			Create and maintain public areas, facilities, amenities, footpaths and spaces that are inviting, clean and appropriately lit to increase social connection and improve perceptions of safety.
STRATEGIC OBJECTIVE 2: ECONOMY AND INDUSTRY			
Asset Management Objective	Assets contribute to economic growth.	Deliver through	Using assets to stimulate and support the local production of agriculture, food and fibre that will promote the local and national economy.
			Encouraging asset improvements that will increase the wellbeing of citizens, promote visitation and add value to the community.
			Improve and upgrade the amenity, accessibility and unique sense of place of shopping strip infrastructure and streetscapes to increase activation of local shopping areas.
STRATEGIC OBJECTIVE 3: PROTECTING AND ENHANCING OUR ENVIRONMENT			
Asset Management Objective	Assets that enhance liveability and environmental sustainability for current and future generations.	Deliver through	Developing policies and practices to reduce carbon footprint and encouraging sustainable technology infrastructure.
			Ensuring our coastal landscapes are sustainably developed and protected.
			Ensuring new assets are designed with climate change in mind that builds the resilient community for climatic and extreme weather events.
			Plan assets that will balance and utilise the natural values of the environment, improve the Shire's liveability and build on the benefits of our proximity to Melbourne.
STRATEGIC OBJECTIVE 4: SUSTAINABLE GROWTH			
Asset Management Objective	Assets and facilities are viable and well-planned, supporting growing community.	Deliver through	Ensuring our housing growth is sustainable, well planned and is supported by appropriate infrastructure.
			Asset management decisions that are based on future demands which includes community participation, has a long-term focus, and balances competing social, financial and environmental priorities.
			Protect the heritage and respect the character of the shire to maintain amenity and liveability whilst recognising the need for appropriate, well-designed development for future generations.



4.3 Asset Management Vision

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services.

To assist in achieving this balance, Council aspires to:

Develop and maintain asset management governance, skills, process, systems and data in order to provide the level of service the community need at present and in the future, in the most cost-effective and fit for purpose manner.

In line with this vision, the objectives of the asset management strategy is to:

- Ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability,
- Safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets,
- Adopt the long-term financial plan as the basis for all service and budget funding decisions,
- Meet legislative requirements for all Council's operations,
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated,
- Provide high level oversight of financial and asset management responsibilities through Audit Committee/CEO reporting to council on development and implementation of Asset Management Strategy, Asset Management Plan and Long-Term Financial Plan.

Strategies to achieve this position are outlined in Section 5.

5. How will we get there?

The Asset Management Strategy proposes strategies to enable the objectives of the Strategic Plan, Asset Management Policy and Asset Management Vision to be achieved.

Table 7: Asset Management Strategies

No	Strategy	Desired Outcome
1	Continue the transition from Annual Budgeting to Long Term Financial Planning	The long-term implications of Council services are considered in each annual budget deliberations.
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (ideally for more than 80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.
3	Adopt a Long-Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
4	Incorporate Year 1 of Long-Term Financial Plan revenue and expenditure projections into annual budgets.	Long-term financial planning drives budget deliberations.
5	Review and update asset management plans and long-term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability, and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within two years.	Improved financial and asset management capacity within Council.
11	Report six monthly to Council by Audit Committee/ CEO on development and implementation of Asset Management Strategy, AM Plans and Long-Term Financial Plans.	Oversight of resource allocation and performance.

6.Asset Management Improvement Plan

The tasks required to achieve a 'core' financial and asset management maturity are shown in priority order in Table 8.

