



Buloke Shire Council

Asset Management Strategy

June 2021

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1 Introduction

The decision to invest in assets imposes a responsibility on Councils to provide the requisite funds for the operation, maintenance, renewal and disposal of the asset over its life cycle. Asset decisions cannot be made in isolation and Government capital and recurrent outlays should be considered within the Council Plan, Budget, Long Term Financial Plan and Community Plans. Understanding the impact these assets will have on the future costs and revenues of the Council is of vital importance.

The Council is custodian of an extensive range of community assets that it provides to facilitate delivery of its services to the community. These include:

- the road & street network, including footpaths, kerb and channel, culverts, bridges, traffic facilities, guard rails, street furniture, bus shelters, street lighting, street name & regulatory signs, and car parks both on and off-street;
- flood protection and stormwater drainage systems;
- waste management facilities, including landfill, waste transfer stations and public place receptacles;
- buildings and facilities of various types that provide a focus for services, such as administrative facilities, child care centres, health centres, kindergartens, community halls and public toilets etc;
- parks and recreation facilities, including active and passive recreation areas, sport centres, playgrounds, swimming pools and lighting, etc.
- plant and equipment, including workshop and depot facilities to undertake specific services;
- Information technology networks, including computer and telecommunication systems.

There is increasing demand for resources to provide the various services for which Council has a statutory responsibility as well as those services that the community expects it to provide. At the same time, the ability to adequately fund these assets and services is becoming increasingly difficult due to competing demands.

Council needs to balance this funding of upkeep with increasing the asset base. The means by which Council achieves proper management of its assets is by Asset Management Plans.

By better understanding the extent and condition of its assets, Council is able to more effectively plan and fund its works programs. Consequently, these assets will be maintained to an acceptable standard, which will enable Council to competently deliver services to the community.

The purpose of this document is to provide specific actions to be undertaken in order to improve or enhance Council's asset management capability and to achieve strategic objectives.

2 Scope and Background

This strategy describes the current status, vision and actions for improving asset management within the Buloke Shire Council.

The Asset Management Strategy establishes the framework that determines the nature and direction of asset management – its objective is to describe how Council will meet its commitment to asset management as documented in its Council Plan, Long Term Financial Plan and Asset Management Policy.

A structured set of actions aimed at enabling improved asset management by the organisation forms the measurable basis for delivering this objective. These actions are aimed (in the first instance) at providing Council with a core level of asset management practice as soon as possible in line with the requirements under the *Local Government Act 2020* Integrated Strategic Planning Framework.

It is a strategic document with the objective of optimising the lifecycle cost of asset sustainably over the long term, ensuring capital investment is used effectively and in the best interests of the community.

The Strategy has been developed in line with Local Government Victoria's Guidelines for Developing an Asset Management Policy, Strategy and Plans.

The benefits of a strategic approach in establishing an Asset Management Policy, together with an Asset Management Strategy, include:

