

Blayney Shire Council



ASSET MANAGEMENT STRATEGY



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Asset Management for Small, Rural or Remote Communities Guidelines

The Institute of Public Works Engineering Australia.

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Executive Summary - Addendum

Community Engagement for future financial funding (Special Rate Variations) and service delivery.

As shown by the community engagement actions in the Community Strategic Plan, Council has determined that to meet the long term future delivery needs of the community that its current levels of funding are not adequate. This has been identified in the Long Term Financial Plan and is based around the short fall in funds to renew, replace or maintain assets (roads, bridges, buildings, etc.) across the Shire.

Council has been working to reduce the infrastructure backlog and to determine the service levels that the community can accept as it worked through its asset, workforce and financial plans since 2011.

Council has also undertaken research as to the community's ability to meet long term financial commitments and to review how the rate payers across the shire are impacted currently and in the future.

To ensure that the community is informed, Council has utilised websites, Facebook and other social media sources, print media, radio and television. Council has also provided information for surveys, special rate variation and other communications in written form and web based. Council has posted community newsletters, surveys and information on special rate variations too ratepayers, households and made these available on its web sites.

Decisions made by Council for the Special Rate Variation have been made based on the principles of community engagement under this plan and reflect the levels of engagement of Inform, Involve, Consult and Inform.

Special Rate Variation decisions and outcomes are contained in the Integrated Planning and Reporting Documents placed on public display and available on the Councils web site.

At its Ordinary meeting held 11 November 2013 Council resolved the following:

- 1. That Council apply to IPART for a Special Rate Variation of 6% across all rating categories for 2 years starting 2014/2015 financial year excluding existing Special Rate Variations in place;*
- 2. That Council modifies its Long Term Financial Plan to project rate increases of 6% for Farmland rate category and 10% for all other categories, excluding existing Special Rate Variations in place, for 4 years starting financial year 2016/2017;*
- 3. That Council undertake a review of the rating structure to combine rate groups and review the base rate for the new rate descriptions;*
- 4. That Council provide advice through the local media and councils newsletters as to the decision of Council on the special rate variation; and*
- 5. That Council work with Village committees and NSW Farmers to consider, review and develop the future special rate variation from 2016/2017.*

The Asset Management Strategy will be revised by Council based on the community engagement principles contained in the CSP and IP&R Documents. Financial projections, including asset life-cycle indices will be revised based on projected expenditures that will be possible under the currently adopted funding model, per Council resolution of 11 November 2013.

Executive Summary

This asset management strategy is prepared to assist council in improving the way it delivers services from infrastructure including:

- Roads, bridges, kerb & gutter, and footpaths,
- Bulk earthworks,
- Stormwater drainage,
- Parks and gardens facilities,
- Buildings and other structures,
- Sewer network,

These infrastructure assets have a replacement value of \$255,095,000

Other infrastructure that is used to provide council services include:

- Plant and equipment,
- Office equipment,
- Furniture and fittings,
- Land and improvements,
- Quarries

The treatment of these asset classes will be considered once the major Asset Management Plans have been formally adopted.

The asset management strategy is to enable Council to show:

- how its asset portfolio will meet the service delivery needs of its community into the future,
- enable Council's asset management policies to be achieved, and
- ensure the integration of Council's asset management with its long term strategic plan.¹

Adopting this asset management strategy will assist council in meeting the requirements of national sustainability frameworks, the NSW *Local Government Amendment (Planning and Reporting) Act 2009*, NSW Integrated Planning Framework and providing services needed by the community in a financially sustainable manner.

The asset management strategy is prepared following a review of the council's service delivery practices, financial sustainability indicators, asset management maturity and fit with council's vision for the future outlined in the Blayney Shire Community Strategic Plan, *Blayney Shire 2025 – All the pieces together*. The strategy outlines an asset management improvement plan detailing a program of tasks to be completed and resources required to bring council to a minimum 'core' level of asset maturity and competence.

¹ LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

Strategy outlook

1. Council is unable to maintain current service levels over the next ten years at current funding levels.
2. Council is not able to fund current infrastructure life cycle cost at current levels of service and available revenue.
3. Council's current asset management practices partially meet the requirements of 'core' asset management maturity. Investment is needed to improve information management, lifecycle management, service management and accountability and direction.

Asset management strategies

No	Strategy	Desired Outcome
1	Move from Annual Budgeting to Long Term Financial Planning	The long term implications of Council services are considered in annual budget deliberations
2	Annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs
3	Develop Long Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome	Sustainable funding model to provide Council services
4	Incorporate Year 1 of Long Term Financial Plan revenue and expenditure projections into annual budgets	Long term financial planning drives budget deliberations
5	Review and update asset management plans and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports	Financial sustainability information is available for Council and the community
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs	Improved decision making and greater value for money
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report	Services delivery is matched to available resources and operational capabilities
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined

10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years	Improved financial and asset management capacity within Council
11	Report six monthly to Council by Audit Committee/CEO on development and implementation of Asset Management Strategy, AM Plans and Long Term Financial Plans	Oversight of resource allocation and performance

Asset management improvement plan

The program of tasks and resources required to achieve a minimum 'core' asset management maturity was developed in the asset management strategy. The tasks and program are shown below.

Ref	Task	Responsibility	Target Date	Status
1	Completion of Long Term Financial Planning	MANEX/FM	June 2012	Complete & June 2013
2	Draft Asset Management Plans developed	MANEX/AM	June 2012	Complete
3	Finance - Restructure ledgers to separate maintenance, operations and renewal / new asset costs by asset sub category.	FM	June 2012	June 2013
4	Community Consultation – undertake targeted engagement with the community to establish acceptable and affordable levels of service	MANEX/AM	Dec 2012	Complete & June 2014
5	Service delivery matched to available resources & operational capabilities	MANEX	Dec 2012	Ongoing
6	Review and update Asset Management Plans and Long Term Financial Plan based upon Community Consultation	AM/FM	Feb 2013	Complete & ongoing
7	Establish a reporting system to update the Asset Register data from the field including new assets, renewed assets and disposed of assets.	AM	June 2013	Dec 2013
8	Condition Rating – refine data collection, including a more formalised inspection regime	AM	June 2013	Complete & ongoing
9	Review and critically analyse projected replacement dates for each asset to better match expected level of service.	AM	Ongoing	Ongoing
10	Refine and improve information in Council asset registers, including acquisition dates and technical information.	AM	Ongoing	Ongoing
11	Devise strategies to retire assets that are of little use and investigate options for disposal.	AM/FM	June 2013	Complete & Ongoing
12	Conduct revaluation of all asset classes, when confidence in asset register data reaches High, or in 2013 - 2015	AM	June 2013	Complete & Ongoing

1. Introduction

Assets deliver important services to communities. A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement.

Infrastructure assets such as roads, drains, bridges, water and sewerage and public buildings present particular challenges. Their condition and longevity can be difficult to determine. Financing needs can be large, requiring planning for large peaks and troughs in expenditure for renewing and replacing such assets. The demand for new and improved services adds to the planning and financing complexity.²

The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle.³

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require councils to adopt a longer-term approach to service delivery and funding comprising:

- A strategic longer-term plan covering, as a minimum, the term of office of the councillors and:
 - bringing together asset management and long term financial plans,
 - demonstrating how council intends to resource the plan, and
 - consulting with communities on the plan
- Annual budget showing the connection to the strategic objectives, and
- Annual report with:
 - explanation to the community on variations between the budget and actual results ,
 - any impact of such variances on the strategic longer-term plan,
 - report of operations with review on the performance of the council against strategic objectives.⁴

Framework 2 Asset Planning and Management has seven elements to assist in highlighting key management issues , promote prudent, transparent and accountable management of local government assets and introduce a strategic approach to meet current and emerging challenges.

