

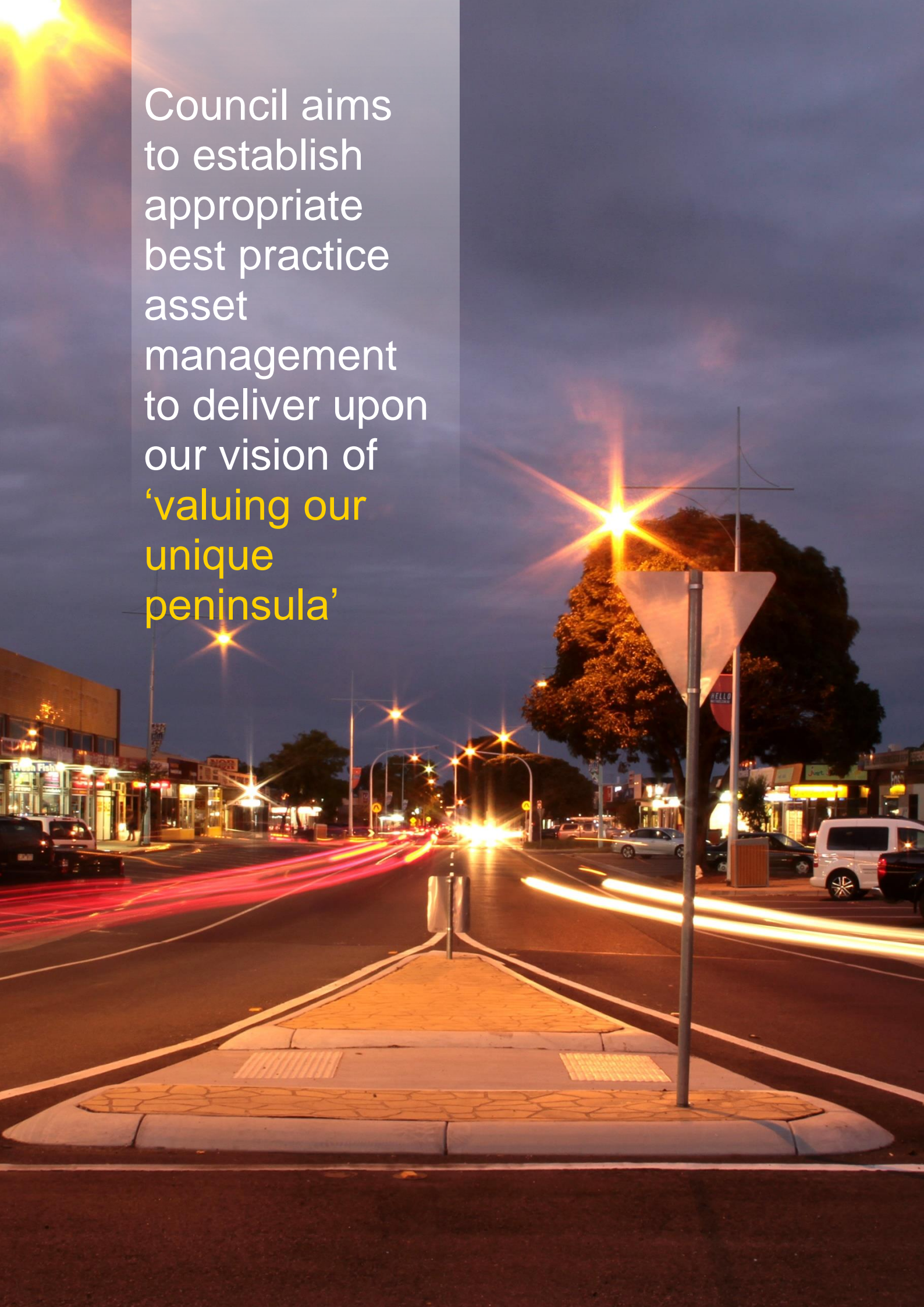
Mornington Peninsula Shire Asset Management Strategy 2020-2030

our | 2030 assets



MORNINGTON
PENINSULA
Shire

Council aims to establish appropriate best practice asset management to deliver upon our vision of 'valuing our unique peninsula'



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Introduction

Purpose

The purpose of this strategy is to bring together Council's strategic objectives, desired service delivery outcomes and future challenges, in order to establish objectives that will allow us to ensure our assets are providing value.

Goals

The goals of this strategy are:

- To outline the types of assets that the Shire manages and establish the links between our assets and the services they support;
- To identify future asset management related challenges facing Council;
- To establish how Council will overcome these challenges, ensuring long term sustainability and service delivery; and
- To convert Council's strategic objectives into *asset management objectives* (based on the asset management principles outlined in the policy).

Council's Vision

The vision of the Mornington Peninsula Shire, as outlined in the Council Plan, is 'to value, protect and improve the unique characteristics and way of life on our peninsula'.

***'Valuing our
unique peninsula'***

To achieve this vision, we need to ensure that sound asset management practices are in place to not only protect and improve the built and natural assets on the peninsula, but also to ensure we can realise value from our assets through their support of the community outcomes and strategic objectives contained in the Council Plan.

Asset Management Benefits

Aside from supporting Council's overall vision, AS ISO 50000:2014 lists the following benefits that also result from good asset management practices:

- Improved financial performance;
- Informed investment decisions;
- Managed risk;
- Improved services and outputs;
- Demonstrated social responsibility;
- Demonstrated compliance;
- Enhanced reputation;
- Improved organisational sustainability; and
- Improved efficiency and effectiveness.



Asset Management Framework

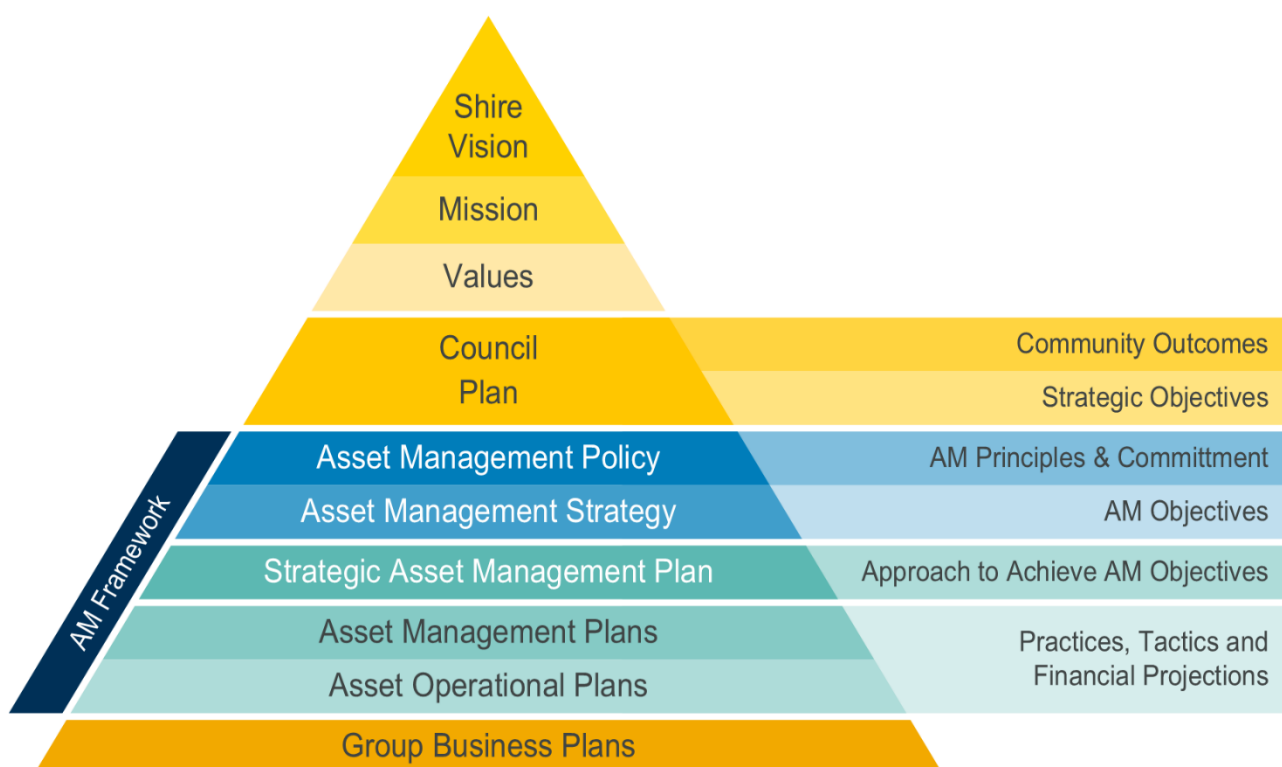
The Shire's **Asset Management Framework** is a set of interacting elements whose function is to establish the *asset management commitment, principles and objectives*, and the processes to achieve them, allowing the Shire to realise value from our assets.

