

Asset Management Strategy

2023 – 2027

Our strategy to improve our asset services for the benefit of the Murrindindi community.



Acknowledgement of Country and First Nations Peoples

Murrindindi Shire Council is proud to acknowledge the Taungurung and Wurundjeri Woi Wurrung people as the traditional owners of the land we now call Murrindindi Shire. We pay our respects to First Nations leaders and elders, past, present and emerging, who are the keepers of history, traditions, knowledge, and culture of this land. We commit to working in collaboration with traditional owners of this land in a spirit of reconciliation and partnership.

Executive Summary

Purpose

This updated version of Council's Asset Management (AM) Strategy has been prepared to enable continuous improvement in our asset services and to facilitate the implementation of the recently adopted Murrindindi Shire Community Vision, Council Plan, Financial Plan and Asset Plan 2022-2032.

We strive to place community needs and aspirations at the heart of everything we do. The primary objective is to enhance Council's asset management capabilities and practices so that all of Council's asset-based services can be delivered at a standard that affordably mitigates risks and meets the needs of current and future Murrindindi communities.

Scope

This Asset Management Strategy is informed by a recent review of Council's asset services. It outlines the recurrent strategic asset management activities necessary to demonstrate Council's commitment to sustainably manage community assets for the benefit of the Murrindindi community. It also includes an Improvement Plan, developed to address identified gaps in Council's existing practices.

The review included consideration of the *Asset Management Maturity Assessment Summary Report prepared by CT Management Group for Murrindindi Shire Council* in October 2021. This report was based on an assessment of Council's maturity against the requirements of the National Asset Management Assessment Framework (NAMAF).

Council's existing asset management documentation, data, processes, skills, and systems were also reviewed for consistency with best practice guidelines provided by:

- ISO (International Standards Organisation) 55000 series of Asset Management Standards
- IPWEA (Institute of Public Works Engineering Australasia) International Infrastructure Management Manual

Consideration was also given to recommendations contained within the:

- Victorian Auditor-General's Office (VAGO) Report on Asset Management and Compliance for Local Councils (May 2019).
- MSC Assets & Development Division Review of Manager Responsibilities (Report December 2021)

Council officers, charged with responsibility for managing and delivering asset services, were also asked to provide an understanding of the challenges they face.

Current level of asset management maturity

The *Asset Management Maturity Assessment Summary Report (October 2021)* acknowledged improvements in the quality of Council's asset data and systems. This reflects Council's recent effort and investment in improving the quality of asset data available for decision making. Improvements in Council's strategic long-term planning, annual budgeting and annual reporting capabilities were also noted. Other areas of Council's asset management practices require improvement.

Discussions with staff suggest they have limited time available to spend on the strategic and collaborative work necessary to continuously improve the efficiency and effectiveness of Council's asset management practices. There are many explanations for this including:

- Departure of key staff members, and difficulties with recruitment of appropriately skilled replacement staff.
- The need for all Council staff to participate in disaster recovery efforts following the COVID-19 pandemic, and consecutive flood, grassfire, and major storm events.
- Only a small number of Council staff have high-level technical engineering expertise. As a result, staff responsible for asset management leadership and delivery, are increasingly called on to provide technical engineering solutions in response to complex community requests. This requires officers to drop strategic tasks to respond reactively to issues as they arise.
- Competing demands faced by the Manager Sustainability and Assets, means that he spends a lot of time on capital works project delivery, working in a reactive mode, responding to crises and community requests. This leaves little time to provide asset management leadership for the organisation.

Despite the challenges, Council has met the requirements of the Local Government Act 2020. A 10-year Asset Plan, and the corresponding 10-year Financial Plan, have been adopted. When implemented, the Asset Plan will support delivery of the Community Vision and Council Plan.

The effort made to develop Council's 10-year Asset Plan addressed some of the deficiencies identified in the CT Management Group Report. It is now important to enable Council to be in a position to implement the adopted Asset Plan and keep it up to date, as new information becomes available.

An Improvement Plan, set out in Appendix A of this Strategy, seeks to address the key gaps and support enhancement of Council's asset management practices for the benefit the Murrindindi community. Key recurrent strategic asset management activities that also need to be resourced are highlighted in section 7.2.

Implementing this strategy

Implementing this Strategy will move Council further along the path toward long-term sustainability and enhanced service delivery. It will enable Council to be confident that it has appropriate governance in place to manage its asset portfolio in a responsible and cost-effective manner that is consistent with community needs.

Based on the current organisation structure, the Coordinator Asset Management will be responsible for monitoring the implementation of this Strategy. The Coordinator Asset Management will engage with the Leadership Group to implement the Strategy. Progress on the delivery of both the recurrent strategic asset management activities and the improvement plan will be reported to the Executive Management Team every six months and to Council every year (as part of annual budget preparations).

Implementation of this Strategy will require a whole of organisation effort and leadership commitment. It will enable Council to continue to build on its strengths; collect and use high-quality reliable asset data and systems whilst also undertaking specific actions aimed at improving the following:

- Asset management governance, evaluation, and performance reporting.
- Integration of service, asset, and financial planning.
- Staff asset management awareness, skills, and capabilities

Risks of not implementing this strategy

If the improvement actions recommended in this Strategy are not implemented, and the recurrent strategic asset management activities are not able to be undertaken to a high standard and in a timely way, Council will be exposed to potential risks including:

- Unsustainable investment in capital works.
- Unmet community needs.
- Reduced opportunity for grant funding from the State and Federal Governments due to a lack of compliance with the best practice asset management practices.

1. INTRODUCTION	1
1.1 PURPOSE	1
1.2 SCOPE	1
2. STRATEGIC PLANNING CONTEXT	2
3. COUNCIL ASSETS	4
4. COUNCIL SERVICES	5
5. WHERE ARE WE NOW?	6
5.1 OUR CURRENT APPROACH TO DETERMINING ACCEPTABLE SERVICE LEVEL STANDARDS	6
5.2 OUR CURRENT ASSET MANAGEMENT PRACTICES	7
5.3 OUR CURRENT AM PERFORMANCE	7
a. VAGO audit findings and recommendations (May 2019)	8
b. National Asset Management Assessment Framework Results (October 2021)	9
c. Outcomes of the review of manager responsibilities (November 2021)	11
d. Progress made since the 2021 NAMAFA Assessment	13
e. Summary of consultation with Council staff	13
6. WHERE DO WE WANT TO BE?	15
6.1 OUR COMMUNITY VISION AND STRATEGIC OBJECTIVES	15
6.2 OUR VISION FOR ASSET MANAGEMENT PRACTICES	16
6.3 OUR ASSET MANAGEMENT OBJECTIVES	17
a. AM Principles – (AM Policy June 2020)	17
b. AM Principles – (Asset Plan 2022-32)	17
7. HOW WILL WE GET THERE?	18
7.1 PROPOSED TWO-PRONGED APPROACH	18
7.2 UNDERTAKE RECURRENT STRATEGIC AM ACTIVITIES	18
7.3 IMPLEMENTATION OF RECURRENT ACTIVITIES AND IMPROVEMENT ACTIONS	22
7.1 INCREASED ACCOUNTABILITY REGARDING PROGRESS REPORTING	23
8. REVIEW OF THIS STRATEGY	24
9. APPENDIX A - IMPROVEMENT ACTION PLAN	25
a. <i>Improve AM governance & management</i>	25
M1– Adjust AM Team responsibilities and reporting structure	25
G1– Introduce formal annual AM internal audit	25
G2 – Introduce AM to the regular EMT meeting agenda	26
G3 – Introduce AM to the regular Leadership Group meeting agenda and member responsibilities	26
G4 – Improve corporate reporting regarding AM Improvement Projects	27
G5 – Update Council’s Asset Rationalisation Policy and develop implementation procedure	27
b. <i>Better integrate service-asset-financial planning</i>	27
L1 – Review proposed Roads Advisory Group outcomes	27
L2 – Develop agreed service and asset roles and responsibilities matrix	28
L3 – Develop agreed Service Planning Methodology	29
L4 – Pilot the development of a Service Plan	30
L5 – Develop process for integration of renewal forecasts into Council’s 10-year Financial Plan	30
c. <i>Improve risk management and efficient allocation of limited resources</i>	31
R1 – Undertake asset criticality assessment to inform asset data collection scope and priorities	31
d. <i>Build on recent data and information system improvements</i>	32
D1– Finalise Tree Asset Register in Brightly (Assetic)	32
D2 – Extend use of MyPredictor for building asset renewal forecasting	32
D3 – Develop asset register for parks, sportsgrounds and open space assets	33
D4 – Develop better integrated - easy to use reports	34
D5 – Implement Brightly (Assetic) system improvements including performance monitoring and reporting	34
D6 – Refresh Asset Handover accountabilities, processes and practices	35
e. <i>Improve AM skills & capabilities</i>	36
S1 – Peer review of Project Plans and key AM documents	36
S2 – Undertake AM skill gap analysis and training	36
S3 – Introduce Lifecycle Cost Training Program	37
S4 – Run an annual internal AM awareness campaign	37

1. INTRODUCTION

1.1 Purpose

This updated version of Council's Asset Management (AM) Strategy has been prepared to enable continuous improvement in our asset services and to facilitate the implementation of the recently adopted Murrindindi Shire Community Vision, Council Plan, Financial Plan and Asset Plan 2022-2032.

We strive to place community needs and aspirations at the heart of everything we do. The primary objective is to enhance Council's asset management capabilities so that all of Council's asset-based services can be delivered at a standard that affordably mitigates risks and meets the needs of current and future Murrindindi communities.

This Strategy will help Council to build its asset management capability. Appropriate skills, processes, data, systems, standards, plans and governance practices must be in place, so that our assets are managed in an economically and environmentally sustainable way.

1.2 Scope

This Strategy applies to all physical assets owned or controlled by Council, as well as the data, information systems, processes and practices required for the responsible management of assets throughout their life cycle.

The Strategy draws on the outcomes of a review of Council's asset services against best practice guidance as set out in the following documents:

- ISO 55000 series of Asset Management Standards
- IPWEA International Infrastructure Management Manual
- National Asset Management Assessment Framework
- Recommendations contained within the Victorian Auditor-General's Office (VAGO) Report on Asset Management and Compliance for Local Councils (May 2019).