- Asset management policy,
- Strategy and planning,
 - asset management strategy,
 - asset management plan,
- Governance and management arrangements,
- Defining levels of service,
- Data and systems,
- Skills and processes, and
- Evaluation.⁵

² LGPMC, 2009, *Framework 2 Asset Planning and Management*, p 2.

³ LGPMC, 2009, *Framework 3 Financial Planning and Reporting*, pp 2-3.

⁴ LGPMC, 2009, *Framework 3 Financial Planning and Reporting*, pp 4-5.

The asset management strategy is to enable Council to show:

- how its asset portfolio will meet the service delivery needs of its community into the future,
- to enable Council's asset management policies to be achieved, and
- to ensure the integration of Council's asset management with its long term strategic plan.⁶

The goal of asset management is to ensure that services are provided:

- in the most cost effective manner,
- through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets,
- for present and future consumers.

The objective of the Asset Management Strategy is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for council to provide services to the community.

1.1 Legislative reform

The Independent Inquiry into the Financial Sustainability of Local Government found that the Local Government Sector is potentially facing a real infrastructure funding crisis. The final Report can be found at http://www.lgsa-plus.net.au/resources/documents/lgi-final-report_030506.pdf (May 2006), and examined whether NSW local councils are sustainable as presently constituted and funded. The following extract from the report highlights the situation:

"... a number of pressing problems that need urgent attention. The biggest of these is a huge backlog in infrastructure renewals (over \$6 billion), which is expected to grow to almost \$21 billion within 15 years if the annual renewals gap (the difference between the rate at which councils' physical assets are depreciating and the rate at which they are being replaced) stays at around \$500 million per annum."

The results of this report is the legislation by the Department of Local Government that mandates the valuation of Council's Assets at fair value, and the creation of a new planning and reporting framework for NSW Local Government's.

As part of the NSW Government's commitment to a strong and sustainable local government system, the *Local Government Amendment (Planning and Reporting) Act 2009* was assented to on 1 October 2009.

The specific aims of the Integrated Planning and Reporting framework are to:

- *improve integration of various statutory planning and reporting processes undertaken by councils as required by the [Local Government Act 1993](#) and the Department's guidelines [Environmental Planning and Assessment Act 1979](#)*
- *strengthen councils' strategic focus*
- *streamline reporting processes*

⁵ LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

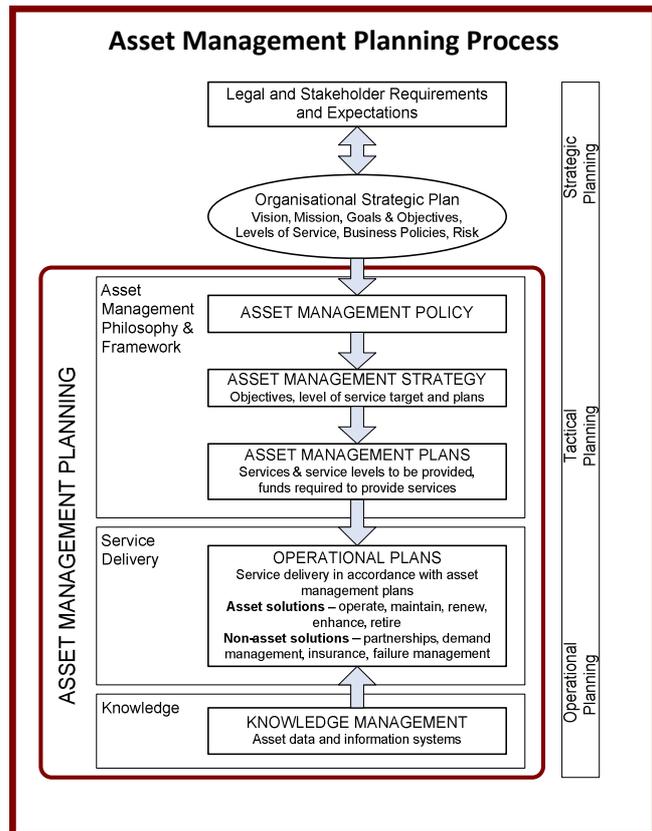
⁶ LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

- ensure that the [Local Government Act 1993](#) and the *Integrated Planning and Reporting Guidelines* support a strategic and integrated approach to planning and reporting by local councils.

1.2 Asset Management Planning Process

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council’s financial sustainability under scenarios with different proposed service levels.

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation’s strategic plan, developing an asset management policy, strategy, asset management plan and operational plans, linked to a long-term financial plan with a funding plan.⁷



⁷ IPWEA, 2009, AIFMG, Quick Guide, Sec 4, p 5.

2. What Assets do we have?

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in Table 1.

Table 1: Assets used for providing Services

Asset Class	Description	Services Provided
Transport	Roads, bridges, footpaths, cycleways, kerb & gutter, rural drainage and street furniture.	Transportation of goods and services from production to market and to consumers, Movement of people around the Council area for business, education, recreation and leisure.
Stormwater	Underground pipe and pit network, open channels, detention basins, stormwater quality improvement devices.	Collection of stormwater drainage runoff, conveyance and return to the environment to allow continued and safe use of private and public property
Parks and Gardens	Active and passive recreation reserves, playgrounds, play equipment, surfaces, fencing and memorial assets, including Cemeteries.	Open space provided for community recreation and leisure
Sewer	Reticulation network, pumping stations, rising mains, trunk mains, deodorisation beds and treatment plant, including Buildings.	Collection of domestic, business, and industrial waste water, conveyance clear of private and public property, conversion to reusable quality and return to the environment
Buildings and other structures	Community, cultural, commercial, council operational and leisure facilities.	Community interaction and development
Plant & Equipment	Heavy and light vehicle fleet, construction and maintenance vehicles and associated accessories	Road maintenance and construction, town and street maintenance, parks and recreation and waste.
Office Equipment	Information technology hardware, software and accessories	IT infrastructure to provide information, finance, technical, environmental and administration services to the community.
Furniture and fittings	Office furniture and fittings	Office fit out to provide to provide information, finance, technical, environmental and

		administration services to the community.
Land and improvements	Carparks, roadworks and fencing not related to Parks and Gardens or council owned buildings	Improvements to land to provide parking facilities, safety in use, and security of possession.
Quarries	Gravel Pits	Provision of gravel for use in road construction and maintenance.
Waste Management	Waste transfer stations, rural and village tips (excluding Buildings)	Waste disposal facilities for domestic, bulk, industrial business and recreational services.

3. Council's Assets and their management?

3.1 State of the Assets

The financial status of Council's assets is shown in Table 2.