The framework is set out in our **Asset Management Policy** which specifies the high-level intentions and direction of Council incorporating the principles and approach to asset management to achieve the Council's Strategic Objectives.

This **Asset Management Strategy** specifies how the Council's Strategic Objectives are to be converted into *asset management objectives* in line with the *principles* outlined in the policy.

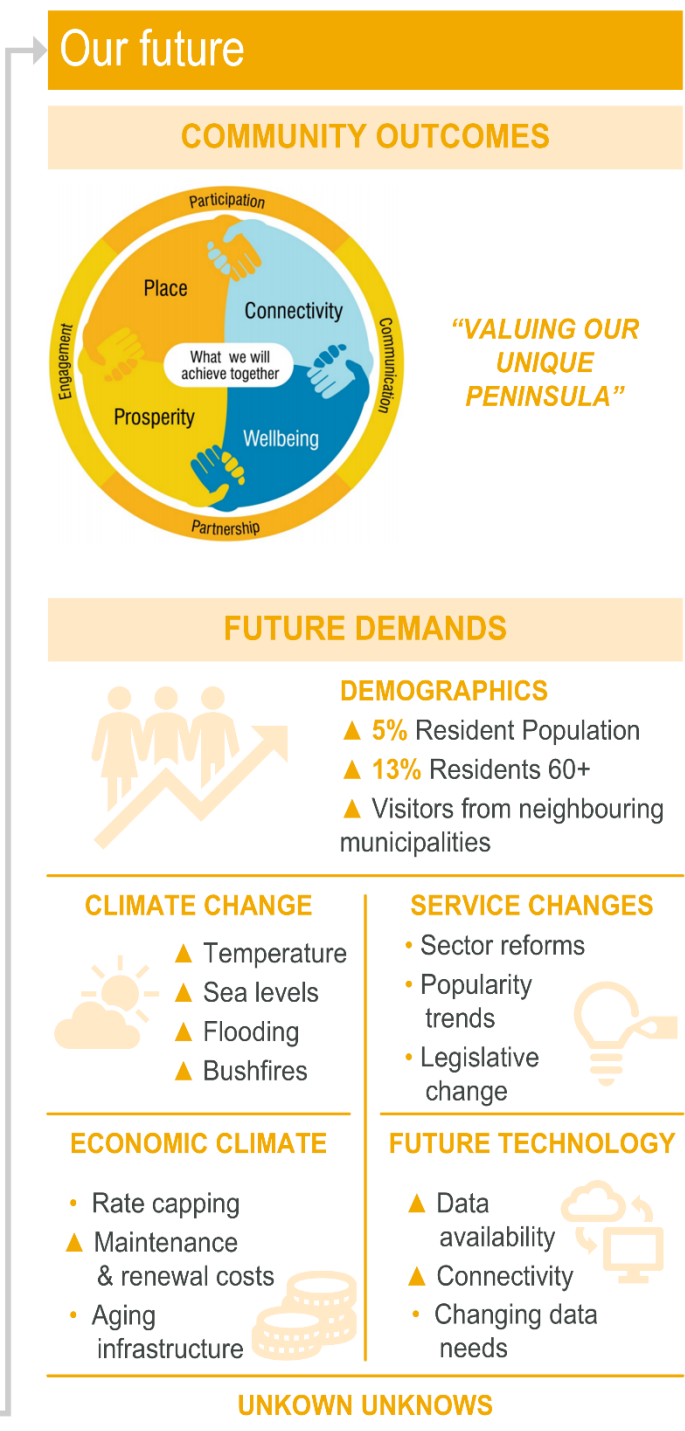
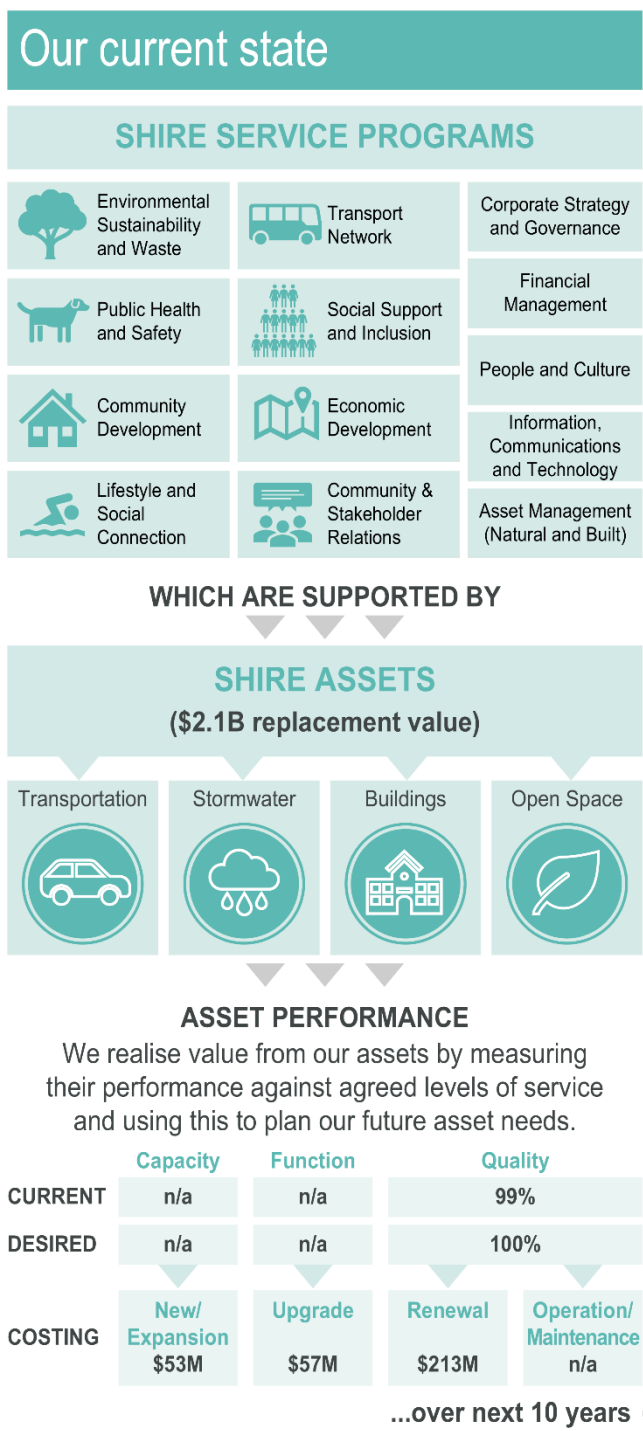
The **Strategic Asset Management Plan** specifies how asset management will be conducted in line with our *principles*, and how we will support achievement of our *asset management objectives*.

It also outlines the approach for developing our **Asset Management Plans** and **Asset Operational Plans** which seek to detail the activities, resources and timescales required for individual assets, or groups of assets, to achieve the *asset management objectives* and defined *levels of service*.





