



HINDMARSH SHIRE COUNCIL

ASSET MANAGEMENT STRATEGY

LAST REVIEW & ADOPTION: April 2010

AMENDED: June 2015

NEXT REVIEW: June 2019

RESPONSIBLE OFFICER: Asset Manager

Council's AM Planning Framework

The Council Plan provides the strategic vision to meet present and future needs of the community.

The Asset Management Policy compliments and builds upon the Council Plan vision to provide a more formalised approach to asset management principles and methodology.

Asset Management Plans are long-term plans which outline the asset activities for the service areas within council.

4 COUNCIL PLAN KEY STRATEGIC OBJECTIVES

The Corporate Vision for Hindmarsh Shire Council is:

“A caring, active community enhanced by its liveability, environment and economy”

Our Mission:

Council will work with our community and partners to:

- *Provide accessible services to enable the community to be healthy, active and engaged*
- *Provide infrastructure essential to support the community*
- *Protect and enhance our natural environment*
- *Foster a thriving and diversified local economy where economic growth is encouraged and supported*
- *Realise the excellence in our people, processes and systems.*

The following key response areas have been identified from the Council Plan:

- 2.1** *Well maintained physical assets and infrastructure to meet community and organizational needs.*
- 2.1.4** *Develop and prioritise detailed plans relating to infrastructure upgrade and renewal (including roads, bridges, drains, footpaths and buildings) for each town.*
- 2.1.5** *Review roads and bridges hierarchy.*
- 2.1.6** *Implement recommendations from drainage studies.*
- 2.1.7** *Prepare a footpath strategy.*

5 KEY BENEFITS OF ASSET MANAGEMENT

The key benefits for Council in improving current asset management practices are:

- Managing Council's asset to optimize the life of its assets;
- Implementing processes that will allow improved asset management and financial planning;
- Demonstrating sound governance of the Shire's assets;
- Stakeholder participation;
- Responding to the changing drivers within the industry;

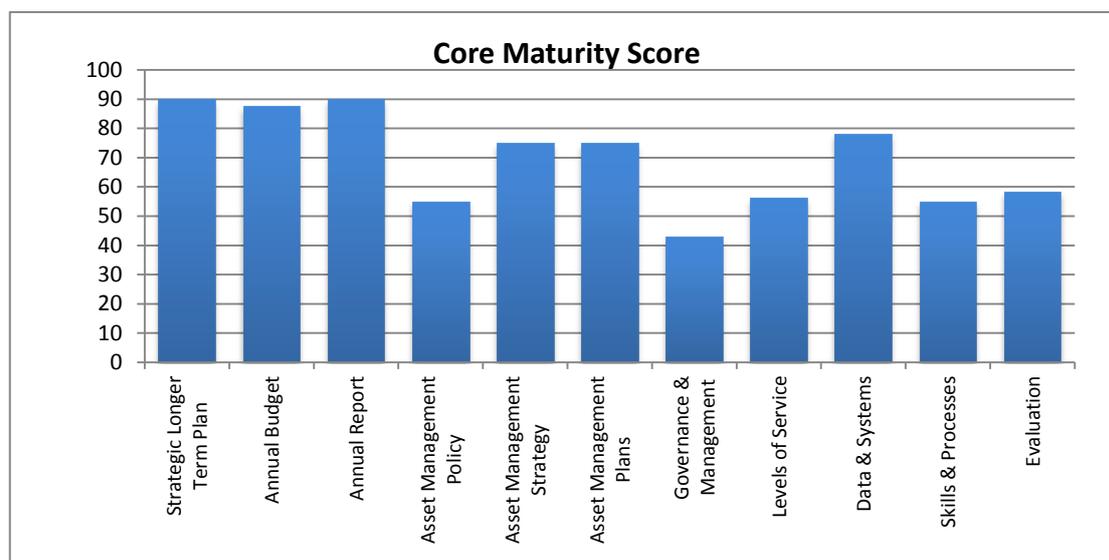
- Allowing for environmental pressures without compromising service delivery;
- Monitoring asset performance and responding accordingly;
- Ensuring cost effective solutions for the management of the assets;
- Obtaining consistent and reliable data across asset groups;
- Implementing an asset management system to be used by Council; and
- Providing the tools necessary to analyse the performance of assets and develop Asset Management Plans, to determine future funding requirements required to deliver adopted levels of service.