Table 2: Financial Status of the Assets

Asset Class	Replacement Cost (\$000)	Depreciated Replacement Cost (\$000)	Depreciation Expense for current year (\$000)
Transportation and Urban Stormwater	\$179,734	\$138,620	\$2,176
Sewer	\$22,590	\$14,518	\$361
Buildings & other structures	\$21,272	\$12,338	\$682
Parks and Gardens	\$8,851	\$6,192	\$459
Quarries	\$37	\$24	\$1
Land Improvements	\$11,933	\$9,981	\$9
Furniture and Fittings	\$366	\$95	\$24
Office Equipment	\$381	\$94	\$24
Plant & Equipment	\$9,931	\$3,716	\$728
Total	255,095	185,578	4,464

Figure 1 shows the replacement values of Council's assets.

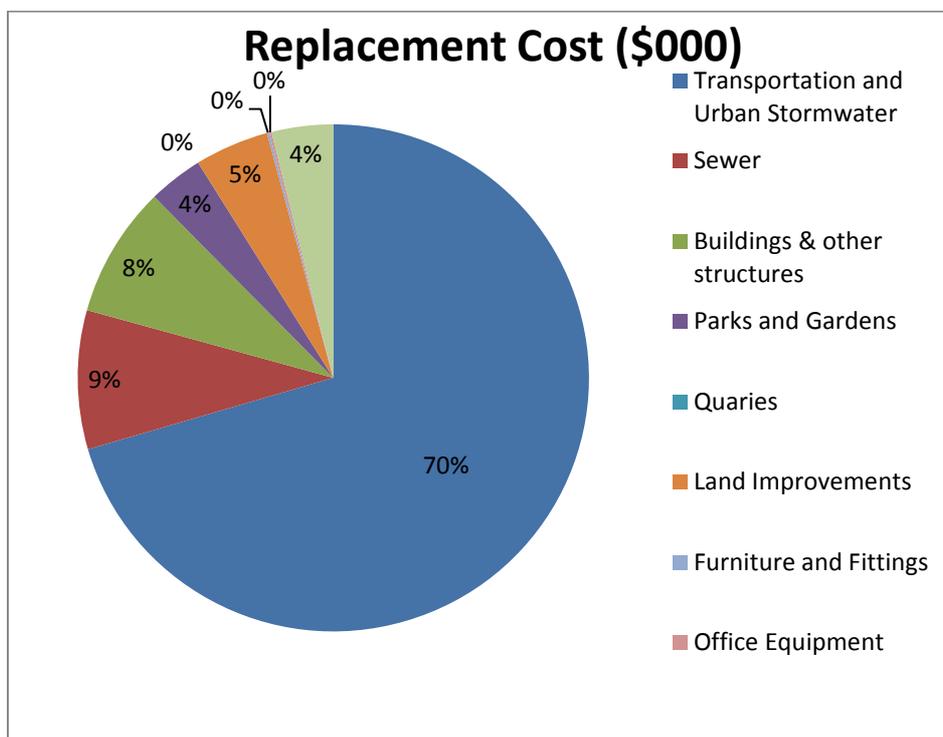


Figure 1: Asset Replacement Values

The asset consumption ratios of Council’s assets (average proportion of ‘as new’ condition left in assets) are shown in Figure 2.

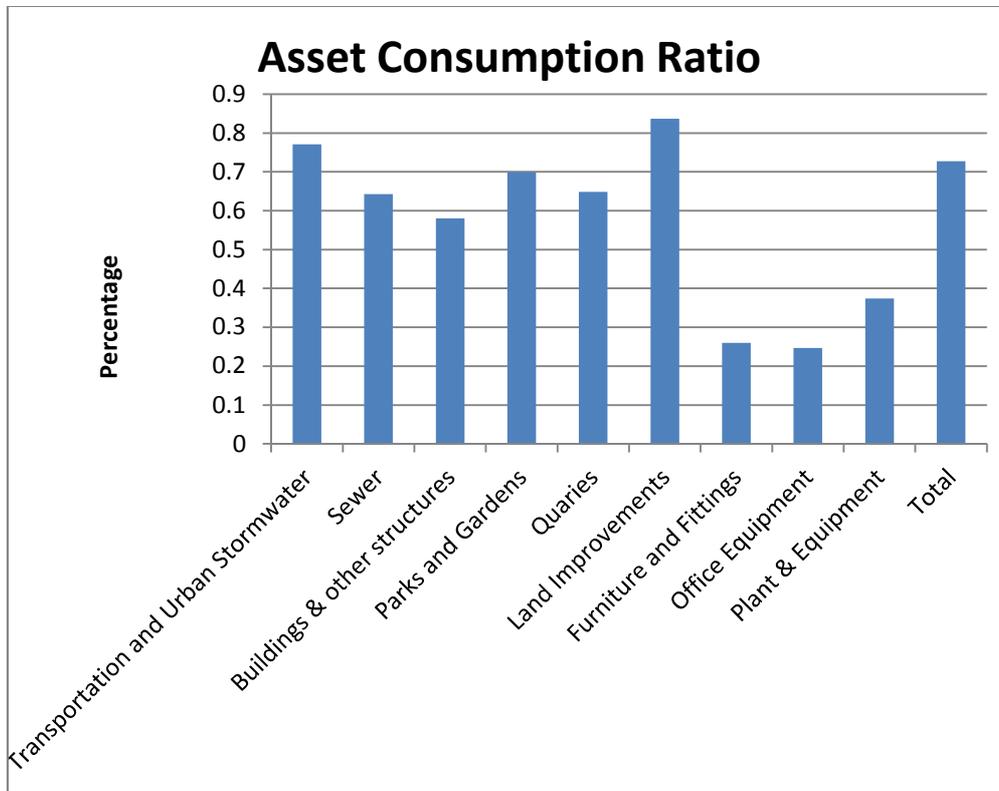


Figure 2: State of the Assets

Condition information on all of Council’s assets is not yet available.

Figure 3: Asset Condition Profile

For the 4 major asset classes (Transportation, Sewer, Buildings and Parks and gardens), Asset condition data still needs to be collected for Urban stormwater drainage, rural culverts, rural major culverts and bridges, the balance of the sewer reticulation network (currently underway), non-major council buildings.

3.2 Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operating and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is shown in Table 3.

Table 3: Life Cycle Cost for Council Services

Service	Previous Year Expenditure		Previous Year Depreciation Exp	Life Cycle Cost (\$/yr)
	Operations	Maintenance		
Transport incl. stormwater	\$315,993	\$1,467,850	\$2,176,000	\$2,649,000
Sewer	\$727,082	\$28,124	\$361,000	\$346,080
Buildings & other structures	\$551,430	\$156,943	\$682,000	\$871,000
Parks and Gardens	\$594,370	\$135,177	\$459,388	\$951,000
TOTAL	\$2,188,875	\$1,788,094	\$3,678,388	\$4,817,080

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operating, maintenance and capital renewal expenditure in the previous year or preferably averaged over the past 3 years. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is shown in Table 4.

Table 4: Life Cycle Expenditure for Council Services

Service	Previous Year Expenditure		Cap Renewal Exp (\$/yr)	Life Cycle Exp (\$/yr)
	Operations	Maintenance		
Transport incl. Stormwater	\$315,993	\$1,467,850	\$477,439	\$2,261,282
Sewer	\$727,082	\$28,124	0	755,206
Buildings & other structures	\$551,430	\$156,943	\$29,040	\$737,413
Parks and Gardens	\$594,370	\$135,177	\$2,846	\$732,393
All Services	\$2,188,875	\$1,788,094	\$509,325	\$4,486,294

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term, If the life cycle expenditure is less than the life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing service to their communities in a financially sustainable manner. This is the purpose of the AM Plans and long term financial plan.