Strategy Overview





Our strategy



Leadership Driven

We will establish and implement an Asset Management Framework

We will commit to providing leadership support and adequate resourcing for asset management

We will seek to continually adapt and improve our asset management



Service Led

We will manage our assets with a focus on achieving community outcomes

We will measure current performance and future asset needs based on service requirements



Informed by Risk

We will integrate risk management processes that create and protect value in our assets

We will effectively manage our risk exposure from the day to day use of our assets



Information Based

We will collect and maintain quality data on our assets

We will maintain an information system to store and analyse asset data and make resultant information available



Whole of Life

We will develop long term plans for our assets that seek to optimise asset performance and value

We will ensure our long-term asset planning is financially sustainable



Climate Aware

We will incorporate consideration of climate change into our asset management thinking



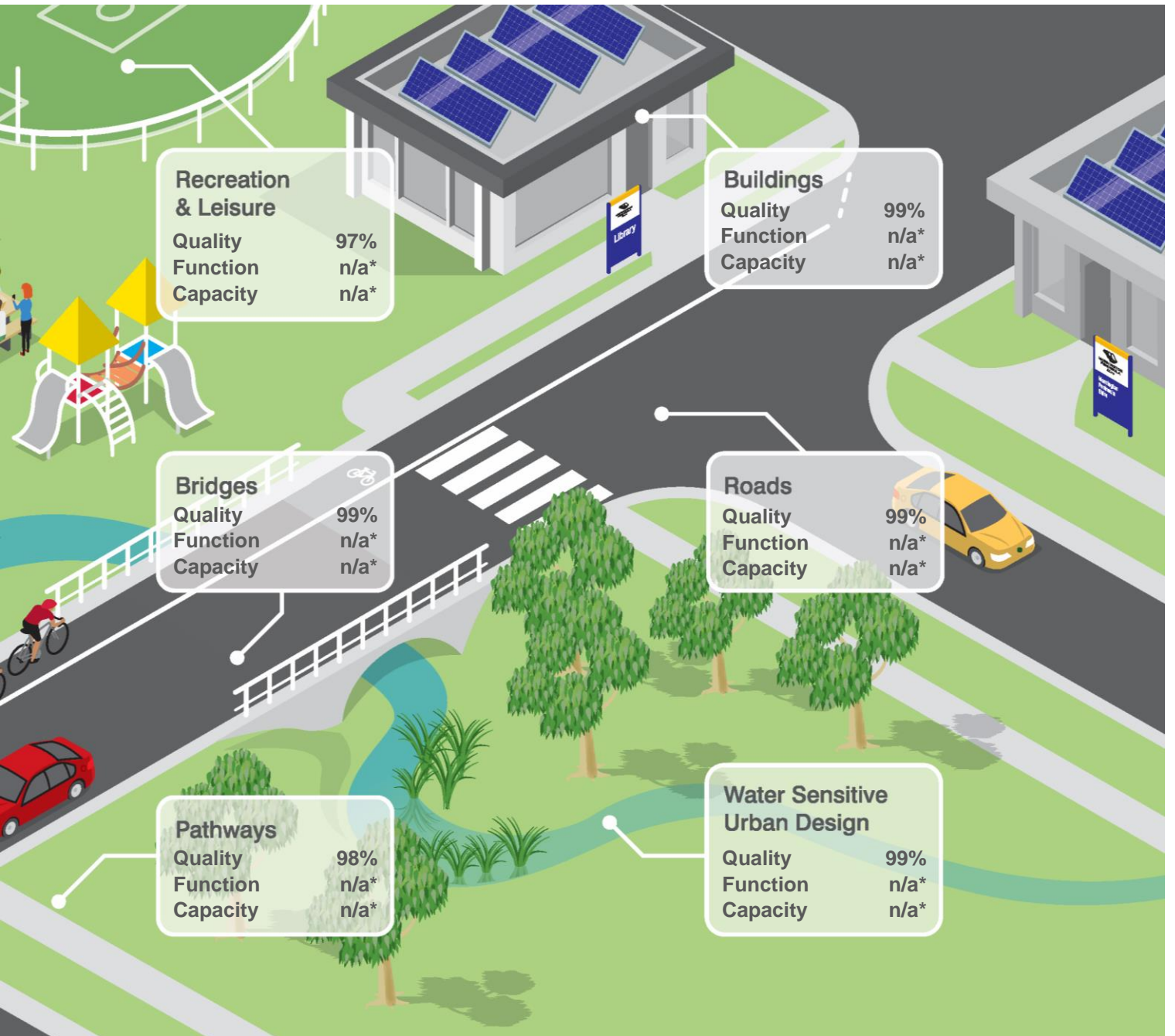
Our current state

State of Assets 2020



Note:

- Performance given as % of assets that meet current levels of service (do not need to be considered for capital intervention)
- *n/a (indicated data not yet available but will be update in future)





Providing Service

The Need for Assets

The *Local Government Act, 1989 (Vic)*, states:

‘The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.’

We seek to achieve this goal through the delivery of a wide range of services to the community, always seeking to provide those services efficiently and effectively.

Across the board, the services that we deliver rely upon physical assets for their delivery.

Therefore, in order to meet our primary objective under the *Local Government Act*, and the facilitating objectives, we need to ensure that we manage our assets to realise their value and meet the objectives of the community.

Service Structure

We define a service as a means of delivering value to customers by facilitating outcomes customers want to achieve.

Overall, Council groups services into Level 1 Services and Level 2 Services. The Shire groups these service into thirteen service programs (see right). These programs represent a collection of related services that all contribute towards achieving one or more of the Council’s strategic objectives.

Asset Management is one of Council’s service programs, and to operate as an effective program, it is important for us to be able to identify the assets each of the other service programs and services need. This will enable us to ensure we are managing our assets to the level required by the services they support.








Asset Planning

Major Asset Classes


The Shire's is responsible for managing a wide variety of different assets, due to the vast number of services we deliver to the community.

We have grouped all our assets into four major asset classes. Each of these major classes has an Asset Management Plan within the Asset Management Framework.




Transportation Assets

Transportation assets are the assets that enable people to move around our peninsula. This includes our roads, pathways and bridge assets.




Stormwater Assets

Stormwater assets are the assets that help to manage the rainfall on our peninsula. This includes not only our drainage pits and pipes, but also our water sensitive assets, such as rain gardens and wetlands, that help to keep our waterways clean.



Building Assets

Building assets are the assets that facilitate the delivery of indoor services on our peninsula. This includes community buildings, municipal buildings, sports pavilions and shelters.



Open Space Assets

Open space assets are the assets that allow us to enjoy many outdoor aspects of our peninsula. This includes the assets in our parks and reserves, playgrounds and sporting fields.





Realising Value

The Shire and the community have invested significantly in the assets that we manage to deliver services. We currently manage in excess of \$2 billion worth of assets.

Key to successful asset management is ensuring that we can realise value locked into our assets. This means ensuring that an asset continues to deliver and support services for its entire useful life.

As the useful life of many of the Shire's assets is in excess of 50 years, we need to regularly monitor the performance of our assets.

This allows us to estimate whether an asset is on track to meet its service objectives, or whether we need to plan to undertake maintenance, renewal and/or upgrade works to ensure that the asset realises its potential value.

Asset Performance Measures

Three key *service level* areas will be used to measure how well the Shire's assets are supporting service delivery.

Quality

The actual physical and technical state of the asset.

Influences the Shires' capital **renewal** program.

Function

The ability of the physical asset to meet customer and service needs. (e.g. fit for purpose).

Influences the Shires' capital **upgrade** program.

Capacity/ Use

The ability of the physical infrastructure to meet service needs (e.g. utilisation and efficiency).

Influences the Shires' capital **acquisition, expansion and disposal** programs.

These *service level* areas will act as triggers for when assets should be considered for capital works intervention (either through acquisition, expansion, upgrade, renewal or disposal).

The current performance of our assets, and our forecast capital works expenditure is provided on the following page, as is our confidence in the data for each asset category.