Table 8: Asset Management Improvement Plan

Ref	Task	Responsibility	Resource Required
1	Include all the asset classes in the Asset Management strategy. Currently Park and open space is not included in the Asset Management Strategy.	Infrastructure Planning	Internal
2	Prepare individual Asset Management Plan (AMP) for all the asset classes. AMP for buildings, park and open space need to be prepared.	Infrastructure Planning	Internal
3	Fine tune AMP service levels to the standard that defines operational standards. Link AMP service levels to operational service standards.	Infrastructure Planning	Internal
4	Develop a process for defining Service Levels and adopt this in future revisions of AMPs. Document comprehensive Community and Technical Levels of Service for all Assets class.	Infrastructure Planning, Operation and Delivery teams	Internal
5	Complete development of a corporate strategic plan that has a closer link between strategic plan and LTFP that reports on levels of service targets achievable under the LTFP and AMPs. Include a statement about future outlook for service levels in the update of the corporate strategic plan.	Infrastructure Planning and Finance	Internal
6	Review of AM Plans to include documented hierarchies, asset utilisation and performance, where necessary (e.g. disposal plans, service request targets)	Infrastructure Planning	Internal
7	Annual review of unit costs for renewal/ replacement activities	Infrastructure Planning and Finance	Internal
8	Develop the Asset Steering Committee to monitor the AM improvement program	Infrastructure Planning	Internal

Appendix A: Asset Management Maturity Assessment

Element	Question	Status
Annual Budget	Annual budget is available to those who ask	Complete
Annual Budget	Budget is adopted after public advertising and consideration of comments received	Complete
Annual Budget	Budget includes an explanation of the asset custodian's financial position and performance	Complete
Annual Budget	Budget contains estimates of revenue and expenditure for year	Complete
Annual Budget	Budget is publicly available and readily accessible to all interested readers	Complete
Annual Budget	The asset custodian's Annual Budget includes resources to implement Strategic Longer Term Plan strategies.	Complete
Annual Budget	The Annual Budget aligns with Year 1 of the Long Term Financial Plan, and was adopted following community consultation.	Complete
Annual Budget	The Annual Budget reflects the asset custodian's strategic objectives and contains a statement of how the asset custodian will meet the goals and objectives of its Strategic Longer Term Plan.	Complete
Annual Budget	The Annual Budget contains estimates of revenue and expenditure with an explanation of the assumptions and methodologies underpinning the estimates, an explanation of the financial performance and position of the asset custodian and has been prepared based on the resource requirements and strategic objectives detailed in the asset custodian's Strategic Longer Term Plan, Asset Management Plans and Long Term Financial Plan.	Complete
Annual Report	Annual report is published each year	Complete
Annual Report	Annual report contains explanation on variations between budget and actual results	Complete
Annual Report	Annual report reports on the asset custodian's operations for the year in terms of goals and objectives for preceding year	Complete
Annual Report	Annual report is widely available to the general public	Complete
Annual Report	Annual report contains audited financial statements	Complete
Annual Report	"In relation to the financial reporting framework in the Annual Report, the Annual Report addresses the following issues in accordance with relevant statutory policies, Accounting Standards and other best practice guidelines:	Complete
Annual Report	The Annual Report includes details of any major changes in functions of the asset custodian, organisation structure and/or policy initiatives and how these changes might impact on the asset custodian's Strategic Longer Term Plan.	Complete
Annual Report	The Annual Report reviews the performance of the asset custodian against its strategic objectives and explains variations between the budget and actual results and how these variations impact on the Strategic Longer Term Plan.	Complete
Annual Report	The Annual Report includes independently audited financial statements that are prepared on an accrual basis in accordance with applicable statutory financial reporting requirements.	Complete

Element	Question	Status
Annual Report	The Annual Report complies with all statutory requirements including publication by the due date and is made widely available to the public.	Complete
Asset Management Plans	Stated intention to develop AM Plan(s)	Complete
Asset Management Plans	AMPs Include an improvement plan	Complete
Asset Management Plans	AMPs include all assets on asset register	Well Progressed
Asset Management Plans	AMP's in place but not regularly reviewed or adopted	Complete
Asset Management Plans	Separate AMP's for each asset group - high level overall framework but not consistent	Well Progressed
Asset Management Plans	AMPs have all been prepared in association with customer/community consultation.	Partially Complete
Asset Management Plans	AMPs link to the asset custodian's AM Policy, AM Strategy, Strategic Longer Term Plan, Long Term Financial Plan and other relevant policy objectives.	Complete
Asset Management Plans	Identify changes in service potential of assets through projections of asset replacement costs, depreciated replacement cost and depreciation expense.	Complete
Asset Management Plans	Include consideration of non-asset service delivery solutions (leasing private/public partnerships)	Partially Complete
Asset Management Plans	Include an asset management improvement plan.	Complete
Asset Management Plans	Include an asset consolidation and disposal program; and	Well Progressed
Asset Management Plans	Address asset performance and use measures and associated targets as linked to levels of service;	Well Progressed