A shortfall between life cycle cost and life cycle expenditure gives an indication of the life cycle gap to be addressed in the asset management and long term financial plan.

The life cycle gap and sustainability indicator for services covered by this asset management plan is summarised in Table 5.

Table 5: Life Cycle Sustainability Indicators

Service	Life Cycle Cost (\$/yr)	Life Cycle Expenditure (\$/yr)	Life Cycle Gap * (\$/yr)	LC Sustainability Index
Transport incl. stormwater	\$2,649,000	\$2,261,282	\$387,718	85.1%
Sewer	\$636,367	755,206	-\$118,839	118.7%
Buildings & other structures	\$871,000	\$737,413	\$133,587	84.7%
Parks and Gardens	\$951,000	\$732,393	\$218,607	77.0%
All Services	\$5,107,367	\$4,486,294	\$330,786	\$87.8

Note: * A life cycle gap is reported as a negative value.

Overall council infrastructure assets are funded at almost 90% of the life cycle cost which would indicate that council funding levels are close to being sustainable over a ten year period.

However, improved data collection, including the implementation of a new corporate financial system and a review of the General Ledger will effect some changes to the historical expenditure levels reported.

Asset sustainability may also be dramatically affected by fluctuations in expenditure, particularly for renewals, as significant expenditure on one asset in an asset class may result in a significant overall change in expenditure for that asset class.

3.3 Asset Management Structure

The Director of Engineering has responsibility for infrastructure service delivery.

The Operations Manager is responsible to the Director of Engineering for delivering the service levels adopted by council for the associated budget.

The Asset Manager is responsible to the Director of Engineering to provide asset management planning services to the organisation.

The Manager Financial Services is responsible to the Director of Corporate Services to provide finance and budgetary services to the organisation.

3.4 Corporate Asset Management Team

A 'whole of organisation' approach to asset management can be developed with a corporate asset management team. The benefits of a corporate asset management team include:

- demonstrate corporate support for sustainable asset management,

- encourage corporate buy-in and responsibility,
- coordinate strategic planning, information technology and asset management activities,
- promote uniform asset management practices across the organisation,
- information sharing across IT hardware and software,
- pooling of corporate expertise
- championing of asset management process,
- wider accountability for achieving and reviewing sustainable asset management practices.

The role of the asset management team will evolve as the organisation maturity increases over several phases.

Phase 1

- strategy development and implementation of asset management improvement program,

Phase 2

- asset management plan development and implementation,
- reviews of data accuracy, levels of service and systems plan development,

Phase 3

- asset management plan operation
- evaluation and monitoring of asset management plan outputs
- ongoing asset management plans review and continuous improvement.

The asset management team is yet to be established however it is anticipated that it will comprise the following staff:

- | | |
|---------------------------|----------------------------------|
| • Director of Engineering | • Director of Corporate Services |
| • Assets Manager | • Manager Financial Services |
| • Operations Manager | • Assistant Accountant |
| • Assets Officer | |

The team is developing its roles and responsibilities and action plan to implement council's asset management policy and strategy.

The team meets quarterly and reports on progress to the Executive Management Team (MANEX).

3.5 Financial & Asset Management Core Competencies

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. 11 core competencies have been developed from these elements⁸ to assess 'core' competency under the National Frameworks. The core competencies are:

Financial Planning and Reporting

⁸ Asset Planning and Management Element 2 *Asset Management Strategy and Plans* divided into Asset Management Strategy and Asset Management Plans competencies.

- Strategic Longer Term Plan
- Annual Budget
- Annual report

Asset Planning and Management

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plan
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

Council’s maturity assessment for the core competencies is detailed in Appendix A and summarised in Figure 4. The current maturity level is shown by the blue bars. The maturity gap to be overcome for Council to achieve a core financial and asset management competency is shown by the red bars.

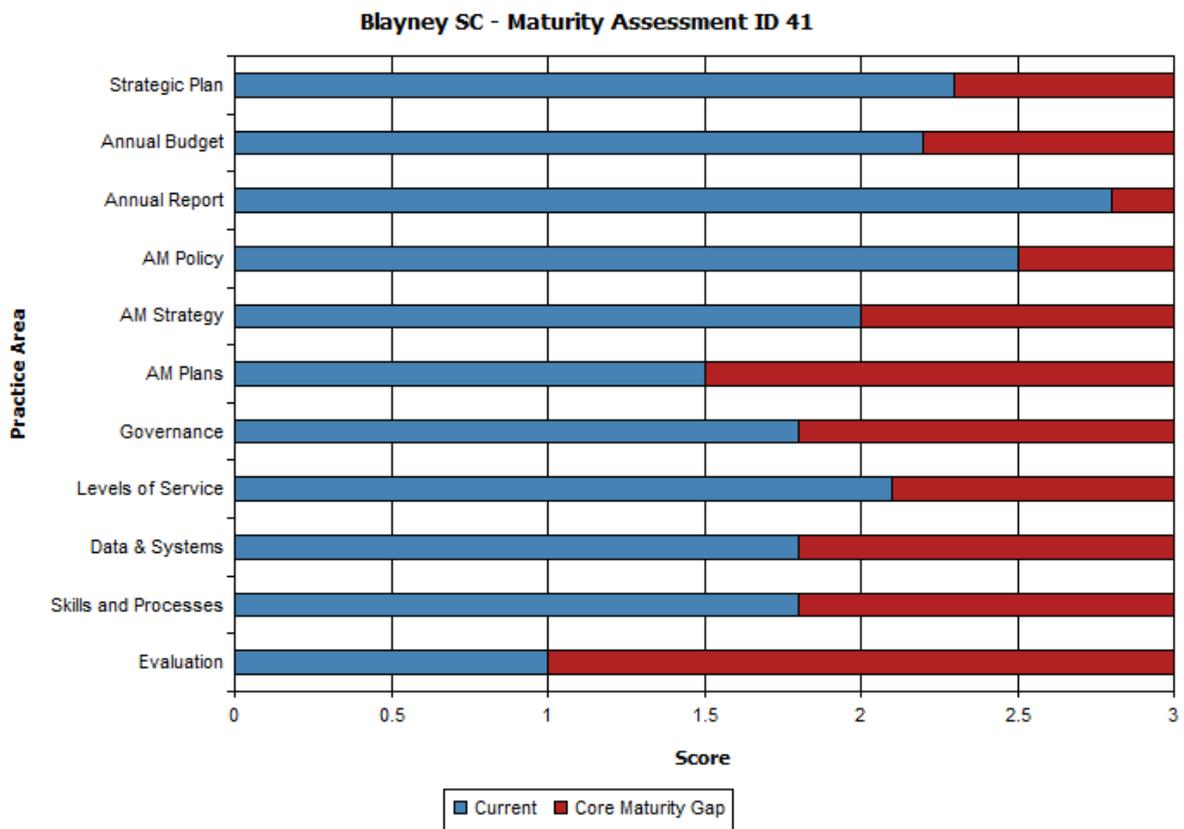


Figure 4: Core Asset Management Maturity

3.6 Strategy Outlook

1. Council is unable to maintain current service levels over the next ten years at current funding levels.
2. Council is not able to fund current infrastructure life cycle cost at current levels of service and available revenue.
3. Council's current asset management maturity is below 'core' level and investment is needed to improve information management, lifecycle management, service management and accountability and direction.