6 CURRENT STATUS

6.1 NAMAF

Council currently measures its asset management maturity in the context of the draft National Asset Management and Financial Planning Framework (NAMAF). The NAMAF makes an assessment against 11 elements, as drawn from the Local Government and Planning Ministers' Council National Local Government Sustainability Frameworks.

The graph below shows the current Council core maturity status, as at December 2014. Further details of how these AM maturity scores have been derived can be viewed via reference to Council's current NAMAF assessment.



7 FUTURE VISION AND IMPROVEMENT OPPORTUNITIES

Improvement opportunities are identified by working through the following process (gap analysis):

1. Firstly a **vision** is formulated. The Asset Management Policy includes policy statements to assist in achieving consistency and commitment to asset management decision-making. These statements, in conjunction with NAMAFA results, provide a basis for the future vision of asset management within Council.
2. An overall understanding should then be gained as to the **current situation** of asset management within Council.
3. Lastly, an analysis can be undertaken to identify the **improvement opportunities** to close the gap between current practices and those sought in the vision.

Future Vision (AM Policy statements based on NAMAFA elements)	Current Status	Improvement Opportunity to Close the Gap between Required and Current
Asset Management Plans	Asset Management Plans Status	Asset Management Plans Improvement
<ul style="list-style-type: none"> • Asset Management Plans are adopted that articulate how the assets will be managed long term. 	<ul style="list-style-type: none"> • General: Draft format. • Roads: Draft format, Hierarchy under review. • Buildings: Draft format, Condition audit underway. • Footpaths: Draft format, LOS in process. • Drainage: Draft format. • Recreation & Open Space: Not started 	<ul style="list-style-type: none"> • Finalise draft versions of AMPs including associated actions and take to Council for adoption. • Produce draft AMP for Recreation and Open Space.
<ul style="list-style-type: none"> • Asset Management Plans detail the management of the asset over its whole life cycle including future maintenance and refurbishment needs. 	<ul style="list-style-type: none"> • Draft AM Plans currently do not include long term projections of renewal needs based on risk exposure, condition and levels of service requirements. 	<ul style="list-style-type: none"> • Develop and maintain long term (10 year) indicative asset renewal programs.
Governance & Management	Governance & Management Status	Governance & Management Improvement
<ul style="list-style-type: none"> • Use of Asset Management Plans as a core input to development of Council's Long Term Financial Plan (LTFP). 	<ul style="list-style-type: none"> • In the absence of adopted AM Plans Moloney MAMS Reports are currently used to inform the LTFP. 	<ul style="list-style-type: none"> • Develop and maintain long term renewal programs for each of Council's infrastructure assets.
<ul style="list-style-type: none"> • Replacement or rehabilitation of assets is forecast and incorporated into Council's 3-Year Capital Investment Program. 	<ul style="list-style-type: none"> • Renewal projects are identified and quantified in Council's current 3-Year FCW program. 	<ul style="list-style-type: none"> • Continue to maintain renewal programs for Council's 3-Year Capital Works Program.
<ul style="list-style-type: none"> • Monitor and report on council AM expenditure in terms of operational, maintenance, renewal, new and upgrade costs. 	<ul style="list-style-type: none"> • Financial reporting systems are at a moderate level of maturity in allocating types of expenditure. 	<ul style="list-style-type: none"> • Continue to develop monitoring and reporting capabilities of AM expenditure in terms of operational, maintenance, renewal, upgrade and new costs.
<ul style="list-style-type: none"> • Participation and contribution by the Shire to Regional Asset Management. 	<ul style="list-style-type: none"> • Participating in NAMAFA and STEP programs and part of the NW Regional Asset Management Coordinating Committee. 	<ul style="list-style-type: none"> • Continue to improve NAMAFA score card result and achieve core maturity for Asset Management.