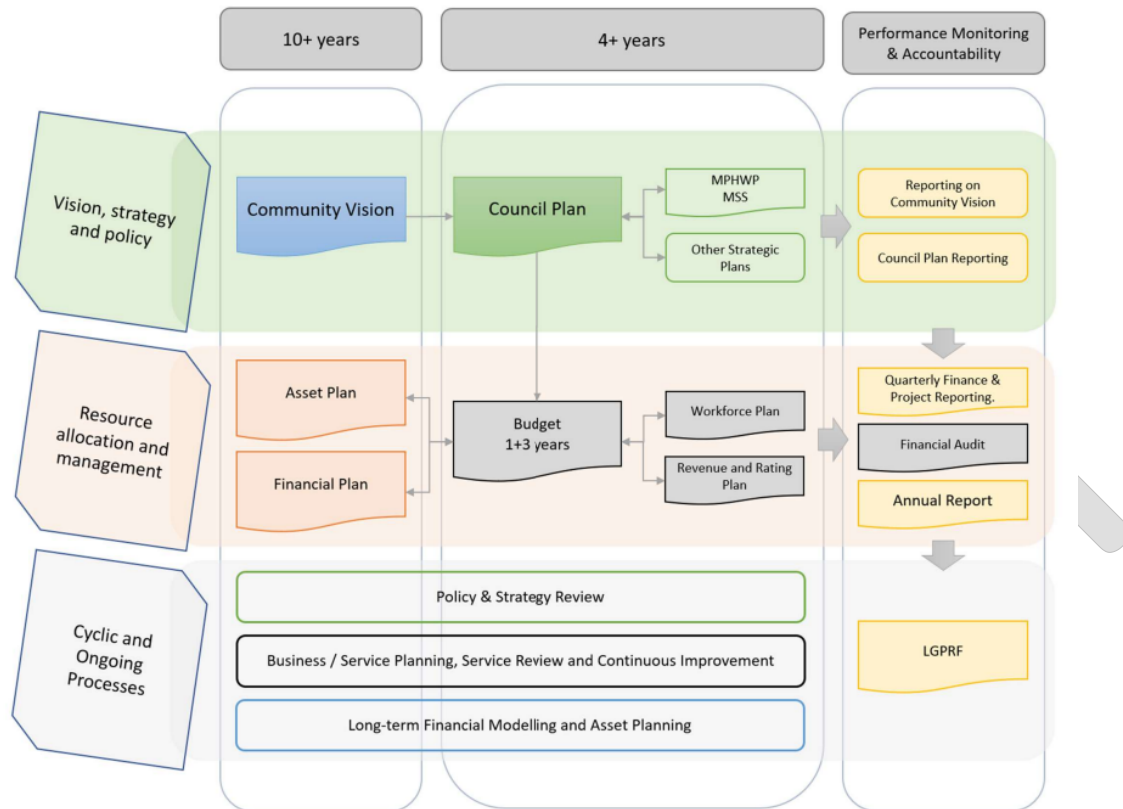
It also draws on staff input and the findings of the Murrindindi Shire Council Assets & Development Division Review of Manager Responsibilities (Report December 2021)

Consistent with guidance provided within the National Asset Management Assessment Framework (NAMAF) this Strategy:

- defines the future vision of asset management practices within Council.
- shows how Council's asset portfolio can meet the service delivery needs of the community.
- is linked to Council's AM Policy and integrated into Council's strategic longer-term planning and annual budgeting processes.
- documents the current status of asset management practices (processes, asset data and information systems) within the Council.
- documents actions Council must take to implement the AM Policy, including resource requirements, timeframes and accountabilities.

2. STRATEGIC PLANNING CONTEXT

This AM Strategy, like Council's recently adopted 10-year Asset Plan, forms an integral part of our overall strategic planning and reporting framework (ISRPF) which is provided by the Local Government Victoria Association and reproduced in the figure below.

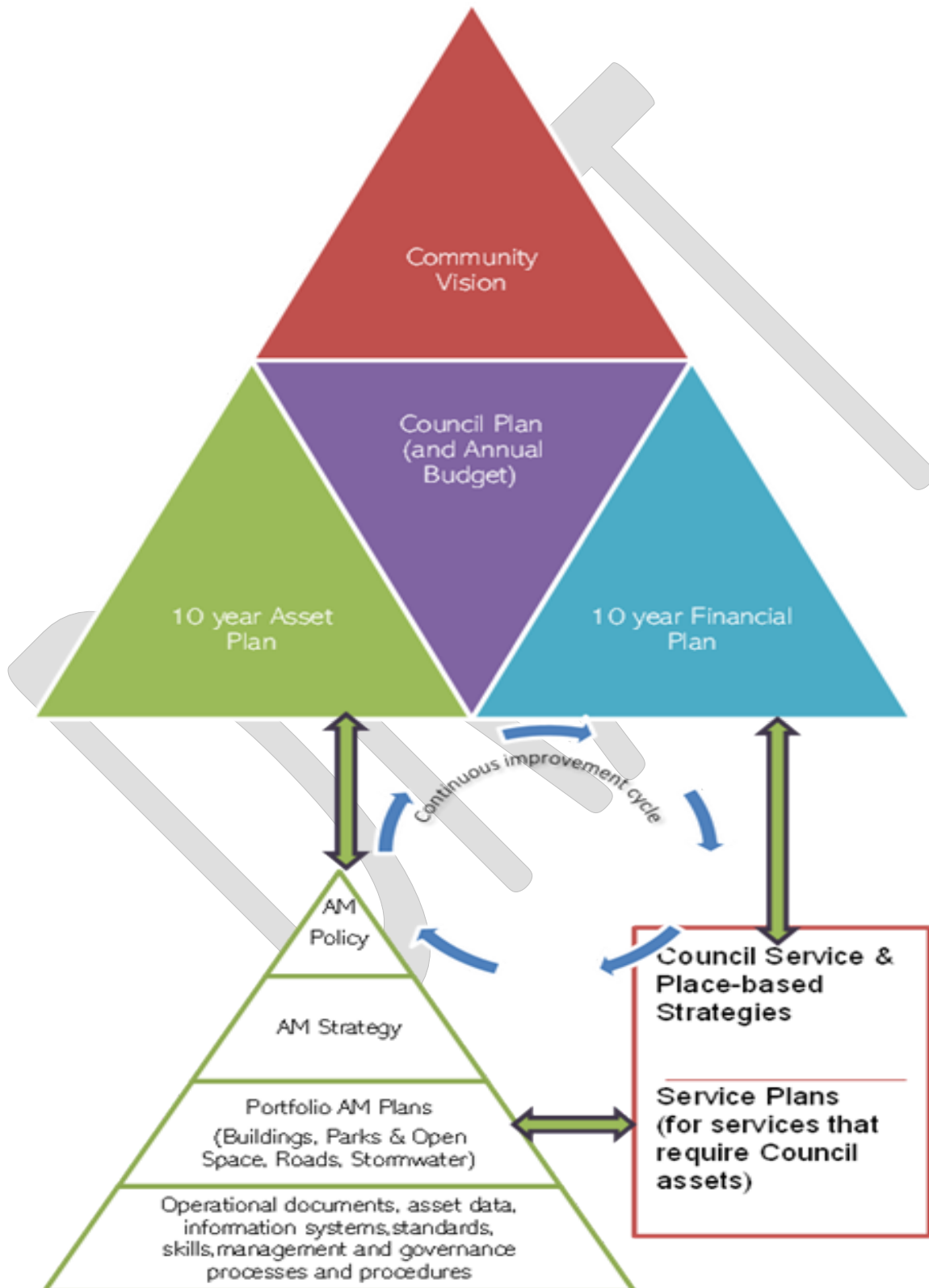


The AM Strategy sits within the *vision, strategy, and policy* level of the ISRPF. It is one of many *Other Strategic Plans* that support the delivery of the *Council Plan*.

To remain relevant, Council aims to review the Strategy on a 4-year cycle, so that it can both facilitate the delivery of, and inform the future, Council Plan, Financial Plan and 10-year Asset Plan.

Our AM Strategy is a key part of our overall integrated planning and reporting framework.

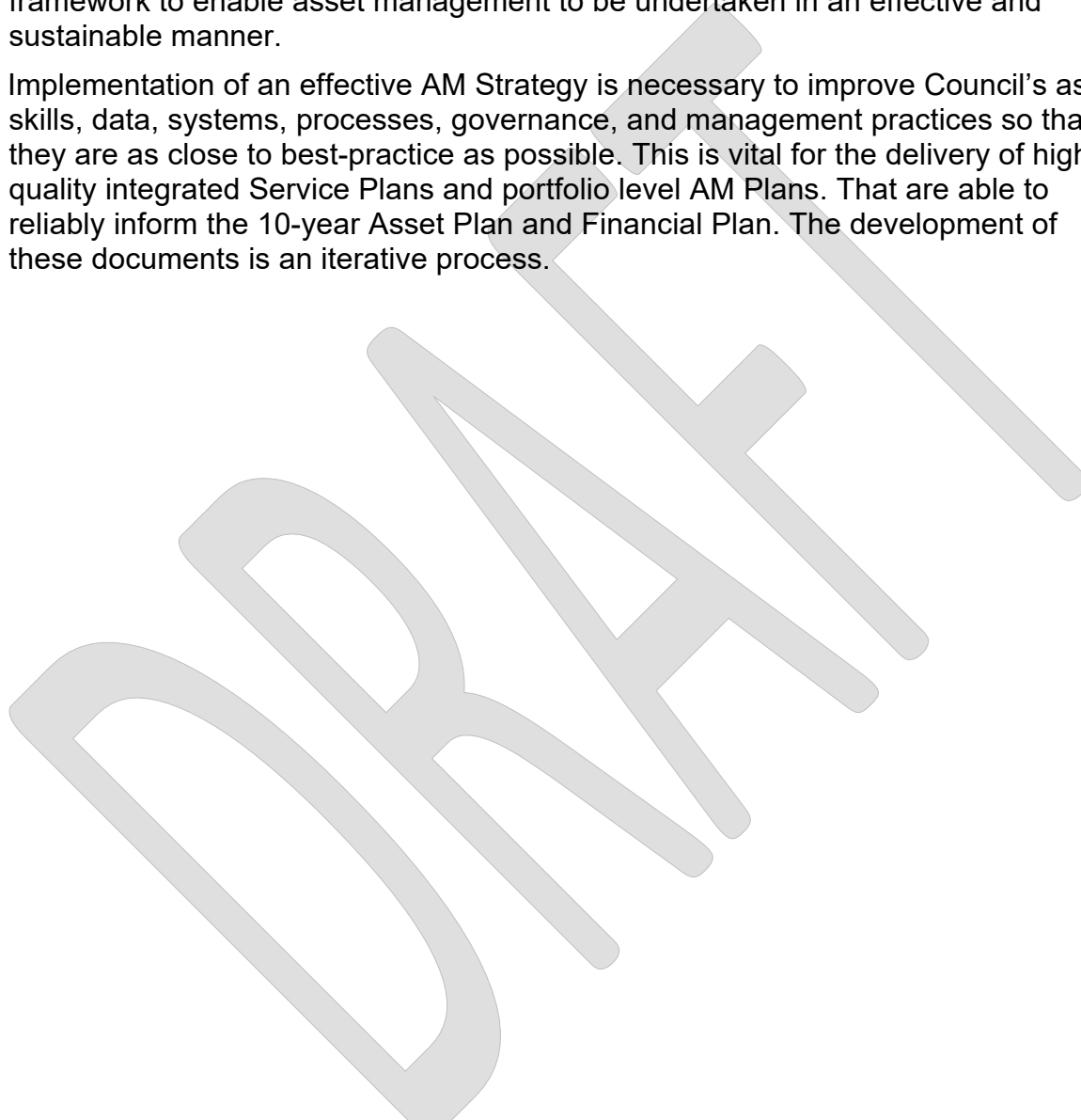
The figure shown below is based on the *Local Government Victoria Asset Plan Guidance 2022*. It shows how this AM Strategy sits within Council’s overall suite of AM documents and practices (or Council’s AM System if we use the terminology set out in the ISO5000 standards).



