



**ASSET  
MANAGEMENT  
STRATEGY**

**BROKEN HILL**  
CITY COUNCIL

**AUSTRALIA'S FIRST  
HERITAGE LISTED CITY**

QUALITY CONTROL			
<b>KEY DIRECTION</b>	1. Our Community		
<b>OBJECTIVE</b>	1.4 Our built environment supports our quality of life		
<b>STRATEGY</b>	1.4.2 Maintain the serviceability of Council's assets at an appropriate condition level		
<b>FILE REFERENCE No</b>	13/163	<b>EDRMS No</b>	D19/43418
<b>RESPONSIBLE OFFICER</b>	Strategic Asset Manager		
<b>REVIEW DATE</b>	2023		
<b>DATE</b>	<b>ACTION</b>	<b>MINUTE No</b>	
27 November 2019	Public Exhibition	46132	
25 March 2020	Adoption	46212	
<b>NOTES</b>			
<b>ASSOCIATED DOCUMENTS</b>	City of Broken Hill Asset Management System Assessment June 2017		

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## INTRODUCTION

Asset management is a 'whole of life' approach that includes planning, purchase, construction, operation, maintenance and renewal/disposal of assets. The objective is to maximise asset service delivery potential and manage related risks and costs over the entire asset life.

Adopting this Asset Management Strategy (AM Strategy) will assist Council in meeting the requirements of the Local Government Act 1993, the Financial Audit and Management Act 2012; and provide services needed by the community as set out in 2033 Community Strategic Plan and Sustainability Strategy 2018-2023 in a financially sustainable manner.

This AM Strategy is a summarised document for all asset classes. It is prepared to assist Council in improving the way it delivers services from infrastructure including roads, buildings, open space and land improvements, stormwater, irrigation, plant and equipment. The combined replacement value for all Council Assets is \$362,721,000.

The value of Councils assets, measured by replacement cost as at 30 June 2018 is:

<b>Asset Category</b>	<b>Replacement Cost</b>
Roads (including land under roads, kerbs and gutters, footpaths)	\$198,035,000
Buildings & Other Structures	\$79,211,000
Stormwater Drainage	\$13,510,000
Open Spaces and Recreational Assets	\$51,239,000
Other Infrastructure Assts	\$11,879,000
<b>Total</b>	<b>\$362,721,000</b>

## STRATEGIC OUTLOOK

- Council is able to continue to improve the level of service provided by its assets and to meet optimal levels of service identified in condition surveys.
- Council must consider strategies to fund the projected asset renewal expenditure over the next 10 years.
- Council's current asset management maturity is considered to be between 'aware' and 'core' level for various categories. Continued investment is required to ensure that data verification, system management and evaluation continues to mature towards an 'core' system level.
- Council endeavours to optimise the life of assets at the most economic cost over time (life cycle approach) including the development of new technologies to support optimisation.
- Reducing the demand for new assets through demand management techniques and consideration of alternative service delivery options.

## ASSET MANAGEMENT STRATEGY ACTIONS

The Asset Management Policy provides guidance on Councils asset management practices and provides a structure for this Asset Management Strategy under the focus areas of:

1. Governance and Management
2. Finance
3. Levels of Service
4. Data and Systems
5. Skills and Processes
6. Evaluation and Review

Under each of these focus areas there are specific action items presented to guide policy implementation.

## 1. GOVERNANCE AND MANAGEMENT

### **Asset Management Policy Action – Governance and Management**

*1.1 Develop and implement an Asset Management Strategy that outlines the current status of asset management and a plan to continuously improve asset management*

#### **Asset Management Strategy**

This Asset Management Strategy (AMS) sets out recommendations to implement and improve asset management practices at Council for the 2019-2023 four-year term and to link recommended actions to the National Asset Management Framework (NAMF)<sup>1</sup>. At the end of the four-year term, the asset management practice improvement within the Council will be reviewed to decide on the transition to ISO55000 Asset Management Standards system, if the benefits warrant such a transition.

#### **Asset Management Status**

Council is in its initial stages of developing and implementing documentations and systems for asset management. The maturity against each of the 11 practice areas of National Assessment Framework (NAF) under NAMF varies between 'Aware' to 'Core'. As per NAMF assessment by Opus International Consultants in 2017, Council meets the standard for 'core' compliance in two out of 11 categories. Refer to Appendix 5 for the City of Broken Hill Asset Management System Assessment by Opus International Consultants (Australia) Pty Ltd. The objective of this Strategy is to focus on achieving and maintaining 'Core' level asset management and financial planning maturity in all 11 categories in the four-year term 2019-2023.

#### **Priority Planning**

The priorities and associated risks are different for each asset category. Based on the replacement value of the assets, the risks resulting from asset failure, the level of asset management knowledge and practice currently being undertaken, the asset categories are prioritised for development of Asset Management Plans (AMPs) for inclusion in the AMS 2019-2023. Refer to Appendix 3 AMS Priority Determination Matrix 2019-2023.

#### **Asset Management Plans**

AMPs outline the levels of service, financial information, risk assessment, maintenance and capital upgrade programs and management responsibilities. The level of detail in each

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<sup>1</sup> Local Government Financial Sustainability Nationally Consistent Frameworks, Framework 2, ASSET PLANNING AND MANAGEMENT, May 2009

category AMPs will depend on the risk of failure and complexity of managing the asset category.

The asset categories that will have AMPs developed over the term of this AMS are:

Asset Management Plans (AM Plans)	Timetable	
	Commencement	Completion
Buildings Asset Management (BAMP) which includes Council, Community and buildings within sporting grounds (excluding amenity blocks and grandstands)	Q1 2020	Q2 2020 Draft Q3 2020 Ver 1.0
Sports Facilities Asset Management Plan (SFAMP)	Q1 2020	Q2 2020 Draft Q3 2020 Ver 1.0
Roads and Active Transport (RAMP)	Q2 2020	Q4 2020
Public Amenities and Bike Plan (PAMP) or Active Transport Plan (ATP)	Q3 2019	Q2 2020
Parks & Open Spaces AMP	Q4 2020	Q1 2021
Public Amenities (Signage, Trees, Lighting)	Q4 2020	Q1 2021
Airport	Q2 2021	Q3 2021
Transfer Station, Landfill	Q3 2021	Q4 2021

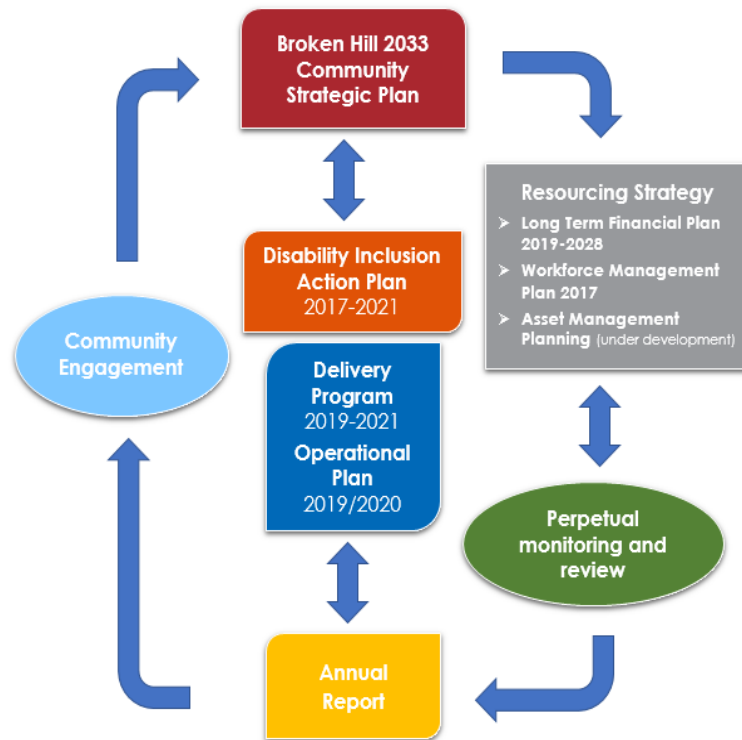
Recommendation	Time	Responsibility
1.1.1 Allocate additional funding of \$100k and complete AMPs for Buildings, Roads, Stormwater	2019-2020	Asset Management Steering Committee (AMSC) and AM Team
1.2 Review AMS 2019-2023 and develop an AMS 2023 -2027 and present to Council for adoption		AMSC and AM Team

## Asset Management Policy Action – Governance and Management

### 1.2 Ensure the development and implementation of AMPs with clear link to LTFP

Asset management is not an activity that can occur in isolation from the broader Integrated Planning Framework of Council. Asset management focuses on Council Plan objectives and informs Council documents such as the Long-Term Financial Plan.

The following illustration presents the interaction between Councils asset management practices and Integrated Planning Framework.

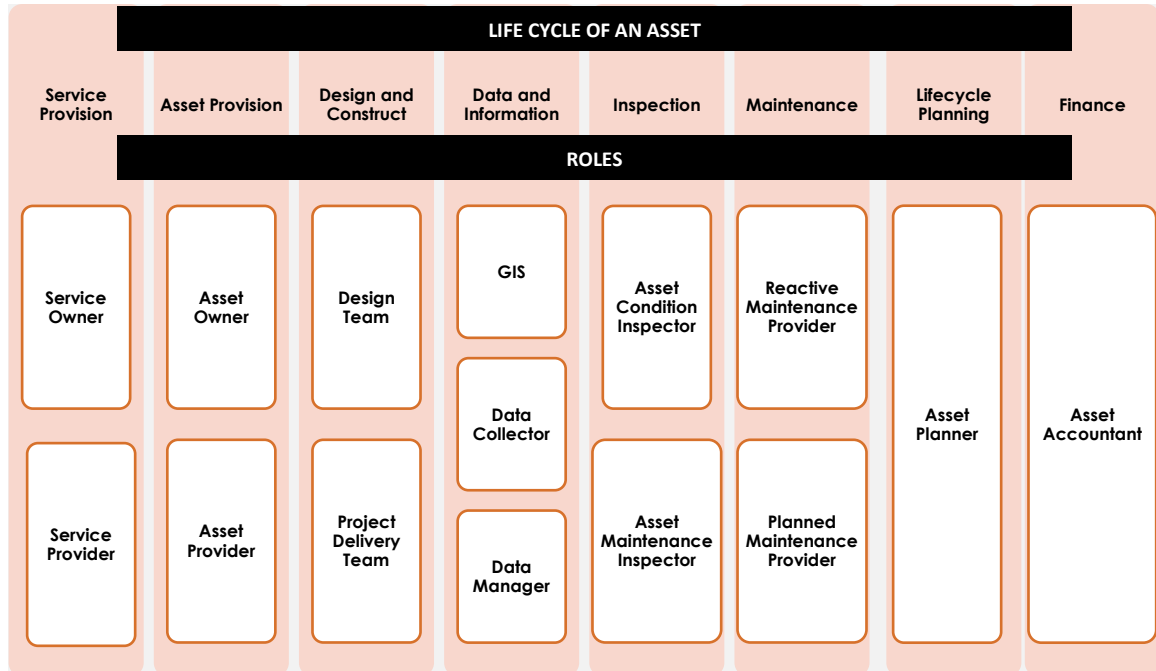


Recommendation	Time	Responsibility
1.2.1 Business process to be documented to integrate AM with the integrated Planning Framework	2019-2023	AMSC and AM Team

## Asset Management Policy Action – Governance and Management

1.3 Clearly define roles and responsibilities for service levels, asset provision, maintenance and planning and ensure they are understood.

The following illustration presents various roles that need to be undertaken over the life cycle of an asset.



Recommendation	Time	Responsibility
1.3.1 Roles and responsibilities are defined for each asset category and incorporated in the business unit actions and resources identified and allocated.	2019 -2020	AMSC and AM Team
1.3.2 Roles and responsibilities are incorporated in employee performance reviews and position description.	2019 -2020	AMSC and AM Team

## Asset Management Policy Action – Governance and Management

1.4 Continually improve Council's maintenance and renewal practices

Asset maintenance is critical to operate an asset and deliver a level of service over its useful life. Regular maintenance does not increase the level of service or extend the useful life of an asset but will prevent untimely deterioration, reduce risk of unexpected failure and improve efficiency of the service provided through it.

Maintenance activities need to be documented, planned, undertaken, recorded and measured for improvement. Review of Council's current integrated system 'Civica Authority One' indicated that it is not suitable asset management software for Council under the current resource and budget capacity. Council is in the process of implementing 'reflect' and 'I AM OMNI' Asset Maintenance Systems.



It is intended that the Infrastructure Team implement, manage and take ownership of these Asset Maintenance Systems for different categories of assets. Once the Asset maintenance system is successfully implemented, the integration with financial and CRM modules to be implemented.