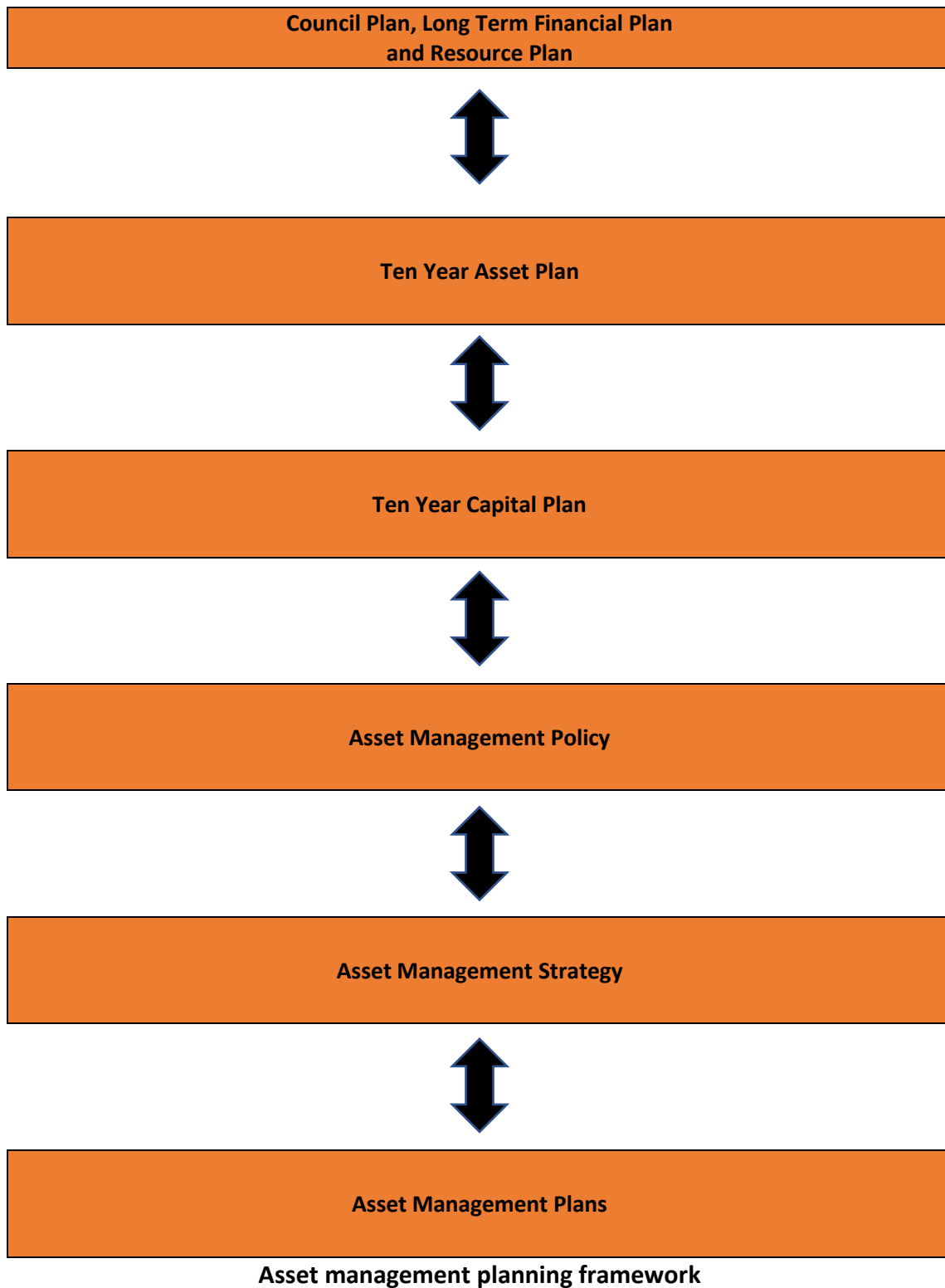
- better allocation of limited Council resources
- improved alignment of assets with services and community expectations
- reduced demand for new Council assets through better integration of service planning and asset planning
- more effective use and maintenance of existing council assets
- improved processes and accountability for capital and recurrent works
- use of non-asset solutions to meet service demand
- increased ability to identify surplus assets which can be disposed
- increased use of sustainable development solutions.

Council is responsible for the operation of its infrastructure and the management of assets to ensure the delivery of services to its stakeholders. The key stakeholders include:

- Residents
- Ratepayers
- Community groups
- Businesses
- Councillors
- Users of Council services
- Travellers
- State and Federal Government Departments and Agencies
- Developers
- Utility providers
- Auditors internal/external
- Audit and Risk Committee
- Employees and volunteers
- Contractors/suppliers
- Insurers

3 Strategic Context

The Strategy also forms part of a planning and policy framework within Council itself as demonstrated below.



The Council Plan 2017-2021 provides the strategic theme to respond to and enhance our built and natural environment.

The plan has a heavy focus on both improved asset management and asset-based approaches with ongoing financial sustainability.

The Long Term Financial Plan establishes a financial framework over a ten-year period to ensure Council's strategic objectives identified in the Council Plan are achieved.

