West Wimmera Shire Council

Asset Management Strategy

2018 – 2022

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West Wimmera Shire Council – Asset Management Strategy.					
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Contents

1 Introduction.

West Wimmera Shire Council (WWSC) is the owner and/or custodian of a large portfolio of assets which includes roads, drains, buildings and facilities, open space, plant & equipment, library materials, art works and land. These assets enable the community to access and enjoy all the services and facilities that WWSC has to offer.

These assets represent a vast investment built up over many generations, which in itself presents a significant challenge as many assets were constructed or acquired many decades ago and as such are approaching the end of their useful lives. Infrastructure costs consume a large part of Council's budget and can have a substantial impact on Council's budget and human and capital resource planning.

The efficient management of these assets is vital in maintaining safe, reliable and efficient services that help achieve the strategic priorities and goals of Council. Failure to adequately plan for the replacement of existing assets and the development of new assets will result in assets not meeting the needs of the community, now and in the future.

The environment in which Local Government operates is constantly changing. As assets continue to age, Councils will need to demonstrate an accepted level of skill, expertise and also a duty-of-care in relation to management practices and maintenance of assets.

There are a number of factors that require Council to critically assess the way in which it manages these assets. These include:

- limitations in Council's ability to raise funds;
- increased pressure from the community for improved service delivery at least cost;
- Changes in legislation requiring such things as, safety, the identification, and depreciation of infrastructure assets.
- Compliance with legislation, codes and standards.

This strategy seeks to implement best practice in asset management by:

- ensuring asset management decisions are based on whole of life costing;
- monitoring the condition and performance of all assets;
- understanding the service level the asset is required to provide;

- understanding the remaining useful life of an asset or its components;
- understanding the current deterioration and consumption model for each asset category;
- using a condition degradation model (Moloney Model) to determine future renewal demands;
- evaluating alternative means of service provision;
- balancing competing needs across functions to minimise duplication;
- continually seeking opportunities for multiple use of assets;
- considering any proposal to dispose of an asset, where such disposal may affect the level of service being provided;
- endeavouring to align the timing of expenditure on assets, particularly renewal or upgrade, with the actual use of the asset to avoid deferred expenditure being borne by future generations;
- participating in the National Asset Management Assessment Framework Program;
- applying the Australian Accounting Standards; and
- Referencing the Institute of Public Works Engineering Australia International Infrastructure Management Manual.

2 Background.

2.1 What is Asset Management?

Asset Management is a process used to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. Its objective is to maximise the asset service delivery potential, and manage related risks and costs over the entire life of the asset.

Asset Management ensures that Council's assets are capable of providing services, of an agreed quality, in a sustainable manner, for present and future generations.

2.2 Why is Asset Management Important to Council?

Asset Management delivers benefits that are realised in the areas of improved accountability, sustainable service delivery, risk reduction and financial management and forecasting. Specific benefits can include:

- More informed decision-making
- Improved efficiency of limited capital funds and asset operation costs
- Ability to plan for present and future generations
- Improved long-term financial forecasting and management

- Assets that are suitable and capable of supporting the service delivery needs of the community

Council's Asset Management Framework shows the relationship between the Council Plan, the Asset Management Policy, this Strategy and Council's Asset Management Plans. The Long Term Financial Plan, Strategic Resource Plan and Budget are also directly linked to the Asset Management Plan outputs. This framework will ensure a strategic approach to Asset Management.

Council is currently updating and reviewing its suite of Asset Management Plans. The Asset Management Plan (AMP) format is described below:

- Part A – General AMP: Background and information common to all assets.
- Part B – Roads AMP.
- Part C – Bridges & Major Culverts AMP
- Part D – Buildings AMP
- Part E – Pathways AMP
- Part F – Drainage AMP
- Part G1 – Playgrounds AMP
- Part G2 – Pools AMP
- Part H – Recreation & Open Space AMP
- Part I – Other Infrastructure AMP

As other AMP's are developed, these will be included into the suite of plans as above.

3 Asset Management Plans.

Council's Asset Management Plans demonstrate the achievement of the Councils objectives through the application of responsible Asset Management planning, this will:

- Ensure that the assets are managed properly so to deliver Council's strategic outcomes;
- Ensure that the assets provide the specified asset levels of service in the most cost–effective manner;
- Anticipate, plan and prioritise spending on the assets;
- Use a lifecycle approach to manage the assets in the most cost effective manner over time;
- Ensure efficient operation and continued sustainability of the assets;
- Provide a basis for asset performance monitoring (condition assessment, performance targets and improvement actions);

- Identify and minimise environmental risk and liability resulting from asset usage;
- Conduct consultation to establish community expectations in relation to asset service standards through the community's representatives (Councillors).
- Undertake a risk based approach to identify operational, maintenance, renewal and capital development needs, and apply best value economic analysis to select the most cost effective asset treatment program;
- Continually review and improve asset management practices; and,
- Continuously review and improve the plans.

Council have developed Asset Management Plans in 2014 for all major asset categories. The plan comprises of a general plan covering assets in general, and 8 other sub plans for individual asset categories covering, roads, bridges, major culverts, buildings, pathways, drainage, playgrounds, pools, recreation, open space, and other infrastructure assets.