Element	Question	Status
Asset Management Plans	Operational expenditure (including depreciation expense);	Complete
Asset Management Plans	Maintenance expenditure;	Complete
Asset Management Plans	New Assets and Upgrades of existing assets;	Complete
Asset Management Plans	Asset Renewals;	Complete
Asset Management Plans	Include forward programs identifying cash flow forecasts projected for.	Complete
Asset Management Plans	Address life cycle costs of assets;	Complete
Asset Management Plans	Include demand management forecasts;	Well Progressed
Asset Management Plans	Provide information about assets, including particular actions and costs to provide a defined (current and/or target) level of service in the most cost-effective manner	Partially Complete
Asset Management Plans	Include risk assessment and criticality profiles;	Partially Complete
Asset Management Plans	Document the adopted useful lives of assets;	Well Progressed
Asset Management Plans	Document the current condition function capacity and use of assets;	Well Progressed
Asset Management Plans	Document the asset hierarchy within each asset group;	Complete
Asset Management Plans	Include all assets and document asset inventory information for the asset group/category as recorded in the asset register;	Complete

Element	Question	Status
Asset Management Plans	Refer to the asset custodian's Asset Management Policy and Asset Management Strategy;	Well Progressed
Asset Management Plans	AMPS cover at least 10 years and	Complete
Asset Management Plans	AMPs define which asset groups are covered by each Plan in accordance with a clearly documented Infrastructure asset hierarchy.	Complete
Asset Management Plans	AMPS adopted by the asset custodian for all significant asset groups in a consistent format in accordance with industry best practice (E.g. International Infrastructure Management Manual (IIMM)) and are available to all relevant staff across the organisation.	Complete
Asset Management Plans	Include consideration of possible effects of climate change on asset useful lives and maintenance costs	Partially Complete
Asset Management Policy	AM Policy in place but not adopted by the asset custodian OR some awareness by the asset custodian of asset management policy elements and asset management principles.	Complete
Asset Management Policy	AM Policy adopted by the asset custodian's executive.	Complete
Asset Management Policy	AM Policy identifies a process for meeting training needs in financial and asset management practices for the asset custodian's executive and operational staff.	Complete
Asset Management Policy	AM Policy defines asset management roles, responsibilities and reporting framework.	Complete
Asset Management Policy	AM Policy requires the adoption of Asset Management Plans informed by community consultation and applicable financial reporting frameworks.	Complete
Asset Management Policy	AM Policy has a direct linkage with the asset custodian's Strategic Longer Term Plan and Long Term Financial Plan.	Complete
Asset Management Policy	The asset custodian has an adopted Asset Management Policy which defines the asset custodian's vision and service delivery objectives for asset management.	Complete
Asset Management Strategy	Draft AM Strategy Prepared but not adopted.	Complete