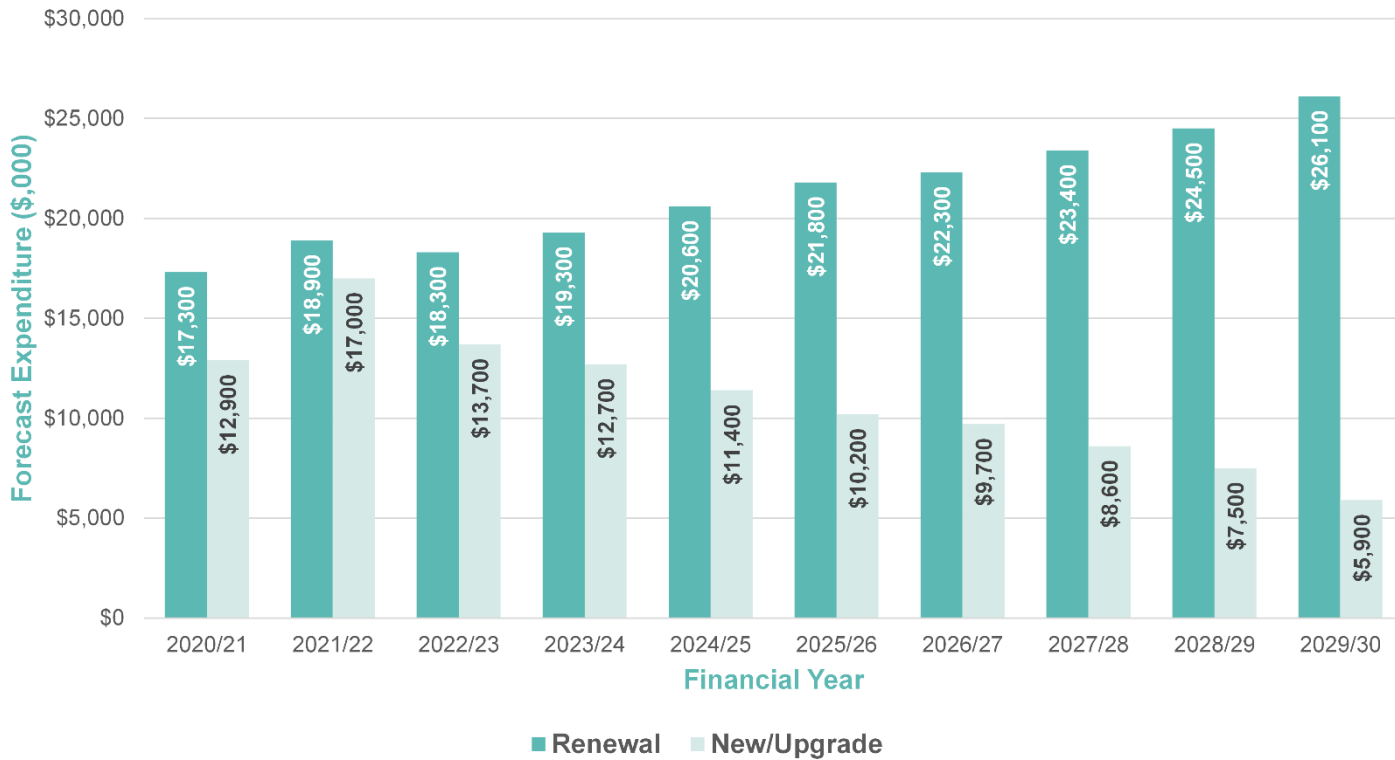




Current Forecast

Forecast Capital Expenditure (over 10 years)

All Assets	Transportation	Stormwater	Buildings and Facilities	Open Space
\$2,124m value	\$1,050m value	\$595m value	\$340m value	\$139m value
\$213m renewal	\$85.9m renewal	\$14.4m renewal	\$78.0m renewal	\$34.3m renewal
\$110m new/upgrade	\$18.8m new/upgrade	\$9.3m new/upgrade	\$38.9m new/upgrade	\$43.1m new/upgrade



Note:

Forecast New/Upgrade Expenditure is based on the current long-term capital works plan for 2020/21 and 2021/22 financial years. All other years it is calculated based on an assumed \$32M capital budget less required renewal expenditure.



Current Performance

Expected Performance

(in 10yrs)

Transportation



Condition	99%
Function	n/a
Capacity/Use	n/a



Condition	100%
Function	n/a
Capacity/Use	n/a

Stormwater



Condition	99%
Function	n/a
Capacity/Use	n/a



Condition	100%
Function	n/a
Capacity/Use	n/a

Buildings and Facilities



Condition	99%
Function	n/a
Capacity/Use	n/a



Condition	100%
Function	n/a
Capacity/Use	n/a

Open Space



Condition	96%
Function	n/a
Capacity/Use	n/a



Condition	100%
Function	n/a
Capacity/Use	n/a

Note:

Council does not currently have data regarding the functional and capacity/use performance of Shire Assets. This data will be updated in future revisions of this Strategy.



Our future

Community Priorities

Council's Strategic Objectives

The *strategic objectives* outlined in the Council Plan represent the Council's and, by extension, community's priorities for the Mornington Peninsula.

In looking at how we manage our assets into the future, it is important that we have strong links with these objectives, to ensure that our asset management practices align with the goals of the community and organisation.

The *strategic objectives* are grouped into four *strategic themes* within the Council plan, which are:

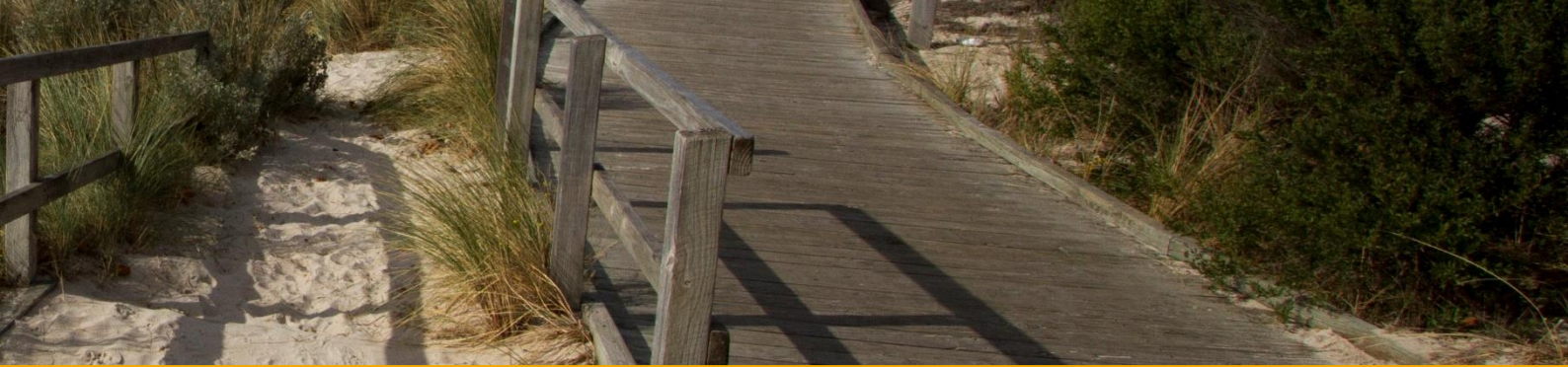
Our **Place**

Our **Connectivity**

Our **Prosperity**

Our **Wellbeing**





These themes group together the 19 *strategic objectives*, from which are developed specific strategies, major initiatives and strategic indicators. The full details of which can be found in the Shire's Council Plan.

Aside from ensuring alignment with the organisation's strategic direction, it is also important that our asset management practices align with the *strategic objectives* as they help to provide direction when services have differing asset priorities.

The information below summarises how asset management relates to each of the *strategic objectives* within the Council Plan.



Our Place

1. Through strategic planning we improve and protect the unique characteristics of the Mornington Peninsula

The main role of asset management within this strategic objective is to ensure that the assets we plan and deliver, and the public spaces we maintain assist to *'enhance the character of our townships and villages'*.

2. We create thriving, accessible and inclusive places to live, work and visit

This is the main strategic objective within the Council plan that relates to the actual management of community infrastructure.

It outlines that Council will *'invest in, manage and renew community infrastructure according to community needs and asset condition'*.

3. Our stewardship and advocacy protects and enhances the Mornington Peninsula's biodiversity and coastal experience

This strategic objective outlines Council's commitment to protect and enhance our native vegetation and coastal areas. This would be supported through the Asset Management Framework through the recognition, management and valuing of natural assets.

4. We demonstrate leadership in climate change mitigation and adaptation

Climate change mitigation and asset management are very closely related, both in how we can make our assets resilient to climate change, and how the management of our assets contributes to the effects of climate change.

The other element of this objective related to asset management is flood risk, and the planning required for our stormwater assets to reduce this risk.



Our Connectivity

1. Our advocacy and communications leads to improved mobility and connectivity accessible to all within the Mornington Peninsula

Whilst asset management doesn't relate directly to this strategic objective, the data we have on our transportation assets helps to support our advocacy and communications.

Our effective management of transportation infrastructure, specifically related to walking and cycling, also helps to *'promote alternative transportation options within the Shire'*.

2. We support an integrated transport and connectivity network

This objective links strongly with the planning and management of our transportation assets.

The strategies within this objective in the Council Plan seek to not only deliver transport infrastructure, but also to promote active transport, such as walking and cycling. This prioritisation of walking and cycling infrastructure will need to be reflected within the *Transportation Asset Management Plan*.