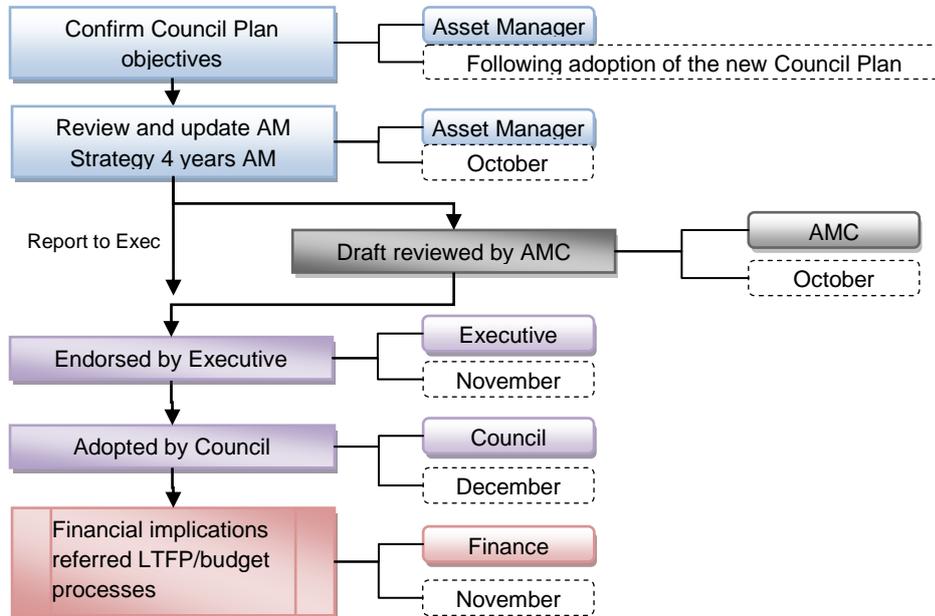
Future Vision (AM Policy statements based on NAMAFA elements)	Current Status	Improvement Opportunity to Close the Gap between Required and Current
Levels of Service	Levels of Service Status	Levels of Service Improvement
<ul style="list-style-type: none"> Council's various strategic plans are used as a reference in assessing community needs, level and nature of demand. 	<ul style="list-style-type: none"> The Hindmarsh Shire Council Plan 2013-2017 informs this strategy. 	<ul style="list-style-type: none"> Continue to align AM Plans with Service Strategies and Plans that reflect community needs.
<ul style="list-style-type: none"> Service providers that operate Council assets will have input into asset maintenance standards, plans and performance requirements. 	<ul style="list-style-type: none"> Apart from the Road Management Plan, Service Plans have not been completed for many asset classes. 	<ul style="list-style-type: none"> Produce Service Plans for each asset class including engagement with Service Managers & stakeholders in the process.
<ul style="list-style-type: none"> Assets, assessed as no longer meeting Council or community needs, may be rationalised. 	<ul style="list-style-type: none"> Rationalising/Disposal Plans have not been prepared or considered as yet. 	<ul style="list-style-type: none"> Prepare Rationalising/Disposal Plans for Infrastructure assets.
Data and Systems	Data and Systems Status	Data and Systems Improvement
<ul style="list-style-type: none"> A computerised Asset Management system that will store the core asset data. 	<ul style="list-style-type: none"> Assetic myData is the corporate database for infrastructure assets. Road, kerb, footpath and building data has been added. 	<ul style="list-style-type: none"> Complete inventories of outstanding infrastructure assets and upload into myData asset register.
<ul style="list-style-type: none"> A Geographical Information System that visually represents attributes of Council's infrastructure. 	<ul style="list-style-type: none"> MyData links to MapInfo GIS via Exponare. Roads and buildings are currently included. 	<ul style="list-style-type: none"> Provide GIS interface to visually display locations for newly added assets.
<ul style="list-style-type: none"> A customer request management system that records and tracks service requests in relation to our assets and also provides an opportunity to measure our performance. 	<ul style="list-style-type: none"> MyData provides a customer action request system which is being well utilised and provides performance measurements. 	<ul style="list-style-type: none"> Continue to develop CAR system and monitor performance standards.
<ul style="list-style-type: none"> Information regarding the creation, maintenance, replacement, refurbishment of assets to be collected to update the asset registry to ensure continued accuracy of Council's AM data. 	<ul style="list-style-type: none"> As constructed information is not currently being transferred to the asset register on a consistent basis. 	<ul style="list-style-type: none"> Gather 'as constructed' data and regularly update data registers to enable them to be comprehensive asset registers.
Skills & Processes	Skills & Processes Status	Skills & Processes Improvement
<ul style="list-style-type: none"> Clearly identified processes will guide the consideration of new projects. 	<ul style="list-style-type: none"> Scoring criteria have been developed for assessment of projects, and renewal projects take precedence over upgrade. 	<ul style="list-style-type: none"> Continue to monitor processes for the consideration of new projects and ensure compliance with Council priorities.
<ul style="list-style-type: none"> Priorities for maintenance are consistent with the objectives of Council and are aligned with Risk Management and a defined hierarchy. 	<ul style="list-style-type: none"> The Road Hierarchy is currently under review and will provide levels of service standards for maintenance and renewal planning. 	<ul style="list-style-type: none"> Complete Road Hierarchy review and incorporate into AM Plans and Road Management Plan.
<ul style="list-style-type: none"> Review AM skills and increase internal asset management capability through training. 	<ul style="list-style-type: none"> Staff across Infrastructure and Finance require training to improve AM capability. Some training has been undertaken. 	<ul style="list-style-type: none"> Continue to utilise training opportunities and familiarise internal staff with Asset Management systems and procedures.