4. Where do we want to be?

4.1 Council's Vision, Mission, Goals and Objectives

Council has adopted a Vision for the future in the Community Strategic Plan.

Our Shire of welcoming communities

The many communities of the Shire's town, villages and settlements are supportive and welcoming to those who live here and also those who visit.

Beautiful and productive landscapes

The landscape in which we live is both beautiful and productive.

Rural and mining heritage

Our heritage of rural living amidst agricultural and mining production has taught us much about the nature of these activities and how they can exist in harmony.

Showing the world how agriculture, mining and industry can work together for the greatest good

We are eager to share these lessons and learnings with other communities around the world.

A place to live your dreams

In Blayney Shire there is both space and time to make and live your dreams!

Council's purpose or reason for existence is set out in the adopted values statement,

**With a generosity of spirit we will:
Be inclusive and united
Act honestly and respect each other
Have a "can do" attitude
Think outside the square and
Back ourselves**

The Strategic Plan sets goals and objectives to be achieved in the planning period. The goals set out where Council wants to be. The objectives are the steps needed to get there. Goals and objectives relating to the delivery of services from infrastructure are shown in Table 6.

Table 6: Goals and Objectives for Infrastructure Services

Goals	Objectives
1. Grow the wealth of the Shire	1.2 A thriving mining industry that supports and works with the community.
	1.5 Sustainable water, energy and transport sectors support future growth.
2. A centre for sports and culture	2.1 Cultural and sporting events are coordinated and resourced.
3. Preserve and enhance our heritage and rural landscapes	3.1 Retention of native vegetation with linking corridors
	3.2 Biodiversity of waterways.
4. Develop and maintain shire infrastructure	4.1 Adequate provision of transport, roads, rail, information and community technologies and community social assets.
	4.2 Every village is connected to water and sewerage services.
	4.5 Encourage preservation and continued development of rail infrastructure.
5. Develop strong and connected communities	5.2 Fit and healthy community members.
6. Leadership	6.4 A safe community

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with legislative requirements, community needs and affordability.

4.2 Asset Management Policy

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with the Strategic Plan and applicable legislation.

The asset management strategy is developed to support the asset management policy and is to enable council to show:

- how its asset portfolio will meet the affordable service delivery needs of the community into the future,
- enable Council's asset management policies to be achieved, and
- ensure the integration of Council's asset management with its long term strategic plans.

4.3 Asset Management Vision

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, Council aspires to:

Develop and maintain asset management governance, skills, process, systems and data in order to provide the level of service the community need at present and in the futures, in the most cost-effective and fit for purpose manner.

In line with the vision, the objectives of the asset management strategy are to:

- ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability,
- safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets,
- adopt the long term financial plan as the basis for all service and budget funding decisions,
- meet legislative requirements for all Council's operations,
- ensure resources and operational capabilities are identified and responsibility for asset management is allocated,
- provide high level oversight of financial and asset management responsibilities through Audit Committee/CEO reporting to council on development and implementation of Asset Management Strategy, Asset Management Plan and Long Term Financial Plan.

Strategies to achieve this position are outlined in Section 5.

5. How will we get there?

The Asset Management Strategy proposes strategies to enable the objectives of the Strategic Plan, Asset Management Policy and Asset Management Vision to be achieved.

Table 7: Asset Management Strategies

No	Strategy	Desired Outcome
1	Move from Annual Budgeting to Long Term Financial Planning	The long term implications of Council services are considered in annual budget deliberations
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs
3	Develop Long Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome	Sustainable funding model to provide Council services
4	Incorporate Year 1 of Long Term Financial Plan revenue and expenditure projections into annual budgets	Long term financial planning drives budget deliberations
5	Review and update asset management plans and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports	Financial sustainability information is available for Council and the community
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs	Improved decision making and greater value for money
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report	Services delivery is matched to available resources and operational capabilities
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years	Improved financial and asset management capacity within Council
11	Report six monthly to Council by Audit Committee/CEO on development and implementation of Asset Management Strategy, AM Plans and Long Term Financial Plans	Oversight of resource allocation and performance

6. Asset Management Improvement Plan

The tasks required to achieve a 'core' financial and asset management maturity are shown in priority order in Table 8.

Table 8: Asset Management Improvement Plan

Ref	Task	Responsibility	Target Date	Status
1	Completion of Long Term Financial Planning	MANEX/FM	June 2012	Complete & June 2013
2	Draft Asset Management Plans developed	MANEX/AM	June 2012	Complete
3	Finance - Restructure ledgers to separate maintenance, operations and renewal / new asset costs by asset sub category.	FM	June 2012	June 2013
4	Community Consultation – undertake targeted engagement with the community to establish acceptable and affordable levels of service	MANEX/AM	Dec 2012	Complete & June 2014
5	Service delivery matched to available resources & operational capabilities	MANEX	Dec 2012	Complete
6	Review and update Asset Management Plans and Long Term Financial Plan based upon Community Consultation	AM/FM	Feb 2013	Complete
7	Establish a reporting system to update the Asset Register data from the field including new assets, renewed assets and disposed of assets.	AM	June 2013	Dec 2013
8	Condition Rating – refine data collection, including a more formalised inspection regime	AM	June 2013	Ongoing
9	Review and critically analyse projected replacement dates for each asset to better match expected level of service.	AM	Ongoing	Ongoing
10	Refine and improve information in Council asset registers, including acquisition dates and technical information.	AM	Ongoing	Ongoing
11	Devise strategies to retire assets that are of little use and investigate options for disposal.	AM/FM	June 2013	Complete & Ongoing
12	Conduct revaluation of all asset classes, when confidence in asset register data reaches High, or in 2013 - 2015	AM	June 2013	Ongoing

Appendix A Asset Management Maturity Assessment (June 2012)

This Maturity Assessment requires some minor updating, which may adjust some of the individual elements scores.



NAMS.Plus Maturity Assessment Report

For use in supporting the Asset Management
Planning and Improvement process

Developed by JRA for IPWEA

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Blayney SC >> Maturity Assessment ID (41)

Framework Financial Planning & Reporting

Element Strategic Longer Term Plan

Practice Area Strategic Longer Term Plan

Core Maturity Assessment **Partially Meets Requirements**

Current Score

2.3

Core Target

3

Question: Does your council have an adopted strategic longer term plan?

Observations of Current Maturity Level

Preparation of CSP has commenced with “Futures” workshops held. Blayney is working in a regional alliance with Wellington and Cabonne Shire Councils. Consultants were engaged to assist with the community consultation, conducting internal workshops and Councillor briefings. Overall there is very good awareness of the IPR requirements LTFP well advanced with a 10 year budget in place. Software has been purchased as part of the alliance. Technical\Process measures in place.

Implications of Current Maturity Level

Well placed to achieve requirements within timeframes. Need to ensure linkages are in place between AMPs and the LTFP to show long-term service level trends.

Recommendations

1. Finalise LTFP on completion of all AMPs and the AM strategy. 2. Ensure CSP priorities and performance measures are linked to community service levels in AMPs 3. Ensure final Plans indicate likely service level and risk trends resulting from adopted LTFP.

