



Tatiara District Council

ASSET MANAGEMENT STRATEGY





Version 2
Sept 2020



AM4SRRC

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Asset Management for Small, Rural or Remote Communities Guidelines

The Institute of Public Works Engineering Australia.

www.ipwea.org.au/AM4SRRC

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Executive Summary

This asset management strategy is prepared using the tools and templates provided by the IPWEA Asset Management for Small, Rural or Remote Communities program and it to assist council in improving the way it delivers services from infrastructure including roads, bridges, footpaths, stormwater drainage, parks and recreation, community waste water systems and buildings. These infrastructure assets have a replacement value of \$283,764,000 as at 30 June 2020.

The asset management strategy is to enable Council to show:

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

Adopting this asset management strategy will assist council in meeting the following:

- requirements of national sustainability frameworks
- section 122 of the SA Local Government Act 1999
- provide services needed by the community 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 fit with council's vision for the future outlined in the Tatiara District Council's Strategic Plan. 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.

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 particular challenges. Their condition 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 adds to the planning and financing complexity.¹

The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle.²

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 councillors 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.³

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

- 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.⁴

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

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

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

This asset management strategy is to enable 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 with its long term strategic plan.⁵

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

- in the most cost effective manner,
- through the creation, acquisition, maintenance, operation, rehabilitation 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 reform

South Australian Local Government Act 1999 and LGASA Financial Sustainability Program. Section 122 of the South Australian Local Government Act 1999 states:

*(1) A council must develop and adopt plans (which may take various forms) for the management of its area, to be called collectively the **strategic management plans**,*

(1a) A council must, in conjunction with the plans required under subsection (1), develop and adopt—

- (a) a long-term financial plan for a period of at least 10 years; and*
- (b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years, (and these plans will also be taken to form part of the council's strategic management plans).*

(4) A council may review its strategic management plans under this section at any time but must—

(a) undertake a review of—

- (i) its long-term financial plan; and*
- (ii) any other elements of its strategic management plans prescribed by the regulations for the purposes of this paragraph, as soon as practicable after adopting the council's annual business plan for a particular financial year; and*
- (b) in any event, undertake a comprehensive review of its strategic management plans within 2 years after each general election of the council.*

(4a) A council must, for the purposes of a review under subsection (4), take into account—

- (a) in relation to a review under subsection*

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

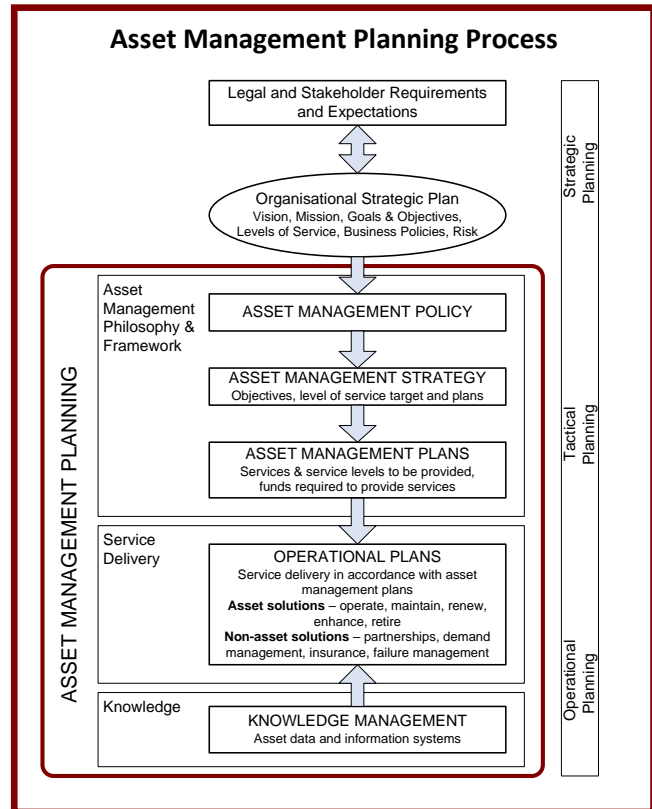
⁵ LGPMC, 2009, Framework 2 Asset Planning and Management, p 4.

(4)(a)(i)—a report from the chief executive officer on the sustainability of the council's long-term financial performance and position taking into account the provisions of the council's annual business plan and strategic management plans;

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 plan with a funding plan.⁶



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 |
|---|---|------------------------------------|
| Roads and Transport Infrastructure | Includes roads, kerbing, signs, bridges, footpaths, street lighting and street furniture | Transportation access and mobility |
| Community Waste Water Systems | Pipe and pump network used for the transport and disposal of waste water within townships | Disposal of waste water |
| Parks & Gardens | Open spaces, play equipment, lighting, gardens and furniture | Recreational and social services |
| Buildings | Council owned building including halls, civic | Recreational and social |

⁶ IPWEA, 2009, AIFMG, Quick Guide, Sec 4, p 5.

| | | |
|-------------------|--|----------------|
| | centres, libraries, swimming pools etc | services |
| Stormwater | Pipe and pumping network used for the disposal of runoff water | Water drainage |

3. Council's Assets and their management?

3.1 State of the Assets

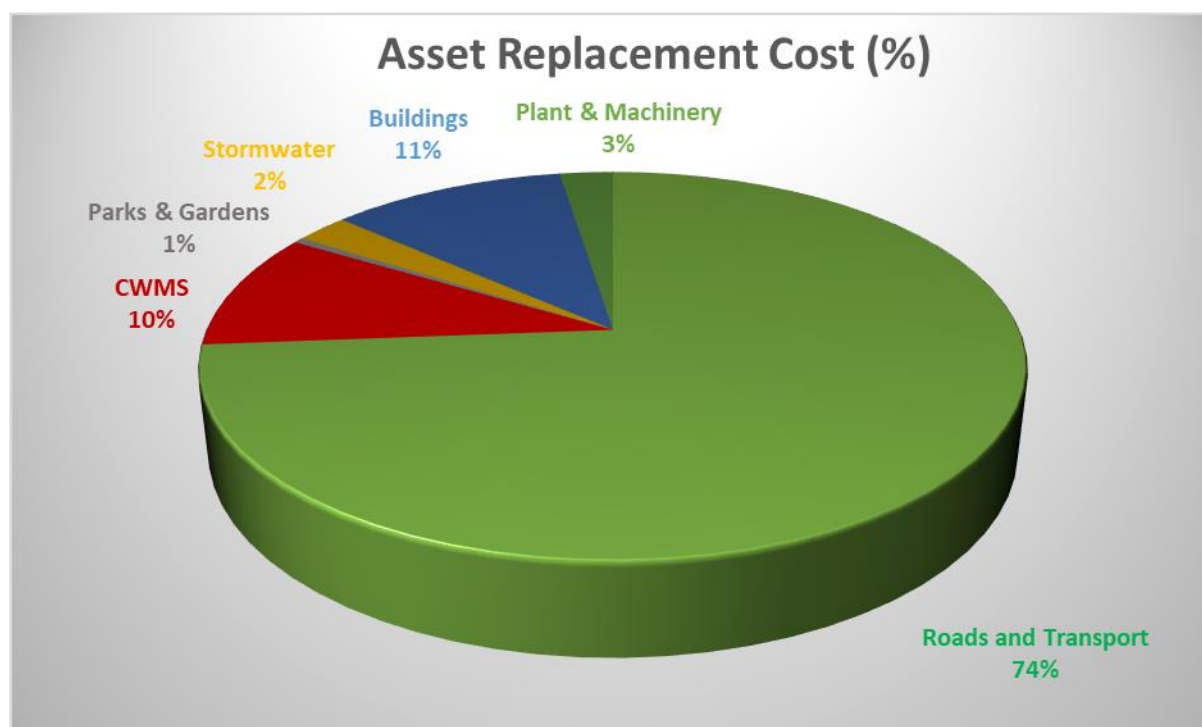
The financial status of Council's assets as at 30 June 2018 is shown in Table 2.