Recommendation	Time	Responsibility
1.4.1 Civica 'Asset Management' Module is reviewed and part of its current annual licence fee to be reallocated to 'Reflect' and 'I AM OMNI' asset maintenance systems where applicable	Q3 2019 to Q4 2019	AM Team and IT Department
1.4.2 Allocate funding of \$15,000 for 'Reflect' software, training and implement roads, kerbs and gutters, foot paths and trees asset maintenance system. Annual licence fee is \$7,000	Q4 2019 to Q2 2020	AM Team and IT Department
1.4.3 Allocate funding of \$15,000 for 'I AM OMNI' software, training and implement buildings, parks and open spaces asset maintenance system. Annual licence fee will be approximately \$15,000	Q4 2019 to Q2 2020	AM Team and IT Department
1.4.4 Support AM team to implement the maintenance software programs	2019 - 2023	AM Team and IT Department
1.4.5 Documentation of asset maintenance practices	2019 -2023	AM Team and IT Department
1.4.6 Allocate funding \$100K to research the market and implement Integration of Asset Maintenance Module with Financial and CRM Modules	2021 -2023	AM Team and IT Department

### Asset Management Policy Action – Governance and Management

*1.5 Ensure all development and capital investment decisions are subject to whole of life cost analysis based on available Asset Management Plans and the Capital Works Policy.*

Life cycle management outlines a plan from initial planning through design, construction, maintenance, renewal until final decommissioning and disposal of asset and identifies and allocates financial resources needed throughout this life cycle process. Life cycle costing and management is a key element within National Asset Management Framework and is essential to ensure well managed assets.

Recommendation	Time	Responsibility
1.5.1 Life cycle management is incorporated in Councils business practices and included in all capital works, community projects and grants	2019 to 2023	AMSC, AM Team and PD team

## Asset Management Policy Action – Governance and Management

*1.6 Rationalise under-utilised assets that have no long-term strategic benefit and dispose of assets consistent with Sale of Council Owned Property Policy and other relevant policies.*

Unlike private sector assets where the key driver is financial gain or loss, for public sector assets 'service' to the community is the key driver. A performance-based approach to asset management in the public sector will strengthen both external accountability and internal efficiency and effectiveness.

The services can be provided through the facilities only if the physical condition of the asset are at an acceptable level for use; the spaces within the asset meet the functional need and are utilised to the maximum reflecting that the competing demands of the users and the wider community need are met; and the sustainability of the asset in the long term is financially viable. Asset rationalisation and recommendation for disposal need to be made based on the measure of financial performance, utilisation, function and the condition of the assets.

Recommendation	Time	Responsibility
1.6.1 Establish benchmark for financial performance, utilisation, function and the condition of the assets	2019-2020	Council, AMSC, AM Team
1.6.2 Undertake rationalisation of building assets and facilitate co-location where necessary to provided committed services	2020 -2023	Council, AMSC, AM Team
1.6.3 Undertake rationalisation of ovals and sporting facilities assets and facilitate co-location where necessary to provided committed services	2020 -2023	Council, AMSC, AM Team
1.6.4 Undertake rationalisation of parks assets and facilitate co-location where necessary to provided committed services	2020 -2023	Council, AMSC, AM Team

## 2. FINANCE

### Asset Management Policy Action – Finance

*2.1 Integrate asset management, long term financial and strategic resource planning.*

#### Integration of AMPs and LTFP

The funds required to meet the operating and renewal costs of assets and the impact of reduced funding on the deterioration of the assets need to be analysed to arrive at a balanced level of service that is acceptable for the community and financial sustainability of the Council.

Civica Authority One Strategic Asset Management Module was expected to provide the analysis capability for prediction and LTFP. As it has been ascertained that under the current resource and funding availability, Civica Authority One is not a recommended software option for managing the maintenance of the assets, other prediction software's in the market suitable for Council are to be researched and implemented; or integration of Civica Strategic Module with 'Reflect' and 'I AM OMNI' asset maintenance software to be explored.

During the first-year term of this Strategy, Council is recommended to undertake a high-level condition audit and develop a LTFP through manual process and consultations with the community, while exploring the software options available in the market. In the second to fourth term of this Strategy it is recommended that Council implement the finalised software and update the LTFP based on more accurate modelling.

Recommendation	Time	Responsibility
2.1.1 High level manual process for AMP and LTFP integration	2019-2020	Council, AMSC, AM Team
2.1.2 Implement asset prediction modelling software to forecast funding needs. Allocate \$100,000 over the three-year period. (Funding allowed under 1.4.6)	2020 -2023	Council, AMSC, AM Team
2.1.3 Recommend projected funding for inclusion in the LTFP and incorporate incoming AMPs into annual review of LTFP	2020 -2023	Council, AMSC, AM Team

### Asset Management Policy Action – Finance

- 2.2 *Ensuring that the asset base is not increased without considering the impact on Council's ability to fund maintenance, operating costs, resources and renewal of the asset;*
- 2.3 *Adequately identify and plan for future maintenance costs of assets and infrastructure to reduce the asset renewal gap in allocated funding.*

### Increasing the Asset Base

Council inherits existing and new assets from various sources such as community groups, government funding and private gifts. A process to understand the full life cycle cost of owning and managing the asset is required before Council takes responsibility for these assets. Adequate funding needs to be allocated at the time of inheritance to maintain, operate and renew these assets.

### Planning for Asset Maintenance

During the design and upgrade of any existing assets, at the design phase consideration for maintenance costs over its useful life is required. Identifying these costs is a critical part of decision-making process in the affordability of the new asset or upgrade of existing asset. Ignoring this step during decision process leads to ever expanding asset base without adequate maintenance funding.

A balance between emergency, reactive and planned maintenance expenditure to achieve level of service without compromising safety and risk is required.

Recommendation	Time	Responsibility
2.2.1 Develop a process to assess and provide full life cycle cost of assets before they are taken under Council's responsibility	2020-2023	Council, AMSC, AM Team
2.2.2 Develop a process to ensure life cycle cost are considered and maintenance funding allocated when new or upgraded assets are designed	2020 -2023	Council, AMSC, AM Team
2.3.1 Measure and analyse trends in reactive versus planned maintenance costs	2020 -2023	Council, AMSC, AM Team

#### **Asset Management Policy Action – Finance**

*2.4 Improve integration and alignment with Council's financial systems and classify operational, maintenance, renewal, upgrade or new asset expenditure;*

*2.5 Adequately identify and plan for future maintenance costs of assets and infrastructure to reduce the asset renewal gap in allocated funding.*

#### **Integration with Council's Financial System**

Accurate data structure and data capture is required to align financial system with assets for reporting to Council and all other departments within Council. The LTFP presents maintenance, renewal, upgrade and new expenditure and these costs need to be tracked for all assets so actual expenditure can be compared and forecast.

Recommendation	Time	Responsibility
2.4.1 Conduct a review of financial classes and reporting to improve the connection between corporate finance and asset management	2020-2023	AM Team, Finance Team
2.4.2 Ensure maintenance planning in the new software are classified as per accounting system	2019 -2023	AM Team
2.5.1 Continue to adhere to and update Asset Valuation Methodology documentation	2019 -2023	AM Team, Finance Team

### 3 LEVELS OF SERVICE

#### Asset Management Policy Action – Levels of Service

- 3.1 Ensure current asset performance measures are documented for each of Council's services that rely upon or generate assets;
- 3.2 Ensure that all plans and strategies of Council are considered in the delivery of service;
- 3.3 Consider alternate levels of service through community consultations that balance with available resources and long-term financial planning.

#### Service Plans

Council depends on physical assets for the delivery of majority of its services. Service planning is assessment of the services, its costs, roles and responsibilities and assets utilised. This AMS proposes two levels of service planning.

#### Level 1 Service Planning

Document current services, current budgets, lists of assets and utilisation levels and roles and responsibilities for service delivery. This will allow for LTFP based on current service levels and asset use.

#### Level 2 Service Planning

This involves scenario modelling taking into account the population growth or decline, availability of innovative technologies to deliver services without physical asset base, Public Private Partnerships and service level changes for long term sustainability of the Council. Level 2 Service planning requires community engagement to explore community willingness to pay for different levels of service and will require considerable resources.

Recommendation	Time	Responsibility
3.1.1 Develop and document Asset performance Measures as per AMS Priority Matrix	2019-2023	AM Team, Finance Team
3.2.1 Identify and prioritise Level 1 Service Plans to support the nominated AMPs	2019 -2023	AM Team
3.3.1 Undertake Level 2 Service Planning for services provided from assets which are below the performance benchmark identified under Item 1.6.1 Asset Rationalisation	2019 -2023	AM Team, Finance Team

## 4 DATA AND SYSTEM

### Asset Management Policy Action – Data and System

- 4.1 Implement technology and resources to increase efficiency;
- 4.2 Develop Business process documentation for Asset Management;
- 4.3 Participate in asset management best practice and benchmarking programs.

#### Asset Management Team On-Costs

A good asset management practice that provides internal accountability and external performance reporting require a base level of funding for asset management team, software systems and business processes.

#### Data Management

As Stage 1 of data management process, implement stand-alone 'Asset Maintenance' systems 'Reflect' for roads asset category and 'I AM OMNI' for buildings asset category to capture asset data, undertake defective and preventative maintenance and improve the efficiency of the workflow process for inspection to completion. Once the implementation is successful, at Stage 2, undertake market analysis and implement an Asset Management System for scenario modelling that can optimise the selection of annual works program and budgets by taking data from Stage 1 implementation.

#### Geographic Information System (GIS)

An accessibility and display of asset data are increased by the usage of GIS. Without GIS the efficiency of data capture and effectiveness of data assessment is compromised. Currently the GIS coordinator position is vacant. Council to prioritise the process to appoint a GIS coordinator.

#### Business Processes

Asset management processes are to be developed and documented to capture knowledge and to assist with retention of capacity and succession planning.

#### External Performance Monitoring

Council participation in NSW Local Government Regional Analysis and Comparative Tool – Local Government Professionals Australia, NSW and PricewaterhouseCoopers Services (PWC)

Recommendation	Time	Responsibility
4.1.1 Continue annual funding for staff, software and processes	2019-2023	AM Team
4.2.1 Develop business processes manual to support asset management	2019 -2023	AM Team
4.3.1 Continue participating in PWC Analysis and allocate annual funding for IPWEA and NAMAFA step program participation	2019 -2023	AM Team

## 5 SKILLS AND PROCESSES

### Asset Management Policy Action – Data and System

- 5.1 Identify training needs for Councillors that broadens their knowledge of asset management;
- 5.2 Ensure staff that have service planning and asset management responsibilities are trained so that asset management capacity is built and maintained;
- 5.3 Consider risk of asset failure in each AMP.

#### Training

Asset management is a complex field and impacts the long-term financial planning and viability of the Council. Training is necessary at all levels, including for Councillors to ensure that important decisions are made with understanding on the consequences of the decisions.

#### Risk

Council has responsibility ensure that the services provided through the assets do not pose a risk to personal safety and to the continuation of services. Asset failure and compliance to legislative requirements will be considered in AMPs and risk register will be updated with relevant findings.

Recommendation	Time	Responsibility
5.1.1 Ensure Councillors have the appropriate information and training in asset management	2019-2023	AMSC and AM Team
5.2.1 Establish a training matrix based on staff roles and responsibilities and include training needs as part of annual staff performance reviews	2019 -2023	AMSC and AM Team
5.3.1 Consider the risk of failure and risk to personal safety and ensure that Council's Risk Register is updated for each asset category	2019 -2023	AM Team and Risk and Compliance Team

## 6 EVALUATION AND REVIEW

### Asset Management Policy Action – Data and System

- 6.1 Evaluate asset management improvements and timelines and report to Council.

#### Annual Asset Management Report

Under this strategy, the progress achieved against IPWEA, NAMS plus National Asset Management Assessment Framework (NAMAF) will be reported annually to Council. NAMAF is a methodology for the assessment of the maturity of asset management practices from which prioritised improvement can be developed. This strategy aims to achieve 'core' level of maturity at the end this four-year term and transition into ISO 55000 standards for next four-year term if the benefits warrant such a transition.

Recommendation	Time	Responsibility
6.1.1 Report annually to Council on the progress of the AMS and asset management improvements.	2019-2023	AMSC and AM Team

## 7 CONCLUSION

This strategy has been developed to advance asset management practice and achieve long term financial sustainability of the Council with careful consideration to economic, environmental and social impacts. The AMP and AMS implementation will ensure compliance with National Asset Management Framework.

All strategy actions have been aligned with AMP and organised within the following areas:

1. Governance and Management
2. Finance
3. Levels of Service
4. Data and Systems
5. Skills and Processes
6. Evaluation and Review

Funding and implementing these actions will ensure that Council continues to manage its portfolio sustainability for its community and will result in acceptance of asset management as embedded practice.

