

## Appendix A

### Strategic Asset Management Initiatives Progress Update December 2015

Strategic asset management initiatives are measured using the National Asset Management Assessment Framework (NAMAF) as developed by the Municipal Association of Victoria as part of their Step asset management improvement program. Progress is noted [brackets] against the **Core** and **Advanced** scores.

Asset Management Aspect	Progress and Future Actions
<b>Strategic Long Term Plan</b>	<p><b>Core</b> – <i>Current Score 100 (Excellence)</i> [- no change]</p> <ul style="list-style-type: none"> <li>No further action required</li> </ul> <p><b>Advanced</b> – <i>Current score 95 (Excellence)</i> [↑ previous score 93]</p> <ul style="list-style-type: none"> <li>Develop a strategic longer term plan with a 20 year horizon (Community Plan)</li> <li>Political decision making is fully informed by optimised life cycle costings</li> <li>Long term financial plan to include sensitivity analysis and scenario modelling to support optimised decision making [additional analysis is being added to the LTFP in response to rate capping]</li> </ul>
<b>Annual Budget</b>	<p><b>Core</b> – <i>Current Score 100 (Excellence)</i> [- no change]</p> <ul style="list-style-type: none"> <li>No further action required</li> </ul> <p><b>Advanced</b> – <i>Current Score 100 (Excellence)</i> [- no change]</p> <ul style="list-style-type: none"> <li>No further action required</li> </ul>
<b>Annual Report</b>	<p><b>Core</b> – <i>Current Score 100 (Excellence)</i> [- no change]</p> <ul style="list-style-type: none"> <li>No further action required</li> </ul> <p><b>Advanced</b> – <i>Current Score 100 (Excellence)</i> [- no change]</p> <ul style="list-style-type: none"> <li>No further action required</li> </ul>
<b>Asset Management Policy</b>	<p><b>Core</b> – <i>Current Score 100 (Excellence)</i> [- no change]</p> <ul style="list-style-type: none"> <li>No further action required</li> </ul> <p><b>Advanced</b> – <i>Current Score 100 (Excellence)</i> [- no change]</p> <ul style="list-style-type: none"> <li>No further action required</li> </ul>
<b>Asset Management Strategy</b>	<p><b>Core</b> – <i>Current Score 100 (Excellence)</i> [↑ previous score 83]</p> <ul style="list-style-type: none"> <li>No further action required [Asset Management Strategy adopted by Council]</li> </ul> <p><b>Advanced</b> – <i>Current Score 100 (Excellence)</i> [↑ previous score 88]</p> <ul style="list-style-type: none"> <li>No further action required</li> </ul>
<b>Asset Management Plans</b>	<p><b>Core</b> – <i>Current Score 76 (Proficient)</i> [- no change]</p> <ul style="list-style-type: none"> <li>Various actions to improve asset mgt for each asset class</li> </ul> <p><b>Advanced</b> – <i>Current Score 74 (Proficient)</i> [- no change]</p> <ul style="list-style-type: none"> <li>Various actions to improve asset mgt for each asset class</li> </ul>