Table 2: Financial Status of the Assets

| Asset Class | Replacement Cost (\$000) | Depreciated Replacement Cost (\$000) | Depreciation Expense for current year (\$000) |
|------------------------------|--------------------------|--------------------------------------|---|
| Roads and Transport | \$208,545 | \$144,255 | \$3,534 |
| CWMS | \$27,667 | \$10,914 | \$456 |
| Parks & Gardens | \$1,327 | \$704 | \$43 |
| Stormwater | \$6,924 | \$4,521 | \$75 |
| Buildings | \$31,181 | \$14,605 | \$754 |
| Plant & Machinery | \$7,033 | \$3,906 | \$479 |
| Other | \$1,087 | \$286 | \$41 |
| Total | \$283,764 | \$179,191 | \$5,382 |

Figure 1 shows the replacement values of Council's assets.

Figure 1: Asset Replacement Values



The asset consumption ratios of Council's assets (average proportion of 'as new' condition left in assets) are shown in Figure 2.

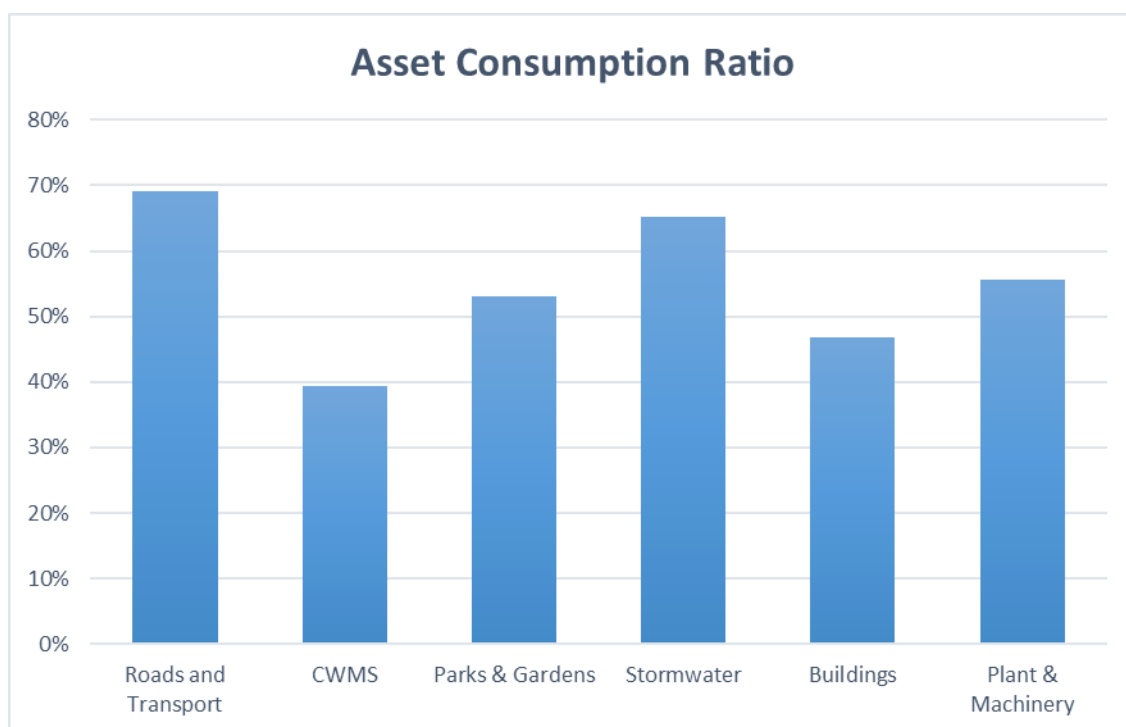


Figure 2: State of the Assets

As a general guide Council aims to maintain its asset consumption ratio in the range of 40-80% to ensure it is not over funding or under funding asset renewal. At times this is not possible particularly for long-lived assets that have similar acquisition dates such as Council's CWMS schemes. It is likely in these cases the asset consumption ratio will decline well below these levels before any major expenditure is carried out. Council has established CWMS reserves to account for the large replacement costs of these assets. The above graph indicates that Council is currently funding its assets renewal in a sustainable manner ensuring the average age of major assets classes does not decline causing major spikes in asset renewal funding.

Current condition data on Council's assets is not available. As condition assessments are completed this information will be updated.

3.2 Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operating and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is shown in Table 3.

Table 3: Life Cycle Cost for Council Services

| Service | Budgeted Expenditure | Previous Year | Life Cycle Cost (\$/yr) |
|--|----------------------|--------------------|-------------------------|
| | Maintenance | Depreciation Exp | |
| Roads & Transport Infrastructure | \$2,176,000 | \$3,534,000 | \$5,710,000 |
| Community Wastewater Management Systems | \$445,000 | \$456,000 | \$901,000 |
| Parks & Gardens | \$918,000 | \$43,000 | \$961,000 |
| Buildings | \$555,000 | \$754,000 | \$1,309,000 |
| Stormwater | \$100,000 | \$75,000 | \$175,000 |
| TOTAL | \$4,194,000 | \$4,862,000 | \$9,056,000 |

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operating, maintenance and capital renewal expenditure in the previous year or preferably averaged over the past 3 years. Life cycle expenditure will vary depending on the timing of asset renewal s. The life cycle expenditure at the start of the plan is shown in Table 4.

Table 4: Life Cycle Expenditure for Council Services

| Service | Budgeted Expenditure | Cap Renewal Exp | Life Cycle Exp (\$/yr) |
|--|------------------------|--------------------|------------------------|
| | Operations Maintenance | (\$/yr) | |
| Roads & Transport Infrastructure | \$2,176,000 | \$2,984,000 | \$5,160,000 |
| Community Wastewater Management Systems | \$445,000 | \$0,000 | \$445,000 |
| Parks & Gardens | \$918,000 | \$56,000 | \$974,000 |
| Buildings | \$555,000 | \$6,000 | \$561,000 |
| Stormwater | \$100,000 | \$120,000 | \$220,000 |
| All Services | \$4,194,000 | \$3,166,000 | \$7,340,000 |

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than the life cycle cost, it is most likely that outlays will need to be increased 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 not available will assist organisations in providing service to their communities in a financially sustainable manner. This is the purpose of the AM Plans and long term financial plan.

A shortfall between life cycle cost and life cycle expenditure gives an indication of the life cycle gap to be addressed in the asset management and long term financial plan.

The life cycle gap and sustainability indicator for services covered by this asset management plan is summarised in Table 5.

Table 5: Life Cycle Sustainability Indicators

| Service | Life Cycle Cost (\$/yr) | Life Cycle Expenditure (\$/yr) | Life Cycle Gap * (\$/yr) | LC Sustainability Index |
|--|-------------------------|--------------------------------|--------------------------|-------------------------|
| Roads and Transport Infrastructure | \$5,710,000 | \$5,160,000 | -\$550,000 | 90% |
| Community Wastewater Management Systems | \$901,000 | \$445,000 | -\$456,000 | 49% |
| Parks and Gardens | \$961,000 | \$974,000 | \$13,000 | 101% |
| Buildings | \$1,309,000 | \$561,000 | -\$748,000 | 43% |
| Stormwater | \$175,000 | \$220,000 | \$45,000 | 126% |
| All Services | \$9,056,000 | \$7,360,000 | -\$1,451,000 | 81% |

Note: * A life cycle gap is reported as a negative value.

The current position of the life cycle sustainability index indicates that Council is underfunding its asset renewal which will eventually lead to a large backlog of asset renewals requiring large spikes in funding and possibly unsustainable and unpopular rate increases for the residents of the Tatiara. The above figures are based on data from the previous year and are not necessarily an indication of the long-term (10 year) lifecycle costs. Between this iteration and the previous asset management strategy completed in 2013 there has been significant improvement in Council's life cycle sustainability index.

3.3 Asset Management Structure

A corporate asset management team which includes staff from management, technical, finance and operational areas will be established to monitor and implement the asset management improvement program.

The Director Infrastructure & Operations is responsible for ensuring that accurate, timely and reliable asset management plans are developed and maintained for roads, CWMS, stormwater and parks and gardens. The Asset Manager provides asset management planning services to the Director

Infrastructure & Operations. The Operations, Works Construction & Works Maintenance Supervisors are responsible to the Director Infrastructure & Operations for service delivery.

The Director Development & Environmental Services is responsible for ensuring that an accurate, timely and reliable asset management plan is developed for buildings and for service delivery.