Maturity Score	Result	Characteristic
3	<input type="radio"/>	Council has adopted a Strategic Plan (planning horizon of at least 5 years) that incorporates a vision, strategic outcomes, mission, values and service outcomes that Council wants to achieve. The minimum timeframe may vary depending on relevant State/Territory requirements.
3	<input checked="" type="radio"/>	The development of the Strategic Plan included elected member participation and was informed by community consultation and includes strategic objectives that address social, environmental, economic and civic leadership issues identified by the community.
3	<input checked="" type="radio"/>	The Strategic Plan incorporates priorities and performance measures and indicates how they will be monitored and measured.
3	<input checked="" type="radio"/>	Council has a sustainable LTFP covering the period of the Strategic Plan (at least 5 year) supporting the implementation of its Strategic Plan. The minimum timeframe may vary depending on relevant State/Territory requirements.
3	<input type="radio"/>	The Long Term Financial Plan (LTFP) has been prepared based on the resource requirements and strategic objectives detailed in Council’s Strategic Plan and Asset Management Plans.
2	<input checked="" type="radio"/>	Plan covers 4 year term of council
2	<input checked="" type="radio"/>	Draft plan is advertised for public comment
2	<input checked="" type="radio"/>	Plan reflects needs of community for foreseeable period

2	●	Plan includes vision and strategic objectives
2	●	Plan details what council intends to do in period of plan
1	●	Plan covers 1 year period

Framework Financial Planning & Reporting

Element Annual Budget

Practice Area Annual Budget

Core Maturity Assessment	Partially Meets Requirements
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Current Score	2.2	Core Target	3
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Question: Does your council prepare an annual budget?

Observations of Current Maturity Level

Annual budget in place and publicly available for interested readers. The Annual budget is however not yet linked to AMP / AM strategy and delivery programme as these are still be finalised. Work well advanced on the development of the LTFP with a 10 year budget in place.

Implications of Current Maturity Level

AMPs not completed for all major asset classes. Final plans should inform the development of the LTFP.

Recommendations

1. Ensure that the budget aligns with the adopted resource plan. 2. Review the commentary in the budget following the completion of IPR resource strategy to provide a statement of whether the budget will achieve the CSP service objection. 3. Utilise upcoming training in Infrastructure financial management and long term financial planning.

Maturity Score	Result	Characteristic
3	○	The Annual Budget contains estimates of revenue and expenditure with an explanation of the assumptions and methodologies underpinning the estimates, an explanation of the financial performance and position of the Council and has been prepared based on the resource requirements and strategic objectives detailed in Council’s Strategic Plan, AM Plans and LTFP.
3	○	The Annual Budget reflects the Council's strategic objectives and contains a statement of how Council will meet the goals and objectives of its Strategic Plan.

- 3 The Annual Budget aligns with Year 1 of the LTFP and was adopted following community consultation.
- 3 Council’s Annual Budget includes resources to implement Strategic Plan strategies.
- 2 Budget is publically available and readily accessible to all interested readers
- 2 Budget contains estimates of revenue and expenditure for year
- 2 Budget includes an explanation of the council's financial position and performance
- 2 Budget is adopted after public advertising and consideration of comments received
- 1 Annual budget is available to those who ask

Framework Financial Planning & Reporting

Element Annual Report

Practice Area Annual Report

Core Maturity Assessment	Partially Meets Requirements
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Current Score	2.8	Core Target	3
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Question: Does your Council publish an annual report?

Observations of Current Maturity Level

Detailed annual reporting processes in place and aligned to current strategic initiatives. Commentary currently limited to major accomplishments. Need to add some commentary on the “state of assets” and any likely consequences on the corporate plan. Accounting policies need to be reviewed and updated. Presently there is a good awareness and understanding of the new accounting standards and their requirements.

Implications of Current Maturity Level

Annual report does not make clear whether assets are being consumed and likely impact on services.

Recommendations

1. Include "state of the assets" reporting in annual report to show service level trends e.g. % or assets at Poor/Fair/Good condition, function and capacity. This will provide an annual snapshot of service level trends.
2. Ensure that special schedule 7 shows that cost to bring to satisfactory is equal to available resources. If this is not true, there needs to be an explanation in the annual report.

Maturity Score	Result	Characteristic
3	●	The Annual Report complies with all statutory requirements including publication by the due date and is made widely available to the public.
3	●	The Annual Report includes independently audited financial statements that are prepared on an accrual basis in accordance with the Australian Accounting Standards.
3	⊙	The Annual Report reviews the performance of the Council against its strategic objectives and explains variations between the budget and actual results and how these variations impact on the Strategic Plan.
3	⊙	The Annual Report includes details of any major changes in functions of the Council, organisation structure and/or policy initiatives and how these changes might impact on Council's Strategic Plan.
3	●	In relation to the financial reporting framework in the Annual Report, the Annual Report addresses the following issues in accordance with relevant state policies, Australian Accounting Standards and other best practice guidelines: a. Asset valuations and revaluations, b. Asset acquisitions including capitalisation policy, c. Asset disposals
2	●	Annual report contains audited financial statements
2	●	Annual report is widely available to the general public
2	●	Annual report reports on council's operations for the year in terms of goals and objectives for preceding year
2	●	Annual report contains explanation on variations between budget and actual results
1	●	Annual report is published each year

Framework Asset Management & Planning

Element AM Policy

Practice Area AM Policy

Core Maturity Assessment	Meets Requirements
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Current Score	2.5	Core Target	3
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Question: Does your council have an adopted asset management policy?

Observations of Current Maturity Level

Adopted

Implications of Current Maturity Level

Recommendations

Maturity Score	Result	Characteristic
3	●	Council has an adopted AM Policy which defines the Council’s vision and service delivery objectives for asset management.
3	◎	AM Policy has a direct linkage with Council’s Strategic Plan and LTFP.
3	◎	AM Policy requires the adoption of AM Plans informed by community consultation and local government financial reporting frameworks.
3	●	AM Policy defines asset management roles, responsibilities and reporting framework.
3	◎	AM Policy identifies a process for meeting training needs in financial and asset management practices for councillors and staff.
2	●	AM Policy adopted by Council
1	●	AM Policy in place but not adopted by Council OR some awareness by Council of asset management policy elements and asset management principles.

Framework Asset Management & Planning

Element AM Strategy

Practice Area AM Strategy

Core Maturity Assessment **Partially Meets Requirements**

Current Score 2 **Core Target** 3

Question: Does your council have an adopted asset management strategy?

Observations of Current Maturity Level

Asset Management Strategy drafted. Yet to be placed on public exhibition. Improvement tasks have been identified for transport and sewer as part of the development of the asset management plans. No formal Asset Management Development Programme in place however.

Implications of Current Maturity Level

Processes in place to achieve core level.

Recommendations

Submit Draft Asset Management Strategy to council, seeking agreement to place the Draft Strategy on Public exhibition prior to formal adoption by council.

Maturity Score	Result	Characteristic
3	<input checked="" type="radio"/>	Council has an AM Strategy which shows how the asset portfolio can meet the service delivery needs of the community and defines the future vision of asset management practices within Council.
3	<input checked="" type="radio"/>	Council's AM Strategy is linked to Council's AM Policy and integrated into Council's Strategic planning and annual budgeting processes.
3	<input checked="" type="radio"/>	Council's AM Strategy documents the current status of asset management practices (processes, asset data and information systems) within the Council and what actions Council must take to implement the AM Policy, including resource requirements, timeframes and accountabilities.
2	<input type="radio"/>	Strategy shows what assets the council has
2	<input checked="" type="radio"/>	Strategy fits with the council strategic plans
1	<input type="radio"/>	Draft AM Strategy Prepared but not adopted by Council

Framework Asset Management & Planning

Element AM Plans

Practice Area AM Plans

Core Maturity Assessment	Not Substantially Progressed
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Current Score	1.5	Core Target	3
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Question: Does your council have adopted asset management plans?