## 8 DEFINITIONS

Definition terms used in the AMS 2019-23

Term	Meaning
Asset	An asset owned or managed by BHCC that provides value to the level of service provided to the Council
Asset Class / Category	Grouping of assets of similar nature
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
Asset Management Plan (AMP)	An AMP is a plan that projects the level and timing of cash flows associated with acquisition, replacement and new assets, asset maintenance and disposal in order to be able to achieve desired levels of service from assets. Councils are required to prepare AMPs with a planning period of at least 4 years. They assist in determining a Council's funding and financing needs and inform the Council's long-term financial plan and annual budget. It is one of a suite of documents that collectively make up a Council's approach to asset management.
Asset Management Policy	A policy that ensures compliance with any asset management statutory requirements as well as achieving and maintaining standards that reflect good administrative practices.
Asset Management Steering Committee (AMSC)	Steering committee consisting of Infrastructure Development, Infrastructure Operations, Finance, Risk and Asset Management representatives. For the first four-year term, Executive Leadership Team (ELT) are the nominated



	AMSC. Over the years as the organisations' asset management maturity level increases, mid-level group leaders will be nominated to AMSC.
Asset Replacement Costs	Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally.
Asset Management Strategy	An AMS sets out the strategic asset management goals by outlining what services are delivered, the methods of service delivery including non-asset solutions, and what assets and resources will be required. An AMS sets out the practical implementation of Council's strategic goals and helps in identifying the optimal asset base that is necessary to support service delivery requirements. An AMS comprises a number of plans that detail how Council will use its assets in an efficient and effective manner over each asset or asset group's life-cycle to support service delivery. An AMS will usually cover the development and implementation of plans and programs for asset creation, operation, maintenance, rehabilitation, replacement, disposal and performance monitoring, to ensure that the desired levels of service delivery and other operational objectives are achieved at optimum cost.
Capital Expenditure	Expenditure on items which will provide benefits that extend into future financial periods. It includes expenditure to acquire new assets or to enhance existing assets to provide expanded, or a higher level of, service.
Capital Renewal	Capital expenditure that creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.
Condition Assessment	The process of continuous or periodic inspection, assessment, measurement and interpretation to indicate the condition of an asset to determine the need for preventative or remedial action or to reassess the assets remaining useful life for valuation purposes.
Long Term Financial Plan (LTFP)	A plan that projects a forecast of a Council's financial performance and position over a period of at least 10 years. It is one of a suite of documents that collectively make up a Council's Strategic Management Framework and the LTFP should be consistent with, and express financially, actions expressed or required to give effect to strategies proposed in these other documents.
National Asset Management Assessment Framework (NAMAF)	A methodology for assessing the maturity of a Council's Asset Management practices and processes against the National Asset Management Framework (NAMF). 'Core' maturity level – the base maturity level in the National Asset Management Assessment Framework (NAMAF). 'Advanced' maturity level – a maturity level in National Asset Management Assessment Framework (NAMAF) indicating comprehensive asset management processes.
National Asset Management Framework (NAMF)	A national framework for best practice asset management underpinned by NAMAF methodology.
Service Plan (SP)	A process that outlines service objectives for specific council services. The service plan encompasses the principles for the provision of the service, the level of service to be provided, key roles and responsibilities for the delivery of the service, financial costs and revenues related to the delivery of the service and performance

	measures including a unit cost used to monitor the performance of service delivery.
Service Levels	Levels of service prescribed for a service provided by Council.
Whole of life cycle cost estimates	Acquisition, maintenance and disposal costs/receipts of an asset over its useful life.

## 9 ABBREVIATIONS

Abbreviations used in the AMS include:

AMP	Asset Management Policy
AMS	Asset Management Strategy
ATP	Active Transport Plan
BAMP	Building Asset Management Plan
DAMP	Stormwater Drainage Asset Management Plan
GIS	Geographic Information System
IPWEA	Institute Public Works and Engineering Australasia
LTFP	Long Term Financial Plan
NAMAF	National Asset Management Assessment Framework
NAMF	National Asset Management Framework
LTFP	Long Term Financial Plan
RAMP	Roads Asset Management Plan
SFAMP	Sports Facilities Asset Management Plan
TAMP	Trees Asset Management Plan

## APPENDIX 1: Summary of Asset Management Strategy Actions Aligned To Asset Management Policy

Area	Asset Management Policy Action	Recommendation	Time	Responsibility
Governance and Management	1.1 Develop and implement an Asset Management Strategy that outlines the current status of asset management and a plan to continuously improve asset management	1.1.1 Allocate additional funding of \$100K and complete AMPs for Buildings, Roads, Stormwater	2019-2020	AMSC and AM Team
		1.1.2 Review AMS 2019-2023 and develop an AMS 2023 - 2027 and present to Council for adoption		AMSC and AM Team
	1.2 Ensure the development and implementation of AMPs with clear link to LTFP	1.2.1 Business process to be documented to integrate AM with the integrated Planning Framework	2019-2023	AMSC and AM Team
	1.3 Clearly define roles and responsibilities for service levels, asset provision, maintenance and planning and ensure they are understood.	1.3.1 Roles and responsibilities are defined for each asset category and incorporated in the business unit actions and resources identified and allocated.	2019 -2020	AMSC and AM Team
		1.3.2 Roles and responsibilities are incorporated in employee performance reviews and position description.	2019 -2020	AMSC and AM Team
	1.4 Continually improve Council's maintenance and renewal practices	1.4.1 Civica Asset Management Module is reviewed, and necessary adjustments made to allow implementation of 'I AM OMNI' Asset Maintenance Systems	Q3 2019 to Q4 2019	AM Team and IT Department
		1.4.2 Allocate funding of \$15,000 for 'Reflect' software, training and implement Roads, kerbs and gutters, foot paths and trees asset maintenance system. Annual license fee is \$7,000	Q4 2019 to Q2 2020	AM Team and IT Department
		1.4.3 Allocate funding of \$15,000 for 'I AM OMNI' software, training and implement buildings, parks and open spaces asset maintenance system. Annual license fee will be approximately \$15,000	Q4 2019 to Q2 2020	AM Team and IT Department

Area	Asset Management Policy Action	Recommendation	Time	Responsibility
		1.4.4 Support AM team to implement the maintenance software programs	2019 - 2023	AM Team and IT Department
		1.4.5 Documentation of asset maintenance practices	2019 -2023	AM Team and IT Department
		1.4.6 Allocate funding \$100K to research the market and implement Integration of Asset Maintenance Module with Financial and CRM Modules	2021 -2023	AM Team and IT Department
	1.5 Ensure all development and capital investment decisions are subject to whole of life cost analysis based on available Asset Management Plans and the Capital Works Policy.	1.5.1 Life cycle management is incorporated in Council business practices and included in all capital works, community projects and grants	2019 - 2023	AMSC, AM Team and PD team
	1.6 Rationalise under-utilised assets that have no long-term strategic benefit and dispose of assets consistent with Sale of Council Owned Property Policy and other relevant policies.	1.6.1 Establish benchmark for financial performance, utilisation, function and the condition of the assets	2019- 2020	Council, AMSC, AM Team
		1.6.2 Undertake rationalisation of building assets and facilitate co-location where necessary to provided committed services	2019- 2020	Council, AMSC, AM Team
		1.6.3 Undertake rationalisation of ovals and sporting facilities assets and facilitate colocation where necessary to provided committed services	2020- 2021	Council, AMSC, AM Team
		1.6.4 Undertake rationalisation of parks assets and facilitate colocation where necessary to provided committed services	2020- 2021	Council, AMSC, AM Team
Finance		2.1.1 High level manual process for AMP and LTFP integration	2019-2020	Council, AMSC, AM Team

Area	Asset Management Policy Action	Recommendation	Time	Responsibility
	2.1 Integrate asset management, long term financial and strategic resource planning.	2.1.2 Implement asset prediction modelling software to forecast funding needs. Allocate \$100,000 over the three-year period. (Funding allowed under 1.4.6)	2020 -2023	Council, AMSC, AM Team
		2.1.3 Recommend projected funding for inclusion in the LTFP and incorporate incoming AMPs into annual review of LTFP.	2020 -2023	Council, AMSC, AM Team
	2.2 Ensuring that the asset base is not increased without considering the impact on Council's ability to fund maintenance, operating costs, resources and renewal of the asset;	2.2.1 Develop a process to assess and provide full life cycle cost of assets before they are taken under Council's responsibility.	2020-2023	Council, AMSC, AM Team
		2.2.2 Develop a process to ensure life-cycle cost are considered and maintenance funding allocated when new or upgrade assets are designed.	2020 -2023	Council, AMSC, AM Team
	2.3 Adequately identify and plan for future maintenance costs of assets and infrastructure to reduce the asset renewal gap in allocated funding.	2.3.1 Measure and analyse trends in reactive versus planned maintenance costs	2020 -2023	Council, AMSC, AM Team
	2.4 Improve integration and alignment with Council's financial systems and classify operational, maintenance, renewal, upgrade or new asset expenditure;	2.4.1 Conduct a review of financial classes and reporting to improve the connection between corporate finance and asset management.	2020-2023	AM Team, Finance Team
		2.4.2 Ensure maintenance planning in the new software are classified as per accounting system.	2019 -2023	AM Team
	2.5 Adequately identify and plan for future maintenance costs of assets and infrastructure to reduce the asset renewal gap in allocated funding.	2.5.1 Continue to adhere to and update Asset Valuation Methodology documentation.	2019 -2023	AM Team, Finance Team

Area	Asset Management Policy Action	Recommendation	Time	Responsibility
Levels of Service	3.1 Ensure current asset performance measures are documented for each of Council's services that rely upon or generate assets;	3.1.1 Develop and document Asset performance Measures as per AMS priority Matrix	2019-2023	AM Team, Finance Team
	3.2 Ensure that all plans and strategies of Council are considered in the delivery of service;	3.2.1 Identify and prioritise Level 1 Service Plans to support the nominated AMPs	2019 -2023	AM Team
	3.3 Consider alternate levels of service through community consultations that balance with available resources and long-term financial planning.	3.3.1 Undertake Level 2 Service Planning for services provided from assets which are below the performance benchmark identified under Item 1.6.1 Asset Rationalisation	2019 -2023	AM Team, Finance Team
Data and Systems	4.1 Implement technology and resources to increase efficiency;	4.1.1 Continue annual funding for staff, software and processes	2019-2023	AM Team
		4.1.2 Allocate additional funding for software implementation and \$100,000 for GIS coordinator support	2019-2023	AM Team and IT
	4.2 Develop Business process documentation for Asset Management;	4.2.1 Develop business processes manual to support asset management	2019 -2023	AM Team
	4.3 Participate in asset management best practice and benchmarking programs.	4.3.1 Continue participating in PWC and allocate annual funding for IPWEA and NAMAf step program participation	2019 -2023	AM Team
Skills and Processes	5.1 Identify training needs for Councillors that broadens their knowledge of asset management;	5.1.1 Ensure Councillors have the appropriate information and training in asset management	2019-2023	AMSC and AM Team

Area	Asset Management Policy Action	Recommendation	Time	Responsibility
	5.2 Ensure staff that have service planning and asset management responsibilities are trained so that asset management capacity is built and maintained;	5.2.1 Establish a training matrix based on staff roles and responsibilities and include training needs as part of annual staff performance reviews	2019 -2023	AMSC and AM Team
	5.3 Consider risk of asset failure in each AMP.	5.3.1 Consider the risk of failure and risk to personal safety and ensure that Council's Risk Register is updated for each asset category	2019 -2023	AM Team and Risk and Compliance Team
Evaluation and Review	6.1 Evaluate asset management improvements and timelines and report to Council.	6.1.1 Report annually to Council on the progress of the AMS and asset management improvements	2019-2023	AMSC and AM Team



## Appendix 2: Asset Management Strategy Matrix 2019- 2023 Indicators

The indicators used to set priority and importance of AMPs for inclusion in the AMS 2019-2023 matrix.