Element	Question	Status
Asset Management Strategy	Strategy implements the service level and risk goals set out the asset custodian's strategic plans aligned with ISO 55000.	Complete
Asset Management Strategy	Strategy shows what assets the asset custodian has under its control.	Complete
Asset Management Strategy	The asset custodian's Asset Management Strategy documents the current status of asset management practices (processes, asset data and information systems) and what actions must be taken to implement the Asset Management Policy, including resource requirements, timeframes and accountabilities.	Complete
Asset Management Strategy	The asset custodian's Asset Management Strategy is linked to the Asset Management Policy and integrated into the Strategic Longer Term planning and annual budgeting processes.	Complete
Asset Management Strategy	The asset custodian has an Asset Management Strategy which shows how the asset portfolio can meet the service delivery needs of customers and defines the future vision of asset management practices.	Complete
Data and Systems	Intention to develop an Asset Register	Complete
Data and Systems	Data needs are documented for the Asset Management Information System	Complete
Data and Systems	Asset Management Information System needs are prioritised	Complete
Data and Systems	The asset custodian has a defined process for operations, maintenance, renewal and acquisition (upgrade, new and expansion) planning for its existing assets.	Complete
Data and Systems	The asset custodian has defined and documented procedures for determining asset replacement costs and a table of unit rates, which are stored in the Asset Management Information System.	Complete
Data and Systems	The Asset Management Information System has the ability to generate maintenance and renewal expenditure forecasts.	Complete
Data and Systems	The asset custodian's systems, procedures and processes allow it to benchmark its asset management performance against similar organizations over time.	Complete
Data and Systems	The asset custodian's asset financial reporting functionality is comprehensive and includes audit trails, depreciation calculations, reporting thresholds and records of acquisition and disposal of assets	Complete
Data and Systems	The asset custodian has documented repeatable methodologies to carry out consistent asset condition surveys and defect identification assessments, as documented in a Condition Rating Assessment Manual for applicable asset classes.	Complete

Element	Question	Status
Data and Systems	There is a common corporate data framework used across all asset groups, which is defined by the asset custodian's Infrastructure Asset Hierarchy.	Complete
Data and Systems	The asset custodian has a consolidated, integrated, accurate, up to date asset register with appropriate components and the required functionality to ensure security and data integrity, which includes all information about each asset sorted by asset group.	Complete
Evaluation	No formal evaluation process	Complete
Evaluation	Improvement tasks are included in staff performance plans and reviews	Well Progressed
Evaluation	Community levels of service are monitored and performance reported.	Well Progressed
Evaluation	Technical levels of service are monitored and performance reported.	Well Progressed
Evaluation	The asset custodian has a documented evaluation process by which asset management improvements are identified, timeframes established, resources allocated, actioned, monitored and reported to the Executive Management Team and/or CEO/GM.	Well Progressed
Governance & Management	Informal AM Steering activities	Partially Complete
Governance & Management	AM improvement plan in operation	Well Progressed
Governance & Management	Multi-disciplinary AM Steering Committee in operation with regular meetings	Well Progressed
Governance & Management	There are internal processes to promote Asset Management across the asset custodian	Complete
Governance & Management	The asset custodian has an Asset Management Steering Committee, with cross functional representation and clearly defined and documented terms of reference, focused on coordinating the linkages between service delivery and asset management implementation.	Well Progressed
Governance & Management	The asset custodian involves all its departments in Asset Management.	Complete
Governance & Management	The asset custodian has a documented process for making capital investment decisions, which is driven by the Strategic Longer Term Plan, Long Term Financial Plan and the Service Plan and explicitly details the impacts on the future operations and maintenance budgets, "Whole of Life" costs and risk management assessments.	Complete
Governance & Management	The staff structure and position descriptions clearly define asset management functions, responsibilities and skill requirements for managing all asset classes.	Complete

Element	Question	Status
Governance & Management	Roles and responsibilities are clearly defined in a matrix or policy, identifying positions responsible for determining levels of service and positions responsible for managing the assets to meet service delivery needs.	Complete
Governance & Management	The asset custodian has mechanisms in place to provide high level oversight by the CEO/GM and Executive Management Team, for development and implementation of the Asset Management Strategy and Asset Management Plans.	Complete
Levels of Service	Service levels are consequences of annual budget allocation and not defined.	Complete
Levels of Service	Service levels in some areas - fragmented	Well Progressed
Levels of Service	Technical levels of service are incorporated into service agreements and/or maintenance, operational and capital renewal procedures.	Complete
Levels of Service	Current and target levels of service (for both community levels of service and associated technical levels of service) are clearly defined in each Asset Management Plan.	Well Progressed
Levels of Service	The asset custodian has undertaken the process of defining, quantifying and documenting current community levels of service and technical levels of service, and costs of providing the current levels of service.	Well Progressed
Levels of Service	The asset custodian has Service Objectives for each of its services which have been developed in consultation with the community.	Well Progressed
Skills & Processes	Leadership is supportive of delivering the essential asset management activities	Complete
Skills & Processes	Skills & knowledge requirements determined	Complete
Skills & Processes	Audit completed to determine current skill & knowledge levels	Complete
Skills & Processes	Position descriptions incorporate an asset management knowledge requirement	Complete
Skills & Processes	The asset custodian provides ongoing training programs for executive leaders and elected members on key asset management topics.	Complete
Skills & Processes	The asset custodian has a process to communicate the financial implications of the Asset Management Plans to internal and external stakeholders.	Complete
Skills & Processes	The asset custodian has formal processes for the handover of assets to asset custodians/owners.	Complete
Skills & Processes	The asset custodian has a process to collect and record asset data into an Asset Management system upon the commissioning of new (and/or modified) assets, including built and contributed assets.	Complete