Our Prosperity

1. Our work facilitates opportunities for job creation and an environment for business to succeed
3. Our efforts grow key strategic industries in the Mornington Peninsula

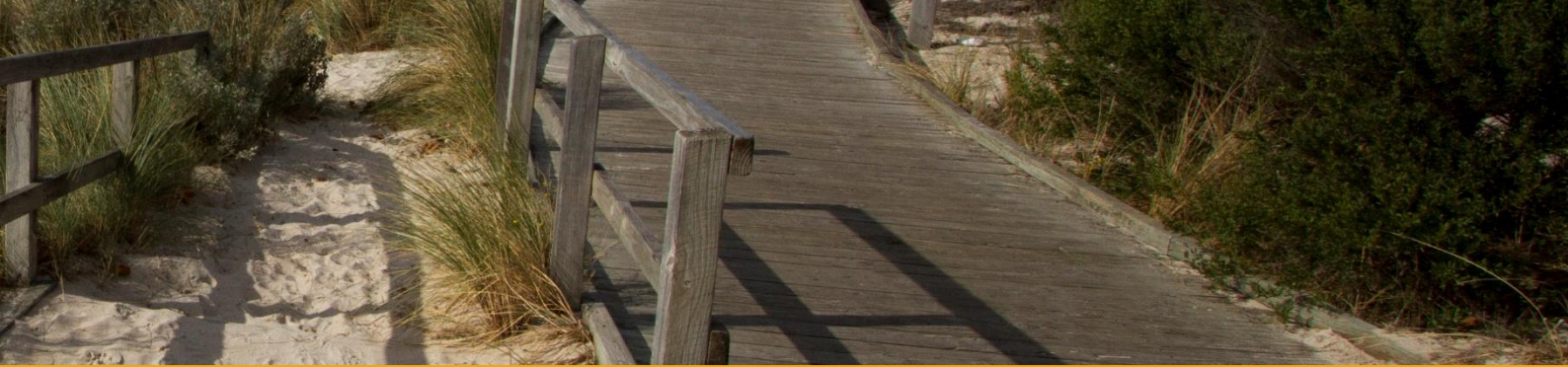
The above strategic objectives have no direct links to how we are to provide or manage our assets.

However, the services that support these strategic objectives still rely to some extent on the provision of Shire assets and effective management of those assets.

These services are primarily within the *'Economic Development'* community facing program within our service catalogue.

2. Support our visitor economy to enhance shoulder season and off peak visitor experiences that are dispersed throughout the region

This strategic objective doesn't directly relate to asset management practices. However, it is important that our asset management thinking supports this objective by recognising that visitors to the peninsula are also users of our assets and should have input into their planning and management.



Our Wellbeing

1. Our community works together to achieve optimal standards of health and wellbeing for all residents
2. Older people feel valued and are supported
4. Youth feel valued and are supported
5. Families and parents feel valued and are supported
6. People with a disability feel valued and are supported
7. A self-determined, engaged and inclusive community is accessible to all residents
10. Facilitate and promote cultural connection and participation

The above strategic objectives have no direct links to how we are to provide or manage our assets.

However, the services that support these strategic objectives still rely to some extent on the provision of Shire assets and effective management of those assets.

These services are primarily within the 'Social Inclusion and Support', 'Healthy Lifestyle and Social Connection' and 'Culture' community facing programs within our service catalogue.

3. Children feel valued and are supported

One of the major initiatives under this strategic objective in the Council Plan is to 'upgrade preschool facilities and implement works from the Kindergarten Strategy'.

We need to ensure our planning and delivery of our community facilities, specifically preschool facilities meets the needs of the community and successfully supports this objective.

8. Our community is sustained through crisis

This strategic objective links in with our risk management processes within the Asset Management Framework, and specifically the need to identify and manage our critical assets identified as part of our emergency management planning.

9. Facilitate and promote connected and active lives

This objective links strongly with the planning and management of our open space assets; in particular our playground and active recreation assets.

Our planning and management of these assets need to meet the community's requirements and support the plans and strategies that form major initiatives under this strategic objective.

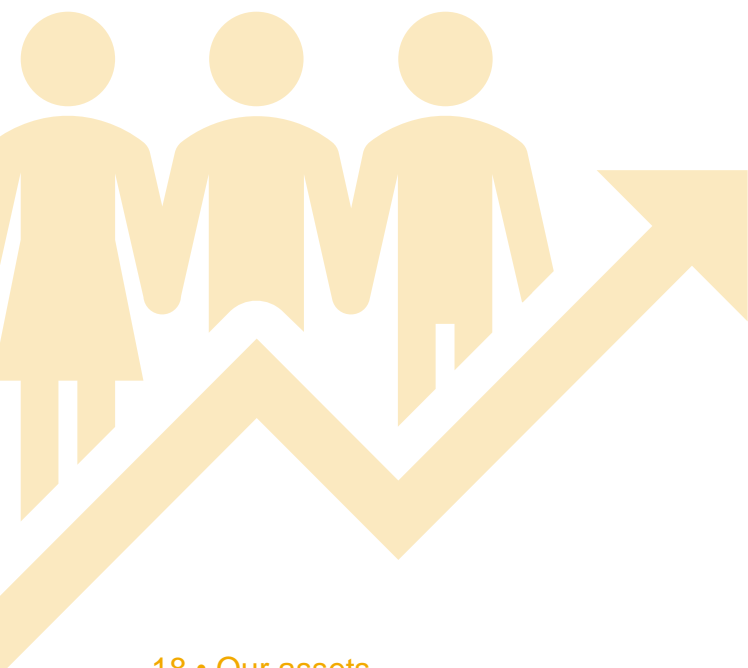


Future Drivers

Mornington Peninsula Shire has identified seven key areas that have the potential to affect demand on the Shire’s services and the assets that support those services. These drivers are:

- Demographics**
- Climate Change**
- Service Changes**
- Economic Climate**
- Future Technology**
- Covid-19**
- Unknown Unknowns**

These drivers not only represent a potential impact to our ability to continue to manage assets at the current level of service, but also provide us with an opportunity to improve our current practices.