Observations of Current Maturity Level

Work has commenced on the development of Asset Management Plans with the Sewer plan completed and adopted by council. A transport AMP is currently in final draft and feedback from major stakeholders currently being sought. Renewal and works programs in place for sewer and transport. LoS for sewer and transport documented however not currently measured. Overall hierarchy in place but not documented.

Implications of Current Maturity Level

Well placed to achieve core maturity. Final plans will ensure both the CSP and LTFP planning processes are well informed.

Recommendations

1. Develop Asset Management Development Programme (AMDP) and complete all Asset and Risk Management Plans using the same Asset and Risk Management templates. AMDP should show direct linkages to the existing project plan. 2. Utilise AM4SRRC training to build broader capacity and knowledge.

Maturity Score	Result	Characteristic
3	<input checked="" type="radio"/>	AM Plans adopted by Council for all material asset groups in a consistent format in accordance with industry best practice (E.g. Appendix A of the International Infrastructure Management Manual (IIMM)) and are available to all relevant staff across the organisation.
3	<input checked="" type="radio"/>	AM Plans define which asset groups are covered by each Plan in accordance with a clearly documented Infrastructure Asset Hierarchy.
3	<input checked="" type="radio"/>	AMPS cover at least 10 years and
3	<input checked="" type="radio"/>	b. Include all assets and document asset inventory information for the asset group/category as recorded in the asset register;
3	<input checked="" type="radio"/>	c. Document the asset hierarchy within each asset group;
3	<input checked="" type="radio"/>	d. Document the current condition of assets;
3	<input checked="" type="radio"/>	e. Document the adopted useful lives of assets;
3	<input type="radio"/>	f. Include risk assessment and criticality profiles;
3	<input type="radio"/>	g. Provide information about assets, including particular actions and costs to provide a defined (current and/or target) level of service in the most cost effective manner
3	<input checked="" type="radio"/>	h. Include demand forecasts including possible effects of demographic change and demand management plans
3	<input checked="" type="radio"/>	i. Address life cycle costs of assets;
3	<input checked="" type="radio"/>	j. Include forward programs identifying cash flow forecasts projected for:
3	<input checked="" type="radio"/>	i. Asset Renewals;

- 3 ii. New Assets and Upgrades of existing assets;
 - 3 iii. Maintenance expenditure;
 - 3 iv. Operational expenditure (including depreciation expense);
 - 3 k. Address asset performance and utilisation measures and associated targets as linked to levels of service;
 - 3 l. Include an asset rationalisation and disposal program; and
 - 3 m. Include an asset management improvement plan.
 - 3 n. Include consideration of non-asset service delivery solutions (leasing private/public partnerships)
 - 3 o. Recognise changes in service potential of assets through projections of asset replacement costs, depreciated replacement cost and depreciation expense.
 - 3 p. Include consideration of possible effects of climate change on asset useful lives and maintenance costs
 - 3 AM Plans link to the Council’s AM Policy, AM Strategy, Strategic Plan, LTFP and other relevant Council Policy objectives.
 - 3 AM Plans have all been prepared in association with community consultation.
- 2 Separate AM Plans for each asset group - high level overall framework but not consistent
 - 2 AM Plans in place but not regularly reviewed or adopted
 - 2 AM Plans include all assets on asset register
 - 2 AM Plans Include an improvement plan
- 1 No AM Plans, AM is Reactive and Fragmented

Framework Asset Management & Planning

Element Governance and Management

Practice Area Governance and Management

Core Maturity Assessment	Not Substantially Progressed
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Current Score	1.8	Core Target	3
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Question: Does your council have good management practices linking AM to service delivery?

Observations of Current Maturity Level

Informal process currently in place through MANEX group meetings. Existing focus is on doing, little attention has been given to documenting processes and procedures. Informal improvement plan in place but not documented. Whole of life analysis has been used for a number of recent tenders with great results. Dedicated Asset Management position promotes asset management and its benefits across the organisation.

Implications of Current Maturity Level

Processes in place just need to formalise the ongoing role of the asset management group as a steering committee. Terms of reference should defined outlining short and long term roles.

Recommendations

1. Establish and adopt terms of reference for the asset management working group\steering committee. Initial focus of the group should be on the implementation of AMDP. Longer term role to report risk and service level trends. 2. Ensure whole of life costing is continued to be used for all capital upgrade/expansion projects with a feedback loop into the LTFP. 3. Set up a formal process for corporate risk reporting for any residual high risks from AMPs to Council and executive.

Maturity Score	Result	Characteristic
3	<input type="radio"/>	Council has mechanisms in place to provide high level oversight by the Council, CEO/GM and Executive Management Team, for development and implementation of the AM Strategy and AM Plans.
3	<input checked="" type="radio"/>	Roles and responsibilities are clearly defined in a matrix or policy, identifying positions responsible for determining levels of service and positions responsible for managing the assets to meet service delivery needs.
3	<input checked="" type="radio"/>	The staff structure and position descriptions clearly define asset management functions, responsibilities and skill requirements for managing all asset classes.
3	<input type="radio"/>	Council has a documented process for making capital investment decisions, which is driven by Council’s Strategic Plan, LTFP and the Service Plan and explicitly details the impacts on the future operations and maintenance budgets, “Whole of Life” costs and risk management assessments.
3	<input checked="" type="radio"/>	Council involves all its departments in Asset Management.
3	<input type="radio"/>	Council has an AM Steering Committee, with cross functional representation and clearly defined and documented terms of reference, focussed on coordinating the linkages between service delivery and asset management implementation.

- 3 There are internal processes to promote Asset Management across Council
- 2 Multi-disciplinary AM Steering Committee in operation with regular meetings
- 2 AM improvement plan in operation
- 1 AM Steering activities are dependent on individual initiatives and are not co-ordinated

Framework Asset Management & Planning

Element Levels of Service

Practice Area Levels of Service

Core Maturity Assessment	Not Substantially Progressed
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Current Score 2.1 **Core Target** 3

Question: Does your Council have a defined process for determining current and target levels of service and costs?

Observations of Current Maturity Level

Community and technical levels developed as part of the Transport and Sewer AMPs. Technical LoS incorporated into their daily operations and maintenance but not measured or reported.

Implications of Current Maturity Level

Well placed to achieve core maturity.

Recommendations

1. Link community and technical service levels in AMP to the community strategic plan. 2. Develop additional AMP scenarios as required to align with the LTFP and show service outcomes and risk consequences of LTFP resourcing levels. Aim is to ensure the community service levels and targets in AMPs align with the CSP and annual reporting (special schedule 7).

Maturity Score	Result	Characteristic
3	<input type="radio"/>	Council has Service Plans for each of its services which have been developed in consultation with the community.
3	<input type="radio"/>	Council has undertaken the process of defining, quantifying and documenting current community levels of service and technical levels of service, and costs of providing the

- current levels of service.
- 3 Current and target levels of service (for both community levels of service and associated technical levels of service) are clearly defined in each AM Plan.
- 3 Technical levels of service are incorporated into service agreements and/or maintenance, operational and capital renewal procedures.
- 2 Service levels in some areas - fragmented
- 1 Service levels are consequences of annual budget allocation and not defined.