8 IMPLEMENTATION AND REVIEW

8.1 AM Strategy Review

A full review of this Asset Management Strategy will take place every four years in accordance with the process below.

AM Strategy Review Process

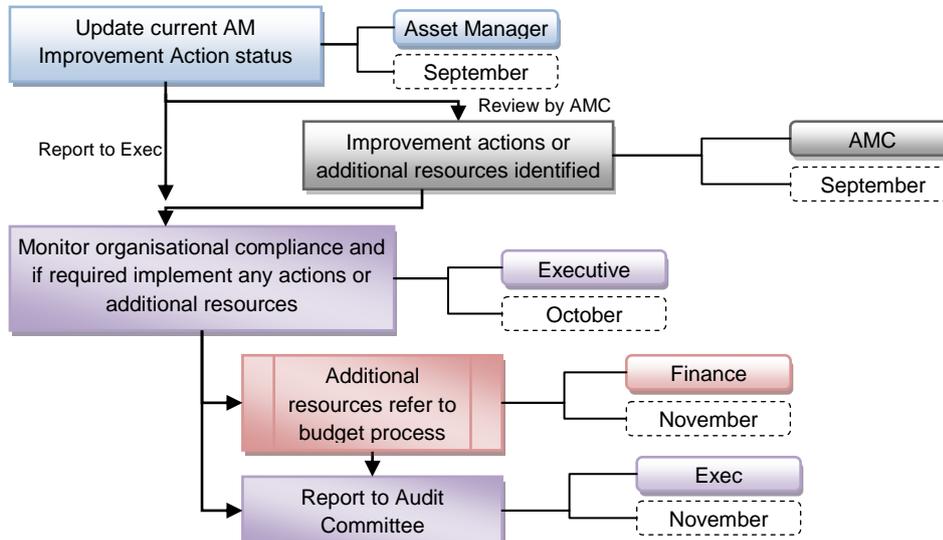


8.2 AM Strategy Action Audit

An audit of the status of the Action Plan will take place annually which shall review the status and implementation of identified actions and as set out in the AM Strategy. The audit shall be reviewed by the Asset Management Committee.

The CEO and Executive Management Team will monitor organisational compliance to this strategy on an ongoing basis and report to the Audit Committee and Council on at least an annual basis in accordance with the process below.

Audit of AM Strategy Improvement Actions Process



9 ASSET MANAGEMENT IMPLEMENTATION STRATEGY

ACTION (carried forward from improvement opportunities)	PRIORITY	RESPONSIBILITY	TIMEFRAME	RESOURCES	STATUS
Finalise draft versions of AMPs including associated actions and take to Council for adoption	High	Asset Manager	Roads, Fpth Dec 15 Drains, Build Jun 16 Rec & Open Space Jun17	Internal	Need to progressively work through individual AMPs
Develop and maintain long term (10 year) indicative asset renewal programs	Medium	Asset Manager	Dec 2016	Internal	Currently only an amount in LTFP
Produce Service Plans for each asset class including engagement with Service Managers & stakeholders in the process	Medium	Asset Manager	Dec 2016	Internal	Roads complete, Fpths underway, Buildings not started
Prepare Rationalising/Disposal Plans for Infrastructure assets	Low	Asset Manager	Dec 2017	Internal	Not started
Complete inventories of outstanding infrastructure assets and upload into myData asset register	High	Asset Manager	Fpths, Drains Dec 15 Open Space Jun 16	Internal	Roads, Kerbs, Buildings in myData
Provide GIS interface to visually display locations for newly added assets	Medium	Asset Manager	Timed with uploading new asset inventories	Internal	Simple IT transfer process when assets are in MapInfo
Gather 'as constructed' data and regularly update data registers to enable them to be comprehensive asset registers	High	Asset Manager	Ongoing	Internal	Need to set up data acquisition process
Complete Road Hierarchy review and incorporate into AM Plans and Road Management Plan	High	Asset Manager	Dec 2015	Internal	Farmer/Community consultations to be arranged
Continue to utilise training opportunities and familiarise internal staff with Asset Management systems and procedures	Medium	Asset Manager	Ongoing	Internal	Training allocation has been included in budget