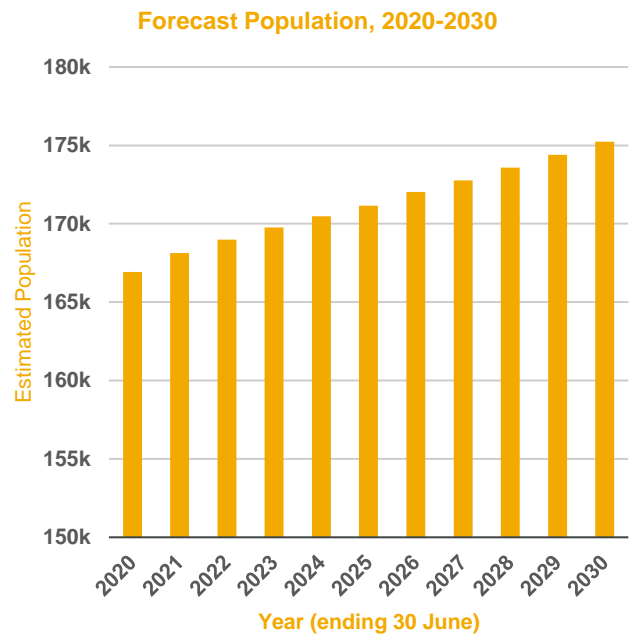


Demographics

Population Growth

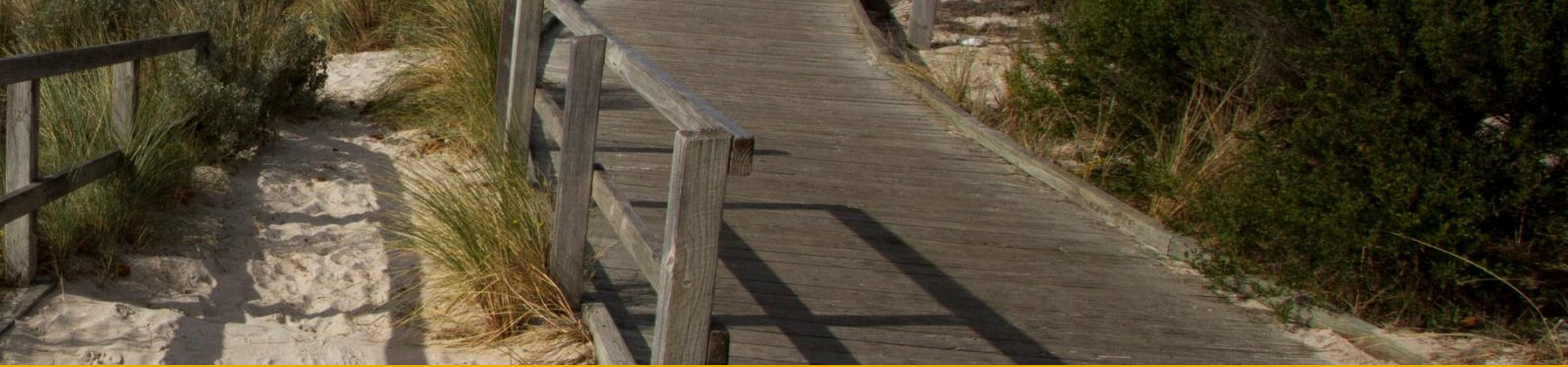
Mornington Peninsula Shire is estimated to be home to approximately 166,900 people in 2020. This population is expected to increase by 5% over the next 10 years, reaching an estimated 175,200 people in 2030.

The flow on effect from this increase in population needs to be considered in the planning of the Shire’s services and therefore the long-term planning of the Shire’s assets.



Whilst the projected increase in residents is not significant, it may still require an increase in the number of assets provided for the community and on the consumption of those assets.

We will need to understand these increases in demand and consumption so that we can properly plan for the creation, upgrade and renewal of our assets.



Resident Age Profile

More significant than the predicted growth in resident population, is the forecast change to the demographic profile of the Mornington Peninsula.

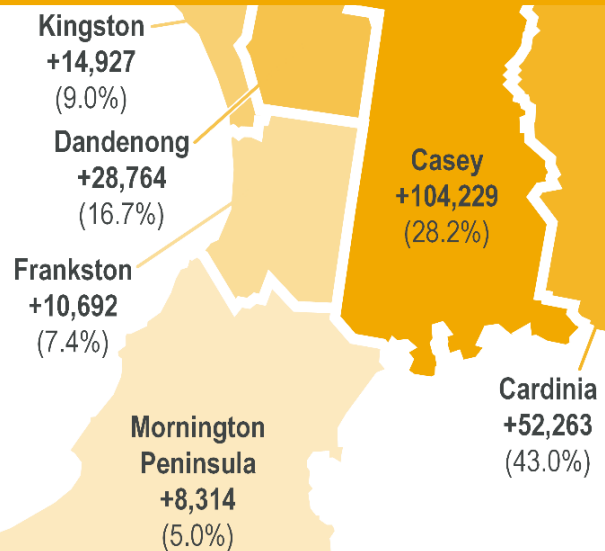
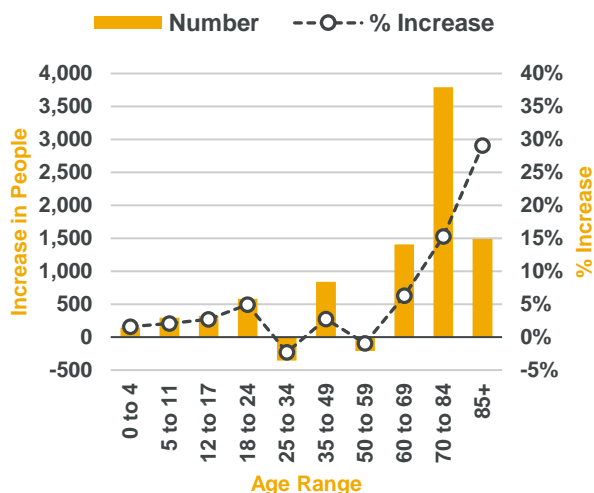
The median age of residents on the peninsula is 46, 10 year higher than the median for greater Melbourne. There is significantly less 20-39 year olds and more 60+ year olds.

Over the next 10 years, whilst the resident population of the peninsula is only predicted to increase by 5%, the increase in residents over the age of 60 is expected to increase by 13% (and 85+ by almost 30%).

This will have a significant impact on our assets as there will be a growing need to ensure our assets meet universal design principles.

We will also need to understand the possible increased demand on Shire services that support people in this age bracket and plan our assets to meet future needs.

Forecast Age Structure, 2020-2030



Regional Population Forecast, 2020-2030

Tourism and Visitors

The other factor that has the potential to significantly impact the Shire's assets is increases in visitors and tourism.

While the forecast growth in resident population for Mornington Peninsula is relatively low, the predicted growth in other municipalities within our region is significant (as seen above).

This large increase in the populations of neighbouring municipality is (particularly the significant increases in Cardinia Shire Council and the City of Casey) very likely to greatly increase visitors to the peninsula.

As with population growth, this increase will affect the capacity of our assets (particularly during peak seasonal times) and may result in an increased rate of consumption of our assets.



Climate Change

Climate change is one of the most significant challenges facing society today, as we work out how to manage the current climate emergency. Climate consideration is critically important when planning the future of our assets.

There are two factors that need to be considered in relation to climate change:

**Climate change impact
on our assets**

and

**Our assets' impacts
on the climate**

Climate Change Impact on Our Assets

In the future we can expect more extreme weather events, such as bushfires, heatwaves, droughts, flooding and rising sea levels.

We need to understand the effect that these events will have on the lives of our assets and come up with strategies to make our assets more resilient to climate change effects (both existing and future assets).

Our Assets' Impacts on the Climate

Council has prioritised taking leadership in climate change, committing to being carbon neutral by 2021, and declaring a climate emergency.

We need to make sure that we are managing our assets to minimise negative impacts on the climate, such as using recycled materials in construction and building assets with a low carbon footprint.

We also need to look at ways we can better manage our natural assets and leverage their benefits in reducing climate change effects.

Service Changes

There are several external factors that affect the services that the Shire delivers, and the extent to which those services are provided.

Sector Reforms

Reforms to service sectors can greatly affect the types and extent of services delivered by the Shire.

Examples, such as the federal governments 'Aged Care Reform' or the state governments '3-year-old Kindergarten' program can increase or decrease the service local government is responsible for.

It is important that these changes translate to the need for assets to support those services, identifying early the need for increased capacity of assets, or conversely the rationalisation of assets.

Popularity Trends

Popularity trends also significantly alter services, particularly in the sport and recreation space.

For example, recent increases in female participation in sport have greatly increased the services that we need to deliver, which has resulted in an increase in asset expenditure.

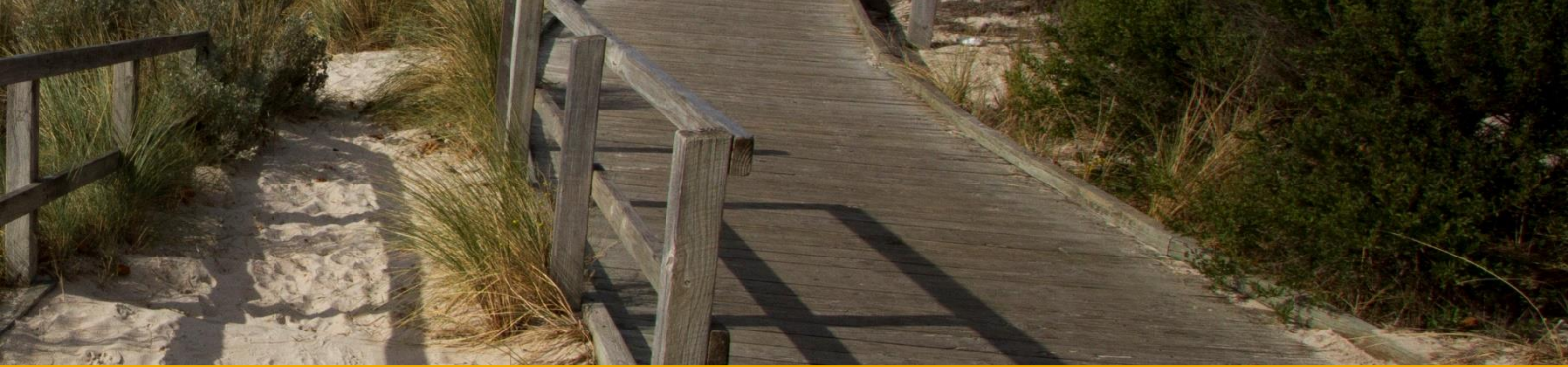
We need to be aware of these trends in order to plan our assets to be responsive to them.