The AM System (depicted by the bottom triangle) includes the AM Strategy which informs (and is informed by) the highest-level of local government integrated planning and reporting documents as required under the Local Government Act 2020 (and depicted by the top set of triangles).

The main purpose of the AM Policy is to establish the AM Principles and a framework to enable asset management to be undertaken in an effective and sustainable manner.

Implementation of an effective AM Strategy is necessary to improve Council's asset skills, data, systems, processes, governance, and management practices so that they are as close to best-practice as possible. This is vital for the delivery of high-quality integrated Service Plans and portfolio level AM Plans. That are able to reliably inform the 10-year Asset Plan and Financial Plan. The development of these documents is an iterative process.











3. COUNCIL ASSETS

Murrindindi Shire Council (MSC) is responsible for the management of an extensive portfolio of assets with an estimated replacement value of \$540.7 million as of 30 June 2022¹.

To avoid duplication of information across Council's suite of asset management documents, the reader is encouraged to read the *Murrindindi Shire Council Asset Plan 2022-2032* to find details on the quantities, age and condition of the infrastructure and property assets that Council is responsible for. The MSC Asset Plan also sets out forecasted expenditure for the maintenance, renewal, and upgrade of these assets until 2032.

In addition to the long-life infrastructure and building assets described in the MSC Asset Plan, it must be noted that Council is also responsible for the management of land, which has an infinite lifespan and many plant and equipment assets, which typically have a relatively short life.

All physical assets, summarised below, impact Council's ability to deliver services that meet community needs. These assets are integral to the quality of the services that Council can deliver for the community. It is therefore critical that every reasonable effort is made to realise maximum value from Council investment in the provision and management of assets.

INFRASTRUCTURE	PROPERTY – LAND AND BUILDINGS	PLANT & EQUIPMENT
 roads & carparks	 recreation, leisure & community facilities	library books
 bridges & major culverts	 corporate buildings	passenger vehicles
 footpath & cycleways	 open space & sportsground assets	computers & other office equipment
 drainage	 saleyard	heavy vehicles & specialised plant (including mowers, trailers, front end loaders, graders etc.)

¹Fair value as at 30 June 2022 was reported in the Murrindindi Shire Council - Annual Report 2021-2022, note 6 – assets we manage, p.158 -160 (It includes Property \$170.8M, Plant and Equipment \$14.8M, and Infrastructure \$355.1M)

4. COUNCIL SERVICES

At the time of writing, Council had not yet undertaken a comprehensive service planning exercise to define the community's service needs and expectations. A conclusive list of services that require use of Council assets is therefore yet to be finalised.

The preliminary list, presented below, has been developed by the Municipal Association of Victoria (MAV) and provided to Council. It covers a combination of services and functions typically provided by local government authorities in Victoria.

- Acquisition and Disposal of Council Properties
- Administration
- Aged and Community Care Services
- Arts and Culture
- Asset Management
- Building and Property Management
- Building Control
- Children's Services
- Commercial Services
- Community Planning and Development
- Contracts and Procurement
- Corporate Services
- Councilor Support
- Customer Service
- Economic and Business Development
- Emergency Services Management
- Engineering Services
- Environment and Natural Resource Management
- Executive
- Family and Youth Services
- Fleet and Plant Management
- Governance
- Grants and Contributions
- Indigenous Affairs
- Information Management
- Infrastructure Maintenance
- Libraries
- Marketing and Communications
- Parks and Reserves Management
- Project Management
- Public Halls and Community Facilities
- Public Health Services
- Public Lighting
- Rates and Property
- Recreation and Sports
- Regulatory Services
- Section 86 Committees - Recreation Reserves and Halls
- Sewerage Services
- Spatial Services
- Statutory and Strategic Planning
- Street Cleaning
- Stormwater Drainage Management
- Tourism Development and Events Management
- Waste Management
- Water Supply Services

For strategic asset management purposes, the above list of generic services and functions will need to be refined. Customer-facing services will need to be listed separately from internal functions. Service Plans can then be developed for the group of customer-facing services that rely on effective provision and management of Council assets.

Service Plans can focus on:

- Understanding demand drivers and predicting future service demand
- Determining community expectations and the associated community service level targets.
- Working with the Asset Management team to translate community expectations into measurable asset performance targets.

When refining the service list, it will be important to make sure that each service is meaningful from the perspective of the majority of Murrindindi community members. So that the community can be engaged in determining the measurable service level targets that they expect Council to deliver. As well as the price that they are willing to pay (or the trade-offs they are willing to accept).

5. WHERE ARE WE NOW?

5.1 Our current approach to determining acceptable service level standards.

Council has generally operated on the assumption that the current asset portfolio meets the basic service needs of the local community. As a result, the key drivers that have been used (either consciously or sub-consciously) to determine the level of service to be provided are:

- Legislative and regulatory requirements.
- Available budget
- Assumptions regarding what an acceptable asset condition is.
- Vocal community member demands
- Availability of resources
- Other practical constraints

Service level standards are currently undocumented; with the exception of maintenance service level targets which are documented within Council's Road Management Plan and the asset management information system (Brightly; previously known as Assetic).

The lack of clearly documented and generally accepted service level standards across all asset types, together with the responsive nature of Council's approach to specific community demands has resulted in a variable standard of service being offered. This makes it difficult to ensure equity and long-term financial sustainability.

Community engagement with regard to service levels is difficult and has typically been somewhat indirect. Community engagement, to understand community service expectations, currently involves a range of mechanisms including:

- Formal and informal interactions with the community as part of daily activities.
- Review of customer requests
- Review of community satisfaction survey findings
- Analysis of population projections and other demographic profile changes
- Ongoing review of compliance with legislative obligations
- Review of best practice industry guidelines
- Benchmarking against other Councils
- Asset inspections
- Community consultation during the development of various master plans, feasibility studies and other major projects

A new approach to community engagement for asset management review is soon to be trialed. The community will have the opportunity to be more directly involved in the setting of appropriate affordable service level standards for roads (and road-related assets). Council has committed to the establishment of a Roads Advisory Group. The Group will participate in deliberations regarding the development of Council's next generation Road Asset Management Plan including a review of

current service levels in the context of competing demands and limited financial capacity. This is a significant move towards best practice.

Best practice asset management aims to ensure that assets are managed and maintained in a way that enables affordable services to be provided in an equitable, economically optimal and sustainable way. Affordable and acceptable service levels can only be determined using an iterative process which involves comparing Council's financial capacity against the funding required to deliver various service level standards that are acceptable to the local community. With the minimum standard being legislative compliance and alternative service level scenarios being those that attempt to balance risk, equity, performance, and cost over the long term. Giving due consideration to:

- community service needs and expectations
- innovative service delivery models
- available, emerging, and innovative technologies

5.2 Our current asset management practices.

Our current asset management approach is described in the MSC Asset Plan 2022-2032. The Asset Plan includes descriptions of the asset information systems used for data collection, storage, and analysis. It also describes our plan for future investment and how we intend to manage each phase of the asset life cycle:

- Acquisition (new) upgrade, expansion
- Maintenance
- Renewal
- Disposal and decommissioning

To avoid duplication of effort, the information presented in the MSC Asset Plan is not reproduced in this Strategy. Instead, we have focused on evaluating the underlying asset management capabilities, documentation, data, processes, systems, skills, governance, monitoring, evaluation, and reporting practices. With the aim of ensuring that our future investment projections and our plans regarding each asset class and lifecycle phase can be as reliable and as close to best-practice as possible within resource and other constraints.

5.3 Our current AM performance.

The performance assessment reported here is based on:

- Recommendations contained within the Victorian Auditor-General's Office (VAGO) Report on Asset Management and Compliance for Local Councils (May 2019).
- Assessment of Council's maturity against the requirements of the National Asset Management Assessment Framework (NAMAF) as reported in the Asset Management Maturity Assessment Summary Report prepared by CT Management Group for Murrindindi Shire Council (October 2021).

- Key findings of MSC Assets & Development Division Review of Manager Responsibilities (Report December 2021); which considered how the asset management service is resourced.

To confirm that the reported findings and recommendations are still relevant in 2023, they were considered in consultation with Council officers, charged with responsibility for managing and delivering asset services.

a. VAGO audit findings and recommendations (May 2019)

In May 2019, the Victorian Auditor-General's Office (VAGO) published a report on Asset Management and Compliance for Local Councils. The report considered the results of an audit of five local councils: Colac Otway Shire Council, Darebin City Council, Hindmarsh Shire Council, Mildura Rural City Council and Nillumbik Shire Council. The audit looked at whether these councils have comprehensive and accurate information about their assets and whether they use asset information to support effective evidence-based asset management and planning.