The Director Corporate & Community Services is responsible for ensuring various asset management accounting and auditing requirements are complied with and preparation of Long-term Financial Plans and Strategic Plans.

The Chief Executive Officer is responsible for reporting to Council on the sustainability of the Council's long-term financial performance and position taking into account the provisions of the Council's annual business plan and strategic management plan as per section 122 (4a) of the Local Government Act 1999.

A matrix of asset management roles and responsibilities for key staff involved in Council's asset management processes is included in appendix B.

3.4 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 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.

Council is currently in the process of implementing a corporate asset management team.

3.5 Financial & Asset Management Core Competencies

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. 11 core competencies have been developed from these elements⁷ to assess 'core' competency under the National Frameworks. The core competencies are:

Financial Planning and Reporting

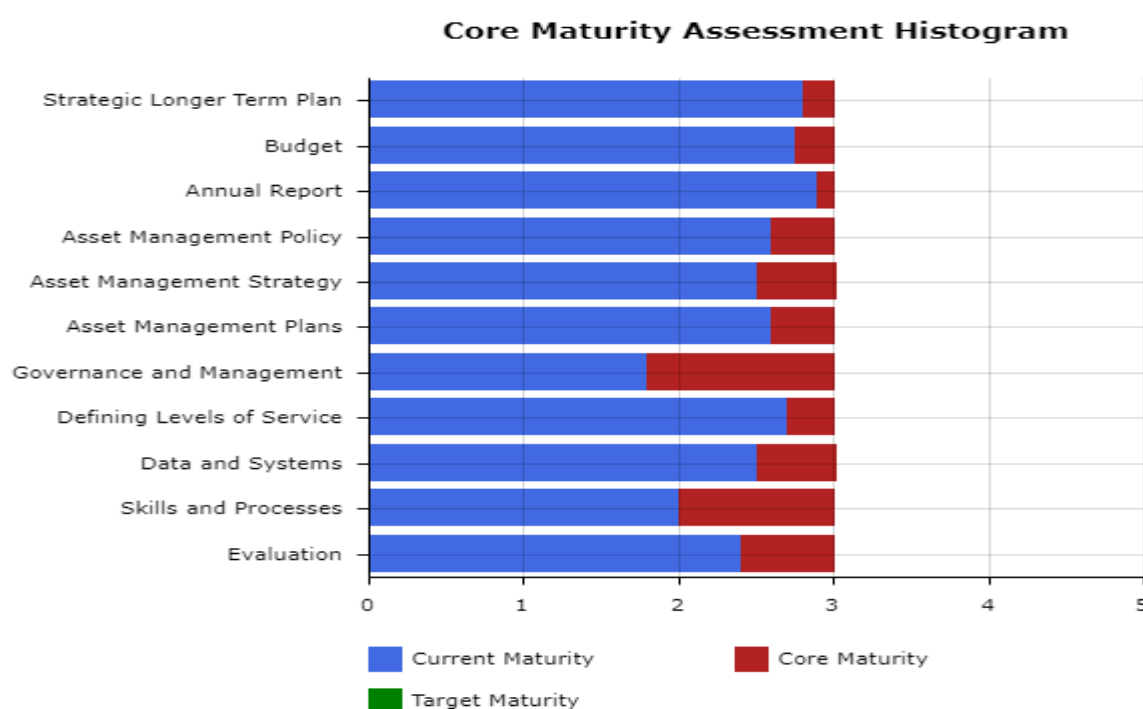
- Strategic Longer Term Plan
- Annual Budget
- Annual report

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 4. 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: Core Asset Management Maturity



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

3.6 Strategy Outlook

1. Current information indicates Council is unable to maintain current service levels over the next ten years at current funding levels.
2. Further clarification of the long term service level sustainability is required, and this strategy discusses the organisational asset management maturity improvement required to attain a high level of confidence in assessing the long term position.
3. Although improving Council's current asset management maturity remains below 'core' level in some areas and priority and investment is needed to complete asset management plans, improve governance, skills and processes, and increase accountability and provide direction.

4. Where do we want to be?

4.1 Council's Vision, Mission, Goals and Objectives

Council has adopted a Vision for the future in the Council Strategic Plan.

"Shaping a sustainable future by realising the potential of our people and region"

To achieve this vision, the Strategic Plan with an emphasis on our community, community assets, environment, economy and governance sets goals, strategic objectives, and a number of actions to be achieved in the planning period. Strategic objectives and actions relating to the delivery of services from infrastructure and assets are shown in Table 6.

Table 6: Objectives for Infrastructure and Assets

| Objective: 2.1 Plan for & provide infrastructure appropriate to the community's needs. | | | | |
|--|---|----------|---|-----------|
| No. | Strategy | No. | Activity | Timeframe |
| 2.1.1 | Prudently review & manage Council's AMPs with its LTFP. | 2.1.1.1. | Complete the development of Asset Management Plans for Council's core asset groups to ensure there are sufficient funds in the long term to renew infrastructure that is vital to Council's service delivery. | 2020/21 |
| | | 2.1.1.2. | Review & update Asset Management Plans (AMPs) on a regular basis & define condition, service & performance standards for each asset class. | Annual |
| | | 2.1.1.3. | Deliver works to develop & maintain Council's physical assets for long-term sustainability, amenity & safety. | Annual |
| | | 2.1.1.4. | Continue to look for opportunities to rationalise & dispose of surplus assets in order to reduce long-term operating & capital costs. | Annual |

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with legislative requirements, community needs and affordability.

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 Council's asset management with its long term strategic plans.

4.3 Asset Management Vision

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

In line with the vision, the objectives of the asset management strategy are 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 | Develop and periodically review Asset Management Plans covering at least 10 years for all outstanding major asset classes (80% of asset value). | Identification of services needed by the community and required funding to optimise 'whole of life' costs |
| 2 | Review 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 |
| 3 | Incorporate Year 1 of Long Term Financial Plan revenue and expenditure projections into annual budgets | Long term financial planning drives budget deliberations |
| 4 | Review and update existing asset management plans and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks | Council and the community are aware of changes to service levels and costs arising from budget decisions |
| 5 | 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 |
| 6 | 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 |
| 7 | 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 |
| 8 | Ensure responsibilities for asset management are identified and incorporated into staff position descriptions | Responsibility for asset management is defined |
| 9 | Implement an Improvement Plan to increase 'core' maturity for the financial and asset management competencies | Improved financial and asset management capacity within Council |
| 10 | 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 Table 8.

Table 8: Asset Management Improvement Plan

| Task No. | AM Improvement Action | Accountable Officer | Target Date | Budget | Status | Comment |
|-------------------------------|---|---------------------|-------------|------------|-------------|---|
| Asset Management Plans | | | | | | |
| 1 | Adopt Stormwater AMP | AM | Nov 2020 | Staff time | In progress | Draft plan prepared for Council review |
| 2 | Review and update Transport AMP | AM | Nov 2020 | Staff time | In progress | Draft complete |
| 3 | Adopt Buildings AMP | AM | Nov 2020 | Staff time | In progress | Draft plan prepared for Council review |
| 4 | Develop appropriate AMP's for remaining assets | AM | | Staff time | In progress | Includes assets such as cemeteries, airfields, Wolseley water supply etc. Airfields currently being produced. |
| 5 | Develop all future AMPs based on risk assessments | AM | | Staff time | In progress | Each AMP shall have an accompanying Risk Assessment Plan |

| Task No. | AM Improvement Action | Accountable Officer | Target Date | Budget | Status | Comment |
|----------------------------------|---|----------------------------|--------------------|---------------|-----------------|--|
| 6 | Develop a 15 year condition assessment and valuation program for each asset class | AM | | Staff time | In progress | AssetFinda caters for long term reporting |
| Annual Reporting | | | | | | |
| 7 | Include in the annual report a review of Councils performance against its strategic objectives and explain variations between budget and actual results and how these variations impact on the Strategic Plan | MCCS | Annually | Staff time | Ongoing | |
| AM Policy | | | | | | |
| 8 | Update AM Policy | DIO | | Staff time | Due in 2022 | Policy review last completed July 2018 |
| Asset Management Strategy | | | | | | |
| 9 | Review Asset Management strategy and update improvement program | AM | Nov 2020 | Staff time | Draft Completed | Will assist council in achieving core competencies in asset management maturity assessment |
| Governance and Management | | | | | | |