Item	Definitions
AMP Inclusions	Which asset class / types will be included in AMP <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>Included</b> </div>
AMP Priority	Whether AMP has been deemed as priority based on replacement value, risk and organisational need and knowledge <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <span style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border-radius: 50%; margin-right: 5px;"></span> <b>Low</b> <span style="display: inline-block; width: 15px; height: 15px; background-color: orange; border-radius: 50%; margin-right: 5px; margin-left: 20px;"></span> <b>Med</b> <span style="display: inline-block; width: 15px; height: 15px; background-color: red; border-radius: 50%; margin-right: 5px; margin-left: 20px;"></span> <b>High</b> </div>
Risk Due to Asset Failure	Likelihood and impact of asset failure within an asset class <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <span style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border-radius: 50%; margin-right: 5px;"></span> <b>Low</b> <span style="display: inline-block; width: 15px; height: 15px; background-color: orange; border-radius: 50%; margin-right: 5px; margin-left: 20px;"></span> <b>Med</b> <span style="display: inline-block; width: 15px; height: 15px; background-color: red; border-radius: 50%; margin-right: 5px; margin-left: 20px;"></span> <b>High</b> </div>
Value	Replacement Value <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <span style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border-radius: 50%; margin-right: 5px;"></span> <b>Low</b> <span style="display: inline-block; width: 15px; height: 15px; background-color: orange; border-radius: 50%; margin-right: 5px; margin-left: 20px;"></span> <b>Med</b> <span style="display: inline-block; width: 15px; height: 15px; background-color: red; border-radius: 50%; margin-right: 5px; margin-left: 20px;"></span> <b>High</b> </div>
Current Knowledge	How well the asset is understood taking into account data and skills / knowledge of staff <b>0</b> No knowledge <b>5</b> . Comprehensive Knowledge
Inventory	The collection of asset data, attributes and spatial information <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>Included in work program</b> </div>
Condition	Whether condition assessment will be performed on an asset class during AMS <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>Included in work program</b> </div>
Valuation	Whether an external valuation or unit rates to value a class of assets <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>Included in work program</b> </div>
Service Plan	Whether a service plan will be completed for AMP <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>Included in work program</b> </div>
Resource Level Required	Level of resources (time, \$, staff) will be required to achieve an AMP <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <span style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border-radius: 50%; margin-right: 5px;"></span> <b>Low</b> <span style="display: inline-block; width: 15px; height: 15px; background-color: orange; border-radius: 50%; margin-right: 5px; margin-left: 20px;"></span> <b>Med</b> <span style="display: inline-block; width: 15px; height: 15px; background-color: red; border-radius: 50%; margin-right: 5px; margin-left: 20px;"></span> <b>High</b> </div>
AMP Date	The year by which the AMP is expected to be completed

### APPENDIX 3: AMP Priority Determination Matrix 2019-2023

		AMP Priority Determination Matrix 2019-2023											Legend			
													Priority, Risk, Value	Low	Med	High
													Resourcing Requirement	Low	Med	High
													Current Knowledge	0 None	5 Comprehensive	
													Expected to be part of the AMS 2019-2023 action plan		✓	
Asset Class	AMP	Asset Category	AMP Inclusions	AMP Priority	Risk due to Asset Failure	Replacement Value	Current AM Knowledge	Inventory	Condition	Valuation	Service Plan	Resourcing Required	AMP date			
Governance		Office Furniture	-	-	-	-	1	-	-	-	-	-	-			
		IT & Office Equipment	-	-	-	-	4	✓	-	-	-	-	-			
		Fleet	-	-	-	-	1	✓	-	-	-	-	-			
		Art	-	-	-	-	0	-	-	-	-	-	-			
Land		Vacant Land	-	-	-	-	1	-	-	-	-	-	-			
	PGAMP	Open Spaces	✓	●	○	○	1	✓ 3	✓ 0	-	✓ 0	●	2020			
	BAMP	Land with Buildings	✓	●	●	●	1	✓ 3	✓ 3	✓	-	●	2020			
Buildings	RAMP	Land Under Roads	✓	●	●	●	1	✓ 3	✓ 0	✓	-	●	2020			
		Council owned & operated	✓	●	●	●	1	✓ 3	✓ 3	✓	✓ 0	●	2020			
		Council owned & leased	✓	●	●	●	1	✓ 3	✓ 3	✓	✓ 0	●	2020			
		Sports Facilities	✓	●	●	●	1	✓ 3	✓ 3	✓	✓ 0	●	2020			
Transport		Sheds	-	○	○	○	0	-	-	-	-	-	-			
	RAMP & ATP	Road, Kerbs & Gutters	✓	●	●	●	1	✓ 0	✓ 1	✓	✓ 0	●	2020			
		Foot & Cycle Paths	✓	●	●	●	1	✓ 3	✓ 3	✓	✓ 3	●	2020			
		Bus Shelters	✓	●	●	○	0	✓ 0	✓ 0	-	✓ 0	●	2020			
		Traffic Devices	-	●	●	○	0	✓ 0	-	-	-	●	-			
Drainage		Car Parks	✓	○	○	○	0	✓ 0	✓ 0	✓	✓ 0	●	2021			
		Airport	-	-	●	●	1	✓ 0	✓ 1	✓	✓ 0	●	2022			
	DRAMP	Stormwater	✓	●	●	●	1	✓ 0	✓ 0	✓	✓ 0	●	2021			
Public Amenity	LAMP	Lighting	✓	●	●	●	0	✓ 1	✓ 1	✓	✓ 0	●	2021			
	SAMP	Signage	✓	○	●	●	0	✓ 0	✓ 1	-	✓ 0	●	2022			
	TAMP	Trees	✓	○	○	●	0	✓ 0	✓ 0	-	✓ 0	●	2020			
	PGAMP	Parks & Open Spaces	✓	○	○	●	0	✓ 0	✓ 0	✓	✓ 0	●	2020			
Waste		Transfer Station	-	-	●	●	2	-	-	-	-	-	2022			
		Landfill	-	-	●	●	2	-	-	-	-	-	2022			

## APPENDIX 4: AM Plans Project Plans

1	BAMP Buildings Asset Management Plan Council & Community Buildings (excludes sporting ground buildings) PROJECT PLAN	2020				2021				2022				2023		Resourcing			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Internal	External	External Cost
		Stage 1	High level audit to assist Level 1 Service Planning	1														0%	100%
Stage 1	Asset rationalisation draft based on Level 1 Service Planning		1													100%	0%	\$0K	
	Level 2 Service Planning		1	1												100%	0%	\$0K	
Stage 2	Activate data collection techniques and training for maintenance staff (I AM OMNI software)	2														10%	90%	\$6K	
	Under take inventory verifications: sampling, extrapolate condition scores	2	2	2												100%	0%	\$0K	
Stage 3	prediction modelling, life cycle analysis (new software)				3	3										95%	5%	\$15K	
	documentation						3									95%	5%	\$0K	
	Review and adoption							3.1				3.2			3.3	100%	0%	\$0K	
<b>Total Project Summary</b>			\$3K	\$3K	\$15K	\$5K										75%	25%	\$21K	

1	SFAMP Sports Facilities Asset Management Plan PROJECT PLAN	2020				2021				2022				2023		Resourcing			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Internal	External	External Cost
		Stage 1	High level audit to assist Level 1 Service Planning	1														100%	0%
Stage 1	Asset rationalisation draft based on Level 1 Service Planning		1													100%	0%	\$0K	
	Level 2 Service Planning		1	1												100%	0%	\$0K	
Stage 2	Activate data collection techniques and training for maintenance staff (I AM OMNI software)	2														10%	90%	\$6K	
	Under take inventory verifications: sampling, extrapolate condition scores	2	2	2												100%	0%	\$0K	
Stage 3	prediction modelling, life cycle analysis (new software)				3	3										95%	5%	\$15K	
	documentation						3									95%	5%	\$5K	
	Review and adoption							3.1				3.2			3.3	100%	0%	\$0K	
<b>Total Project Summary</b>			\$3K		\$3K		\$15K	\$5K								88%	13%	\$21K	

1	RAMP Roads (incl. kerbs & Gutters) Asset Management Plan PROJECT PLAN	2020				2021				2022				2023		Resourcing			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Internal	External	External Cost
		Stage 1	High level audit		1													0%	100%
Stage 1	Asset prioritisation (based on 2017 PMAP audit)		1	1												100%	0%	\$0K	
	Activate data collection techniques and training for maintenance staff (Reflect Software)	2														90%	10%	\$5K	
Stage 2	Under take inventory verifications: sampling, extrapolate condition scores		2	2	2											100%	0%	\$0K	
	prediction modelling, life cycle analysis (new software)					3	3									5%	95%	\$15K	
Stage 3	Level 2 Service Planning							3								0%	0%	\$5K	
	documentation							3								100%	0%	\$0K	
	Review and adoption								3.1			3.2			3.3	100%	0%	\$0K	
<b>Total Project Summary</b>								\$15K								62%	26%	\$55K	

1	PAMP Active Transport Plan (includes PAMP and Bike Plans) Asset Management Plan PROJECT PLAN	2020				2021				2022				2023		Resourcing			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Internal	External	External Cost
		Stage 1	Audit completed by Cardno and based on 2017 PAMP audit															100%	0%
Stage 1	Level 1 Service Planning				1											100%	0%	\$0K	
Stage 2	Activate data collection techniques and training for maintenance staff (Reflect Software)	2														90%	10%	\$5K	
	Under take inventory verifications: sampling, extrapolate condition scores		2	2	2											100%	0%	\$0K	
Stage 3	prediction modelling, life cycle analysis (new software)					3	3									5%	95%	\$15K	
	Level 2 Service Planning (N/A)							3								0%	0%	\$5K	
	documentation							3								100%	0%	\$0K	
	Review and adoption				Draft				3.1			3.2			3.3	100%	0%	\$0K	
<b>Total Project Summary</b>																<b>74%</b>	<b>13%</b>	<b>\$25K</b>	

1	PGAMP & TAMP Parks & Open Spaces Asset Management Plan & Trees Asset Management Plan PROJECT PLAN	2020				2021				2022				2023		Resourcing			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Internal	External	External Cost
		Stage 1	Initial Audit															100%	0%
Stage 1	Level 1 Service Planning				1											100%	0%	\$0K	
Stage 2	Activate data collection techniques and training for maintenance staff (OMNI Software)	2														90%	10%	\$5K	
	Under take inventory verifications: sampling, extrapolate condition scores		2	2	2											100%	0%	\$0K	
Stage 3	prediction modelling, life cycle analysis (new software)					3	3									5%	95%	\$15K	
	Level 2 Service Planning (N/A)							3								0%	0%	\$5K	
	documentation							3								100%	0%	\$0K	
	Review and adoption				Draft				3.1			3.2			3.3	100%	0%	\$0K	
<b>Total Project Summary</b>																<b>74%</b>	<b>13%</b>	<b>\$25K</b>	

# APPENDIX 5: City of Broken Hill Asset Management System Assessment June 2017



City of Broken Hill

## City of Broken Hill Asset Management System Assessment June 2017

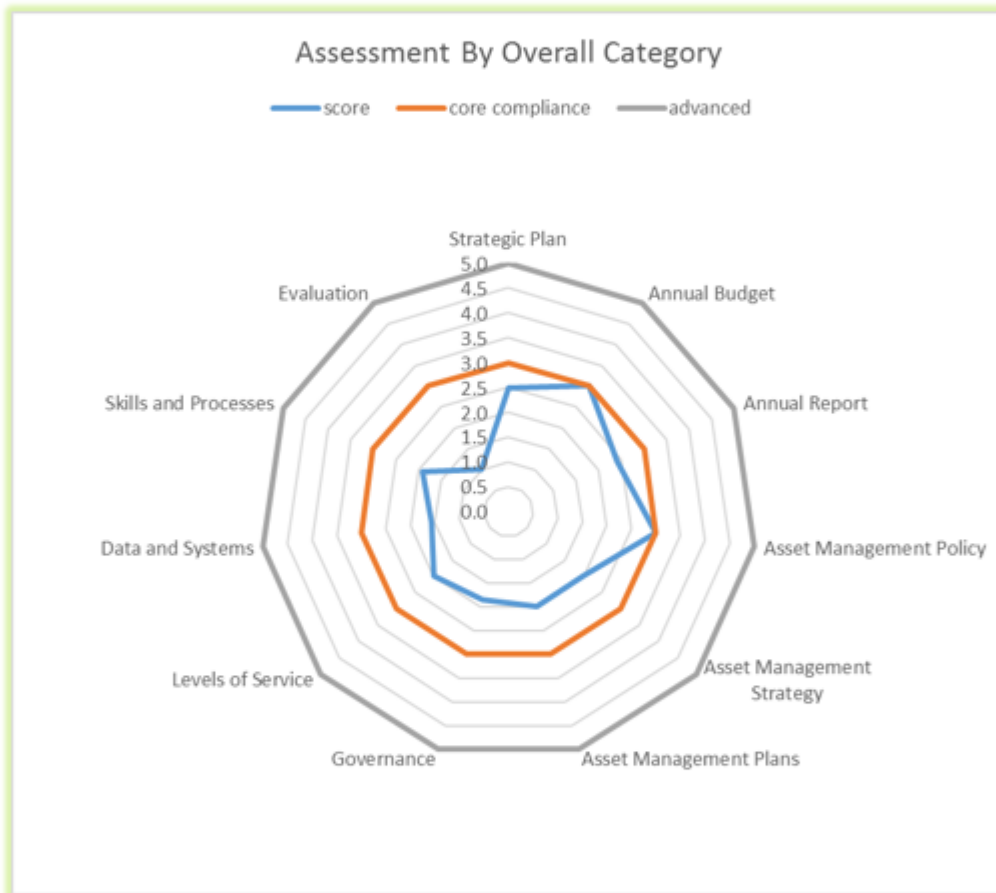
<p>Prepared by:</p> <p>Graham Lantzke Principal Asset Management Engineer</p>	<p>Opus International Consultants (Australia) Pty Ltd Perth Office Level 1, 142 Hasler Road PO Box 174, OSBORNE PARK WA 6917 Australia</p>
<p>Reviewed by:</p> <p>Tom Stacey Senior Asset Management Engineer</p>	<p>Telephone: +61 9 9340 9900</p>
<p>Approved for release by:</p> <p>Ian Thew Business Development Manager</p>	<p>Date: 28 July 2017 Reference: W-09730 Status: Final</p>

# 1 Executive Summary

An assessment of the City of Broken Hill (the City) asset management practice was performed by Opus International Consultants (Opus) on 14 June 2017 using the National Asset Management Assessment Framework (NAMAF). The assessment was commissioned to objectively assess;

- The current state of asset management practice; and
- Potential improvements.