The report highlighted the importance of appropriately managing and using the asset information collected to inform planning and other decision making, including decisions to maintain, acquire, replace, or renew assets. It noted that councils often have not adequately used risk to identify critical assets and prioritise investment decisions. Councils tend to depend heavily on staff experience and judgement for decision-making, without properly supporting this with objective data.

The VAGO report included seven improvement recommendations for Victorian Councils:

- 1. Revise governance and policy guidance for asset investment decision-making to ensure that it is evidence-based.*
- 2. Clearly determine and document the information that councils need for effective asset reporting and decision-making, including ensuring Disaster Recovery Funding Arrangements needs are met.*
- 3. Establish more consistent and systematic processes for data collection on all asset classes to a level commensurate to the criticality of the asset and implement them to collect the information.*
- 4. Integrate asset management information systems so staff can easily record and access data to enable analysis for planning and decision-making.*
- 5. Identify critical assets, and the potential risks of their failure, to inform investment priorities.*
- 6. Integrate asset management planning into financial planning cycles and processes to ensure councils balance asset investment needs against their objectives and funding constraints.*
- 7. Evaluate capability, including resources, skills, and training to meet identified asset management needs, potentially using the National Asset Management Assessment Framework*

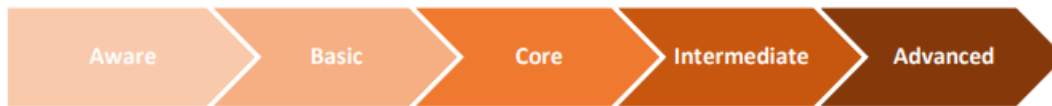
All recommendations are relevant for MSC to continuously improve its current practices. The above recommendations have been incorporated into the actions listed in the Improvement Plan provided in Appendix A.

b. National Asset Management Assessment Framework Results (October 2021)

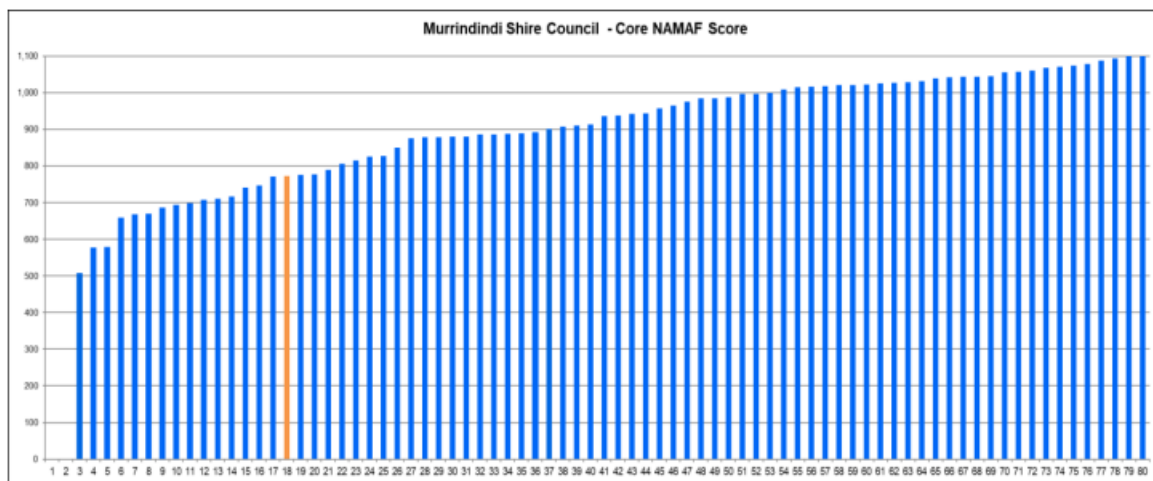
Council’s Asset Management Working Group (AWWG) self-assess the organisation’s asset management practices. A consultant from CT Management Group then reviews this assessment and benchmarks Council’s performance against that of other participating Councils. The NAMAF scorecard considers eleven elements of asset management. The results provide an indication of Council’s capacity to manage its asset portfolio effectively and sustainably.

The most recent assessment was in 2021 and the results are summarised in the table below shows. The Score of 773.5 suggests that Council’s competency is considered “Basic” on a scale that goes from “Aware” to “Advanced.”

Reference	National Framework Criteria	2021 Core Competency Score
1	Strategic Longer Term Plan	91.7
2	Annual Budget	100.0
3	Annual Report	100.0
4	Asset Management Policy	95.0
5	Asset Management Strategy	50.0
6	Asset Management Plans	56.5
7	Governance & Management	42.9
8	Levels of Service	43.8
9	Data & Systems	81.3
10	Skills & Processes	62.5
11	Evaluation	50.0
Overall Assessment		773.5



In 2021, CT Management Group reported that MSC ranked in the bottom quartile of Victorian Councils. Ranking 18th from the bottom among 78 Council.



Source: National Asset Management Assessment Framework (NAMAF) as reported in the Asset Management Maturity Assessment Summary Report prepared by CT Management Group for Murrindindi Shire Council (October 2021).

A lack of progress in the following areas has contributed to the current position:

- Establishing and embedding effective governance structures and processes.
- Determining target levels of service.
- Addressing gaps in skills and processes.
- Establishing effective evaluation and performance reporting.

MSC's performance in 2021 was below the performance of the majority of other councils in the following areas:

- Review and update of AM Strategy and AM Plans
- Governance and Management
- Skills and Processes
- Evaluation

On a positive note, the results show that MSC's asset data and systems remain equivalent to that of other Councils. Recent improvements in the quality of Council's asset data and systems have been maintained, but there is still room for improvement.

The CT Management Group reported key MSC strengths were:

- "Increased focus on improving the quality of data and systems to build knowledge and intelligence to support data driven decision making.
- Implementation of an integrated best-of-breed asset management system for recording infrastructure assets and undertaking maintenance management and predictive renewal modelling.
- Robust corporate planning and reporting framework being established. "

The assessment also shows, that like many other Councils, MSC continues to struggle with the development of Levels of Service. The assessment report states:

- "While Council has a broad range of strategies which set long term service goals, there are no detailed service plans in place which define levels of service and how the high-level service objectives are to be met. There is also a disconnect in how strategies are translated into the Long-term Capital Works Plan or the Financial Plan.
- Greater collaboration needs to be established by service managers and asset managers so that service delivery informs the future direction of Council's assets."

Discussions with staff suggest that the main explanation for the current position is the increasing time pressures faced by officers responsible for strategic asset management leadership, planning and promotion. Council officers feel that they have limited time available to spend on the strategic and collaborative work necessary to continuously improve the efficiency and effectiveness of Council's asset management practices. There are many explanations for this including:

- Departure of key staff members, and difficulties with recruitment of highly skilled replacement staff.

- The need for all Council staff to participate in disaster recovery efforts following the COVID-19 pandemic, and consecutive flood, grassfire, and major storm events.
- Only a small number of Council staff have high-level technical engineering expertise. As a result, staff responsible for asset management are increasingly called on to provide technical engineering solutions in response to complex community requests. This lack of skilled resources requires existing officers to drop strategic tasks to respond reactively to issues as they arise.
- Competing demands faced by the Manager Sustainability and Assets, means that he spends a lot of time on capital works project delivery, working in a reactive mode, responding to crises and community requests. This leaves no time to provide asset management leadership for the organisation.

c. Outcomes of the review of manager responsibilities (November 2021)

Following the departure of two managers, a review of the MSC Assets and Developments Division was undertaken to review the responsibilities of the two managers and to examine the likely cause of poor staff morale and gaps in performance with regard to delivery of key services including:

- Asset management
- Operations and asset maintenance
- Waste services
- Environmental and sustainability programs
- Engineering services
- Delivery of capital projects
- Emergency management

The review found that there was a clear imbalance of the workload between the two managers and that the strategic asset management practices were suffering as a direct result of the manager not having enough time to provide high-level leadership for the service. The preferred solution was to redistribute responsibilities and to create an additional department with the following split of responsibilities:

- Operations and Maintenance
- Resource Recovery and Environment (RRE)
- Community Assets/ Engineering Services (including Project Delivery, Technical Engineering Support Services)

With responsibility for Asset Management sitting either in the RRE or the Community Assets department:

- RRE Department - where Asset Management could complement Council's Environmental and Sustainability Programs, potentially be led by a manager with strength in cross-organisation engagement, and time to support strategy development and implementation; or

- Community Assets/ Engineering Services Department - where the team could continue to provide technical support and influence the alignment of asset renewal with other capital works.

In either case, the creation of a separate team, with a reduced sub-set of responsibilities, would enable staff responsible for strategic asset management to have better access to manager level support, without being overridden by the day-to-day demands of other services. A separate team would also free up other managers to

- be less reactive.
- engage with other teams to improve council-wide asset management awareness and capabilities.
- provide leadership and support to the coordinators and lower-level staff.
- undertake other service improvements including:
 - Review and replacement of existing inefficient time-consuming processes.
 - Improve clarity of staff roles and responsibilities
 - Fill skill and capability gaps.

Given that creation of a new department has not been budgeted for, an alternative solution was recommended to provide a more even split of manager-level responsibilities

The current status is two departments:

- Operations and Maintenance
- Sustainability and Assets (with responsibility for Asset Management, Project Delivery, Technical Engineering Support Services as well as Waste, Resource Recovery and Environment Programs)

This structural change enabled visible improvement to the operations and asset maintenance services provided to the community. However, it left the strategic asset management function with too many additional responsibilities and without adequate leadership. With continued responsibility for delivering technical engineering services, the Coordinator Asset Management, and the responsible Manager, have been unable to find the time required to stay on top of the delivery of key strategic asset management activities including asset planning and whole-of-Council engagement.

d. Progress made since the 2021 NAMA Assessment

Despite the challenges, Council has met the requirements of the Local Government Act 2020. A 10-year Asset Plan and corresponding 10-year Financial Plan, have been developed and adopted by Council. This required considerable asset data cleansing and updating of predictive asset deterioration modelling in order to present clear priorities and reasonably reliable forecasted future expenditure for key asset categories.

The effort made to develop Council's 10-year Asset Plan has addressed some of the deficiencies and improvement recommendations identified in the CT Management Group Report. However, there is still room for further improvement.