| Task No. | AM Improvement Action | Accountable Officer | Target Date | Budget | Status | Comment |
|---------------------------|--|---------------------|-------------|------------|-------------|--|
| 10 | Implement an AM steering Committee with cross functional representation | CEO, Manex | | Staff time | Not started | Required to assist in entrenching asset management in the culture at Council. Need to ensure quarterly meetings to discuss progress and improvement plan |
| 11 | Document process for making capital investment decisions | AM, DIO | | Staff time | In progress | To be documented in all future AM plans |
| 12 | Review asset management roles and responsibilities in a matrix and include in individual position descriptions | CEO & Manex | | Staff time | Review | Matrix created in previous 2013 AM Strategy. |
| Levels of Service | | | | | | |
| 13 | Investigate options to engage the community in developing levels of service | DIO, AM | | Staff time | Not started | Need to determine existing LOS and cost associated with increasing or reducing LOS before seeking community engagement |
| Data & Systems | | | | | | |
| 14 | Review procedures for determining asset replacement and treatment unit rates | DIO, AM | | Staff time | Ongoing | |

| Task No. | AM Improvement Action | Accountable Officer | Target Date | Budget | Status | Comment |
|-----------------------------|---|----------------------------|--------------------|---------------|-------------------|--|
| 15 | Develop and document appropriate condition assessment methodologies | AM, DIO | | Staff time | In progress | Roads and footpath condition assessment methodology has been developed |
| 16 | Develop mobile data collection | AM, DIO | | Staff time | Largely completed | Preference is for Assetfinda mobile solution |
| Skills and Processes | | | | | | |
| 17 | Complete audit of skills and knowledge requirements | CEO, Manex | | Staff time | In progress | |
| 18 | Develop training programs for Councillors, council management and officers on key asset management topics | CEO, Manex | | Staff time | Not started | |
| Evaluation | | | | | | |
| 19 | Review Asset Management Maturity assessment | AM, Manex | | Staff time | In progress | |
| 20 | Develop measureable levels of service as part of each asset management plan | DIO, AM | | Staff time | In progress | To be included in all new and revised asset management plans |

Appendix A Asset Management Maturity Assessment

1.0 EXECUTIVE SUMMARY

Asset Management Maturity Assessment enables government organisations to self-assess their asset management maturity, prepare an Asset Management Strategy and measure and report improvement in asset management capability and maturity.

A key part of the AM Strategy is an assessment of the organisation's maturity in adopting the core asset management competencies set out in the national financial sustainability frameworks adopted by the Local Government and Planning Ministers Council. These are described in detail in Section 1.1 of the Asset Management for Small, Rural or Remote Communities (AM4SRRC) Practice Note.

The AM4SRRC Asset Management Strategy template contains four key sections:

- **Our assets and their management** – describes the state of the assets, the organisation's structure for managing assets and maturity assessment of the competencies required to provide infrastructure services at a core level,
- **Where do we want to be** – documents the organisation's vision, mission, goals and objectives, asset management policy, asset management vision and objectives of the asset management strategy,
- **How will we get there** – defines the strategies to achieve the objectives of the organisation's strategic plan, asset management policy and asset management vision,
- **Asset management improvement plan** – sets out the program of tasks to be completed to achieve 'core' financial and asset management maturity.

2.0 MATURITY ASSESSMENT

| Framework | Financial Planning & Reporting | | |
|-----------------|--|--------------------------|--------|
| Element | Strategic Longer Term Plan | | |
| Current Score | 2.8 | Core Maturity | 60 |
| Core Target | 3.0 | Risk of Current Maturity | Medium |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | Council has a strategic longer term plan that meets all the requirements, however, the data and some of the assumptions could be improved. The public consultation process receives very little feedback and changing the methodology should be considered to encourage more feedback from the public and improved understanding of what the public wants. Linking asset management plans with the Long-term financial plan has improved significantly recently, however, further iterations of each plan should be utilised to ensure current information presents Council as sustainable in the long-term. | | |
| Implications | Current data and information do suggest in the long term that Council is unsustainable, however, improvement in the accuracy of some asset | | |

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| Recommendations | registers will need to be made to further refine the accuracy of the long-term plan. |
| | Asset management plans need to be updated and should have appropriate service levels and resultant expenditure projections that positions Council in a sustainable position. This may mean a number of iterations for the various plans. Public consultation processes should be reviewed and if necessary changed to gain more public feedback. |

| Maturity Score | Characteristic | Result |
|----------------|---|--------------------|
| 1 | Plan covers 1 year period | Complete |
| 2 | Plan details what the asset custodian intends to do in period of plan | Complete |
| 2 | Plan includes vision and strategic objectives | Well Progressed |
| 2 | Plan reflects needs of community for foreseeable period | Well Progressed |
| 2 | Draft Strategic Plan is advertised for public comment | Well Progressed |
| 2 | Plan covers 4 year term of the asset custodian's forward work program. | Well Progressed |
| 2 | 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. | Well Progressed |
| 3 | 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. | Well Progressed |
| 3 | The Strategic Longer Term Plan incorporates priorities and performance measures and indicates how they will be monitored and measured. | Well Progressed |
| 3 | The development of the Strategic Longer Term Plan included community consultation and reflects community needs. | Partially Complete |

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| 3 | 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. | Well Progressed |
| 4 | The Strategic Longer Term Plan includes strategies for achieving objectives | Partially Complete |
| 4 | The Strategic Longer Term Plan includes a current position statement and discussion | Well Progressed |
| 4 | The Long Term Financial Plan clearly identifies the ongoing maintenance, operational and renewal impacts arising from capital works and contributed assets. | Well Progressed |
| 4 | The Long Term Financial Plan clearly separates 'recurrent expenditure' under the categories of operations and maintenance and clearly separates 'capital works expenditure' under the categories of renewal, upgrade and new. | Well Progressed |
| 4 | The asset custodian's Long Term Financial Plan is directly aligned with its Service Plans. | Partially Complete |
| 4 | The asset custodian has a sustainable Long Term Financial Plan (ideally 20 years - at least 10years) which establishes its prudential limits on debt, revenue raising, reserve funding, asset management funding and capital works to support its Long Term Plan. | Partially Complete |
| 4 | The development of the Strategic Longer Term Plan included community engagement and reflects community/customer needs. | Partially Complete |
| 4 | The asset custodian has a Strategic Longer Term Plan (ideally 20 years - at least 10 years) that incorporates a vision, mission, values and long term service outcomes that reflects how the asset custodian plans to provide for community needs. | Complete |
| 5 | Optimum life cycle costs are known and supported by high levels of data, information and knowledge in all key areas. Political decisions are informed by multiple service level / cost / funding model data, information and knowledge on tradeoffs for economic, social, cultural and environmental consequences. | Partially Complete |

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| Framework | Financial Planning & Reporting | | |
| Element | Budget | | |
| Current Score | 2.75 | Core Maturity | 100 |
| Core Target | 3.0 | Risk of Current Maturity | Low |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | In general, the annual budget process is well progressed with the exception indicators and measures to assess performance against Councils strategic object which currently is a more implicit process. | | |
| Implications | The current budget process meets a suitable level of sophistication for the Tatiara District Council | | |
| Recommendations | Council considers ways to link the annual budget process with Councils strategic objectives which includes a way to measure the performance in this area. | | |
| Maturity Score | Characteristic | | Result |
| 1 | Annual budget is available to those who ask | | Complete |
| 2 | Budget is adopted after public advertising and consideration of comments received | | Complete |
| 2 | Budget includes an explanation of the asset custodian's financial position and performance | | Complete |
| 2 | Budget contains estimates of revenue and expenditure for year | | Complete |
| 2 | Budget is publically available and readily accessible to all interested readers | | Complete |
| 3 | The asset custodian's Annual Budget includes resources to implement Strategic Longer Term Plan strategies. | | Well Progressed |
| 3 | The Annual Budget aligns with Year 1 of the Long Term Financial Plan, and was adopted following community consultation. | | Complete |
| 3 | 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 | | Well Progressed |