Legislative Changes

Finally, legislative changes also can alter the services, and extent of services, that we provide.

However, legislative changes also have the potential for changing how we plan our services, and therefore how we plan our assets. Our practices and processes need to take into consideration these future changes.

This includes changes to the *Local Government Act 2020*, which will result on increased scrutiny on asset management planning.



Economic Climate

Regardless of the increasing demand to deliver increased services, local government faces economic difficulty just to continue to deliver services at current levels. This is due to the current economic climate, exacerbated by a rate capping environment.

Rate increases for the Shire are capped at the consumer price index (CPI). However, the costs for service delivery, particularly those related to construction and maintenance of assets, has been increasing at a rate greater than CPI.

This not only creates a financial liability (as our expenditure grows faster our income) but also puts at risk our ability to maintain intergenerational equity (where the users or demand generators of assets aren't bearing the lifecycle costs of those assets).

The other economic factor facing the Shire is that while we are currently meeting our renewal requirements, our asset portfolio is aging. The renewal expenditure requirements for our assets will therefore continue to rise as an increasing number of assets reach the end of their useful lives.

Without the ability to increase revenue to offset the increasing renewal need, we will have to make service level decisions around which assets we can renew and those that can be rationalised and/or disposed.

Future Technology

Future technologies will greatly change the landscape through which we deliver services, and assets.

These changes present a fantastic opportunity to improve our asset management practices. From the ability to collect and analyse 'big data' to improve decision making through to the 'Internet of Things' allowing assets to be self-diagnosing. We have the potential to leap forward in our understanding of how assets behave and how best to manage them.

However, technological changes also present a great challenge. The assets we use today to deliver services, might not be the assets needed to deliver services in the future. We need to make sure we have sight of that future service horizon so we can plan to build appropriate assets going forward.

We also need to ensure that our Asset Management Framework and Information System are agile enough to respond to future technologies.

COVID-19

COVID-19 has a huge potential to impact on Shire assets and the way those assets are managed. Most obviously is the financial impact COVID-19 will have on the Shire, and therefore the fund available for the lifecycle management of Shire assets.

However, less known, is the impact it will have to Shire service and the way those services are delivered. The virus has the potential to re-shape the way we live, and in doing so change the way, and types of services the community needs. In doing so also changing the assets, and the levels of services form those assets, required by the community.

This has yet to be fully explored but will for a focus of future revisions to the *Asset Management Framework*.

Unknown Unknowns

Aside from the above future demands, there are always unknown circumstances that arise which impact on Shire assets. It is important that in setting up the Asset Management Framework, it remains flexible enough to be able to change to meet the demands of future, unknown, circumstances.



Our strategy

Guiding Principles

To align our Asset Management Practices to the community's priorities and improve them to cope with the future challenges we are facing, the Shire is committing to make all decisions relating to assets in accordance with the six asset management principles outlined in our Asset Management Policy.

Asset management is:

- **leadership driven**, establishing accountability and responsibility for assets, integrating asset planning with corporate, financial, business and budgetary planning, and seeking continual improvement;
- **service led**, ensuring service delivery needs form the basis of asset management decision making and asset management outcomes are community-focused;
- **informed by risk**, ensuring risk management is embedded in the way we work and how we make decisions;
- **information based**, with objective data on assets used to drive planning, and systems in place to monitor lifecycle costs and asset performance;
- **whole of life**, considering each asset's lifecycle and pursuing sustainability, to provide for present needs while sustaining resources for future generations; and
- **climate aware**, considering both the impacts that climate change has on assets and the contribution assets make to climate change.

Using our *asset management principles* as a basis and considering our current state of asset management, the community's priorities and the future demands, we have established 12 *asset management objectives* which specify the results we need to achieve in order to realise value from our assets.



Asset Management Objectives



Leadership Driven

1.1 We will establish and implement an Asset Management Framework, which will:

- *have a clear alignment with the Council’s Strategic Objectives;*
- *comply with relevant legislation, regulations, codes of practice and standards; and*
- *integrate asset management processes with the Shire’s functional management processes, such as finance, HR, information systems and operations.*

The Asset Management Framework is core to how we will undertake asset management. It outlines the principles, objectives, processes and procedures, and provides a decision-making framework.

It is vital that the framework links in with the Council’s Strategic Objectives, so that asset management is supporting the broader organisational goal of delivering services to the community.

It is also important that the framework allows asset management processes to become integrated with wider organisational processes, to ensure that asset management is embedded within the organisation.

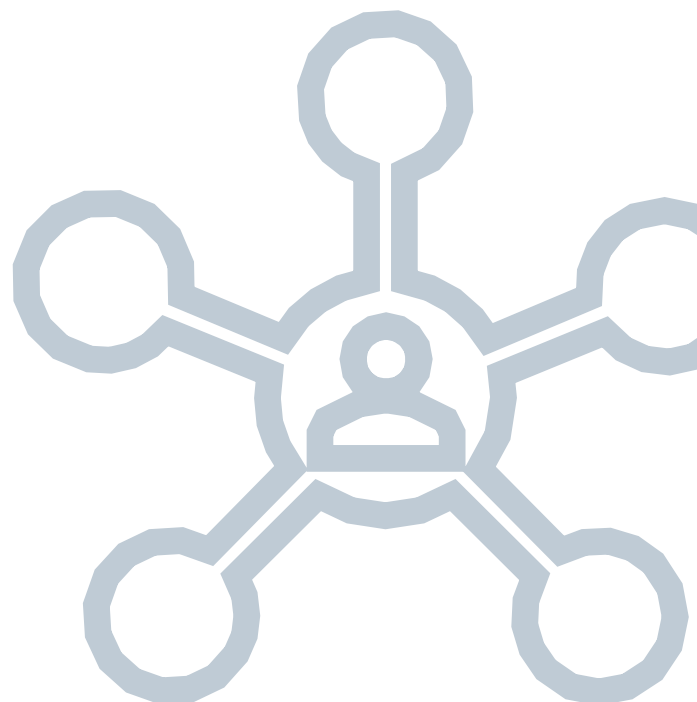
Finally, the framework needs to allow us to be across any legislative changes that have the potential to impact our assets or our management of them.

Actions to Support:

- Comprehensive review and update of *Asset Management Framework*
- Review of **Target Operating Model** for ‘Asset Management’ service

Linked Strategic Objectives:

Our Place
Objective 2





Leadership Driven

1.2 We will commit to providing leadership support and adequate resourcing for asset management, through:

- *having senior leadership commitment, led by an Asset Management Steering Committee;*
- *maintaining clearly defined roles, responsibilities and authorities in relation to Asset Management;*
- *ensuring that employees are aware, competent, supported and empowered; and*
- *providing necessary resources for implementing the Asset Management Framework.*

In order to ensure we can deliver upon the processes and procedures set out in the *Asset Management Framework*, we need to ensure that senior leadership is committed to asset management, and to providing the necessary resources and support.

This will be led by the *Asset Management Steering Committee*, who will oversee and ensure organisational support of asset management.

We also need to make sure that everyone across the organisation is aware of their asset management responsibilities and are equipped to undertake the actions under the *Asset Management Framework* that are assigned to them.

Actions to Support:

- Establishment of an *Asset Management Steering Committee*
- Review of *Asset Management Responsibility Matrix* and *Capability Matrix*.

Linked Strategic Objectives:

Our Place

Objective 2

1.3 We will seek to continually monitor, adapt and improve our asset management, by:

- *developing, monitoring and reporting on implementation and improvement plans within the Asset Management Framework, to optimise management activities and decision-making processes;*
- *auditing our work and those of our service providers to ensure assets are being managed in accordance with our processes and procedures; and*
- *benchmarking our processes and associated procedures and applying contemporary asset management techniques, consistent with appropriate best practice.*

Continual improvement is fundamental to ensuring good asset management, as technology, processes and thinking continues to evolve and mature. We need to ensure we identify improvement opportunities and hold ourselves accountable for implementing them.

We also need to audit our works to ensure that we are doing what we say we will do.