The resourcing issue remains unresolved and continues to impact Council's performance in the following key areas:

- Timely review and update of AM Policy, Strategy and Plans
- Governance and management
- Levels of Service
- Skills and processes
- Evaluation, monitoring and reporting.

e. Summary of consultation with Council staff

Consultation with staff highlighted a number of issues that this strategy aims to address:

- Cross-functional Asset Management Working Group (AMWG) is not effective.
 - AMWG was established about five years ago to develop, implement, and monitor the AM Strategy and Plans. However, the group has met irregularly. Members tend to focus on other priorities and never seem to have enough time to participate. Without effective governance, there is:
 - A lack of collaborative service, asset, and financial planning
 - Gaps in the consistent application of processes such as asset handovers
 - Gaps in development of useful performance reports
 - Staff not aware of the AM Principles (or how to apply them)
 - Staff feeling unsupported and disengaged from asset management improvement efforts.
- Service Plans (or Community Levels of Service) have not been developed.
 - While the Asset Management team has focussed on asset condition, they have been unsuccessful in getting information from Service Managers with regard to:
 - Current and predicted future service demand and how this might impact on future asset needs.
 - Measurable community service level expectations regarding service and asset utilisation, serviceability, functionality, fitness for use, accessibility, environmental sustainability (carbon footprint) and other factors.
- Processes - Handover and asset data handling
 - Whilst a number of asset management related processes exist, a number are still undocumented. As a result, Council relies excessively on the knowledge and judgement of specific staff members.
 - A key issue associated with the development of documented processes is ensuring that the processes are followed. Some processes and associated forms have been developed in recent

times such as the data handling process, and asset handover processes but issues exist in ensuring staff follow protocols.

- System Integration and reporting functionality.
 - Council's customer service system and its maintenance management system are poorly integrated resulting in a lot of manual handling. Algorithms have not been developed for processes that could be automated.
 - Multiple separate information systems, coupled with a lack of in-house Power BI, or similar technical skills, means that its time consuming (or impossible) for busy decision-makers to extract and combine data from multiple systems into simple useable reports or dashboards.
 - There is a risk that following implementation of the Assetic maintenance management system and MyPredictor (used for renewal modelling), that Council will not invest adequately in staff training on going data cleansing, to improve the quality of the data, and the quality of reports that can be produced.
- Council does not have a complete database of the quantity and/or condition of the following assets:
 - Trees
 - Open space infrastructure assets
 - Sportsground assets
 - Drainage assets
 - Minor assets such as lighting, signs, street furniture

6. WHERE DO WE WANT TO BE?

6.1 Our community vision and strategic objectives

During March and April 2021, Council ran a 'Shaping Our Future' community engagement initiative to hear what the community values most in the Shire and what they want Council to focus on. The result is the **vision statement** reproduced below.

'Through our combined efforts, our community is vibrant and resilient. We:

- are inclusive, embrace diversity and encourage the participation of all.
- welcome new residents and visitors to enjoy and contribute to our Shire.
- respect and celebrate the cultural heritage of our First Nations People and those who have come before us.
- actively support the current and future needs and aspirations of people of all ages and abilities
- enjoy, participate in, and promote culture and the arts, sport, and recreation.
- are leaders in waste reduction and combating climate change.
- protect our natural environment and biodiversity and preserve our rural landscapes.
- grow through managed land development, business entrepreneurship and enhanced learning opportunities.'

The Community Vision has informed the Murrindindi Shire Council Plan 2021-2025, including the **five strategic directions** shown in the diagram below. Our Community Vision is at the centre of the diagram to demonstrate Council's intention to keep the community and their future at the centre of all decisions.



Strategic Direction 5 and the related objectives and actions (as set out in the Council Plan are summarised below). Implementation of this AM Strategy will go some way to ensuring Council's asset services deliver improved transparency,

inclusion, and accountability; and therefore, the best possible asset-related outcomes for the community.

Strategic Direction 5 - Transparency, Inclusion and Accountability.

Objective - To ensure our services, people and systems deliver the best possible outcomes for our communities now and into the future.

We will:

- 5.1. put the customer first in everything we do.
- 5.2. ensure Council remains financially sustainable through sound management, forward planning, innovative service delivery and asset consolidation as appropriate.
- 5.3. evaluate and pursue new commercial opportunities.
- 5.4. provide a workplace that is flexible and inclusive to support the health and wellbeing of our employees.
- 5.5. maintain transparent, inclusive, and accountable governance practices.
- 5.6. communicate effectively using multiple methods with our customers and communities about our work and services.
- 5.7. improve emergency readiness through active emergency management planning to enhance community preparedness and resilience.
- 5.8. establish a team approach in partnership with our communities to represent our collective interest to the State and Federal Governments.

We will know we have succeeded if we have:

- increased community satisfaction with our consultation and engagement
- increased community satisfaction with our lobbying on behalf of the community
- increased community satisfaction with our customer service
- increased customer satisfaction with our customer service
- positive trends in the Victorian Auditor General's ratings of Council's financial sustainability
- maintained high levels of staff satisfaction working at Council.
- completed all annual items in the Gender Equality Action Plan
- improved results for our Gender Equality Audit indicators
- reduced Lost Time Injury Rates
- 100% completion of training programs
- continuous improvements in condition index of Asset Categories
- improvements in relevant LGPRF indicators when compared to similar councils.

6.2 Our vision for asset management practices

Council's adopted AM Policy (June 2020) includes our vision for asset management practices and is reproduced below:

As stewards of community assets, Council will provide assets that support the provision of best value services. Council assets will be accessible, safe, and suitable for community use. The approach to asset management will be sustainable. It will balance competing community social, environmental, and economic needs for the benefit of current and future generations.

To realise Council's vision and to meet increasing service delivery demands requires a functional and cost-effective asset base. To achieve this, an integrated and multi-disciplinary approach to asset management is necessary.

Achieving best value in relation to both short and long-term service needs, requires an understanding of the total costs associated with each asset over its lifecycle (from creation to disposal).

Adopting a best practice approach to asset management will enable Council to safeguard the considerable investment required to sustain its asset portfolio for current and future generations.

This vision is aligned with and consistent with the current Community Vision and current Council Plan strategic directions.

It is worth noting however, that review and update of the AM Policy is overdue. The Policy has not been well understood or accepted by all staff responsible for its delivery. The document needs a refresh and an associated internal communication exercise to embed Council's AM Policy and Principles into all relevant decision making. To avoid key documents falling out of sync, the AM Policy should be reviewed and updated as soon as possible following Council adoption of the next Council Plan in June 2025 (and every Council Plan thereafter).

6.3 Our asset management objectives

Underlying Council's vision for asset management practices are a number of AM principles. These principles were initially listed in Council's AM Policy (June 2020) and have been further refined in the MSC Asset Plan 2022-32. Further work is required, as part of the review and update of Council's AM Policy, for the Leadership Group to work collaboratively to assist the Coordinator Asset Management to develop a set of AM Principles and objectives that are well-understood and meaningful to staff throughout the organisation.

a. AM Principles – (AM Policy June 2020)

1. Ensure assets support the services provided by Council.
2. Community involvement in decision-making
3. Focus on long-term sustainability.
4. Sustainable investment in capital works
5. Continuous improvement in data and asset management information systems
6. Compliant asset accounting
7. Legislative and regulatory compliance
8. Compliance with insurance obligations
9. Continuous improvement in risk management
10. On-going training and skill development
11. Effective monitoring and reporting

b. AM Principles – (Asset Plan 2022-32)

1. We adopt a community-centric approach.
2. Our assets support services provided by Council and the community.
3. Our Community is involved in all critical decision making.
4. We have a focus on long-term financial and environmental sustainability.
5. We retain assets based on assessment of usage and community commitment.
6. We strive to continuously improve our asset knowledge and information management systems.
7. We take a well-considered, risk-based approach to asset management.
8. We use effective monitoring and performance reporting to inform our asset management practices.

Delivery of asset services aligned with the AM principles listed above, will support Council's Transparency, Inclusion and Accountability goals and in turn enable achievement of other Council goals: Resilient Communities, Beautiful Townships and Rural Settings, a Protected Environment, and Growth and Opportunity for all.

7. HOW WILL WE GET THERE?

7.1 Proposed two-pronged approach.

Given that Council's asset management maturity was rated, in October 2021, as "Basic" on a scale from "Aware" to "Advanced" highlights the fact that some of the essential components of best-practice asset management cannot be effectively delivered by an individual operational area. Operating in isolation from other decision-makers, and without pro-active hands-on managerial level leadership.

To improve maturity, a focus on the following aspects of National Asset Management Assessment Framework is recommended:

- Governance, Management and Evaluation
- Levels of Service

- Asset Management Plans

This will require on-going nourishment of an environment that supports continuous improvement in AM skills and understanding at all levels of the organisation.

A two-pronged approach is considered necessary:

1. Continued investment in recurrent asset management activities (listed in section 7.2),
2. Targeted investment in improvement actions (listed in Appendix A).

Decisions taken throughout the organisation have a significant impact on the asset outcomes experienced by the community. Asset Management is therefore a whole of Council responsibility. High-level leadership and active cross-organisation involvement will be required to improve competency in relation to the following areas:

- Governance and management
- Service planning (including the establishment of community levels of service)
- Integration of service, place, asset, and financial planning efforts.
- Skills and process development
- Data, information systems and reporting

The Coordinator Asset Management and team must also be freed up and skilled to focus on catching up on delivering the recurrent asset management activities, which include updating and continuously improving the asset management documents, data and predictive modelling.

Implementation of the proposed improvement actions, and the recurrent activities will likely require additional funding. It will also require active participation and sustained cooperation from staff throughout the organisation.

Constraints to the deliverability include budget and resource allocations. In particular, the availability and capacity of key staff to be fully involved while continuing to deliver other duties.

7.2 Undertake recurrent strategic AM activities.

There are a number of recurrent strategic asset management activities that need to occur on a regular cycle; simply to keep Council's asset data, information systems, strategies and plans current.

The table below lists the key recurrent strategic AM activities. Continued investment in these will enable Council to demonstrate that it is making reasonable efforts to optimise its asset management practices in order to maximise the value the community can obtain from the investment in community assets. Cost estimates shown here are only approximate and in current year dollars. They will therefore need to be reviewed each year at budget time and adjusted for inflation. Delivery of activities that require additional funding will be subject to Council approval as part of annual budgetary deliberations.