Asset Management Aspect	Progress and Future Actions
<b>Governance &amp; Management</b>	<p><b>Core – Current Score 100 (Excellence)</b> [↑ previous score 96]</p> <ul style="list-style-type: none"> <li>No further action required [plan for internal promotion of asset management prepared]</li> </ul> <p><b>Advanced – Current Score 92 (Excellence)</b> [↑ previous score 90]</p> <ul style="list-style-type: none"> <li>Ensure ongoing accountability mechanisms</li> <li>Monitoring and reporting on Community and Technical levels of service to Council and Executive Management Team</li> <li>Annual ‘State of the Assets’ reports provided to Council</li> </ul>
<b>Levels of Service</b>	<p><b>Core – Current Score 75 (Proficient)</b> [↑ previous score 69]</p> <ul style="list-style-type: none"> <li>Develop levels of service in consultation with the community for all asset classes that define, quantify, document and cost community and technical levels of service</li> <li>Define levels of service within asset management plans [levels of service being defined through rate capping response]</li> <li>Incorporate technical levels of service within service agreements and maintenance/operational/capital procedures</li> </ul> <p><b>Advanced – Current Score 64 (Proficient)</b> [↑ previous score 56]</p> <ul style="list-style-type: none"> <li>Identify costs associated with levels of service</li> <li>Community levels of service are developed in consultation with the community, demographics, trend analyses and customer feedback</li> <li>Develop a communication plan to communicate infrastructure issues to the community and other external stakeholders</li> <li>Cost of maintenance and operational activities are reported against adopted levels of service [costs of service activities are being collected as part of rate capping review]</li> <li>Regularly review community and technical levels of service in consultation with the community, determine financial impacts of any changes and incorporate changes within asset management plans and long term financial plan [levels of service being reviewed as part of response to rate capping]</li> </ul>
<b>Data &amp; Systems</b>	<p><b>Core – Current Score 91 (Excellence)</b> [↑ previous score 81]</p> <ul style="list-style-type: none"> <li>Improve asset register data quality and coverage</li> <li>[Created common data framework for asset information]</li> <li>Document condition survey and defect identification assessment methodologies for all asset classes</li> <li>Collect information in a manner that allows for benchmarking against other Councils</li> <li>[Asset management system has functionality to generate renewal and maintenance programs and produce cash flow forecasts]</li> <li>[Defined and documented procedures for determining asset management replacement and treatment unit rates]</li> </ul>

Asset Management Aspect	Progress and Future Actions
	<p><b>Advanced</b> – <i>Current Score 80 (Proficient)</i> [↑ previous score 75]</p> <ul style="list-style-type: none"> <li>• Asset data made available to operations, design and planning staff across the organisation to assist with planning and undertaking works [availability of asset data has increased]</li> <li>• Improve documentation of analysis and management of risk associated with assets within an appropriate system</li> <li>• Asset condition surveys and defect assessments to be recorded against individual assets/components within the asset management system</li> <li>• Asset management system to be upgraded to predict of asset life</li> <li>• Asset management system to be integrated to the financial management system and property information system</li> <li>• Asset management system to hold/generate future maintenance and capital works programs for all asset classes</li> <li>• Asset management system to be capable of reporting on asset performance (requires definition and collection of asset performance data, e.g. service levels)</li> <li>• Development of asset data standards for all asset classes</li> <li>• Operating and maintenance costs are monitored via the asset management system</li> <li>• Establishment and documentation of procedures for using asset performance information to inform asset management and long term financial planning</li> <li>• Asset data and systems to be used to support service planning</li> </ul>
<b>Skills &amp; Processes</b>	<p><b>Core</b> – <i>Current Score 95 (Excellence)</i> [↑ previous score 93]</p> <ul style="list-style-type: none"> <li>• Review and adopt asset management plans on maximum four yearly cycle</li> <li>• [Developed asset management skills matrix]</li> <li>• Develop and implement processes for all asset classes for the collection and recording of asset data within the asset management information system upon the creation/receipt of new assets</li> <li>• [Developed formal handover processes following asset creation]</li> </ul> <p><b>Advanced</b> – <i>Current Score 88 (Excellence)</i> [↑ previous score 87]</p> <ul style="list-style-type: none"> <li>• Asset management plans to be updated after each annual budget cycle</li> <li>• Develop process for incorporating research on asset condition and consumption into the determination of asset lives for all asset classes</li> <li>• Asset disposal policy/ies to be developed for all asset classes</li> <li>• Process to be developed for assessment of asset impacts of service reviews</li> <li>• Asset failures and causes of failures are recorded and analysed to trends and rectification strategies</li> <li>• Optimised decision making framework to be developed</li> </ul>

<b>Evaluation</b>	<p><b>Core</b> – <i>Current Score 83 (Excellence)</i> [↑ previous score 75]</p> <ul style="list-style-type: none"><li>• Technical levels of service to be developed for all asset classes and then monitored and performance reported to Council</li><li>• Community levels of service to be developed for all asset classes and then monitored and performance reported on</li></ul> <p><b>Advanced</b> – <i>Current Score 78 (Proficient)</i> [↑ previous score 75]</p> <ul style="list-style-type: none"><li>• Document process to evaluate asset management improvements</li><li>• Community levels of service to be developed, monitored and reported against targets</li><li>• Technical levels of service to be developed, monitored and reported against targets</li></ul>
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