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| | of its Strategic Longer Term Plan. | |
| 3 | 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 |
| 4 | The Annual Budget clearly indicates the ongoing maintenance, operational and renewal impacts arising from capital works and contributed assets. | Complete |
| 4 | The Annual Budget clearly separates 'recurrent expenditure' under the categories of operations and maintenance and clearly separates 'capital works expenditure' under the categories of renewal, upgrade and new. | Complete |
| 4 | The Annual Budget is prepared based on 'service levels' as reflected in the Strategic Longer Term Plan and contains indicators and measures to assess performance against achieving the asset custodian's strategic objectives. | Not Started |
| 4 | The Annual Budget financial ratios (liquidity, debt, underlying operating position) align with the asset custodian's Long Term Financial Plan. | Well Progressed |
| 5 | Budget contains indicators of achieving the asset custodian's strategic objectives | Not Started |

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| Framework | Financial Planning & Reporting | | |
| Element | Annual Report | | |
| Current Score | 2.9 | Core Maturity | 60 |
| Core Target | 3.0 | Risk of Current Maturity | Low |

| Advanced Target | | Risk of Target Maturity | Low |
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| Observations | The annual report is near meeting requirements and continues to make progress towards core maturity | | |
| Implications | The benefit of including the information is a greater understanding of how well Council is aligning its services with its strategic plan. Much of the information required is already available. | | |
| Recommendations | Continue to improve linkages between the annual report and Long Term Financial Plan. | | |
| Maturity Score | Characteristic | Result | |
| 1 | Annual report is published each year | Complete | |
| 2 | Annual report contains explanation on variations between budget and actual results | Complete | |
| 2 | Annual report reports on the asset custodian's operations for the year in terms of goals and objectives for preceding year | Complete | |
| 2 | Annual report is widely available to the general public | Complete | |
| 2 | Annual report contains audited financial statements | Complete | |
| 3 | "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 | |
| 3 | 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 | |
| 3 | 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. | Well Progressed | |
| 3 | The Annual Report includes independently audited financial statements that are prepared on an accrual | Complete | |

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| | basis in accordance with applicable statutory financial reporting requirements. | |
| 3 | The Annual Report complies with all statutory requirements including publication by the due date and is made widely available to the public. | Complete |
| 4 | "The asset financial reporting within the Annual Report, is such based on the following: | Well Progressed |
| 4 | The Annual Report includes a statement on "State of the Assets" and the financial sustainability of services provided by its infrastructure assets including any proposed adjustment to services/assets to address issues as they arise. | Not Started |
| 4 | The Annual Report distinguishes between 'recurrent expenditure' under the categories of operations and maintenance and 'capital works expenditure' under the categories of renewal, upgrade and new. | Not Started |
| 4 | The Annual Report includes a statement of actual performance for the year as measured against the Long Term Financial Plan, including reporting on measures of actual financial performance against short and long term financial sustainability indicators. | Partially Complete |
| 4 | The Annual Report includes a performance assessment of progress towards achieving the goals and strategic objectives of the Strategic Longer Term Plan. | Partially Complete |
| 5 | Annual report includes results of Value for Money audit | Not Started |

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| Framework | Asset Management & Planning | | |
| Element | Asset Management Policy | | |
| Current Score | 2.6 | Core Maturity | 60 |
| Core Target | 3.0 | Risk of Current Maturity | Medium |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | Council has an adopted asset management policy which satisfies the major competencies to meet core asset management maturity. The | | |

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| Implications | policy lacks identification of a process for meeting training needs in financial and asset management practices. | |
| | Lack of asset management knowledge and understanding throughout the organisation | |
| Recommendations | Assess training requirements and develop and implement a training plan | |
| Maturity Score | Characteristic | Result |
| 1 | Draft AM Strategy Prepared but not adopted. | Complete |
| 2 | Strategy implements the service level and risk goals set out the asset custodian's strategic plans aligned with ISO 55000. | Partially Complete |
| 2 | Strategy shows what assets the asset custodian has under its control. | Complete |
| 3 | 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 |
| 3 | 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 |
| 3 | 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. | Partially Complete |
| 4 | Strategy details service level and risk management goals. | Partially Complete |
| 4 | Strategy details out how the asset custodian achieves set service level and risk management goals including comparison with current situation and proposed future to highlight where strategies will need to be developed to cater for any changes | Not Started |
| 4 | Planning for new assets and the upgrade of assets is driven by the asset custodian's Strategic Longer Term | Partially Complete |

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| | Plan, Service Plans and Asset Management Plans. | |
| 5 | Strategy drives asset management planning and service delivery aligned with ISO 55000 | Partially Complete |
| 5 | Strategy includes analysis of cost/benefit options for service delivery | Not Started |

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| Framework | Asset Management & Planning | | |
| Element | Asset Management Strategy | | |
| Current Score | 2.5 | Core Maturity | 60 |
| Core Target | 3.0 | Risk of Current Maturity | Low |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | Asset Management Strategy has gone through several iterations and largely meets core competencies | | |
| Implications | Continuing to make progress in the right direction and increasing accountability in asset management processes | | |
| Recommendations | Continue to progress on implementation of asset management strategy improvement tasks | | |
| Maturity Score | Characteristic | | Result |
| 1 | Reactive and fragmented | | Complete |
| 2 | AMPs Include an improvement plan | | Well Progressed |
| 2 | AMPs include all assets on asset register | | Well Progressed |
| 2 | AMP's in place but not regularly reviewed or adopted | | Well Progressed |
| 2 | Separate AMP's for each asset group - high level overall framework but not consistent | | Well Progressed |

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| 3 | AMPs have all been prepared in association with customer/community consultation. | Partially Complete |
| 3 | AMPs link to the asset custodian's AM Policy, AM Strategy, Strategic Longer Term Plan, Long Term Financial Plan and other relevant policy objectives. | Well Progressed |
| 3 | o. Identify changes in service potential of assets through projections of asset replacement costs, depreciated replacement cost and depreciation expense. | Partially Complete |
| 3 | n. Include consideration of non-asset service delivery solutions (leasing private/public partnerships) | Not Started |
| 3 | m. Include an asset management improvement plan. | Partially Complete |
| 3 | l. Include an asset consolidation and disposal program; and | Not Started |
| 3 | k. Address asset performance and use measures and associated targets as linked to levels of service; | Partially Complete |
| 3 | iv. Operational expenditure (including depreciation expense); | Well Progressed |
| 3 | iii. Maintenance expenditure; | Well Progressed |
| 3 | ii. New Assets and Upgrades of existing assets; | Partially Complete |
| 3 | i. Asset Renewals; | Complete |
| 3 | j. Include forward programs identifying cash flow forecasts projected for: | Well Progressed |
| 3 | i. Address life cycle costs of assets; | Partially Complete |
| 3 | h. Include demand management forecasts; | Partially Complete |
| 3 | g. 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 |

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| 3 | f. Include risk assessment and criticality profiles; | Partially Complete |
| 3 | e. Document the adopted useful lives of assets; | Well Progressed |
| 3 | d. Document the current condition function capacity and use of assets; | Well Progressed |
| 3 | c. Document the asset hierarchy within each asset group; | Partially Complete |
| 3 | b. Include all assets and document asset inventory information for the asset group/category as recorded in the asset register; | Well Progressed |
| 3 | a. Refer to the asset custodian's Asset Management Policy and Asset Management Strategy; | Complete |
| 3 | AMPS cover at least 10 years and | Well Progressed |
| 3 | AMPs define which asset groups are covered by each Plan in accordance with a clearly documented Infrastructure asset hierarchy. | Well Progressed |
| 3 | 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. | Partially Complete |
| 4 | AMPs include Infrastructure Risk Management Plan | Partially Complete |
| 4 | Asset Management Plans include a process for ensuring decisions to obtain the best value outcome for defined levels of service and risk by use of scenario modelling and tradeoffs. | Not Started |
| 4 | Asset Management Plans include the financial requirements to meet target levels of service levels for at least the next 10 years for each asset class and are correlated with the data in the Long Term Financial Plan. | Partially Complete |
| 4 | Asset Management Plans are influenced by the level of community enquiry – feedback on customer levels of | Not Started |