Results of the assessment are;



The assessment has found;

- Asset Management Practice is meeting the standard for core compliance identified in the NAMAF in some, but not all of the 78 requirements.
- Asset Management Practice is meeting the standard for core compliance in 2 of the 11 categories.
- The City is well progressed to meeting the standard for core compliance in those areas where it does not currently meet them.
- The strongest areas of practice are around financial management, strategic community planning and compliance with Government requirements.

- The weakest areas of activity are around evaluation, continuous improvement, data and systems.
- The City is currently reviewing their strategic planning.
- Evidence was not found of a strong linkage between corporate and strategic planning and operations. There was a lack of central Committee and weak feedback provisions from operational levels.
- The documentary framework is largely sound and complete when assessed on its own merits. The practicality of the documentation has not been assessed and seems overly complex for practical application.
- The City is still in the process of embedding the practice of asset management in all levels across the organisation with mixed success.
- The City has a robust public consultation process to establish Community and Corporate strategic objectives.
- Technical staff are knowledgeable, enthusiastic and understand their roles but in many instances, need formal training in Asset Management and/or experience/exposure to the practice. There is strong support for continually improving business practices and asset management.

Specific recommendations for improvement are provided in Table 5 of this report.

Overall the progress of the City is positive, with several strong signs of success. However, there is room for improvement. An overall immediate focus on implementing and managing business processes, training and giving staff time, support and opportunity to embed Asset Management requirements is recommended. The current review and update of documentation and practice will also be beneficial.

## 2 Background

### 2.1 The City of Broken Hill

The City of Broken Hill (the City) is a local government located in the State of New South Wales. It encompasses only the urban environment of Broken Hill servicing a population of around 18,500. The City provides asset based services to the local community and other stakeholders as well as providing road management services to the State Highway Authority, Roads and Maritime Services (RMS)

The City organisational structure is shown in Figure 1: City of Broken Hill Organisation Structure.

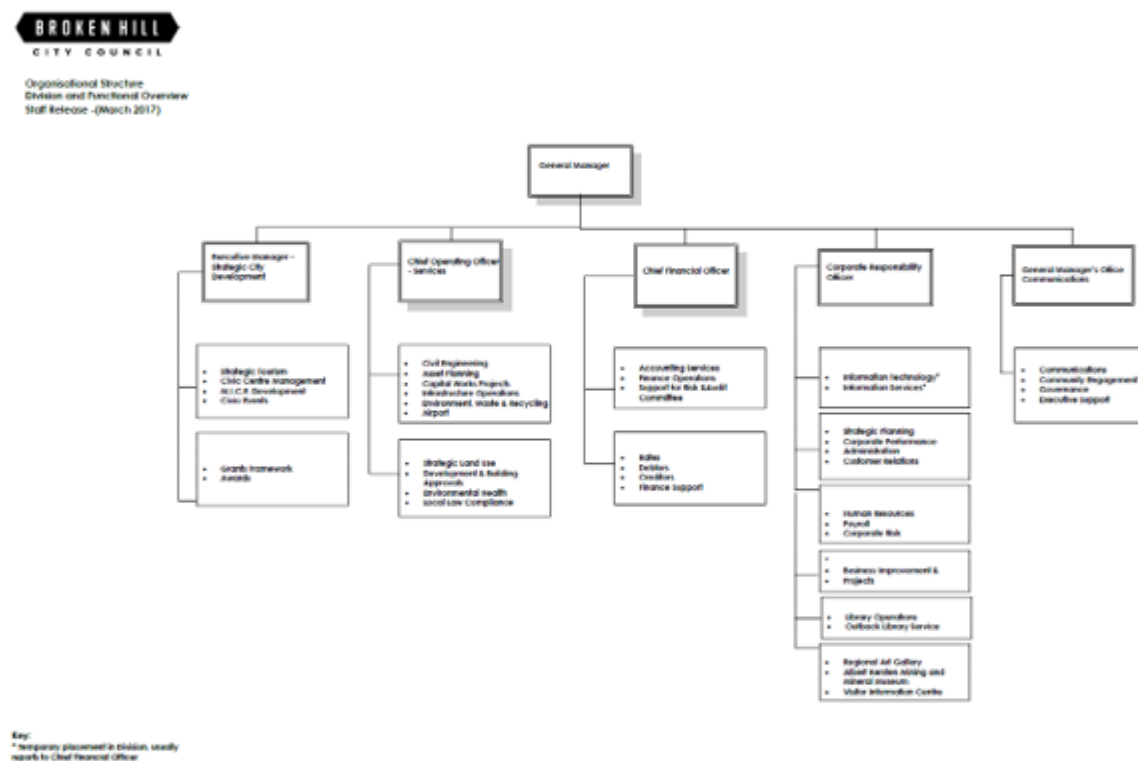


Figure 1: City of Broken Hill Organisation Structure

### 2.2 Request for Assessment

The City requested Opus undertake an independent assessment of the City’s asset management practice and provide a report and recommendations.

### 2.3 Scope of Asset Management System

For this review and consistent with the requirements of the NAMAFA and ISO55001 the Asset Management System has been defined to be inclusive of the people, processes and technology that deliver asset based services.





Figure 2: Asset Management System.

## 2.4 Scope of Assets Assessed

The City has an established an asset hierarchy as shown in Table 1: Assets and Asset Classes;

Table 1: Assets and Asset Classes

<b>Roads</b>	<b>Waste Services</b>
Roads, Sealed	Waste Services
Roads, Unsealed	<b>Airfield</b>
Car Parks	Airfield
Signs	<b>Plant &amp; Equipment</b>
Lighting	Plant
Paths	Light Vehicles
Nature Strips	Equipment, Furniture, etc.
Roadside Furniture	<b>ICT</b>
Kerb and Channel	Information and Communications Technologies
<b>Drainage</b>	<i>Other Assets not owned by the City</i>
Drainage	Bridges
Creeks and waterways	Marine Assets
<b>Parks (excluding buildings in parks)</b>	Power supply

Asset Management System Assessment

Parks	Sewerage
Sporting Grounds	Water Supply
Reserves	<i>Not included in assessment</i>
Aquatic Centre	Books, knowledge, intellectual property
Structures - Other (retaining walls, etc.)	Art and sculptures
<b>Buildings</b>	Land
Buildings	

Notes

1. ICT assets were not originally included in the scope but were added because during the interviews it was identified that the ICT Manager has a strong interest in asset management and there is an existing (obsolete) AM Plan for ICT equipment.
2. This table includes "Other assets not owned by the City" to provide a record that these asset groups were considered and not included because the City does not own any of these assets.

## 3 Assessment Process

### 3.1 Assessment Objectives

The purpose of the assessment was to discover objectively;

1. the current state of asset management practice at the City,
2. observed strengths and weaknesses, and
3. potential improvements.

The assessment was intended to be high level, collegial and instructive to the participants. It was interactive and not considered an audit.

The assessment was to cover all assets and associated operations of the infrastructure management section of the City. During the interviews, ICT assets were included for reasons discussed elsewhere.

### 3.2 Review Standard

#### 3.2.1 National Asset Management Assessment Framework

The review was conducted using the National Asset Management Assessment Framework produced by the Centre for Local Government Excellence and the Institute of Public Works Engineering Australasia (IPWEA). The NAMAFA framework was designed and adopted in 2007 to provide a nationally consistent method for Local Government to assess progress towards better Asset Management Practice.

#### 3.2.2 Decision to use NAMAFA

The NAMAFA standard was adopted in preference to other alternatives (ISO55001, NAMS plus, PAS55) following discussions between the City and Opus because NAMAFA;

- is purposely designed for Local Government,
- is nationally recognised and current NSW adopted practice,
- is simple, easy to use and not overly technical,
- has robust questions specific to local government around finance practice, and
- is ideal for a 'quick fact finding report'.

#### 3.2.3 Content of the NAMAFA

The NAMAFA standard assesses a Local Government in 11 categories for functions that need to be in place for a core compliance with asset management practice. "Core compliance" is confirmed where the basic functional elements of an asset management system are in place.

Each element is assessed for progress towards a mature system (score 0 to 5) with the organisation meeting requirements if over 80% of the City's assets, by value, are being managed with core compliance and there are no other material non-compliances.

The categories and elements are summarised in Appendix 1. The eleven categories of assessment are;

- Strategic Plan
- Budget
- Annual Report
- Asset Management Policy
- Asset Management Strategy
- Asset Management Plans
- Governance and Management
- Levels of Service
- Data and systems
- Skills and processes
- Evaluation

### 3.2.4 Other Considerations

#### 3.2.4.1 NSW Local Government AM Framework

The Office of Local Government NSW provides an Integrated Planning and Reporting Framework (IP&R) which Local Governments are required to comply with.



Figure 3: NSW Local Government Integrated Planning and Reporting Framework (from OLG website)

The IP&R provides detail on the specific requirements and contents of plans and documents and would take precedence over the NAMAf if there are any discrepancies. This assessment has not explored the full detail of plans and documents to confirm full compliance with the IP&R but any obvious and high level discrepancies have been noted.

#### **3.2.4.2 Accounting Standards and Financial Reporting**

The Office of Local Government – NSW provides Local Government Code of Accounting Practice and Financial Reporting which sets out standards for reporting and capitalising costs and valuation of assets.

This review has assessed financial reporting at a generic level only, such as whether current asset management practice is sufficient to support asset valuation in accordance with the Australian Accounting Standard AASB1014. Also, the appropriateness and usefulness of the detail of cost reporting for asset management operations and planning.

It is understood and presumed that Financial Reporting is already independently audited in a robust and comprehensive manner.

#### **3.2.4.3 International Standard on Asset Management, “ISO55001”**

Elements of an assessment using the International Standard on Asset Management ISO55001 were incorporated to add value. The ISO55001 is more recent practice currently being implemented world-wide and is the likely direction of future assessments.

Note that the NAMS plus assessment has been updated to incorporate ISO55001 requirements but the NAMAf has not.

The following features were included in the assessment:

- concepts of ‘Line of sight’ from organisational goals through to asset service delivery,
- clearer definitions of what is an asset management system and what the elements of a system should include, and
- more robust conceptualisation of risk and criticality.

#### **3.2.4.4 Organisation culture, morale and knowledge base**

Organisational culture was not assessed as part of this review and would require a different skill set and assessment standard. In Opus’s experience organisation culture plays a big part in the effectiveness of asset management practice and Opus have noted in general terms any pertinent issues that were noticed in passing.

### 3.3 Review process

#### 3.3.1.1 Review Process overview

The review process included,

- interviews with staff involved in the delivery of asset services, and
- review of existing documentation.

#### 3.3.1.2 Interviews

Interviews were conducted with the stakeholders listed in Table 2: Interview subjects.

All interviews were conducted in an informal discussion context led by the interviewer with promise of individual confidentiality. Identifiable statements have therefore been excluded from this report in favour of generic recommendations.

**Table 2: Interview subjects**

Person	Title
Brendan Smith	Chief Operating Officer
Andrew Buggy	Manager Infrastructure
David Zhao	Infrastructure Projects Engineer
Jarred Paull	Asset Planner Open Spaces
James Druitt	Asset Planner Transport
Scott Howe	Corporate Risk Officer
Jay Nankivell	Finance Manager
Gerald Van Den Heuval	Manager Information Services
Not Available	Waste Management
Not available - Garry Schindler	Asset Inspection Officer

The interview subjects represented a sufficient organisation cross-section, vertical-section and knowledge base to inform this report. The Elected Council and other external stakeholders were not included from this initial discovery review. Customer service officers were also not included in this review.