The Resource Plan incorporates long term funding requirements for the maintenance and renewal of Council's various assets and services and feeds into the annual budgeting process.

The Asset Management Policy compliments and builds upon the Council Plan vision to provide a more formalised approach to asset management principles and methodology.

Asset Management Plans are long-term plans that outline the asset activities for the service areas within Council.

The Strategy develops the actions through a process of:

- Outlining the required status of asset management practices within Council to achieve the future vision as described in Asset Management Policy.
- Describing the current status of asset management practices.
- Identifying actions to close the gap between the required and current status, including resource needs and timelines.

This Strategy also influences the following strategies:

- Risk Management Strategy
- Waste and Resource Recovery Strategy
- Road Safety Plan
- Road Management Plan
- Roadside Management Plan
- Playspace Strategy
- Plant Replacement Program
- Recreation Strategy
- Aquatics Strategy
- Municipal Public Health Plan

Further consideration of these strategies will be undertaken as part of the preparation of detailed asset management plans as a number of these are asset specific.

4 Current Status, Future Targets and Actions

Council is responsible for management of a wide range of assets. An indicative list of major assets is provided below:

Asset Component	Length (kms)
Sealed Roads – Rural	896
Sealed Roads – Urban	99
Gravel Roads – Rural	1,099
Gravel Roads – Urban	11
Formed Roads - Rural	3,195
Formed Roads - Urban	11
Sub-Total Roads	5,311km
Footpaths	62km
Kerb & Channel	105km
Bridges/Major Culverts	37
Buildings	273
Drainage pipes	28.5km
Drainage pits	690
Parks and Open Space	46

Council measures its asset management maturity in the context of the National Asset Management Assessment Framework (NAMAF). The NAMAF is a methodology for assessing the maturity of a Council's asset and financial planning, management and reporting practices. It consists of 11 key elements against which Councils can self-assess their progress in implementing better practice asset management and reporting processes.

Council's objective is to achieve Core Maturity for each of the 11 NAMAF elements within the near future.

Appendix A shows Council's current Core Maturity status and assessment matrix.

Following the most recent NAMAF assessment in 2020, a list of improvements was established in line with recommendations from the Victorian Auditor General's Office for assessment of regional asset management.

Future Vision (Policy Principles)	Current Status	Actions to Close the Gap between Required and Current
<p><u>Update Strategic Documents</u></p> <p>Ensure strategic asset management documents are updated regularly to reflect best practice. This includes the upcoming requirement for an Asset Management Plan in line with the Integrated Strategic Planning Framework.</p>	<p>All documents are to be updated in the 20/21 financial year</p>	<p>Asset management staff ensure key documents are up to date.</p> <p>The Asset Management Plan required under the Integrated Strategic Framework will be complete by 30 June 2022.</p>
<p><u>Community Engagement</u></p> <p>Involve and consult with the community and key stakeholders to assist in the establishment of responsible and "best practice" asset management plans and ensure "whole of life" asset function in planning for the present and future generations.</p> <p>Involve the community as part of best value principles and the continuous improvement of asset management with the various Asset Management Plans and other strategies.</p> <p>Council will report to the community on its service performance.</p>	<p>Council's Annual Report provides information on Council's assets</p> <p>Consultation with community groups on assets, service delivery and ongoing requirements</p> <p>Publish all documents on website seeking feedback</p>	<p>Deliberative engagement will take place as part of the Integrated Strategic Planning Framework.</p> <p>Continued reporting on asset performance via the Annual Report</p>

Future Vision (Policy Principles)	Current Status	Actions to Close the Gap between Required and Current
<p><u>Monitoring</u></p> <p>Develop and implement comprehensive asset management monitoring, reporting and evaluation systems, and publicly report their progress against plans and strategies, including against capital works budgets</p>	<p>Utilisation of Confirm Asset Management System provides monitoring and reporting of asset performance.</p>	<p>Review the efficacy of Confirm against Council requirements and current best practice as part of 2021 IT Strategy implementation plan to ascertain if the system can meet expectations.</p>
<p><u>Project Evaluation</u></p> <p>Develop and implement a Capital Evaluation framework</p> <p>Where new assets are considered, examine the “whole of life” cost implications including ongoing costs of maintenance and refurbishment of that asset over its life</p>	<p>A detailed evaluation framework exists for roads renewal works. No detailed framework exists for new and upgrade or other renewal works.</p>	<p>Utilise existing available systems to evaluate proposed capital works including life cycle maintenance costs.</p>