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| | service. | |
| 4 | Asset Management Plans include future demand projections and forecasts based on population and demographic projections. | Not Started |
| 4 | Planning for new and upgraded assets driven by Asset Management Strategy and AMP. Highly responsive to policy direction with scenarios showing cumulative consequences of decision scenarios. | Not Started |
| 5 | AM Strategy & AMP provide optimum value for defined service using scenarios to inform service performance. Multiple scenarios to show best value options. | Not Started |

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| Framework | Asset Management & Planning | | |
| Element | Asset Management Plans | | |
| Current Score | 2.6 | Core Maturity | 40 |
| Core Target | 3.0 | Risk of Current Maturity | Medium |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | Asset Management Plans for Transport, Parks Gardens and CWMS are complete and have been adopted by Council. AMPs for Buildings and Stormwater are complete but not yet adopted by Council. Comprehensive Asset Registers have been developed for all major asset classes | | |
| Implications | Financial projections are improving in accuracy with more complete asset data | | |
| Recommendations | Complete asset management plans for all major asset classes using NamsPlus templates and formats | | |
| Maturity Score | Characteristic | | Result |
| 1 | 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 |

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| 2 | AM Policy adopted by the asset custodian's executive. | Complete |
| 3 | AM Policy identifies a process for meeting training needs in financial and asset management practices for the asset custodian's executive and operational staff. | Partially Complete |
| 3 | AM Policy defines asset management roles, responsibilities and reporting framework. | Complete |
| 3 | AM Policy requires the adoption of Asset Management Plans informed by community consultation and applicable financial reporting frameworks. | Well Progressed |
| 3 | AM Policy has a direct linkage with the asset custodian's Strategic Longer Term Plan and Long Term Financial Plan. | Partially Complete |
| 3 | The asset custodian has an adopted Asset Management Policy which defines the asset custodian's vision and service delivery objectives for asset management. | Complete |
| 4 | AM Policy includes audit and review procedures, specifies review dates and has a sunset clause. | Complete |
| 4 | AM Policy identifies the need for the asset custodian reporting to be in terms of operational, maintenance, renewal, upgrade and new expenditure classifications. | Well Progressed |
| 4 | AM Policy has appropriate context and acknowledges the importance of asset management in supporting services provided by the asset custodian . | Well Progressed |
| 4 | "AM Policy clearly articulates the principles and financial implications upon which decisions relating to assets and their performance will be based. | Well Progressed |
| 4 | AM Policy provides a reasonable basis for long-term integrated decision making by the asset custodian and for participative decision making by the community and subsequent accountability to the community about the activities of the asset custodian | Well Progressed |
| 5 | Policy guides informed political decisions informed by data, information and knowledge on tradeoffs for economic, social, cultural and environmental consequences | Partially Complete |

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| 3 | Include consideration of possible effects of climate change on asset useful lives and maintenance costs | Partially Complete |
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| Framework | Asset Management & Planning | | |
| Element | Governance and Management | | |
| Current Score | 1.8 | Core Maturity | 40 |
| Core Target | 3.0 | Risk of Current Maturity | Medium |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | Asset management governance remains an area that needs improvement. There is a greater corporate emphasis on asset management but this needs a more coordinated approach. | | |
| Implications | Still unclear direction to improve asset management processes and fragmented asset management functions across the organisation | | |
| Recommendations | Implementation of an AM steering committee with cross functional representation. Develop asset management training program. | | |
| Maturity Score | Characteristic | | Result |
| 1 | Informal AM Steering activities | | Complete |
| 2 | AM improvement plan in operation | | Complete |
| 2 | Multi-disciplinary AM Steering Committee in operation with regular meetings | | Not Started |
| 3 | There are internal processes to promote Asset Management across the asset custodian | | Partially Complete |
| 3 | The asset custodian has an Asset Management Steering Committee, with cross functional representation and clearly defined and documented terms of reference, focussed on coordinating the linkages between service delivery and asset management implementation. | | Not Started |
| 3 | The asset custodian involves all its departments in Asset Management. | | Not Started |
| 3 | The asset custodian has a documented process for | | Not Started |

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| | 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. | |
| 3 | The staff structure and position descriptions clearly define asset management functions, responsibilities and skill requirements for managing all asset classes. | Not Started |
| 3 | 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. | Not Started |
| 3 | 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. | Well Progressed |
| 4 | The asset custodian has an Internal Audit Committee or equivalent with competency to understand the risk aspects of advanced asset management and the Internal Audit Committee provides an independent review and annual report on asset risk management performance. | Partially Complete |
| 4 | Key decision makers are provided with an annual ‘State of the Assets’ report covering asset condition, risk, performance, intervention levels, level of service monitoring and future financial sustainability options and consequences. | Partially Complete |
| 4 | When considering the annual Capital Works Program, project priority is based on cost/benefit assessments (including risk) with resource implications reflected into the Long Term Financial Plan. | Not Started |
| 4 | Strategic levels of service and technical levels of service are monitored are reported to the Executive Management Team and key stakeholders . | Not Started |
| 4 | The asset custodian uses their Infrastructure Asset Hierarchy as a basis for consistent reporting. | Not Started |

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| 4 | Accountability mechanisms are maintained to ensure that the asset custodian's resources are used optimally to implement strategic asset management objectives, as detailed in the Asset Management Strategy and Asset Management Plans aligned with ISO 55000 | Not Started |
| 5 | Bottom up and top down feedback on performance with defined measures for service delivery and governance aligned with ISO 55000/01. | Not Started |
| 5 | Common purpose and focus on service delivery with agreed nexus between funding and service level and risk outcomes. | Not Started |

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| Framework | Asset Management & Planning | | |
| Element | Defining Levels of Service | | |
| Current Score | 2.7 | Core Maturity | 60 |
| Core Target | 3.0 | Risk of Current Maturity | Medium |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | Service levels vary across the asset classes. Most of the major asset classes have defined and documented technical and community levels of service. Minor asset classes service levels are often the result of annual budget allocations | | |
| Implications | Most of the major asset classes have clear links between service levels and budget outcomes | | |
| Recommendations | Continue to develop levels of service for all asset classes based on current budget expenditure. Link LOS with cost of providing the service and seek community feedback to determine acceptable LOS. | | |
| Maturity Score | Characteristic | | Result |
| 1 | Service levels are consequences of annual budget allocation and not defined. | | Complete |
| 2 | Service levels in some areas - fragmented | | Complete |
| 3 | Technical levels of service are incorporated into service agreements and/or maintenance, operational and | | Partially |

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| | capital renewal procedures. | Complete |
| 3 | 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 |
| 3 | 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 |
| 3 | The asset custodian has Service Plans for each of its services which have been developed in consultation with the community. | Partially Complete |
| 4 | The asset custodian, in conjunction with the community, regularly reviews its community levels of service and technical levels of service, to determine the financial impact of a change in service levels. If a change occurs this is then reflected into the Asset Management Plan and Long Term Financial Plan. | Not Started |
| 4 | The cost of maintenance and operational activities are reported against adopted levels of service. | Partially Complete |
| 4 | The asset custodian has a communication plan to communicate information on infrastructure service levels and the management of service levels against set targets to internal and external stakeholders. | Partially Complete |
| 4 | Target community levels of service are defined through community consultation, considering population and demographic change projections, trend analysis and customer feedback and requests. | Partially Complete |
| 4 | The asset custodian has undertaken the process of identifying the costs associated with each level of service, including the increased cost or decreased cost associated with increasing or decreasing each level of service respectively to assist in scenario modelling. | Partially Complete |
| 5 | Documented feedback on long term cumulative impacts of decisions on service levels. | Not Started |
| 5 | Optimum life cycle costs known and supported by high | Partially |

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| | levels of data, information and knowledge in all key areas. Political decisions informed by data, information and knowledge on tradeoffs for economic, social, cultural and environmental consequences. | Complete |
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| Framework | Asset Management & Planning | | |
| Element | Data and Systems | | |
| Current Score | 2.5 | Core Maturity | 60 |
| Core Target | 3.0 | Risk of Current Maturity | Medium |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | Council has established a corporate data framework with the use of AssetFinda and ArcGIS across all asset groups. Currently there is no direct link to the financial register but there is a good level of compatability | | |
| Implications | Confidence levels in asset and financial data have improved significantly and registers are being updated regularly. | | |
| Recommendations | Continue to develop functionality of AM software and incorporate condition inspections and maintenance and renewal planning functionality. | | |
| Maturity Score | Characteristic | Result | |
| 1 | Ad hoc and fragmented approach to data management driven by current projects | Complete | |
| 2 | Audit completed to determine current skill & knowledge levels | Well Progressed | |
| 2 | Skill & knowledge requirements determined | Well Progressed | |
| 3 | The asset custodian has a defined process for operations, maintenance, renewal and upgrade planning for its existing assets. | Well Progressed | |
| 3 | The asset custodian has defined and documented procedures for determining asset replacement and treatment unit rates, which are then stored in the Asset | Well Progressed | |