Achievement of the best practice cycles proposed in the table below will require additional investment and resources. If this is not possible, the target frequency of each activity will need to be extended to match resource capacity.

	Recurrent Strategic AM Activity	Leader	Next Due Date	Cycle	Est. budget / resourcing
1	<p>Review of 10-Year Asset Plan</p> <p>Enable alignment with the Council Plan and Financial Plan and compliance with the Local Government Act 2020 and any associated regulations.</p>	<p>Coordinator Asset Management</p> <p>Manager Business Services</p>	30 June 2025	<p>4-year cycle</p> <p>(To be adopted by 30 June in year following each election)</p>	Additional funding required \$20,000 per review
2	<p>Review of AM Policy</p> <p>Enable consistency with the latest Community Vision and Council Plan.</p>	Coordinator Asset Management	30 June 2025	<p>4-year cycle</p> <p>(To be adopted by 30 June in year following each election)</p>	Funded
3	<p>Review of AM Strategy</p> <p>To provide a framework for continuous improvement in asset management practices and capabilities.</p>	Coordinator Asset Management	30 June 2025	<p>4-year cycle</p> <p>(To be adopted by 30 June in year following each election)</p>	Additional funding required \$10,000 per review
4	<p>Review of AM Strategy Improvement Plan</p> <p>To enable recurrent activities and improvement actions are still relevant and are appropriately resourced and delivered.</p>	Director Assets and Environment	15 Nov 2023 and annually each year	<p>Annual</p> <p>(Including presentation to EMT and Council as part of budget preparations)</p>	Funded

	Recurrent Strategic AM Activity	Leader	Next Due Date	Cycle	Est. budget / resourcing
5	<p>Asset data collection (including condition audits)</p> <p>Including collection and confirmation of asset inventory and update of asset register data to continuously improve data completeness and accuracy.</p> <p>Also includes other asset data:</p> <ul style="list-style-type: none"> • Traffic Counts • Level 2 Bridge Audits 	Coordinator Asset Management	2024	<p>4-year cycle during the year before the corresponding AM Plan review</p> <ul style="list-style-type: none"> • Open space and sportsground assets – 2024 • Buildings (Corporate, Recreation, Leisure & Community Facilities) – June 2025 • Street Trees, Footpaths & Cycleways – June 2026 • Drainage – June 2027 • Roads, Carparks, Bridges & Major Culverts – June 2028 • Saleyards & Waste Assets – June 2028 • Plant & Equipment – June 2029 	Funded
6	<p>Review Asset Register Data Integrity and Structure</p> <p>Review Brightly (Assetic) system asset data structure for each asset class to ensure data is as accurate and reliable as possible and that it:</p> <ul style="list-style-type: none"> • Can be verified. • Is easy to update. • Can be reported in a format that can be easily aligned with Council's 10-year Asset Plan and 10-year Financial Plan. <p>Ensure asset categories are meaningful to staff and the community and are readily translatable to the Local Government Victoria Model Budget, Annual Financial Report and 10-Year Asset Plan</p>	Coordinator Asset Management	Ongoing	As above	Funded

	Recurrent Strategic AM Activity	Leader	Next Due Date	Cycle	Est. budget / resourcing
7	<p>Asset re-valuations</p> <p>For inclusion in the Annual Report and for predictive renewal modelling.</p> <p>Include verification of data quality, and completeness</p>	<p>Coordinator Asset Management</p> <p>Finance Accountant</p>	30 June 2024	Annual (or every 2 years depending on the asset category)	Funded
8	<p>Update of predictive asset deterioration model and renewal forecasts</p> <p>Update Asset Class summaries (i.e., Section 10 of the MSC Asset Plan)</p> <p>Update renewal forecasts in 10-year Financial Plan - based on revaluation and condition data.</p> <p>Document methodology for assessing the Remaining and Useful Life, Residual Value and Depreciation Method for each asset class.</p>	<p>Coordinator Asset Management</p> <p>Manager Business Services</p>	30 June 2025	Annual (including presentation to Council as part of budget preparations)	Funded

Recurrent Strategic AM Activity	Leader	Next Due Date	Cycle	Est. budget / resourcing
<p>9 Review of AM Plans</p> <p>Refine the scope of these documents to be confident that their review is not excessively onerous.</p> <p>Incorporate:</p> <ul style="list-style-type: none"> • new asset condition and valuation data • service planning outcomes (including service demand and community levels of service) • technical service levels <p>Ensure the AM Plans are developed in a way that provides a direct input into the next version of Council's:</p> <ul style="list-style-type: none"> • 10-year Asset Plan and Financial Plan • AM Strategy Improvement Plan 	<p>Coordinator Asset Management</p>	<p>Roads AM Plan - June 2024</p>	<p>4-year cycle (Initially one Major AM Plan reviewed per year, then after 2028, One Major and One Minor AM Plan per year)</p> <p>MAJOR</p> <ul style="list-style-type: none"> • Roads, Carparks, Bridges & Major Culverts – June 2024 and 2028 • Open Space and Sportsground Assets (including Aquatics)– June 2025 and 2029 • Buildings (Recreation, Leisure & Community Facilities) – June 2026 and 2030 • Drainage – June 2027 and 2031 <p>MINOR</p> <ul style="list-style-type: none"> • Street Trees – June 2028 and 32 • Footpaths & Cycleways – June 2028 and 32 • Saleyards & Waste Assets – June 2029 and 31 • Plant & Equipment – June 2030 and 34 	<p>Funded</p>
<p>10 Annual Risk Register Review</p> <p>Include any emerging infrastructure asset related risks</p>	<p>Manager Sustainability and Assets</p>	<p>Sep 2023</p>	<p>Annual</p>	<p>Funded</p>
<p>11 Annual Asset & Financial Plan Council Briefing</p> <p>Present the implications of decisions set out in the 10-year Asset Plan as part of the annual budget process</p>	<p>Manager Sustainability and Assets Manager Business Services</p>	<p>Sep 2023</p>	<p>Annual in lead up to budget adoption</p>	<p>Funded</p>
<p>12 Councillor AM Induction</p> <p>Re introduce formal asset management induction pack for new Councillors – include the 10-year Asset Plan.</p>	<p>Manager Sustainability and Assets Manager Corporate Services</p>	<p>Nov 2025</p>	<p>4 yearly in month following general elections</p>	<p>Funded</p>

	Recurrent Strategic AM Activity	Leader	Next Due Date	Cycle	Est. budget / resourcing
13	<p>Participate in Independent (and Internal) Asset Management Audit Program</p> <p>Assessment to be used to benchmark against other Councils and monitor progress in improving asset management capabilities</p>	<p>Manager Sustainability and Assets</p> <p>Leadership Group</p>	Dec 2026	Minimum 4 yearly cycle – 6 months before AM Strategy Review	Funded Independent Auditor

7.3 Implementation of recurrent activities and improvement actions.

The table in Appendix A lists a number of improvement actions to be implemented over the next 4 years and beyond. The improvements are grouped under the following headings:

- Improve AM governance and management.
- Better integrate service-asset-financial planning
- Improve risk management and efficient allocation of limited resources.
- Build on data and information system improvements.
- Improve AM skills and capabilities.

For each recommended action, the table indicates the proposed:

- Deliverable
- Leader
- Key stakeholders
- Desired delivery time frame
- Estimated resourcing.

Estimated costs listed in the table are only approximate and in current year dollars. They will therefore need to be reviewed each year at budget time and adjusted for inflation. Delivery of the actions that require additional funding will be subject to Council approval as part of annual budgetary deliberations.

A Project Plan will need to be prepared for all major improvement actions and major recurrent strategic asset management activities.

Each nominated Leader is charged with responsibility for defining the scope of work. It is expected that the Leader will work collaboratively with key stakeholders to reach agreement about appropriate scope and resource allocations required to complete the improvement actions in a timely manner. This will require relevant Managers to allocate adequate time and resources are included within their annual business plans.

As part of the Project Plan (for major recurrent activities and the improvement actions) a RACI matrix should be developed by the nominated Leader. The matrix should indicate who is Responsible, Accountable, Consulted and Informed with regard to each improvement action.

It must be noted that some external specialist expertise is likely to be required to assist Council staff with the planning and delivery of some improvements and some recurrent AM activities. Wherever practicable, however, it is preferable to implement the Improvement Actions using internal resources, as this builds knowledge and capabilities within the organisation. Some staff training may therefore be necessary.

7.1 Increased accountability regarding progress reporting

Ideally, Council's corporate reporting system will be used to monitor delivery of both the improvement plan and the recurrent asset management activities.

The Director Assets and Environment, facilitated by EMT, the Coordinator Asset Management, and an AM focused Leadership Group will be charged with responsibility for coordinating the implementation of this Strategy.

The Coordinator Asset Management will report progress on delivery of both the recurrent strategic asset management activities and the improvement plan:

- Annually to Council
- Quarterly to the Leadership Group
- 6 monthly to Executive Management Team.

The progress reporting will be timed to align with Council's business and budget planning timelines, in order to inform each Department's annual business plan and enable new initiative funding to be sought if required.

When major improvement actions are completed to the satisfaction of the nominated Leader, and the Coordinator Asset Management, the resultant deliverable will also be presented to the Leadership Group for comment and then EMT and /or Council for endorsement.

8. REVIEW OF THIS STRATEGY

This Asset Management Strategy will be reviewed every 4 years. The Coordinator Asset Management will be responsible for the review and update of this document.

The Annual AM Strategy Progress Review Report may include suggested modifications to the Improvement Action Plan (refer Appendix A); or to the scope and timing of the recurrent asset management activities (refer section 7.2) to reflect changes to:

- Statutory requirements
- Resource availability.
- Financial capacity of the Council including government grants.
- Community expectations and priorities
- Information gained during the review of Asset Management Plans or other related activities.