Element	Question	Status
Skills & Processes	The asset custodian has a defined methodology for assessing the Remaining and Useful Life, Residual Value and Depreciation Method of assets.	Complete
Skills & Processes	The asset custodian has assessed the skills and knowledge required to perform asset data management activities, conduct financial reporting valuations and develop Asset Management Plans. The asset custodian has a current asset management skills matrix. Staff training needs have been identified and training scheduled.	Complete
Skills & Processes	The asset custodian has a process to annually review and update the financial forecasts for all asset classes and update the Long-Term Financial Plan.	Complete
Skills & Processes	The asset custodian has a process to identify operational risks, assign responsibilities and monitor risk treatment actions all recorded within a risk register.	Well Progressed
Skills & Processes	The asset custodian has a process to review and update Asset Management Plans for all asset groups on a maximum of a 3 to 4-year cycle consistent with the asset custodian election cycle. Asset Management Plans are formally adopted by the asset custodian.	Well Progressed
Skills & Processes	The asset custodian has a process to review and update the Asset Management Strategy on a maximum of a 5 year cycle. The Asset Management Strategy is to be formally adopted by the executive.	Complete
Strategic Longer Term Plan	Plan covers 1 year period	Complete
Strategic Longer Term Plan	Plan details what the asset custodian intends to do in period of plan	Complete
Strategic Longer Term Plan	Plan includes vision and strategic objectives	Complete
Strategic Longer Term Plan	Plan reflects needs of community for foreseeable period	Complete
Strategic Longer Term Plan	Draft Strategic Plan is advertised for public comment	Complete
Strategic Longer Term Plan	Plan covers 4 year term of the asset custodian's forward work program.	Complete

Element	Question	Status
Strategic Longer Term Plan	The Long-Term Financial Plan has been prepared based on the resource requirements and strategic objectives detailed in the asset custodian's Long-Term Plan and Asset Management Plans.	Complete
Strategic Longer Term Plan	The asset custodian has a sustainable Long-Term Financial Plan covering the period of the Strategic Longer Term Plan (at least 5 year) supporting the implementation of its Longer Term Plan.	Complete
Strategic Longer Term Plan	The Strategic Longer Term Plan incorporates priorities and performance measures and indicates how they will be monitored and measured.	Complete
Strategic Longer Term Plan	The development of the Strategic Longer Term Plan included community consultation and reflects community needs.	Complete
Strategic Longer Term Plan	The asset custodian has a Strategic Longer Term Plan (planning horizon of at least 5 years) that incorporates a vision, strategic outcomes, mission, values and service outcomes that The asset custodian wants to achieve.	Complete

Appendix B: Asset Management Policy

1. POLICY OBJECTIVE

- 1.1. The purpose of the Asset Management Policy (the Policy) is to define a broad framework and principles for sustainable and effective management of Council's assets to meet current and future needs of the community.
- 1.2. This Policy has been developed to support Council to comply with its good governance and conduct obligations in line with various legislation, principally the Local Government Act 2020.
- 1.3. This Policy sets vision, outlines principles, and assigns responsibilities for how the South Gippsland Shire Council will manage its assets.