4 Improvement Plan

ACTION	PRIORITY	RESPONSIBILITY	TIMEFRAME
Update all strategic asset management documents, Policy, Strategy and Plans.	High	Manager Assets	June 2021
Develop and adopt new Asset Management Plan as required under the Integrated Strategic Planning Framework.	Medium	Manager Assets	June 2022
Consult regularly with community on asset management issues including best value principles, asset renewal and disposal.	Medium	Asset Manager	June 2021
Establish and maintain surplus asset register for reporting to SLT and Council for consideration of disposal	Medium	Manager Assets	June 2022
Develop and implement an asset Disposal Framework to enable a consistent approach to decision making	Medium	Manager Assets	June 2022
Review current asset management system in line with recommendation from 2021 IT Strategy to ensure it is fit for purpose with a ten year view.	Medium	Manager Assets	July 2022
Council form an Asset Management Committee with Terms of Reference to ensure the Policy, Strategy and Plans are being acted upon according to service levels and target dates.	High	Manager Assets	June 2021
Continue with three-year rolling Service Plans for all major services that address: Community expectation, future demand, current service status, future service vision, actions to meet future service vision	High	Management Team.	June 2021
Council develop a process by which the financial implications of AMPs can be fully considered within the development of the LTFP.	Medium	Manager Assets Finance Manager	July 2022

ACTION	PRIORITY	RESPONSIBILITY	TIMEFRAME
Develop a Roles and Responsibilities matrix that identifies positions responsible for service and asset delivery.	High	Management Team	December 2021
Utilise a Capital Evaluation Framework for new and upgrade projects that addresses whole of life costs.	Medium	Manager Assets Manager Finance	June 2022

5 Implementation and Review

Development of this strategy is to follow the Local Government Victoria Better Practice Guide for Asset Management.

Review of this Strategy will take place every three years in March;

- Review the AM Strategy.
- Audit the status and implementation of identified actions and as set out in AM Strategy.

The audit and review shall be conducted by the Asset Management Committee with the results reported to the Senior Leadership Team

6 APPENDIX A

National Framework Core Competency Report Card

Council:- Buloke Shire Council

Review

Date: July 2020

Summary Sheet

Outcomes to be Achieved:

Priority Council Actions: (maximum of 5 key actions to be identified)

- Action 1: Accelerate efforts to review and update asset management frameworks, policies and strategies to meet better practice standards.
- Action 2: Ensure asset management plans covering all asset classes are in place.
- Action 3: As a priority, develop a strategy to effectively reduce asset renewal gaps.
- Action 4: Improve asset management systems and knowledge of asset portfolios to ensure up to date information on all assets.
- Action 5: Identify and review the skills and resources required to effectively manage infrastructure assets, including developing a skills matrix and action plan to address identified skill and resource requirements and gaps.

Performance Scorecard:

Core

1 Strategic Planning	90 Excellence
2 Annual Budget	94 Excellence
3 Annual Report	85 Excellence
4 Asset Management Policy	100 Excellence
5 Asset Management Strategy	100 Excellence
6 Asset Management Plans	72 Proficient
7 Governance & Management	50 Systematic
8 Levels of Service	50 Systematic
9 Data & Systems	66 Proficient