9. APPENDIX A - IMPROVEMENT ACTION PLAN

Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
a. Improve AM governance & management					
<p>M1– Adjust AM Team responsibilities and reporting structure.</p> <p>Reconsider issues identified and recommendations of <i>MSC Assets & Development Directorate Review of Manager Responsibilities Report (December 2021)</i>.</p> <p>Assess feasibility of removing responsibility for Engineering Services from the Coordinator Asset Management role. To free up time to deliver Strategic Asset Management Services.</p> <p>Assess feasibility of elevating the role of Coordinator Asset Management to a more senior role. The aim is to maximise the opportunity for Council to have robust and proactive AM leadership, to deliver an ambitious improvement program and meet community service needs in a financially responsible and transparent manner.</p>	Revised AM team reporting structure and position descriptions for all officers within the Asset Management Team	Director Assets & Environment	EMT Manager Assets and Sustainability	July 2023	Funded (Funded within existing budget and resources (i.e., reallocation of vacant Coordinator Waste Infrastructure and RRC (Resource Recovery Centres) Operations)

Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
<p>G1– Introduce formal annual AM internal audit.</p> <p>To encourage transparent good governance of Asset Services, expand Internal Auditor’s responsibilities to explicitly include AM practices:</p> <ul style="list-style-type: none"> • Monitor implementation of adopted AM documents (policy, strategy, plans) • Monitor asset related risks and treatment plans/ controls. • Monitor Road Management Plan compliance. • Monitor compliance with asset insurance obligations and ensure appropriate financial and insurance valuations. 	<p>Audit Report to MSC Audit and Risk Committee</p>	<p>Manager Governance and Risk</p> <p>Internal Audit Committee</p>	<p>EMT Leadership Group Council</p>	<p>Every 4-years to inform the review of this AM Strategy (i.e., March 2027)</p>	<p>Funded</p>
<p>G2 – Introduce AM to the regular EMT meeting agenda.</p> <p>Include an AM agenda item in regular EMT meetings to allow high-level leadership and accountability for continuously improving Council’s approach to integration of service, asset, and financial planning practices.</p> <p>Agenda items to include progress relating to this Improvement Action Plan and the recurrent Strategic AM activities.</p>	<p>AM included in EMT meeting agenda at least twice per year.</p>	<p>Executive Office Support</p>	<p>EMT Manager Sustainability and Assets</p>	<p>ongoing six-monthly meetings</p>	<p>Funded</p>

Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
<p>G3 – Introduce AM to the regular Leadership Group meeting agenda and member responsibilities.</p> <p>To develop a strong corporate approach to asset management, an effective cross divisional AM Steering Committee and AM Working Group is recommended.</p> <p>EMT and the Leadership Group can take on these roles. To be effective, members must commit to an annual agenda of AM related meetings and allow time in their annual Work Plan to work on implementation of selected recurrent AM activities and selected actions in this improvement plan.</p> <p>As the AM capabilities of the members evolves, responsibilities should include:</p> <ul style="list-style-type: none"> • Coordinating the implementation of integrated planning activities • Provide oversight of service planning for services that rely on the use of Council assets. • Ensuring appropriate community engagement with regard to service demand and Levels of Service • Establish accountable and measurable linkages between community aspirations, financial capacity and practical service delivery. • Identify and advocate for resources to deliver long-term objectives. 	<p>Annual Plan of minimum Quarterly Meeting Topics aligned with delivery of recurrent AM activities and selected improvement actions.</p>	<p>Manager Sustainability and Assets</p>	<p>Leadership Group</p>	<p>Ongoing quarterly meetings</p> <p>More regular meetings/ workshops with selected members may also be required.</p>	<p>Funded</p>
<p>G4 – Improve corporate reporting regarding AM Improvement Projects</p> <p>Use Councils Corporate Reporting Framework (CAMMS) to enable formalised reporting on delivery of funded and resourced AM Improvement Actions and recurrent AM Activities (for annual reporting to EMT and Council).</p>	<p>AM Improvement Project Progress Report to the Leadership team and Council</p>	<p>Manager Risk & Governance (Corporate Services)</p>	<p>Coordinator Asset Management EMT</p>	<p>July 2025</p>	<p>Funded</p>

Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
<p>G5 – Update Council’s Asset Rationalisation Policy and develop implementation procedure.</p> <p>Develop a clear, systematic, transparent, and accountable policy is in place for the disposal of Council owned assets in accordance with appropriate legislation and accounting standards.</p> <p>To facilitate implementation, enable integrated service – asset -financial planning outcomes inform the decision-making methodology for the identification and assessment of asset rationalization opportunities.</p>	<p>Adopted Asset Disposal Policy</p> <p>Implementation Procedures</p>	<p>Director Assets and Environment</p>	<p>Manager Sustainability and Assets</p> <p>Manager Community Services</p> <p>Manager Risk and Governance</p>	<p>December 2026</p>	<p>Funded</p>
b. Better integrate service-asset-financial planning					
<p>L1 – Review proposed Roads Advisory Group outcomes.</p> <p>Consider outcomes regarding:</p> <ul style="list-style-type: none"> • Development of service level targets. • Communication of the financial implications and potential trade-offs resulting from asset management decisions <p>Assess possibility of extending Group to cover other asset classes.</p> <p>Use the review outcomes to inform future community engagement for future AM Plan Reviews and for future Service Planning initiatives.</p>	<p>Roads Advisory Group Review Report presented to EMT and Council</p>	<p>Coordinator Asset Management</p>	<p>Leadership Group</p>	<p>Jan 2025</p>	<p>Funded</p>

Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
<p>L2 – Develop agreed service and asset roles and responsibilities matrix.</p> <p>Through a series of workshops work together to:</p> <ul style="list-style-type: none"> • Develop an agreed list of Council services that require Council assets. • For each service: <ul style="list-style-type: none"> ○ assign responsibility for service planning to a specific Manager. ○ document the relevant asset classes. • For each Asset Class assign responsibility for managing each phase of the asset lifecycle • Clarify the key integration roles and assign a competent manager responsibility for each integration role, including an asset data custodian for each asset class. • Develop a common understanding of a Service Managers’ role and responsibilities in regard to asset management: <ul style="list-style-type: none"> ○ Setting strategic objectives for Council’s involvement in a service ○ Predict future demand in place and time. ○ Identify challenges and opportunities. ○ Working with the community to identify the service requirements. ○ Establish both the minimum acceptable and desired levels of service for each service that requires assets. ○ Advocate for the needs of asset users ○ Understand the types of trade-offs the community is likely to accept. ○ Periodic review of the service to reflect changes in demand drivers. ○ Monitor service and asset utilisation and fitness for purpose. 	<p>Service-Asset – Integration Responsibility Matrix presented to EMT for endorsement.</p> <p>Updated position descriptions (if required)</p>	<p>Manager Sustainability and Assets</p>	<p>Leadership Group EMT</p>	<p>December 2024</p>	<p>Funded</p>

Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
<ul style="list-style-type: none"> ○ Collaborate with Asset Managers to find asset and non-asset-based solutions to unmet demand. 					

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Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
<p>L3 – Develop agreed Service Planning Methodology</p> <p>Commence a robust service planning process to develop community-based levels of service to inform technical levels of service outlined in the 10-year Asset Plan (and portfolio AM Plans).</p> <p>In the first instance, agreed approach to focus on:</p> <ul style="list-style-type: none"> • Identification of a manageable list of Council services (or service groups) that require use of Council buildings and /or Sportsgrounds, or Open Space, Footpaths and Cycleways. • Development of community service level targets (including social research and community engagement to investigate community needs and establish agreed targets) relating to aesthetics, accessibility, utilisation, capacity, climate resilience, adaptability for alternative use etc. • Development of a mechanism to analyse demand drivers, document current and predicted future service and asset demand. • Development of a set of tools to measure/ assess delivery of customer service levels relating to asset utilisation, fitness for purpose, location suitability etc. - Consider measuring both performance and importance of each attribute. • Development of a methodology for implementing asset option analysis (including rationalization) when an asset is identified as no longer necessary for current or foreseeable future service needs. <p>Planning period to be at least 10+ years with a view to informing Council's 10-year Asset Plan which is reviewed every four years.</p>	<p>Project Plan for development of 1st generation Service Plans</p> <p>Template for the development of Service Plans (incl. Levels of Service and Demand Analysis)</p> <p>Program for development of Service Plans (ideally in the year ahead of relevant AM Plan Review)</p>	<p>Director People and Corporate Performance</p>	<p>Director Assets and Environment</p> <p>Director Community Development</p> <p>Leadership Group</p>	<p>Commence December 2024</p>	<p>Additional funding required</p> <p>Consultant to facilitate. \$20,000</p>

Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
<p>L4 – Pilot the development of a Service Plan</p> <p>Based on outcomes of recommended actions (L1 to L3) develop a Sample Service Plan Future Service Plans using the agreed methodology.</p> <p>Future service plans can then be developed subject to the outcomes of the Pilot Plan.</p>	<p>Draft Service Plan for review by EMT</p>	<p>Manager Community Services</p>	<p>Leadership Group</p>	<p>June 2026</p> <p>Ideally, prior to review of Council's Building Asset Management Plan</p>	<p>Additional funding required</p> <p>\$20,000</p> <p>Specialist Service Planning/ social research consultants likely vary depending upon the Service Plan and the agreed methodology</p>
<p>L5 – Develop process for integration of renewal forecasts into Council's 10-year Financial Plan.</p> <p>Develop agreed methodology to enable that the results of the annual update of Council's asset renewal forecasts (i.e., My Predictor and Moloney Model results based on revaluation data) is transparently fed into the 10-year Financial Plan; and included in the information presented to Council as part of annual budget process.</p> <p>Relevant VAGO 2019 Recommendations:</p> <p><i>Integrate asset management planning into financial planning cycles and processes to ensure councils balance asset investment needs against their objectives and funding constraints.</i></p> <p><i>Revise governance and policy guidance for asset investment decision-making to ensure that it is evidence-based</i></p>	<p>Adoption of documented process for Annual Updated Asset Renewal Forecasting. Results to be included in the 10-year Financial Plan.</p> <p>Joint Business Services and Sustainability and Assets presentation to Council re updated renewal funding projections and impact on Financial Plan</p>	<p>Manager Business Services</p> <p>Manager Sustainability and Assets</p>	<p>Leadership Group</p> <p>EMT</p> <p>Council</p>	<p>Process in place by 30 June 2024</p>	<p>Funded</p>

Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
c. Improve risk management and efficient allocation of limited resources					