#### 3.3.1.3 Document review

Documents listed in Table 3 were identified in the assessment. Documents were reviewed only to the extent of establishing their general contents, context and appropriateness.

**Table 3: Review Documents**

Responsible Officer, Document Title, Document Number, Date of Issue
Chief Operating Officer, Asset Management Strategy – Draft - D17/18449, May 2017

Council, Asset Management Policy – Draft – D17/18448, May 2017
Chief Operating Officer, Asset Management Plan Open Spaces – Draft – D17/15219, May 2017
Chief Operating Officer, Asset Management Plan Drainage – Draft - D17/15215, May 2017
Chief Operating Officer, Asset Management Plan Transport - Draft – D17/15214, May 2017
Chief Operating Officer, Asset Management Plan Buildings – Draft – D17/4008, May 2017
General Manager, Organisational Structure Division and Functional Overview, Mar 2017
General Manager, Risk Management Strategy
Council, Risk Policy D12/11940
Council, Long Term Financial Plan 2016-2027 – Daft D17/17153, 2017
Manager ICT, Asset Management Plan – ICT – document was referenced in discussions but not sighted
Council, Broken Hill 2033 Community Strategic Plan D16/53058, 2017
Council, Broken Hill City Council Delivery Program 2014-2017 Delivery Plan, 2014
Office of Local Government - Schedule 7 Report

#### Notes

1. At time of assessment the City was reviewing the Asset Management Plan and the draft documents had been issued for public comment with an expectation of their endorsement by Council and finalisation.
2. The City has a comprehensive suite of documents. Sufficient documents were assessed to form an opinion on the quality of documentation.

#### 3.3.1.4 Auditing

Testing of systems, documents and other information to confirm alignment with the reported statements and documents was not undertaken. Information received was taken at face value and no reason was found to question it.

#### 3.3.1.5 Data Investigation

An assessment or validation check of data was not undertaken. Statements by officers who work with the data were considered.

#### 3.3.1.6 Field Inspections

No field inspections were undertaken.

### 3.4 Assessment Team

The assessment team included;

Name & Title	Role	Credentials
Graham Lantzke, Principal Asset Management Engineer, Opus	Assessment and Report	B.Eng. (civil & environmental) MIEA, Fellow IPWEA, Certified Asset Management Assessor 27 years' industry experience
Tom Stacey, Senior Asset Management Consultant, Opus	Review	Dip Civ. Eng., Assoc. Dip Survey Fellow IPWEA 30 years' industry experience



## 4 Results including Discussion

### 4.1 NAMAF Assessment

Figure 4: NAMAF Assessment by category shows the assessed performance of the City against the NAMAF requirements for core compliance the raw data scores and individual criteria are shown in Appendix 1.

The NAMAF assessment indicates a substantial amount of documentation and practice which is meeting or partially meeting needs.

Asset Management Plan updates are currently in progress.

**Strategic planning, budget, policy and annual reporting** systems are mostly meeting needs with some potential for improvements and/or requiring a formal adoption.

**Data and Systems** are mostly satisfactory but are limited by the capacity of the systems to undertake predictive functions and store historical records. More robust and better documented asset planning practice is also suggested. Officers have individual systems for making decisions but these are not necessarily documented or organisational practice.

Minimal evidence has been found that performance is being effectively **Evaluated** or improved.

**Levels of Service** have reportedly been comprehensively reviewed including public consultation and are with the Council for adoption.

**Skills and Processes** require improvement in better definition of useful lives, training of Councillors and top management, financial forecasting.

**Governance** is assessed as moderately weak with asset management practices being championed by individuals rather than a cultural embedment or wide support.

### 4.2 Recommended Improvements

During the review interviews and document assessment various potential improvements were identified. Recommended improvements are summarised in Appendix 2. Recommended Actions.

Recommended improvements have been ranked for both;

- a) difficulty of implementation, and
- b) value to the organisation

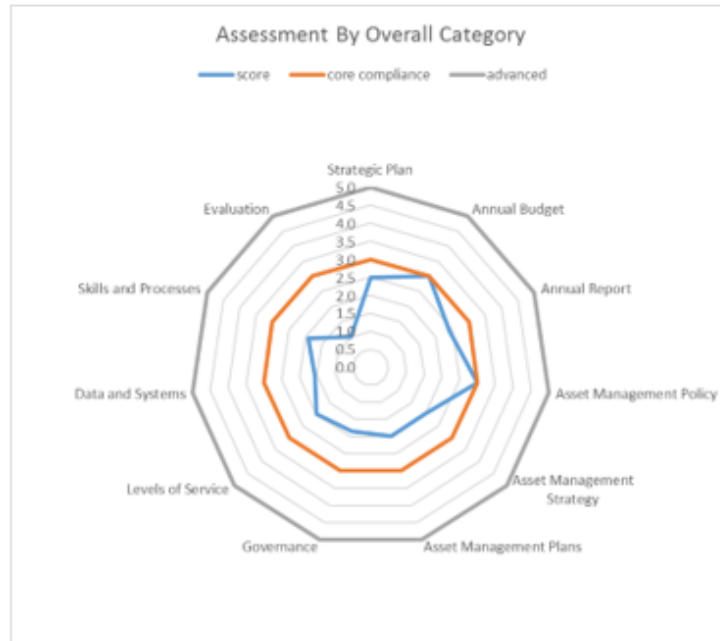


Figure 4: NAMAf Assessment by category

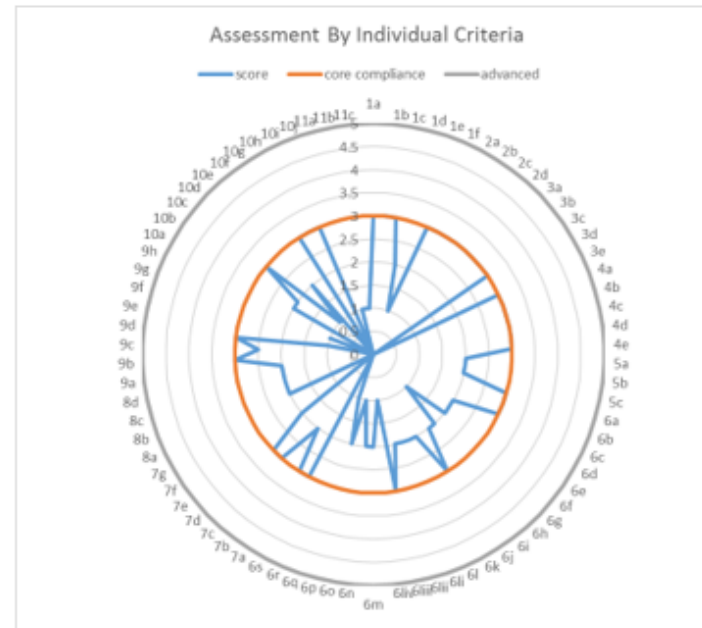


Figure 5: NAMAf Assessment by individual criteria

**Table 5: Recommendations**

Recommendation	Potential Benefit	Difficulty	Comments
1. Complete the current review of Strategic and Asset Management Plans.			
2. Simplify the documentation.			
3. Focus on business processes and implementation of asset management.			
4. Confirm responsibility for management of vacant or unused land assets.			
5. Schedule an annual review or self-audit of asset management practice.			
6. Develop, resource and implement an overall staged asset management improvement plan including schedule and assigned responsibilities.			
7. Encourage and support individual officers to implement micro reforms aligned with the Asset Management Planning.			
8. Establish a cross discipline asset management committee or similar reporting structure which can dynamically connect the strategic decisions and objectives through to operations and vice versa.			
9. Set objective targets for maintenance and renewal works delivery by operational crews and begin monitoring performance.			
10. Focus on capacity building and “in house” improvements to asset management practice, supplemented with consultants only where required for discrete tasks.			

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11. Consider employing a casual senior mentor in asset management to coach junior staff.			
12. Review current works costing processes to empower line managers, establish accountability and improve accuracy including examine: a. Quality of cost/works reporting b. Overhead rates c. Accessibility of cost reports d. Budget expectations			
13. Review the current financial planning and valuations against asset condition and replacement costs and confirm that assumptions made about asset financial need in the long-term sustainability strategy of the Council are valid and aligned with the current asset condition and performance.			
14. Define useful lives for all assets and a mechanism to continuously validate useful life assumptions.			
15. Understand the functionality of the current Authority Software and provide training and support to utilise it.			
16. Review the current Authority software against organisation asset management requirements including the relative costs and benefits of a change of system and alternate options to deliver functionality.			
17. Update the existing database for works done in the last two years and establish a continuous update process			
18. Perform an annual health check on the completeness, currency, quality and accuracy of data.			
19. Assign a custodian(s) of the asset data			

**Asset Management System Assessment**

20. Identify critical staff roles and functions for vulnerability and work load and ensure sufficient time/resources are allocated to implementing change and strategic initiatives.			
21. Establish a training roster and mentoring program for junior staff.			
22. Get people using Authority.			
23. Consider separate stand-alone Asset Management Plans for the Airfield, Desert Experience and Aquatic if these assets are being managed independently from other Council assets.			
24. Establish evidence based budget allocations aligned with adopted service targets and cost reporting.			
25. Embed risk management practice in operational and project management work and update the risk management framework to clearly identify appropriate levels of asset and operational risk and escalation requirements.			
26. Develop a corporate strategy and process to retire and dispose of unnecessary assets.			
27. Use an established framework such as NAMAf, NAMS plus or ISO55001 to benchmark performance and consider opportunities to share and benchmark with other Local Governments.			
28. Commence monitoring of performance against adopted service levels.			

## **4.3 Other Findings**

### **4.3.1 Organisation Culture**

All staff interviewed were highly professional, knowledgeable, motivated and helpful. There was a clear interest in maintaining and improving current practice and some frustration at impediments to doing so. Identified impediments included waiting for other parties to resolve issues, communications issues, lack of training/experience and red tape rules.

### **4.3.2 Committee and Leadership**

There is no formal interdepartmental Asset Management Committee or reporting structure. The NAMAf specifically identifies this as a requirement, although the ISO55001 merely requires a strong governance arrangement that identifies and considers all requirements.

Two options for the City might be (a) form an asset management committee with a charter to implement asset management; or (b) assign this responsibility to a single senior executive reporting direct to the Strategic Leadership as a standing item.

### **4.3.3 Productivity Concerns**

Several interviewees mentioned concerns about the productivity of maintenance and capital works done. However, objective evidence in the form of target requirements, productivity measures and reporting was not available. Several recommendations are directed towards establishing practical targets and measures which would be a first step to managing productivity.

### **4.3.4 Approach to Asset Management – “in house” or consultant**

This was not directly discussed with the interviewees and has been interpreted from feedback and attitudes.

There is a strong interest in developing asset management systems and processes in house. There is strong capability, knowledge and confidence to do this. Developing systems in house is generally preferable to outsourcing in that there are lessons learned, ownership of results, better understanding and greater confidence. The typical limitation to doing this is lack of available resources

Several recommendations relate to continuous improvement of asset management system in house including (a) developing a project/improvement plan, (b) dedicating resources, (c) provision of training, (d) using consultants only for discrete components where necessary and (d) obtaining mentoring and/or advice services.

### **4.3.5 Financial Reporting**

Interviewees from Operations, Planning and Finance reported a robust financial reporting system but limited confidence in the data in that system. That is, there is a good system to bring expenses to account for day works but whether the numbers are an accurate and true cost and whether those costs are properly reported with the correct activity, asset and account codes can't be confirmed. Some error margin in this is inevitable.

Several interviewees were concerned that the overhead charge was not an accurate reflection of the true cost of overheads.

Project and operations officers reported difficulty in accessing project and operational costs on a real-time basis. However, the Authority System reportedly has the functionality to do this if correctly configured and officers are trained.

#### **4.3.6 Reliability of Financial Planning and Valuations**

The Asset Management Plans, Asset Management Strategy and Long Term Financial Plans include comprehensive financial data. However, confidence that these numbers were accurate and true was absent. This could be partly attributable to not knowing the source of those numbers (how they were calculated), lack of confidence in the financial reporting (see above) and consequent calculation of unit rates.

Lack of consistent approach to determining useful lives from valuation to valuation makes comparison between years' problematic. Valuations are being performed by qualified independent valuer, but without robust guidance on useful lives. This begs the question whether the asset planning and long term financial planning are based on consistent and realistic approaches to remaining useful lives.