10 Skills & Processes

63
Systematic

11 Evaluation

50
Systematic

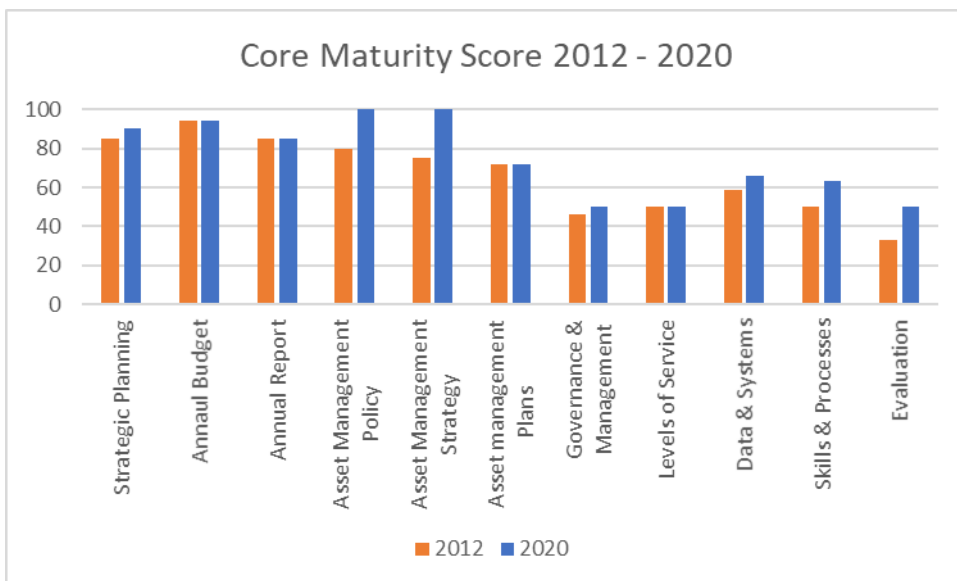
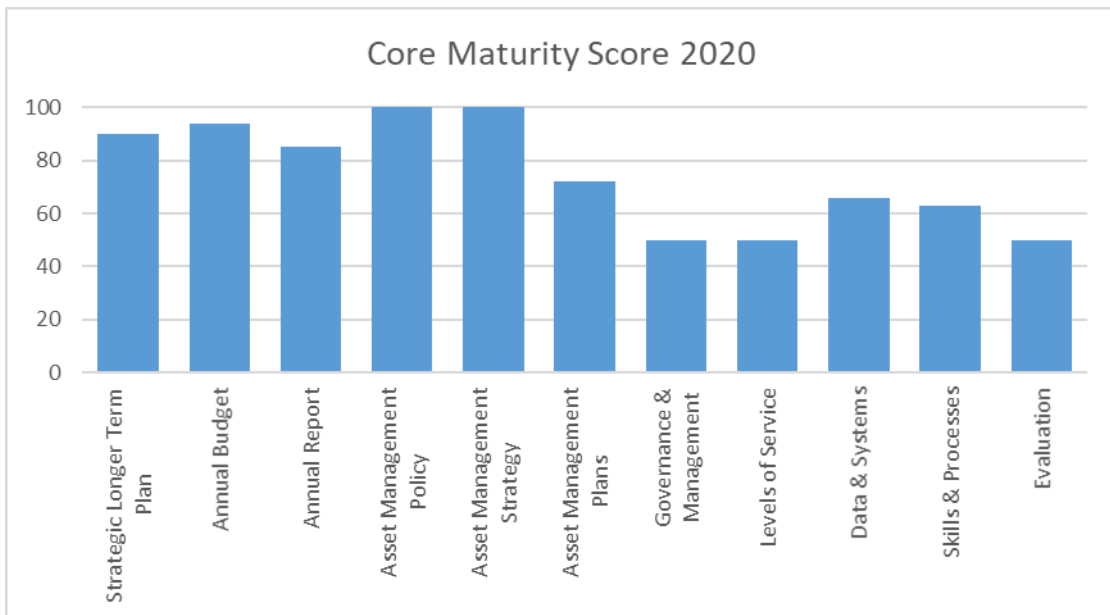
National Framework Core Competency Report Card

Based on 11 Key Framework Elements

Council:- Buloke Shire Council

Review Date: July 2020

Council Performance - Core Competencies Gap Analysis (Basic Level)



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