Framework Asset Management & Planning

Element Data & Systems

Practice Area Data & Systems

Core Maturity Assessment	Not Substantially Progressed
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Current Score	1.8	Core Target	3
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Question: Does council have the data & systems knowledge to perform asset data management activities?

Observations of Current Maturity Level

Corporate asset register (Fujitsu) in place and support by a technical register (Bizeasset) for each major asset class. High confidence data in place for all major asset classes (90%+). Some work still required for drainage and culvert assets. Building condition also needs to be reassessed. Unit rates developed from first principles and recent works programs. Location factors applied to reference rates where local rates unknown. Condition assessment documentation developed footpaths, kerb and gutter. Asset Hierarchy defined for most asset classes including componentisation. External benchmarking currently restricted to State Roads RMCC contract. Presently looking at expanding the use of Reflect with Insight to include local and regional roads. Work to be done on developing an overarching knowledge management strategy. Conscience of the need to improve skills and knowledge and the management of their data.

Implications of Current Maturity Level

Primary focus to date has been on capturing and recording the data. Processes and procedures need to be documented to ensure data remains complete and accurate.

Recommendations

1. Provide a data improvement programme as part of the asset management improvement programme based on benefit/cost/risk.
2. Provide a knowledge management strategy to continue to identify skills and knowledge needed for the technology/data options and audit trail, security etc.
3. This maturity assessment provides the capacity to benchmark asset management performance and practice. Review against other councils as required.
4. Complete condition assessment manuals for all asset classes as required.
5. Expand

the use of Reflect with Insight to manage inspections, defects, intervention levels and accomplishments for all asset classes.

Maturity Score	Result	Characteristic
3	<input checked="" type="radio"/>	Council has a consolidated, integrated, accurate, up to date and complete componentised asset register with the required functionality to ensure security and data integrity, which includes all information about each asset sorted by asset group.
3	<input checked="" type="radio"/>	There is a common corporate data framework used across all asset groups, which is defined by Council's Infrastructure Asset Hierarchy.
3	<input checked="" type="radio"/>	Council has documented repeatable methodologies to carry out consistent asset condition surveys and defect identification assessments, as documented in a Condition Rating Assessment Manual for applicable asset classes.
3	<input checked="" type="radio"/>	Council's asset financial reporting functionality is comprehensive and includes audit trails, depreciation calculations, reporting thresholds and records of acquisition and disposal of assets
3	<input type="radio"/>	Council's systems, procedures and processes allow it to benchmark its asset management performance against like Councils over time.
3	<input checked="" type="radio"/>	AM systems have the functionality to generate maintenance and renewal programs and produce associated cash flow forecasts.
3	<input checked="" type="radio"/>	Council has defined and documented procedures for determining asset replacement and treatment unit rates, which are then stored in Council's AM system.
3	<input checked="" type="radio"/>	Council has a defined process for operations, maintenance, renewal and upgrade planning for its existing assets.
2	<input checked="" type="radio"/>	Skill & knowledge requirements determined
2	<input type="radio"/>	Audit completed to determine current skill & knowledge levels
1	<input checked="" type="radio"/>	Council has a corporate asset register supported by technical asset registers with regular validation of data in registers

Framework Asset Management & Planning

Element Skills and Processes

Practice Area Skills and Processes

Core Maturity Assessment	Not Substantially Progressed
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Current Score 1.8 Core Target 3

Question: Does council have the skills & knowledge to perform asset data management activities?

Observations of Current Maturity Level

Past training programs in place with all key users trained in Bizeasset. Training provided as required. No formal audit process in place however. Future training to be considered as part of the AM4SRRC program. Formal processes for the commissioning of new assets to be developed. Formal review processes in place for both Transport and Sewer Asset Management Plans.

Implications of Current Maturity Level

Recommendations

1. Review business processes and document to ensure audit trail for financial transactions, asset register updates and annual reporting. 2. Incorporate training and skills development into recommended knowledge management strategy. 3. Complete risk registers for each asset group\AMP. Any residual high risks should be listed in each AMP. The highest risks in each AMP should then be included in the corporate risk register and reported to executive/council/audit committee for acceptance of residual risk. 4. Utilise the Local Government Reform Fund training program and IPWEA Professional development program to further develop and broaden internal capacity.

Maturity Score	Result	Characteristic
3	<input type="radio"/>	Council has a process to review and update the AM Strategy on a maximum of a 5 year cycle. The AM Strategy is formally adopted by Council.
3	<input checked="" type="radio"/>	Council has a process to review and update AM Plans for all asset groups on a maximum of a 3 to 4 year cycle consistent with the Council election cycle. AM Plans are formally adopted by Council.
3	<input type="radio"/>	Council has a process to identify operational risks, assign responsibilities and monitor risk treatment actions all recorded within a risk register.
3	<input type="radio"/>	Council has a process to annually review and update the financial forecasts for all asset classes and update the LTFP.
3	<input type="radio"/>	Council has assessed the skills and knowledge required to perform asset data management activities, conduct financial reporting valuations and develop AM Plans. Council has a current asset management skills matrix. Staff training needs have been identified and training scheduled.
3	<input checked="" type="radio"/>	Council has a defined methodology for assessing the Remaining and Useful Life, Residual Value and Depreciation Method of assets.

- 3 Council has a process to collect and record asset data into an AM system upon the commissioning of new (and/or modified) assets, including built and contributed assets.
 - 3 Council has formal processes for the handover of assets to asset custodians/owners.
 - 3 Council has a process to communicate the financial implications of the AM Plans to internal and external stakeholders.
 - 3 Council provides ongoing training programs for councillors, council management and officers on key asset management topics.
-
- 2 Skill & knowledge requirements determined
 - 2 Audit completed to determine current skill & knowledge levels
 - 2 Documented asset data management procedures
 - 1 Asset data management limited to plans and data required for current projects

Framework Asset Management & Planning

Element Evaluation

Practice Area Evaluation

Core Maturity Assessment	Not Substantially Progressed
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Current Score	1	Core Target	3
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Question: Does council have a process to evaluate progress and use of resources on implementation of the National Frameworks?

Observations of Current Maturity Level

Blayney is confident requirements will be achieved within the timeframes. Base data is in place and reliable and ready to apply to the NAMS templates. This maturity assessment marks the first steps in a formal evaluation process.

Implications of Current Maturity Level

No major impediments to achieving core maturity in 2012.

Recommendations

1. AMDP and resource allocation needs to be formally adopted and reviewed by the executive team and council. 2. Use this maturity report, the AMDP and the recommended project plan to monitor and review national framework implementation (IPR). 3. Service level reporting needs to be implemented using a state of the assets report reporting on trends for quality, function and capacity. Implement regular reporting on

current maturity and status of AMDP and IPR Implementation Plan.

Maturity Score	Result	Characteristic
3	<input type="radio"/>	Council has a documented evaluation process by which asset management improvements are identified, timeframes established, resources allocated, actioned, monitored and reported to the Executive Management Team and/or CEO
3	<input type="radio"/>	Technical levels of service are monitored and performance reported.
3	<input type="radio"/>	Community levels of service are monitored and performance reported.
2	<input type="radio"/>	Improvement tasks are included in staff performance plans and reviews
1	<input checked="" type="radio"/>	No formal evaluation process