These plans have been prepared using the existing data at the time. Council will review these plans when more data become available in future, representing the true status of the assets. Most of these plans do not contain service levels as the service levels were not defined at the time. It is proposed to carry out a service review for all council service and incorporated into these plans.

4 Current State of the Assets Managed by Council.

4.1 **Current Assets.**

Council's assets are made up of a wide range of different asset types, all of which are fundamental in meeting the needs of the community.

Assets may be physical (i.e. tangible e.g. plant, buildings) or non-physical (i.e. intangible e.g. intellectual property, goodwill).

This strategy only considers physical infrastructure assets. The major characteristics of an asset are:

- There must be service potential or future economic benefits;
- The future economic benefits must be quantifiable; and
- Council must have control of the service potential.

4.2 **Asset Values.**

The replacement values of Councils assets are listed below, with an explanation of the values or details of assets with no current value.

Asset Category	Quantity	Replacement Value	Comments
Sealed Roads	828 km's	$ 148,556,016	This data is from 2015 road survey which will be updated in future revaluations
Unsealed Roads	1980 km's	$ 44,589,625	This data is from 2015 road survey which will be updated in future revaluations
Kerb and Channel	52.6 km's	$ 6,909,312	This data is from 2015 road survey which will be updated in future revaluations
Footpaths	34,884 m^2	$ 4,084,964	This data is from 2015 road survey which will be updated in future revaluations
Car Parks			No data is currently available, this information will be collated in future revaluations.
Bridges	12 no	$ 9,812,250	This data is from 2017 bridge survey which will be updated in future revaluations.
Foot Bridges	5 no	$ 460,000	This data is from 2017 bridge survey which will be updated in future revaluations
Major Box Culverts	10 no	$ 2,859,250	This data is from 2017 bridge survey which will be updated in future revaluations.
Major Pipe Culverts	11 no	$ 1,770,000	This data is from 2017 bridge survey which will be updated in future revaluations.

Asset Category	Quantity	Replacement Value	Comments
Minor Culverts	3,469 no	$ 8,887,885	This data is from 2014/15 culvert survey which will be updated in future revaluations.
Storm Water Pipes	13.7 km's	$ 3,536,636	This data is from 2014/15 culvert survey which will be updated in future revaluations.
Storm Water Pits	348	$ 461,395	This data is from 2014/15 culvert survey which will be updated in future revaluations.
Parks & Gardens Assets			No data is currently available, this information will be collated in future revaluations.
Street Furniture and Signs			No data is currently available, this information will be collated in future revaluations.
Buildings	168	$ 32,670,780	This data is from 2014 building survey which will be updated in future revaluations.
Urban Street Trees			No data is currently available, this information will be collated in future revaluations.
Other Assets (Retaining walls, fences etc.)			No data is currently available, this information will be collated in future revaluations.

5 Current Asset Management Systems and Processes.

The Core Asset Management practices, essential for effective Asset Management across the organisation, falls into three broad categories:

- Assets data recorded in Council's Corporate Asset Management System.

- System process models that link Council's Asset Management System data to mapping data through to documented data representing key asset management functions and processes across the whole Council organisation.
- Information systems which support the above functions.

5.1 Asset Data and Corporate Asset Management System.

WWSC has tried various Asset Management Systems in the past. The Moloney Asset Management System (AMS) was introduced in 2003 and has been running since the initial implementation time dealing primarily with road and road related assets. Asset Management functionalities in this system are limited primarily to a condition based data analysis system, and as a result from this Asset*Asyst* was introduced in 2013, primarily as a system to allow the field inspections for defect data to be collected and processed as work orders to staff.

The full functionalities necessary for effective Asset Management have not been available in Asset*Asyst*, so Council has purchased Pitney Bowes Confirm Asset Management System at the end of 2015 and we are currently in the process of implementing the system.

Council's mapping is done through the Pitney Bowes MapInfo Geographical Information System (GIS), which will have direct links between MapInfo and Confirm when the systems are both up and running with good solid data to present to Council.

The following information has been identified as a requirement for the organisation to support effective asset management. This information will be completed as assets are inspected, ground truthed and updated into the GIS and Asset Management System, then updated and incorporated into Council's AMP's and Strategies.

Asset Data	Status
Asset Hierarchy	The asset hierarchy has been developed for Council's road and footpath network at present. No hierarchy has been developed for other assets types at this stage, this process will be completed as the assets are identified and updated into our systems.
Asset Identification	Asset identification exists for roads, buildings, footpaths and kerb and channel.

Asset Data	Status
	The existing road data is in the process of being updated with new road data using the Moloney AM System. Asset identification for other assets types will be completed as the assets are identified and updated into our systems.
Maintenance History	Maintenance history is recorded against roads and road related assets and buildings. All future maintenance records will be captured for all remaining asset types into the new systems as they become available.
Condition History	Condition history exists for roads and road related assets and buildings. All this previous condition data will be captured into the new system as it becomes available and other condition data will be collected and populated as well.
Life Cycle Costing	Used in Asset Management Plans and in the development of Capital and Operational programs and budgets.