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Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
<p>R1 – Undertake asset criticality assessment to inform asset data collection scope and priorities.</p> <p>For each Council service that relies on Council assets, assess the consequences of asset failure to identify and rank asset criticality as:</p> <ul style="list-style-type: none"> • Critical • High • Medium • Low <p>Critical assets will be few and range from Emergency Relief Centres or Municipal Emergency Coordination Centres to specific roads and bridges that if damaged could isolate a vulnerable community etc.</p> <p>Each Critical asset should be noted in Council’s Risk Register and include a relevant control / risk management strategy.</p> <p>Results of the transparent evidence and risk-based criticality assessment should then be included in the Asset Register and AM Plans and be used to achieve more efficient management of assets, given limited resources. For example:</p> <ul style="list-style-type: none"> • Apply different delivery standards to different criticality levels. • Guide most asset investment and activity to critical assets. • Prioritise discretionary capital works (upgrades, expansions, disposals) and non-discretionary activities (inspections, maintenance and renewal works) <p>Relevant VAGO 2019 Recommendations:</p> <ul style="list-style-type: none"> - Identify critical assets, and the potential risks of their failure, to inform investment priorities. - Establish more consistent and systematic processes for data collection on all asset 	<p>Asset criticality assessment methodology adopted.</p> <p>Asset criticality results identified and flagged in Brightly (Assetic).</p> <p>Critical assets listed in Council’s Risk Register with a relevant control / risk management strategy.</p> <p>Evidence that criticality rating is used for prioritisation of investment in asset management activities including data collection.</p>	<p>Coordinator Asset Management</p> <p>Manager Governance and Risk</p>	<p>Leadership Group</p>	<p>2025 + ongoing annual inclusion in:</p> <ul style="list-style-type: none"> • Risk Register • Asset Register • Portfolio AM Plans 	<p>Additional funding required \$20,000</p> <p>external support to facilitate workshops to establish criticality assessment methodology</p>

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<i>classes to a level commensurate to the criticality of the asset.</i>					
d. Build on recent data and information system improvements					
D1– Finalise Tree Asset Register in Brightly (Assetic) Load tree and open space inventory data into Brightly (Assetic) for maintenance staff to record work and enable future reporting of trees in Council's 10-year Asset Plan. Assign responsibility to keep asset register data up to date.	Brightly Tree Asset Register updated. Ongoing responsibility for data quality management assigned	Coordinator Asset Management	Coordinator Parks and Gardens	Dec 2023 + ongoing data management	Funded
D2 – Extend use of MyPredictor for building asset renewal forecasting. Review the data framework used for Buildings to: <ul style="list-style-type: none"> Facilitate use of Brightly MyPredictor for renewal modelling Make it easy to collect and keep the data up to date. Capture data for service planning. Identify asset criticality/ importance. Ensure categories are translatable to the Local Government Victoria Model Budget, Annual Financial Report and 10-Year Asset Plan Report the asset data in the 10-Year Asset Plan and Financial Plan. 	Documented Building Asset Data Framework Updated Brightly (Assetic) Asset Register for buildings with information suitable asset renewal forecasting, and easy update of the 10-year Asset Plan and Financial Plan. Renewal forecasts included in next MSC Asset Plan and Financial Plan	Coordinator Asset Management	Manager Community Wellbeing Manager Business Services	June 2027	Funded

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<p>D3 – Develop asset register for parks, sportsgrounds, and open space assets.</p> <p>Establish a data framework for recording open space and sportsground assets within the Brightly (Assetic) system.</p> <p>Complete the capture of Parks, Sportsground and Open Space assets in Council's Brightly (Assetic) Asset Register.</p> <p>Include:</p> <ul style="list-style-type: none"> • Consultation with Service Managers and Finance. • Development of a specification for repeatable auditing of the condition of these assets. • Ensure asset categories are readily translatable to the Local Government Victoria Model Budget, Annual Financial Report and 10-Year Asset Plan 	<p>Documented Asset Data Framework</p> <p>Parks & Open Space Audit Specification - condition audit methodology</p> <p>Updated Brightly (Assetic) Asset Register with information suitable for asset renewal forecasting, and easy update of the 10-year Asset Plan and Financial Plan.</p>	<p>Coordinator Asset Management</p>	<p>Coordinator Parks and Gardens</p> <p>Coordinator Facility Maintenance</p> <p>Manager Community Wellbeing</p> <p>Manager Business Services</p>	<p>May 2024</p>	<p>Funded</p>

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<p>D4 – Develop better integrated - easy to use reports.</p> <p>Review metrics that can be used to:</p> <ul style="list-style-type: none"> • meet data needs associated with disaster recovery funding arrangements. • monitor and report service, asset, and financial performance. <p>Review scope of existing dashboards and reports (Assetic, Civica, CAMMS and other Council databases)</p> <p>Introduce Power BI or similar reporting capability to bring together data from multiple sources and reduce staff time wasted.</p> <p>Relevant VAGO 2019 Recommendations:</p> <p><i>Clearly determine and document the information needed for effective asset reporting and decision-making, including ensuring Disaster Recovery Funding Arrangements needs are met.</i></p> <p><i>Integrate asset management information systems so staff can easily record and access data to enable analysis for planning and decision-making.</i></p>	<p>Corporate Reporting and Information System Improvement Plan</p>	<p>Manager Business Services</p> <p>Manager Risk and Governance</p>	<p>Manager Sustainability and Assets</p> <p>Manager Operations & Maintenance</p> <p>Leadership Group</p>	<p>In line with delivery of CODI project</p>	<p>Funded</p>

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<p>D5 – Implement Brightly (Assetic) system improvements including performance monitoring and reporting.</p> <p>Update system functionality to provide asset and maintenance performance reports and real-time monitoring of delivery of inspections, temporary works, reactive, programmed, and routine maintenance activities as well as work that requires follow-up or capital investment.</p> <ul style="list-style-type: none"> • Configure system to implement functionality to facilitate recording and monitoring of all maintenance works. • Automate integration with Customer Service System to automate closure of requests via an algorithm in order to free up staff time to be spent on productive tasks. 	Improved Brightly functionality	Manager Business Services	Manager Operations & Maintenance Coordinator Asset Management	2025	Additional funding required \$10,000

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<p>D6 – Refresh Asset Handover accountabilities, processes, and practices</p> <p>Develop criteria for completion of capital works projects including asset handover data.</p> <p>Streamline essential asset data requirements, including consideration of collecting data in AUSPEC. format</p> <p>Improve processes for:</p> <ul style="list-style-type: none"> timely recording of asset data relating to capital works (new, upgrade, expansion, disposal works) undertaken by internal staff. inspections prior to handover include Maintenance staff. handover of buildings (including involvement of service owners operating from the building) ensuring asset data is accurate. <p>Ensure renewals and upgrades are recorded as well as new assets.</p> <p>The handover documentation must be adequate to ensure:</p> <ul style="list-style-type: none"> Council's asset register (and therefore financial valuations) is kept up to date. Maintenance teams are aware of all new maintenance requirements (and associated costs) so that inspection and maintenance programs can be adjusted accordingly. Asset users have manuals (and, if necessary, training) on how to use the new and upgraded assets Estimated lifecycle costs (maintenance and renewal cost/ savings) can be incorporated into future budgets. 	<p>Asset Handover procedure and data requirements reviewed.</p> <p>Adherence to the asset handover procedure included as an agenda item for the monthly Capital Works Meeting.</p> <p>Assign adherence to asset handover process as a KPI (Key Performance Indicators) in professional development plans for relevant officers</p>	<p>Manager Assets and Sustainability</p>	<p>Manager Operations & Maintenance</p> <p>Capital Works meeting attendees.</p>	<p>Ongoing</p> <p>Monthly Handover Progress Status Report on agenda for Capital Works Meeting</p>	<p>Funded</p>

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e. Improve AM skills & capabilities					
<p>S1 – Peer review of Project Plans and key AM documents.</p> <p>When preparing a Project Plan for the development of Council’s AM Plans, AM Policy, AM Strategy and 10-year Asset Plan involve external AM expert in the review of the Project Plan to ensure a best practice approach is considered.</p> <p>And/or</p> <p>Engage external AM expert to peer review and provide comments on the draft AM documents during development/ before the documents are finalised.</p>	<p>Report on improvement suggestions for Project Plan and/or Draft AM documents</p>	<p>Coordinator Asset Management</p>	<p>Leadership Group</p>	<p>2023</p>	<p>Funded</p>
<p>S2 – Undertake AM skill gap analysis and training.</p> <p>Undertake AM skill gap analysis so that appropriate training and development programs can be established.</p> <p>Training to include:</p> <ul style="list-style-type: none"> • Participation in formal training programs and/or conferences held by reputable asset management professional bodies (IPWEA, AM Council, Institute of AM or similar) • Collaboration with universities and others to stay abreast of emerging asset management innovations <p>Relevant VAGO 2019 Recommendation:</p> <p>Evaluate capability, including resources, skills, and training to meet their identified asset management needs.</p>	<p>AM Skill Gap Report</p> <p>AM Training Program</p>	<p>Manager Sustainability and Assets</p>	<p>Leadership Group</p> <p>Manage Governance & Risk</p>	<p>To be included as part of staff professional development reviews</p>	<p>Funded</p>

Recommended Improvement Action	Deliverable	Leader	Key Stakeholders	Desired Delivery Time Frame	Estimated Resourcing
<p>S3 – Introduce Lifecycle Cost Training Program</p> <p>Implement staff training program to ensure that whole-of-life costs relating to capital investments are identified upfront in business case submissions and fed through into the 10-year Financial Plan and ongoing maintenance budgets upon approval of capital projects.</p>	<p>On-line training module included in staff induction and an annual requirement for staff involved in developing business cases.</p> <p>Business cases rejected if evidence-based lifecycle costs not estimated (or unable to be accommodated in long-term financial Plan</p>	<p>Manager Sustainability and Assets</p>	<p>Leadership Group</p>	<p>2024 + ongoing</p>	<p>Funded</p>
<p>S4 – Run an annual internal AM awareness campaign.</p> <p>Establish communications and other processes for promoting asset management across Council. To ensure all staff are aware of Council's AM Principles and each staff member's AM responsibilities.</p> <p>Ongoing internal communication is necessary to ensure all officers, throughout Council, understand their responsibilities in applying and supporting the application of AM Principles.</p>	<p>Communication Plan</p>	<p>Director Assets and Environment Communications</p>	<p>EMT Leadership Group All staff</p>	<p>2025 + ongoing</p>	<p>Funded</p>