#### **4.3.7 Organisation Sustainability**

The organisation has a corporate goal and expectation at the elected member level of being sustainable within the next 10 years. There is a corporate revenue strategy to achieve this.

The strategy is based on fundamental assumptions about asset funding requirements including that (a) the assets are deteriorating in a linear fashion, (b) there is an even profile of condition/age of assets and (c) assets are in reasonable condition/age right now.

If not already done, these assumptions need to be robustly tested by reconciling asset condition and replacement cost profile with the asset valuation, consumption and sustainability ratios on a regular basis.

#### **4.3.8 Software**

Multiple interviewees raised software requirements.

The City currently uses the Authority software as a single point of truth database for all asset information and all asset groups. The Authority system is also used for financial records, document management (linked to TRIM), rates database and other organisational functions. The current method of use of the software is to extract data in file format, analyse and/or update the data externally and then update the data base with a file import.

The Authority software has not been assessed for functional capability but anecdotally does not include some asset management functionality such as forward works planning, in field data access and updates, maintenance record keeping and other functions.

Anecdotally the software is not well used with induction and training of new staff an issue.

#### 4.3.9 Data Quality and Completeness

Data quality and completeness was not audited. Reportedly the database is complete, but for the last two years of works and assessments. Officers involved in the database construction/transfer are still working at the City.

A suggested framework for the responsible officers to self-assess the data on an annual basis is attached in Appendix 3. Data quality assessment template.

#### 4.3.10 Human resources

Several critical roles were identified in the review. Critical roles may represent a potential bottleneck or constraint on achieving objectives or a vulnerability to staff loss.

- The Chief Operating Officer (executive role, corporate responsibilities and responsibility for all asset management),
- The Manager Infrastructure (responsible for service delivery, operations and implementing productivity reform),
- The Senior Project Officer (multiple roles to coordinate design, projects and asset management, implement asset management improvement, train junior staff and manage daily operations),
- The Finance Manager (fundamental link between operations and the finance system),
- The ICT Manager (extensive and valuable corporate knowledge).

Human resource planning is recommended to consider multiple responsibilities, priorities, capability to deliver and support needs.

#### 4.3.11 Training needs

Junior officers appear enthusiastic and capable but of limited training and experience. There is limited opportunity for officers to learn and be exposed to good practice within the organisation because of the small size and remoteness. Staff turnover is reportedly low and therefore investment in training is likely to pay dividend.

This is recommended as a favourable opportunity compared to other organisations (no preconceptions to unlearn, enthusiasm, ownership). A strong training program including exposure to formal training, exposure to outside practices and in house mentoring is recommended.

#### 4.3.12 Asset Retirement and Disposal

City officers have identified several assets which are superfluous to need and might be retired to reduce costs. However, there is no existing organisational process for the retirement or disposal of assets. Some of these assets may include high profile community assets implying need for a strong corporate decision through to Council level.



#### **4.3.13 Risk and Criticality**

The City has a robust risk policy and strategy applied at a corporate level. This includes consideration of asset risk. Critical assets are also reportedly well identified in the risk register and asset management plans.

Further benefits could be obtained by better assignment and communication of risk particularly at a project level. That is a strategy to manage most risks at an operational level in accordance with standard guidelines but clearly identify risks that need to be escalated in the organisation.

#### **4.3.14 Leases**

Several interviewees identified a need to bring clarity and consistency to leasing arrangements and particularly where facilities are historically leased to local community groups.

For clarity, we would normally expect to see the Asset Management Plan require the clear identification of following roles asset owner, asset manager, occupant/lease holder and maintenance contractor; for each asset. There are significant and unique risks associated with leases and unclear responsibility.

#### **4.3.15 Land Assets**

Land Assets are technically outside scope of review but no interviewees could identify the officer responsible for land tenure and land assets, as distinct from the improvements built on the land (buildings, roads, etc.).

Unimproved land assets presumably have some obligations and assets attached to them such as fire risk management, access, weed control, fencing and similar.

#### **4.3.16 Aquatic Centre, Desert Experience and Airfield**

These assets are sufficiently large and significant to potentially have their own specific Asset Management Plan. The Airfield if it is being managed independently.

## 5 Appendix 1. NAF Assessment

NATIONAL ASSESSMENT FRAMEWORK (NAF)					
<b>Local Government</b>		City of Broken Hill			
<b>Date of Assessment</b>		Tuesday, 13 June 2017			
<b>Assessing Officer</b>		Graham Lantzke			
<b>Group Participants</b>		Brendan Smith (Chief Operating Officer), David Zhao (Infrastructure Projects Engineer), James Druitt (Asset Planner Transport), Jarred Paull (Asset Planner - Open Space), Andrew Bruggy (Manager - Infrastructure), Jay Nankivell (Finance Manager), Gerald VanDenHeuval (Manager Information Services)			
Objective		Score	Target	Adv. target	Comments and suggested improvements
<b>1</b>	<b>Strategic Long Term Plan</b>				
<b>a</b>	Council has adopted a strategic plan of at least 5 years that incorporates vision, strategic objectives, values and service outcomes.	3	3	5	Council has an adopted Community Services Plan and a Delivery plan which is currently undergoing a scheduled review and update.
<b>b</b>	Strategic Plan included elected member participation and was informed by community consultation. It addresses social, environmental, economic and civic leadership issues identified by the community.	3	3	5	Strategic plan incorporates both a Community Services Plan which is developed by the Council in consultation with the community and a delivery plan which aligns the planned service delivery with the Community Services Plan.

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<b>c</b>	The Strategic Plan incorporates priorities and performances and indicates how they will be monitored.	3	3	5	These are set out in the Delivery Plan.
<b>d</b>	Council has a sustainable Long Term Financial Plan (LTFP) covering the period of the strategic plan.	2	3	5	(1) The long term financial plan is based on generic assumptions about asset renewal need and current asset condition which have not been confirmed and anecdotally these assumptions may not be valid; (2) The Council has identified a long-term sustainability deficit and a strategy to resolve that deficit which is reflected in the LTFP.
<b>e</b>	The LTFP has been prepared based on resource requirements and strategic objectives in the Strategic Plan and Asset Management plans.	1	3	5	The long term financial plan is based on generic assumptions about asset renewal need and current asset condition which have not been confirmed.
<b>f</b>	The Strategic Plan and LTFP incorporate review processes in accordance with relevant state requirements.	3	3	5	Currently planning is under review in accordance with state requirements.
	<b><i>Strategic Long Term Plan - overall</i></b>	<b><i>2.5</i></b>	<b><i>3</i></b>	<b><i>5</i></b>	<b><i>Well Progressed</i></b>
<b>2</b>	<b>Budget</b>				
<b>a</b>	The Annual budget includes estimates of revenue and expenditure with sufficient explanation of methodologies; an explanation of financial performance and position and has been prepared based on the Strategic Plan, LTFP and Asset Management Plans.	3	3	5	Strategic plan should read "Development Plan" in this context.
<b>b</b>	The Annual Budget reflects the Council's strategic objectives and contains a statement of how the Council will meet the objectives of the Strategic Plan.	3	3	5	(1) The Council has a robust process of budget development that starts from the Development Plan and incorporates emerging and alternate priorities which are then fed back to the Delivery Plan; (2) budget and project estimates are based in part on historical expenditure;

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<b>c</b>	The Annual Budget aligns with year 1 of the LTFP and was adopted following community consultation.	3	3	5	
<b>d</b>	Councils Annual Budget includes resources to implement the Strategic Plan strategies.	3	3	5	Resource requirements are considered annually in the budget process
	<b><i>Budget - overall</i></b>	<b>3</b>	<b>3</b>	<b>5</b>	<b><i>Core Compliance</i></b>
<b>3</b>	<b>Annual Report</b>				
<b>a</b>	The Annual Report complies with statutory requirements including publication by due date and is available to the public.	3	3	5	
<b>b</b>	The Annual Report includes independently audited financial statements in accordance with the relevant Accounting Standards.	3	3	5	
<b>c</b>	The Annual Report reviews the performance of the organisation against its strategic objectives and explains variations to the budget and how these impacts on the Strategic Plan.	3	3	5	
<b>d</b>	The Annual Report includes details of any major changes in function of the Council, organisation, structure and policy and how these changes might impact on the Strategic Plan.	0	3	5	No evidence found but may be because of no changes
<b>e</b>	In relation to financial reporting the annual report addresses in accordance with the relevant policies and Accounting Standards (i) Asset Valuations and revaluations; (ii) Asset Acquisitions and Capitalisation; and (iii) Asset Disposals.	3	3	5	Council has a robust Accounting policy including capitalisation which is well understood by all, Asset valuations are performed in accordance with fair value principles by external valuers to the required schedule reconciling current condition, asset acquisition and disposal processes are sound. Consideration should be given to defining and

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					reconciling the setting of unit rates and useful lives to provide longitudinal consistency in valuations.
	<b>Annual Report - overall</b>	<b>2.4</b>	<b>3</b>	<b>5</b>	<b>Partially meets requirements</b>
<b>4</b>	<b>Asset Management Policy</b>				
<b>a</b>	Council has adopted an Asset Management Policy which defines the Councils vision and service delivery objectives for assets.	3	3	5	
<b>b</b>	AM Policy has direct linkages to the Council Strategic Plan and LTTP.	3	3	5	
<b>c</b>	AM Policy requires the adoption of Asset Management Plans informed by community consultation and local government reporting frameworks.	3	3	5	
<b>d</b>	AM Policy defines Asset Management roles, responsibilities and reporting framework.	3	3	5	
<b>e</b>	AM Policy identifies the process for meeting training needs in financial and Asset Management practices for Councillors and Staff.	3	3	5	This is identified in the Human Resources plan.
	<b>Policy - overall</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>Core Compliance</b>
<b>5</b>	<b>Asset Management Strategy</b>				
<b>a</b>	Council has an Asset Management Strategy which shows how the asset portfolio can meet the service delivery need and defines the vision of Asset Management practices within the organisation.	2	3	5	Draft not yet adopted.

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<b>b</b>	Councils Asset Management Strategy is linked to the Asset Management Policy and integrated into the Strategic planning and annual budget process.	2	3	5	
<b>c</b>	Council's Asset Management Strategy documents the current status of Asset Management practices (processes, data, systems) and what actions are to be taken to implement the Asset Management Policy including resource requirements, timeframes and accountabilities.	2	3	5	
	<b>Strategy - overall</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>Partially meets requirements</b>
<b>6</b>	<b>Asset Management Plans</b>				
<b>a</b>	AMPs are adopted by Council for all material asset groups in consistent format in accordance with industry best practice and are available to all relevant staff.	3	3	5	A review of AMP's is in progress and at various stages for different Asset Classes, Asset planning does not appear to include forward works programming.
<b>b</b>	AMPs define the asset groups covered by each plan in accordance with a clearly documented asset hierarchy.	3	3	5	Check for asset hierarchy definition. Responsibility for land assets not clearly identified but all other asset groups identified.
<b>c</b>	The AMP's refer to Council's Asset Management Policy and Strategy.	3	3	5	
<b>d</b>	The AMP's include all assets and document asset inventory as recorded in the asset register.	2	3	5	
<b>e</b>	The AMP's document the asset hierarchy within each asset group.	2	3	5	Confirm in documents.
<b>f</b>	The AMP's document the current condition of assets.	2	3	5	
<b>g</b>	The AMP's document the adopted useful lives of assets.	1	3	5	

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<b>h</b>	The AMP's include risk assessment and criticality profiles.	2	3	5	
<b>i</b>	The AMP's provide information about assets including particular actions and costs to provide a defined (current and target) level of service in the most cost effective manner.	2	3	5	Need to have service levels adopted by the Council.
<b>j</b>	The AMP's include demand forecasts including possible effects of demographic change and demand management plans.	3	3	5	Not a significant factor for the Town.
<b>k</b>	The AMP's address life cycle costs of assets.	2	3	5	Need to confirm sustainability of asset provision with current and proposed funding.
<b>l</b>	The AMP's include forward programs identifying cash flow forecasts projected for -	2	3	5	
<b>l(i)</b>	(i) asset renewal	2	3	5	Work needed.
<b>l(ii)</b>	(ii) New assets and upgrade of existing assets	2	3	5	Work needed.
<b>L (iii)</b>	(iii) Maintenance expenditure	3	3	5	Historical based only and some doubt as to the trueness of costs (eg. overheads), Parks AMP well progressed in this space.
<b>L (iv)</b>	(iv) Operational expenditure (including depreciation expense)	1	3	5	Historical based only and some doubt as to the trueness of costs (eg. overheads), Parks AMP well progressed in this space.
<b>m</b>	The AMP's address asset performance and utilisation measures and associated targets as linked to levels of service.	2	3	5	Need to have service levels adopted by the Council

**Asset Management System Assessment**

<b>n</b>	The AMP's include an Asset Management Improvement Plan.	2	3	5	
<b>o</b>	Include an asset rationalisation and disposal plan.	1	3	5	Thought has gone into this and some assets identified for disposal but the Council is yet to adopt or implement a strategy noting some assets may have a high community profile.
<b>p</b>	Include consideration of non-asset service delivery solutions (e.g. leasing).	2	3	5	Evidence found this is being considered as part of decision making, document in the draft plans
<b>q</b>	Recognise changes in service potential of assets through projection of asset replacement costs, depreciated replacement cost and depreciation expense.	1	3	5	This is being considered by officers but is not documented
<b>r</b>	Include consideration of possible effects of climate change on asset useful lives and maintenance costs.	0	3	5	
<b>s</b>	AMP's link to Councils AM Policy, AM Strategy, LTFP, Strategic Plan and other relevant Council Policy objectives.	3	3	5	No detailed planning or investment plans have been developed and this is a fundamental and priority requirement for linking strategy, LTFP and AMPs.
	<b><i>Asset Management Plans - overall</i></b>	<b><i>2.0</i></b>	<b><i>3</i></b>	<b><i>5</i></b>	<b><i>Partially meets requirements</i></b>
<b>7</b>	<b>Governance and Management</b>				
<b>a</b>	Council has mechanisms in place to provide oversight by Council and Top Management for development and implementation of the Asset Management Strategy and Asset Management Plans.	3	3	5	The mechanisms are in place but reportedly the importance of matters raised is not necessarily recognised.
<b>b</b>	Roles and responsibilities are clearly defined in a matrix or policy, identifying positions responsible for determining levels of service and positions responsible for managing assets to meet service delivery needs.	2	3	5	Roles and responsibilities appear to be well understood but no documentation substantiating this has been found.