5.2 Asset Management Processes and Models.

There are five models that covers the whole of the Asset Management process.

- Governance Model:
  This model indicates the organisational structure and the roles and responsibilities relating to asset management.
- Spatial Model:
  This model indicates the role of the Assets and GIS Coordinator to manage GIS related works through the use of MapInfo GIS software.
  Council is also part of the Wimmera Southern Mallee Shared Services Group (WSMSSG). POZI GIS web service has been initiated under this program and is linked to the Council web site, enabling public access to GIS data. Future work will be added to this data as assets are updated and implemented in MapInfo.
- Customer Service Model:
  The customer requests received are entered in the Civica program, and then manually create actions/defects against the assets.

It is proposed to enter all customer requests directly in Confirm, which will automatically send the requests to individual actions officers assigned for each request type.

- Service Model:
  For roads and associated infrastructure the Road Management Plan is the governing document and levels of service are defined in this document.
  For other asset categories service levels are partly defined in individual asset management plans and needs improving to reflect current service levels provided.
- Financial Model:
  The financial model incorporates all the departments within the Council. The information flows to the Finance Department through the Asset Department for asset related income and expenditure. Asset related budget expenditure is captured from the Asset Management Plans and forms the basis for Council's Long Term Financial Plan.
  Budget expenditure includes operational, maintenance, capital renewal, improvements and new initiatives. Other departments send their expenditure and income to the Finance Department separately. Finance Department uses past data on income and expenditure and models into the Long Term Financial Plan.
  Civica's Authority and Business Intelligent System (BIS) is used to store and display financial data.

6 Gap Analysis on Current Asset Management Practices.

A gap analysis was carried out previously to identify areas of the current Asset Management practices and to develop an improvement program for these gaps. This analysis was done by the MAV STEP consultants and follows the procedure published in the IPWEA Infrastructure Manual.

This information is relatively old, and it is proposed to complete a new analysis in the near future when higher priority works have been completed.

7 Asset Maintenance.

The maintenance of assets have been on a reactive basis for most of the asset classes except for roads and road related assets, where the maintenance activities are managed as per Council's Road Management Plan.

Maintenance activities for the road assets are in the Asset*Asyst* system. Maintenance activities relating to building assets are being recorded by the building work staff against each assets with associated costs.

It is proposed to put all maintenance activities into the Confirm System when the system implementation is completed.

It is proposed to develop realistic maintenance regimes for all asset categories, analysing past recorded maintenance data in future.

8 Asset Renewal Gap.

The data available to carry out a realistic analysis of renewal gap across all the assets is being established and hence a realistic renewal gap will be calculated when the new data is available.

New road asset data is currently being gathered. We will carry out a comprehensive condition assessment for all assets and this will be expected to be completed in due course.

9 Asset Management Improvement Plan.

To manage the community assets in an ongoing sustainable manner Council must ensure they are good Asset Managers.

Many Asset Management improvements were identified in individual AMPs in 2014. Some of these improvement works are shown below though this information is a first cut analysis with a more in depth assessment to be completed in the future.

Asset Management Reference.	Improvement Action.
General.	Complete the implementation of Council's Confirm Asset Management System.
	Improve Council's existing Service Plans for all asset categories.
	Improve Council's existing Asset Management Plans for all asset categories.
	Develop maintenance regimes for all asset categories analysing past maintenance records.
Roads.	Collect and populate all the road and road related asset data into Confirm Asset Management System.
	Complete mapping of the road and road related asset data into Council's GIS software.

Asset Management Reference.	Improvement Action.
Bridges.	Collect and populate all the bridge asset data into Confirm Asset Management System.
	Identify the load capacity for all bridges and populate into Confirm.
	Complete mapping of the bridge asset data into Council's GIS software.
Buildings.	Complete mapping of the building asset data into Council's GIS software.
	Collect and populate all the building and building related asset data into Confirm Asset Management System.
Pathways	Complete mapping of the pathway asset data into Council's GIS software.
	Collect and populate all the pathway asset data into Confirm Asset Management System.
Stormwater Drainage	Complete mapping of the stormwater drainage asset data into Council's GIS software.
	Collect and populate all the stormwater drainage asset data into Confirm Asset Management System.
Playgrounds	Complete mapping of the playground and related asset data into Council's GIS software.
	Collect and populate all the playground and related asset data into Confirm Asset Management System.
Swimming Pools	Complete mapping of the swimming pools and related asset data into Council's GIS software.
	Collect and populate all the swimming pools and related asset data into Confirm Asset Management System.
Recreation, Open Space, and Street Furniture	Complete mapping of the recreation, open space, and furniture and related asset data into Council's GIS software.
	Collect and populate all the recreation, open space, and furniture and related asset data into Confirm Asset Management System.

10 Strategy Review.

Council will formally review this strategy on a four year basis.

The review will take into consideration Council's Plan, Local Government Performance Reporting Framework and Council's Risk Management Policy. The next review will completed by