Finally, we need to make sure we are benchmarking and collaborating with other asset managers both in local government and broader industry.

Actions to Support:

- Development of report on status of *Asset Management Framework*
- Review and update of *State of the Assets Report*

Linked Strategic Objectives:

Our Place

Objective 2



Service Led

2.1 We will manage our assets with a focus on achieving community outcomes, through:

- *developing and implementing processes and procedures that align with the Council's Strategic Objectives; and*
- *connecting the required purpose and performance of assets to these strategic objectives.*

Alignment to community objectives is critically important.

However, it is not just our asset management practices that need to align to the Council's strategic objectives. We also need to ensure that the purpose and performance of our individual assets have clear linkages to the strategic objectives.

We do not manage assets for the sake of managing assets. We do it to ensure positive outcomes for the community.

Actions to Support:

- Link asset provision to Council *Strategic Objectives*

Linked Strategic Objectives:

Our Place All objectives	Our Connectivity All objectives
Our Prosperity All objectives	Our Wellbeing All objectives

2.2 We will measure current performance and future asset needs based on service requirements, by:

- *ensuring assets are clearly linked to the services they support;*
- *having levels of service for our assets based on community needs and expectations balanced against what they are willing to pay*
- *engaging the community in decision making to reflect their needs and define value; and*
- *measuring and reporting on the performance of our assets using contemporary condition, function and capacity assessments.*

Measuring the performance of our assets against service needs will ensure that we are providing the right assets and at the right level of service.

However, to achieve this we will need to ensure that our services know what assets they rely upon, set clear expectations on what they want out of their assets, and what the expectations of their customers are in relation to those assets.

There also needs to be a strong link between service planning and asset management to ensure that the actual costs to deliver services are captured, so that the impacts of changing service or service levels are fully understood.

Actions to Support:

- Identifying asset needs of all Shire services and development of long-term *Service Plans* for all Shire services
- Development of a community engagement strategy
- Collection of condition, function and capacity performance measures for all assets

Linked Strategic Objectives:

Our Place All objectives	Our Connectivity All objectives
Our Prosperity All objectives	Our Wellbeing All objectives



Informed by Risk

2.1 We will integrate risk management processes that create and protect value in our assets, which will:

- *be developed in accordance with the Shire's Risk Management Framework;*
- *apply risk management techniques that identify and effectively manage risk and opportunity; and*
- *support the Shire in effectively managing the identified strategic risks relating to asset management and the natural and built environment.*

Effectively managing risk is vital in asset management and needs to be at the centre of decision making. Having robust risk-management processes in place will ensure that we prepare for future demands on our assets (such as climate change or population growth) and be well positioned to take advantage of any opportunities to add value.

Appropriate risk management will also enable the Shire to better deliver upon the actions outlined in this strategy, and thus meet Council's strategic objectives.

The Asset Management Framework is also a fundamental risk treatment within the 'Asset Management Lifecycle' and 'Natural and Built Environment' strategic risks, which highlights the importance of having Asset Management Objectives that relate to risk management.

Actions to Support:

- Develop *Asset Management Risk Register*
- Assign criticality to assets and identify critical assets
- Identify assets important in business continuity and emergency management planning

Linked Strategic Objectives:

Our Place
Objectives 2

Our Wellbeing
Objectives 8

3.2 We will effectively manage our risk exposure from the day to day use of our assets, to ensure:

- *the community can access and make use of Shire assets with the risks associated with this being appropriately managed; and*
- *operational risks identified by the Shire, that are linked to assets, are appropriately managed.*

All assets used by the community have inherent risks associated with their use. Unlike the strategic risks above, which impact on the value of Shire assets and their ability to assist Council in achieving their strategic objectives, these risks are operational and relate to public safety and the safety of staff and contractors that work on Shire assets.

It is important that these risks are understood when planning and undertaking the operation and maintenance of Shire assets, with maintenance and inspection works planned to reduce risk exposure for the community and Shire officers.

Actions to Support:

- Develop *Asset Management Risk Register*
- Develop *Asset Operational Management Plans* that consider asset risk in setting intervention levels

Linked Strategic Objectives:

Our Place
Objectives 2



Information Based

4.1 We will collect and maintain quality data on our assets, that:

- *is spatially based;*
- *is consistent and appropriate;*
- *includes up to date performance information;*
- *is regularly reviewed for accuracy; and*
- *Is made widely available for informing decisions on Council assets and services.*

Data is vitally important when it comes to making informed decisions.

In relation to infrastructure management and planning, it is also critically important that this data is spatial. This allows for better integrated planning between different asset categories, and a more wholistic approach to capital works.

Actions to Support:

- Development of *Asset Management Data Standard*
- Capture of all assets data spatially

Linked Strategic Objectives:

Our Place
Objective 2

4.2 We will maintain an information system to store and analyse asset data and make resultant information available, ensuring it:

- *remains flexible to current and future needs;*
- *allows the wider organisation and the community to access asset information; and*
- *promotes integrated asset planning.*

The *Asset Management Information System (AMIS)* is key to storing, analysing and making asset data available.

This objective aims to ensure that our AMIS is flexible enough to meet the varying needs of the services our assets support. We also want to ensure that our AMIS leverages the latest technologies in order to audit and analyse data for our assets.

Even if we have good quality asset data, if that information is not accessible, then we will have difficulty providing assets to the required levels of service.

Actions to Support:

- Implementation of a new *Asset Management Information System*
- Integration of contractor and Shire asset systems

Linked Strategic Objectives:

Our Place
Objective 2 and 4

Our Connectivity
Objective 2

Our Wellbeing
Objectives 1, 3 and 9



Whole of Life

5.1 We will develop long term plans for our assets that seek to optimise asset performance and value, by:

- *preparing and maintaining asset management plans, that include a 10-year capital works program, for each major asset class;*
- *adopting lowest whole-of-life cost solutions to realise value from assets; and*
- *considering all stages of an asset's lifecycle, from identifying needs, planning, design and creation, through to operation and maintenance, renewal or upgrade and eventual disposal.*

Given the future challenges particularly in relation to the economic climate, we need to ensure that we are making optimal whole-of-life decisions for our assets. Balancing the cost of decisions across the entire lifecycle of the asset, and not just the planning and delivery stages.

We also need to be planning for the long term, to ensure we have assets in place when we need them, and that we aren't spending significant money on assets not required in the future.

Actions to Support:

- Review of 10-year asset planning and links to long-term capital works program and financial plan
- Development of *Asset Operational Management Plans*
- Capture of maintenance and service history information at individual asset level

Linked Strategic Objectives:

Our Place

Objective 2 and 4

Our Connectivity

Objective 2

Our Wellbeing

Objectives 1, 3 and 9

5.2 We will ensure our long-term asset planning is financially sustainable, by:

- *integrating the outcomes of asset management planning into the Council's long-term financial plan.*

Any long-term asset planning that is undertaken needs to be incorporated into the long-term financial plan.

Without this link, we will be unable to make meaningful decisions in relation to long term planning, as we will be unclear as to the financial implications.

We also need links between the long-term asset planning and the financial plan in order to ensure we can afford the levels of service agreed for each of our assets going forward.

Actions to Support:

- Review of 10-year asset planning and links to long-term capital works program and financial plan

Linked Strategic Objectives:

Our Place

Objective 2 and 4

Our Connectivity

Objective 2

Our Wellbeing

Objectives 1, 3 and 9



Climate Aware

6.1 We will incorporate consideration of climate change into our asset management thinking, considering:

- ways we can help address the climate emergency through the ways we plan and manage our assets;
- how to manage the effects climate change will have on our current assets; and
- how to plan our future assets to be more adaptable to climate change.

As discussed in ‘Our future’ section above, both in community priorities and future demands, climate change has a huge impact on the way we manage and provide assets.

This is further highlighted in the Shire’s climate emergency plan, *Our Climate Emergency Response from 2020-2030*.

We need to ensure we are managing existing assets and planning new assets with full consideration of the effects of climate change.

We also need to look at how we can manage assets in a way that decreases our contributions to climate change, and how we can better leverage and manage our natural assets to actually make a positive difference to the environment.

Actions to Support:

- Development of asset vulnerability assessment tools
- Integration of *Environmentally Sustainable Design Policy* into asset management practices

Linked Strategic Objectives:

Our Place

Objective 1, 3 and 4

Our Connectivity

Objective 1