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<b>c</b>	The staff structure and position descriptions clearly define Asset Management functions, responsibilities and skill requirements for managing all asset classes.	3	3	5	Position descriptions and staff functions have recently been reviewed and documented. All interviewed staff have a very clear understanding of roles and responsibilities and are actively working towards these.
<b>d</b>	Council has a documented process for making capital investment decisions, which is driven by Council's Strategic Plan, LTFP and service plan and explicitly details the impacts on the future operations and maintenance budgets, "whole of life" costs and risks.	3	3	5	Individual officers are very aware of the issues and priorities that need to be addressed and are working towards these. However, these are not well documented and are driven from the bottom up rather than the corporate objectives down. There is also pressure from the need to react to issues arising.
<b>e</b>	Council involves all departments in Asset Management	2	3	5	There is no formal mechanism of inclusion in place. However, interviews suggested a strong awareness of AM practice and cooperative role in delivery in Operations, Finance, ICT and Corporate roles as well as the asset management team. Customer service officers were not interviewed.
<b>f</b>	Council has an Asset Management Steering Committee with cross functional representation, terms of reference and focussed on coordinating the linkages between service delivery and asset management implementation.	0	3	5	No formal arrangements in place
<b>g</b>	There are internal processes to promote Asset Management within the organisation and Council.	0	3	5	No formal arrangements in place but awareness and support was high.
	<b><i>Governance and Management - overall</i></b>	<b><i>1.9</i></b>	<b><i>3</i></b>	<b><i>5</i></b>	<b><i>Partially meets requirements</i></b>
<b>8</b>	<b>Levels of Service</b>				
<b>a</b>	Council has service plans for each of its services which have been developed in consultation with the community.	2	3	5	Awaiting Council endorsement. Considerable research has gone into these.

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<b>b</b>	Council has undertaken the process by defining, quantifying and documenting current community levels of service and technical levels of service and costs for providing the current levels of service.	2	3	5	Awaiting Council endorsement. When endorsed will require work to incorporate decisions into the AMPs and other planning.
<b>c</b>	Current and target levels of service (community and technical) are clearly defined in the Asset Management Plans.	2	3	5	Awaiting Council endorsement.
<b>d</b>	Technical Levels of service are incorporated into service agreements and/or maintenance, operational and capital renewal processes.	2	3	5	Awaiting Council endorsement.
	<b><i>Levels of Service - overall</i></b>	<b><i>2.0</i></b>	<b><i>3</i></b>	<b><i>5</i></b>	<b><i>Partially meets requirements</i></b>
<b>9</b>	<b>Data and Systems</b>				
<b>a</b>	Council has a consolidated, integrated, accurate, up to date and complete componentised asset register with the required functionality to ensure security, data integrity and includes information about each asset sorted by asset group.	2	3	5	Council has consolidated all data within the Authority software. The data is thought to be about 2 years out of date and the database is not currently being effectively utilised and updated. The database is used as a repository of data only.
<b>b</b>	There is a common Corporate data framework used across all asset groups which is defined by Council's Infrastructure Asset Hierarchy.	3	3	5	
<b>c</b>	Council has documented repeatable methodologies to carry out consistent asset condition surveys and defect identification assessments, as documented in Council's condition rating assessment manual for applicable asset classes.	2.5	3	5	Council is utilising IPWEA guidelines. This is not documented.

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<b>d</b>	Councils asset financial reporting functionality is comprehensive and includes audit trails, depreciation calculations, reporting thresholds and records acquisition and disposal of assets.	3	3	5	Council processes are comprehensive of asset acquisition and disposal and regular financial valuation. The Accounting Policy is robust. Valuations are performed externally by licensed valuers including development of unit rates, useful lives and depreciation methodology. Anecdotally reported that different valuers use different methods and assumptions which limits traceability and longitudinal analysis options.
<b>e</b>	Councils systems, procedures and processes allow it to benchmark its Asset Management performance against like Councils over time.	1	3	5	Limited benchmarking via report to Office of Local Government. Consider involvement in IPWEA benchmarking activities and/or NAF reporting and/or regional sharing of information
<b>f</b>	Asset Management systems have the functionality to generate maintenance and renewal programs and produce associated cash flow forecasts.	0	3	5	Allegedly Authority software has this capacity but it has not been set up and may lack sophistication. A review of planning need and software options could be considered. Recommend using the "keep it simple" approach and looking at best option to develop the required outcome which might include low tech internal tools (spreadsheet analysis), use of consultants or procurement of software.
<b>g</b>	Council has defined and documented procedures for determining asset replacement and treatment unit rates, which are stored in the Asset Management System.	1	3	5	
<b>h</b>	Council has a defined process for operations, maintenance, renewal and upgrade planning for the existing assets.	0	3	5	
	<b>Data and Systems - overall</b>	<b>1.6</b>	<b>3</b>	<b>5</b>	<b>Partially meets requirements</b>
<b>10</b>	<b>Skills and Processes</b>				

**Asset Management System Assessment**

<b>a</b>	Council has a process to review and update the Asset Management Strategy on a maximum 5 year cycle. The AM Strategy is formally adopted by the Council.	2	3	5	Adopted schedule and in progress, process, target dates, resource plan not available. Recommend developing a project plan for this.
<b>b</b>	Council has a process to review and update the Asset Management plans for each asset group on a maximum 3-4 year cycle consistent with the election cycle. AM Plans are adopted by the Council.	2	3	5	Adopted schedule and in progress, process, target dates, resource plan not available. Recommend developing a project plan for this.
<b>c</b>	Council has a process to identify operational risks, assign responsibilities and monitor risk treatment actions all recorded within a risk register.	3	3	5	Council has a robust policy, strategy and register operating at the corporate level which includes some identification of asset risk and criticality. Risk management plans at operational level have been developed but are not necessarily being robustly utilised. Need to embed risk practice at a project level with a clear chain of responsibility and reporting to escalate knowledge of risk.
	Council has a process to annually review and update the financial forecasts for all asset classes and update the LTFP.	1	3	5	The process is available but information to support this through the AMP's needs further work.
<b>e</b>	Council has assessed the skills and knowledge required to perform asset data management activities, conduct financial reporting, valuations and develop Asset Management Plans. Council has a current AM skills matrix. Staff training needs have been identified and training scheduled.	2	3	5	There is a strong awareness of this, and support for it, but a single clear schedule of needs has not been found.
<b>f</b>	Council has a defined methodology for assessing the remaining and useful life, residual value and depreciation method of assets.	0	3	5	No evidence of this.
<b>g</b>	Council has a process to collect and record asset data into Asset Management system upon the commissioning of new and/or modified assets including built and contributed assets.	3	3	5	

**Asset Management System Assessment**

<b>h</b>	Council has a formal process for the handover of assets to asset custodians/owners.	3	3	5	The need for more robust leasing arrangements was identified by several participants including where Local Community groups are managing or leasing Council facilities and where Council is utilising Crown land.
<b>i</b>	Council has a process to communicate the financial implications of the Asset Management Plans to internal and external stakeholders.	3	3	5	Council uses a combination of means including the annual budget and LTFFP, community consultation on service levels and specific consultation around sustainability and rate setting.
<b>j</b>	Council provides ongoing training programs for Councillors, Top Management and officers on key Asset Management topics.	0	3	5	No evidence found.
	<b>Skills &amp; Processes - overall</b>	<b>1.9</b>	<b>3</b>	<b>5</b>	<b>Partially meets requirements</b>
<b>11</b>	<b>Evaluation - overall</b>				
<b>a</b>	Council has a documented evaluation process by which AM improvements are identified, time frames established, resources allocated, actioned, monitored and reported to Top management.	1	3	5	Some thought has gone into this but it has not been formulated into an assessment or reporting framework.
<b>b</b>	Technical Service Levels are monitored and performance reported,	1	3	5	Service levels yet to be set,
<b>c</b>	Community levels of service are monitored and performance reported,	1	3	5	Service levels yet to be set,
	<b>Evaluation - overall</b>	<b>1</b>	<b>3</b>	<b>5</b>	<b>Not substantially progressed</b>

## 6 Appendix 2. Data quality assessment template

To be reviewed by responsible Shire officers on annual basis.

Data Status Board			Data Types								
Asset Class	Database	Custodian	Asset Location	Location	Inventory	Asset Attributes	Condition	Valuation	Usage	Works and Repairs	Metadata
Roads, Sealed	Authority	TBA	4	4	4	3	3	3	1	3	3
Roads, Unsealed	Authority	TBA	4	4	4	3	3	3	3	3	3
Car Parks	Authority	TBA	4	4	4	3	3	3	3	3	3
Signs	Authority	TBA	4	4	4	3	3	3	3	3	3
Lighting	Authority	TBA	4	4	4	3	3	3	3	3	3
Paths	Authority	TBA	4	4	4	3	3	3	3	3	3
Nature Strips	Authority	TBA	4	4	4	3	3	3	3	3	3
Kerb and Channel	Authority	TBA	4	4	4	3	3	3	3	3	3
Drainage	Authority	TBA	4	4	4	3	3	3	3	3	3
Creeks and waterways	Authority	TBA	4	4	4	3	3	3	3	3	3
Parks	Authority	TBA	4	4	4	3	3	3	3	3	3
Sporting Grounds	Authority	TBA	4	4	4	3	3	3	3	3	3
Reserves and unused land	Authority	TBA	4	4	4	3	3	3	3	3	3
Aquatic Centre	Authority	TBA	4	4	4	3	3	3	3	3	3
Buildings	Authority	TBA	4	4	4	3	3	3	3	3	3
Waste Services	Authority	TBA	4	4	4	3	3	3	3	3	3
Fleet	Authority	TBA	5	5	5	5	5	5	5	5	5
Light Vehicles	Authority	TBA	5	5	5	5	5	5	5	5	5
Equipment, Furniture, etc.	Authority	TBA	4	4	4	3	3	3	3	3	3
Information and Communications Technology	Authority	TBA	4	4	4	3	3	3	3	3	3
Bridges	No assets	NA	0	0	0	0	0	0	0	0	0
Structures - Other (retaining walls, etc.)	Authority	TBA	4	4	4	3	3	3	3	3	3
Marine Assets	No assets	NA	0	0	0	0	0	0	0	0	0
Power supply	No assets	NA	0	0	0	0	0	0	0	0	0
Sewerage	No assets	NA	0	0	0	0	0	0	0	0	0
Water Supply	No assets	NA	0	0	0	0	0	0	0	0	0
Art and sculptures	Authority	TBA	4	4	4	3	3	3	3	3	3
Lookup table											
Data Adequacy			Score		Questions to ask						
Not applicable			0		Is the data complete?						
No data/Unknown			1		Is the data sufficient for needs?						
Substantially incomplete and insufficient			2		Is the data of adequate quality and accuracy?						
Incomplete, rudimentary, out of date, unreliable			3		Is the data current (young) enough?						
Complete, poor to average reliability or dated			4		Is the data consistent and compatible?						
Substantially complete, average or better quality, current			5								



CITY COUNCIL

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