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| | Management System. | |
| 3 | Asset Management systems have the functionality to generate maintenance and renewal programs and produce associated cash flow forecasts. | Well Progressed |
| 3 | The asset custodian's systems, procedures and processes allow it to benchmark its asset management performance against similar organizations. | Partially Complete |
| 3 | 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 | Well Progressed |
| 3 | 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. | Well Progressed |
| 3 | There is a common corporate data framework used across all asset groups, which is defined by the asset custodian's Infrastructure Asset Hierarchy. | Partially Complete |
| 3 | 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. | Well Progressed |
| 4 | Data and systems allow projections which inform a range of service provision scenarios and costs. Adopted scenarios are incorporated into Asset Management Plans and the Long Term Financial Plan with an annual review in line with applicable statutory requirements. | Well Progressed |
| 4 | Data is available and accessible to enable performance measurement and reporting against Key Performance Indicators used to measure levels of service. Processes and information are driven by an asset knowledge management strategy linked to the Asset Management Plans and the Long Term Financial Plan. | Partially Complete |
| 4 | The asset custodian's Asset Management System used to manage operations and maintenance functionality is driven by an asset knowledge management strategy, | Partially Complete |

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| | with specific functionality for each service area to monitor operations and maintenance costs and trends. | |
| 4 | The asset custodian benchmarks its infrastructure funding gap against relevant industry indicators. | Partially Complete |
| 4 | The asset custodian has a documented data standards for inclusion in Asset Management systems upon the commissioning of new (and/or modified) assets. | Partially Complete |
| 4 | The asset custodian's Asset Management Systems is used to monitor asset performance over time. | Partially Complete |
| 4 | Functionality of the asset custodian's Asset Management systems includes the ability to generate maintenance and renewal programs based on available budget and future condition profiles, to generate scenario specific cash flow forecasts and to generate optimized programs. | Well Progressed |
| 4 | The asset custodian's Asset Management system is integrated with other corporate knowledge systems such as the finance, GIS and property information systems. | Well Progressed |
| 4 | The asset custodian's Asset Management System can generate works orders based on intervention levels and customer requests which are also linked to the asset register. It has the capacity to monitor completion targets and perform facilities management functions. | Partially Complete |
| 4 | Asset Management systems are able to predict asset life based on various assessment factors and compare actual against predicted deterioration behaviour. | Partially Complete |
| 4 | The asset custodian records the results of asset condition surveys and defect assessments against individual assets, linked to the component inventory in the asset register. Time series condition data is maintained to allow monitoring of asset performance. | Partially Complete |
| 4 | Asset Management systems have risk management functionality available to predict criticality of assets, record risk assessments, risk treatment, treatment costs and residual risk. | Partially Complete |
| 4 | Asset renewal funding requirements and funding gaps | Partially |

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| | are determined to achieve the lowest life cycle costs with consideration of the service level and risk tradeoffs. | Complete |
| 4 | Asset data is available to operations, design and planning staff across services areas when planning and undertaking works. | Partially Complete |
| 5 | Asset data is integrated and responds to required decision support information needed for optimum service delivery | Partially Complete |
| 5 | Annual skills and knowledge audit on capacity and capacity needed to deliver corporate plan with linked service provision plan. | Not Started |

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| Framework | Asset Management & Planning | | |
| Element | Skills and Processes | | |
| Current Score | 2.0 | Core Maturity | 40 |
| Core Target | 3.0 | Risk of Current Maturity | Medium |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | Council needs to adopt a whole of Council approach to asset management which includes increasing awareness of AM with Councillors and staff. Many processes are implicit requiring thorough review, definition and documentation | | |
| Implications | Disjointed focus on asset management across the organisation and uncertainty in asset management roles, responsibilities and processes | | |
| Recommendations | Complete audit to determine current skills and knowledge levels and develop ongoing training programs for Councillors and staff. Complete documentation of processes for assessing asset condition and remaining useful lives | | |
| Maturity Score | Characteristic | | Result |
| 1 | Ad hoc and fragmented approach to data management driven by current projects | | Complete |

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| 2 | Documented asset data management procedures | Partially Complete |
| 2 | Audit completed to determine current skill & knowledge levels | Partially Complete |
| 2 | Skill & knowledge requirements determined | Well Progressed |
| 3 | The asset custodian provides ongoing training programs for executive leaders and elected members on key asset management topics. | Partially Complete |
| 3 | The asset custodian has a process to communicate the financial implications of the Asset Management Plans to internal and external stakeholders. | Well Progressed |
| 3 | The asset custodian has formal processes for the handover of assets to asset custodians/owners. | Not Started |
| 3 | 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. | Partially Complete |
| 3 | The asset custodian has a defined methodology for assessing the Remaining and Useful Life, Residual Value and Depreciation Method of assets. | Well Progressed |
| 3 | 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. | Well Progressed |
| 3 | 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. | Well Progressed |
| 3 | 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 |
| 3 | 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 | Well Progressed |

| | | |
|---|--|--------------------|
| | asset custodian election cycle. Asset Management Plans are formally adopted by The asset custodian . | |
| 3 | 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. | Well Progressed |
| 4 | Asset Knowledge Management Strategy identifies data framework requirements | Well Progressed |
| 4 | Contingency plans in place to ensure continuity of activities when staff turnover occurs | Partially Complete |
| 4 | Staff are trained in best practice operating and maintenance procedures and activities. | Partially Complete |
| 4 | Capital Works priority is based on the application of business cases incorporating whole of life costing, risk and benefit quantification and all data used in decision making is documented and recorded. | Partially Complete |
| 4 | The asset custodian has an Optimum Decision Making framework to ensure consistent decision making. The Optimum Decision Making framework considers multivariable criteria linked to service and performance standards. There is a shift in emphasis from asset condition to service performance and value. | Partially Complete |
| 4 | The asset custodian has a process whereby community enquiry and operational response issues are linked to individual assets. | Partially Complete |
| 4 | Asset failures and causes of failures are recorded and analysed to identify failure trends and asset group rectification strategies. | Partially Complete |
| 4 | There is a process to analyse risks and incorporate risk mitigation strategies into contingency plans within the planning cycle. | Partially Complete |
| 4 | When undertaking operations and maintenance activities there is a process to allow staff to communicate asset related issues to other service areas. | Partially Complete |
| 4 | The asset custodian has a documented process that identifies the outcomes of service delivery reviews for | Not Started |