2. SCOPE

- 2.1. South Gippsland Shire Council owns and maintains assets such as roads, footpath, buildings, drains, open space, recreational centres, plant, and equipment to support service provision to the community it serves.
- 2.2. "Asset management" is a systematic process to guide the planning, acquisition, operation and maintenance, renewal, and disposal of assets. Its objective is to maximise asset service delivery potential and manage related risks and costs over their entire lives.
- 2.3. The Local Government Act 2020 place a number of obligations on councils in relation to asset management. The integrated planning and reporting legislation require that Council must account for and plan for all of the existing assets under its ownership, and any new assets proposed in its Council Plan and Delivery Program and associated Resourcing Strategy.
- 2.4. This Policy is applicable to all Council owned assets and all Council-managed assets that:
 - 2.4.1. are used by the community;
 - 2.4.2. support the delivery of services provided for the benefit of the South
 - 2.4.3. are held by Council for future use

3. ASSET MANAGEMENT VISION

- 3.1. To provide community facilities and infrastructure assets that are sustainable, and that contribute to the economic viability, access and mobility, and improved lifestyle for the community.

4. Policy Principles

- 4.1. The Policy principles guide Council to meet desired outcomes and meet strategic goals set out in the Council Plan 2020-2024, and other strategic documents. This Policy is based on the following principles:
 - 4.1.1. Council assets are effectively managed throughout their lifecycle – operations, maintenance, renewal, upgrade, expansion, and disposal, to support the delivery of Council services;
 - 4.1.2. Service levels will form the basis of asset management and be reviewed on an ongoing basis against budget realities and community needs;
 - 4.1.3. Community engagement and needs will form part of all significant decisions affecting infrastructure;
 - 4.1.4. Asset management plans for each asset class will articulate how the assets will be managed in the long term and informs the Long-Term Financial Plan;
 - 4.1.5. Whole of life costs will be considered in infrastructure investment decisions and renewal of existing assets that support required services will be prioritised ahead of investment in new assets and services;
 - 4.1.6. Capital works projects and asset preservation will be subjected to technical, financial, social, and environmental evaluation and prioritised using Council’s Criticality Tables and the Community and Economic Infrastructure Blueprint principles
 - 4.1.7. Environmental sustainability of assets will be considered at all levels of asset management.
 - 4.1.8. Responsibility for asset management is shared collectively across Council with roles and responsibilities that are clearly defined;
 - 4.1.9. A computerised and integrated Asset Information Management System (AIMS) will be used to record the core asset data to ensure a common data set is available for strategic, operational, and financial reporting purposes;
 - 4.1.10. Financial and asset management reporting will be categorised in terms of operational, maintenance, renewal, expansion, upgrade, and new expenditure classifications to enable sound asset management decisions;
 - 4.1.11. Processes and practices impacting efficiency of managing assets will continually be evaluated and addressed through continuous improvement processes;
 - 4.1.12. Asset management performance and progress will be reported regularly and will be integrated with the Local Government Performance Reporting Framework;

5. Asset Management Framework

5.1. The framework below shows the relationship between the various elements of the asset management process.

Fig 1. Asset Management Framework



6. Risk Assessment

In order to comply with its obligations under the Local Government Act 2020 and maintain the trust and confidence of the community, it is critical that Council and Councillors maintain the highest possible standards of good governance, integrity, ethical behaviour, and conduct. This Policy and the associated procedures mitigate Council's risks as described below:

6.1. Financial

The absence of this Policy may result in Council:

- 6.1.1. Being unable to make timely, appropriate, and better-informed decisions on capital investments;
- 6.1.2. Risking the inappropriate allocation of resources.

6.2. Reputational

The absence of this Policy may result in Council:

- 6.2.1. Being non-compliant with the Local Government Act 2020;
- 6.2.2. Being unable to meet defined service levels.

6.3. Environmental

6.3.1. Nil

6.4. Openness and Transparency

6.4.1. Nil

7. Implementation Statement

7.1. Human Rights Charter

- 7.1.1. The review of this Policy has taken into account human rights and is considered compatible with human rights to assure Council meets its obligations as required by the Local Government Act 2020 (or other relevant Act that is applicable) and the Charter of Human Rights and Responsibilities Act 2006 and associated obligations. Publication of Policy
- 7.1.2. This Policy will be published on Council's website.