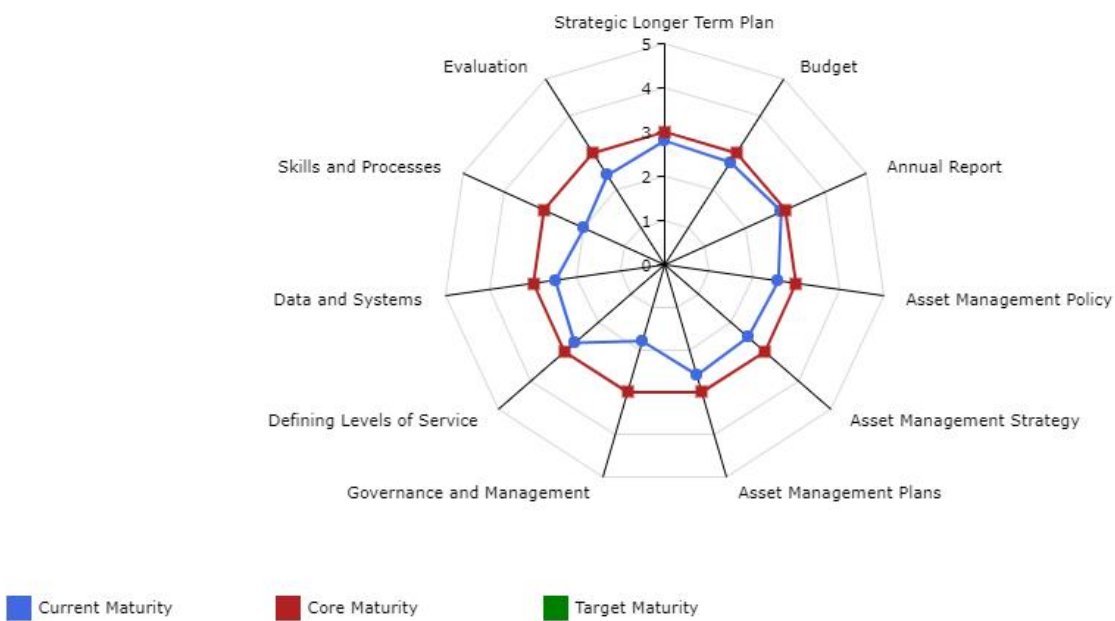
| | | |
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| | input into Asset Management Plans and the Long Term Financial Plan. | |
| 4 | The asset custodian has a process linked to a Disposal Policy that identifies any services (and associated assets) that are surplus to future service level needs. | Not Started |
| 4 | The asset custodian has a process which incorporates research into the determination of asset lives based on condition and consumption rates. | Well Progressed |
| 4 | Following each Annual Budget cycle, Asset Management Plans and the Long Term Financial Plan are updated to reflect the current financial position and to maintain alignment between all documents. | Well Progressed |
| 5 | Annual skills and knowledge audit on capacity and capacity needed to deliver corporate plan with linked service provision plan. | Not Started |

| | | | |
|------------------------|--|---------------------------------|---------------|
| Framework | Asset Management & Planning | | |
| Element | Evaluation | | |
| Current Score | 2.4 | Core Maturity | 40 |
| Core Target | 3.0 | Risk of Current Maturity | Medium |
| Advanced Target | | Risk of Target Maturity | Low |
| Observations | This assessment shows some improvement in asset management maturity since the previous. But there remains little evidence of progress in the areas of governance, skills and processes and evaluation. | | |
| Implications | Inconsistent improvement in asset management priorities and practices resulting from a lack of accountability across the organisation. | | |
| Recommendations | Need for organisation wide focus on asset management priorities and practices with regular reviews by senior management and an ongoing training for Councillors and staff. | | |
| Maturity Score | Characteristic | | Result |
| 1 | No formal evaluation process | | Complete |

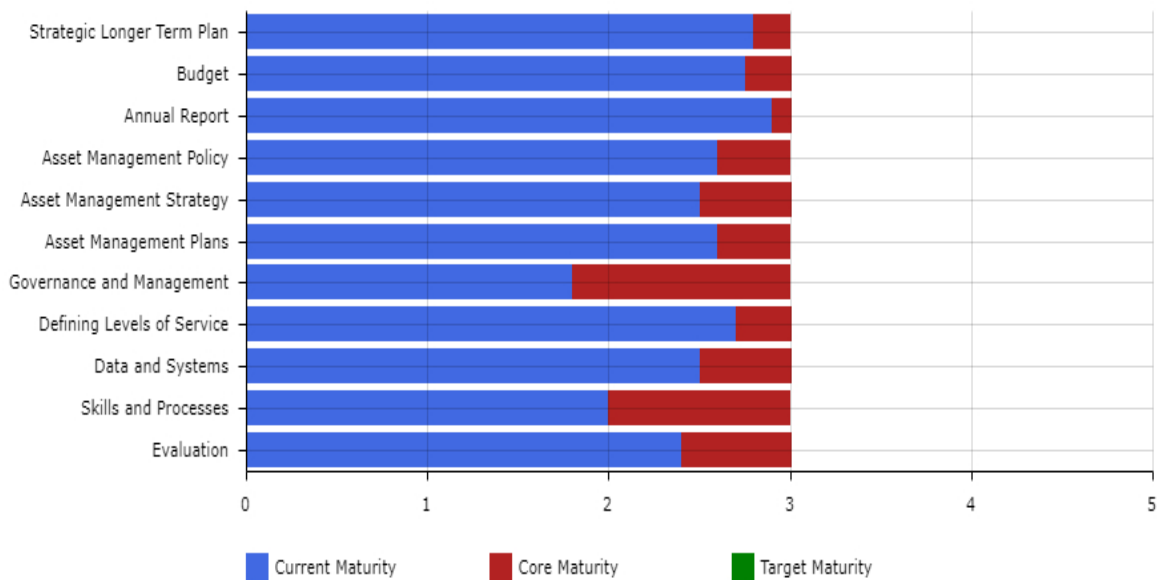
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| 2 | Improvement tasks are included in staff performance plans and reviews | Well Progressed |
| 3 | Community levels of service are monitored and performance reported. | Partially Complete |
| 3 | Technical levels of service are monitored and performance reported. | Partially Complete |
| 3 | 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 |
| 4 | The asset custodian benchmarks its asset management performance improvement against relevant industry indicators and reports annually on its asset management improvement performance against set targets. | Partially Complete |
| 4 | Quantitative Key Performance Indicators (KPI's) are set for technical levels of service. KPI's are monitored, measured and reported to The asset custodian against time based 'targets'. | Not Started |
| 4 | 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 Internal Audit Committee (or equivalent) and the executive. | Well Progressed |
| 5 | Qualitative Key Result Areas (KRA's) are set for Community levels of service. KRA's are monitored, measured and reported to The asset custodian , against time based 'targets'. | Partially Complete |
| 5 | The asset custodian undertakes an annual audit within the entity to report on trends on ISO 55000 / Triple Bottom Line / Quadruple Bottom Line service delivery and accompanying financial sustainability compared to the Strategic Longer Term Plan. | Not Started |

3.0 GRAPHS

Core and Advanced Maturity Assessment Spider



Core Maturity Assessment Histogram



Appendix B Staff Roles & Responsibilities Matrix

| Function | Activity | Staff | | | | | | | | | |
|------------------|---|-------|------|-----|------|----|----|-----|----|----|----|
| | | CEO | DCCS | DIO | DDES | AM | CS | STO | FM | OS | MS |
| Planning | Resourcing of AM Requirements | S, A | P | P | P | | | | | | |
| | Strategic Planning | S | A | | | | | | | | |
| | Long term Financial Plan | S | A | P | P | P | | | P | | |
| | Asset Management Improvement Program & Strategy | S, A | P | P | P | K | | | | | |
| | Asset Management Policy | S | A | | | P | | | | | |
| | Asset Management Plans | S | | A | A | K | | | P | | |
| | AM Committee | A | P | P | P | K | P | P | P | | |
| | Annual Works Programs | S | | A | A | K | | | P | | |
| | Project Cost estimates for AM planning (valuation) and budgetary purposes | | | A | A | K | K | K | | | |
| | AM Lifecycle cost optimisation | | | A | A | K | K | P | | P | P |
| Systems/Data | Asset Registers and Data Management | | K | | A | A | | | | | |
| | Asset Mapping and Analysis | | | | | A | | | | | |
| | Works and Maintenance records | | | A | A | K | P | P | | P | P |
| | Development of Council's AM systems | | A | P | | A | | | P | | |
| Service Delivery | Plan Delivery - Project Management | | | S | S | A | A | A | A | P | P |
| | Asset Maintenance & Operation delivery | | | S | A | | A | | | A | A |
| | Project design and as constructed drawings | | | S | | | | | A | | |
| | Final project costings | | | A | A | P | K | | P | P | P |

| | |
|-------------|---|
| CEO | Chief Executive Officer |
| DCCS | Director Corporate & Community Services |
| DIO | Director Infrastructure & Operations |
| DDES | Director Development & Environmental Services |
| AM | Asset Manager |
| CS | Construction Supervisor |
| STO | Senior Technical Officer |
| FM | Finance Manager |
| OS | Operations Supervisor |

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|---|--|
| S | Signoff responsibilities – ultimate responsibility |
| A | Accountable - responsible for overseeing processes and result. |
| K | Key participant - often responsible for major outputs |
| P | Participant - provides input and participates in the process |

| | |
|--|---|
| | Roads, Transport, CWMS, Stormwater, Parks & gardens |
| | Buildings |