7.2. Roles and Responsibilities

Council recognises that asset management requires a "whole of organisation" approach and involves the participation of, and is the responsibility of Council, Executive and other staff. To achieve this, the following key roles and responsibilities are identified.

7.2.1. Council

- 7.2.1.1. Ensure that the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy.
- 7.2.1.2. Review and adopt Asset Management Plan(s) to comply with the Local Government Act 2020 support the Community Strategic Plan and delivery program(s).
- 7.2.1.3. Act as overall stewards for infrastructure assets that are owned or controlled by Council.
- 7.2.1.4. Ensure commitment to sustainable asset management principles is incorporated in the Council Plan.

- 7.2.1.5. Approve organisational objectives, Asset Management Policy, Strategy, and Plans.
- 7.2.1.6. Approve appropriate resources for asset management activities in the Long-Term Financial Plan and the Annual Budget.
- 7.2.2. Executive Leadership Team
 - 7.2.2.1. Provide leadership and direction in the implementation of the Asset Management Policy and Strategy.
 - 7.2.2.2. Ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and the Strategic Resource Plan.
 - 7.2.2.3. Ensure that accurate and reliable information is presented to Council for decision-making.
 - 7.2.2.4. Ensure that adequate resources are provided to implement approved asset management strategies and plans.
 - 7.2.2.5. Ensure assets are managed in accordance with relevant legislation, best practice, and comply with legal obligations.
 - 7.2.2.6. To ensure that the training needs of Councillors and staff in financial and asset management practices are provided.
- 7.2.3. Asset Management Steering Committee
 - 7.2.3.1. Monitor and review the implementation of the Asset Management Policy and Asset Management Strategy, including the development of an Asset Management Implementation and Improvement Plan.
 - 7.2.3.2. Develop service levels, with community input, for asset renewal, upgrade, and extension works together with any funding requirements.
 - 7.2.3.3. Ensure that community needs and the outcomes of service reviews are incorporated into asset management plans.
 - 7.2.3.4. Promote and raise awareness of asset management within the organisation.
 - 7.2.3.5. Monitor the development and implementation of asset management improvements.
 - 7.2.3.6. Recommends budget allocations for renewal expenditure as per Council's Long-Term Financial Planning.
 - 7.2.3.7. Review and report to Council on the "state of the assets", sustainability of asset services, and expenditure in terms of operational, maintenance, renewal, upgrade, and extension.
- 7.3. Sustainable Infrastructure and Economy & Community Directorates
 - 7.3.1. Develop an Asset Management Strategy for Council and review as required.
 - 7.3.2. Develop and implement Asset Management Plans for individual asset classes and present to the Asset Management Steering Committee and Executive Leadership Team before presenting to the Council for endorsement.
 - 7.3.3. Establish service delivery needs and define service levels in consultation with local community stakeholders, and balances competing social, financial, and environmental priorities.

- 7.3.4.** Monitor the implementation of maintenance, renewal, and improvement works programs in accordance with Asset Management Plans.
- 7.3.5.** Monitor the performance of assets and ensure they comply with relevant acts and regulations.
- 7.3.6.** Utilise an Asset Management System for asset management tasks, which includes an asset register, works management system, valuations, and condition assessments.
- 7.3.7.** Analyse asset data to develop and assess options for optimising “whole of-life” costs
- 7.4.** Non-compliance with this Policy
 - 7.4.1.** All cases of non-compliance with this Policy will be referred to the Asset Management Steering Committee and dealt with on a case-by-case scenario with regards to appropriate disciplinary action including a recommendation of how to address the non-compliance item so that it does not occur in the future.

8. Monitoring, Evaluation And Review

- 8.1.** The Asset Management Implementation and Improvement Plan, as set out in the Asset Management Strategy, will be audited annually at the end of each financial year and reported to the Asset Management Steering Committee.
- 8.2.** The responsibility and implementation of the policy rests with the Infrastructure Planning Department, of the Sustainable Infrastructure Directorate.
- 8.3.** This Policy will be reviewed and adopted by Council on a 4 year cycle in line with the election of a new Council.

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