Asset Management Strategy

2013-2017

Our plan to improve Council's Asset Management Practices

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1.0 EXECUTIVE SUMMARY

1.1 Why do we need an Asset Management Strategy?

A primary Council function is planning and providing services and facilities for the local community; and providing and maintaining community infrastructure in the municipal district.

Frankston City Council is custodian of a portfolio of assets valued at more than $1.3 billion (as reported in the 2011/12 Annual Report). As custodians of public assets, good governance requires Council to have a strategic approach to asset management (AM).

This Strategy provides framework for the ongoing enhancement of Council's AM practices and performance. It supports the implementation of Council's AM Policy objectives:

- Ensure Assets Support the Services Provided by Council;
- Community Involvement in Decision-Making;
- Focus on Long-term Sustainability;
- Sustainable Investment in Capital Works;
- Continuous Improvement in Data and Asset Management Information Systems;
- Compliant Asset Accounting;
- Legislative and Regulatory Compliance;
- Continuous Improvement in Risk Management;
- On-going Training and Skill Development; and
- Effective Monitoring and Reporting.

The Strategy has been developed with the objective of ensuring improved asset knowledge so that future capital and operating investment in Council assets is more effective, and in the best interests of the community. Adoption, and subsequent support for the implementation of recommendations, (summarised in Appendix 1), is expected to improve Council's asset management practices and performance.

1.2 Current Asset Knowledge

Council assets are reported in its financial reports under the following headings:

- Property (incl. land and buildings)
- Infrastructure (incl. roads, drains, paths, bridges etc.)
- Plant & Equipment (incl. cultural collections, plant, vehicles, IT)

During the development of this Strategy, the reliability of Council's asset data (condition and valuation) was given a reliability rating. *(Refer section 4.2 tables 1, 2, 3).*

The completeness and accuracy of Council's asset data is variable. The majority was rated as C- Uncertain, D – No Data. The only data rated as either A- Highly Reliable; or B- Reliable was that regarding:

- Land;
- Plant & Machinery;
- Roads; and
- Bridges.

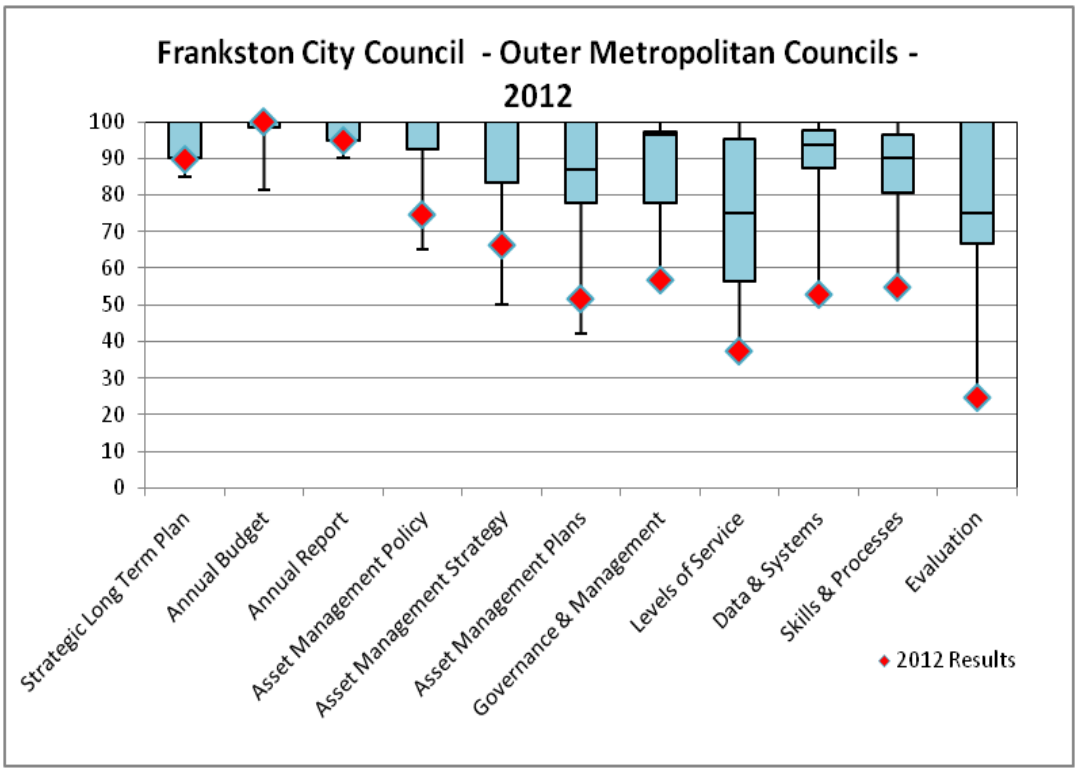
This poor standard of asset knowledge is a result of a number of factors:

- A reactive ad hoc approach to asset data collection and storage;
- Long term use of disconnected stand-alone information systems and databases;
- Delays in the development of a centralised Asset Management information System; and
- Variable staff skills regarding asset data collection and management.

Good asset knowledge is fundamental for good governance. It is therefore considered critical that this deficiency be addressed so that Council can develop reliable Asset Management Plans to inform sustainable future investment in community infrastructure.

1.3 How does Frankston compare with others?

Frankston City Council has its asset management performance and practices audited against the National Asset Management Assessment Framework (NAMAF) as part of the Municipal Association of Victoria STEP Program. Each year, participating Victorian Councils are assessed. Eleven (11) aspects of asset management are considered. The Figure below shows how Frankston City Council performance compared with other outer metropolitan Councils in 2012.



The Figure shows that in 2012 Frankston was somewhat behind its peer Outer Metro Councils in the following areas:

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plans
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & Processes
- Evaluation

The most recent audit identified the following five priority actions for Council to improve its performance:

- Complete the review of the Asset Management Policy & Strategy, and adoption of the AM Strategy and Policy by Council;
- Complete the implementation of Hansen8 (Council's AM Information System);

- Update the Asset Management Plans (Roads, Buildings, Stormwater Drainage, Parks & Reserves, Plant Equipment & Furniture) in line with the NAMAF over the next two years;
- Improve Asset Management knowledge and processes across the organisation; and
- Commence Service Planning to establish current and desired levels of service - especially in Parks and Facilities.

1.4 How do we improve AM practices and outcomes?

In 2012, Council adopted a revised Asset Management Policy, which meets the best practice requirements set out in the NAMAF. Adoption of this Asset Management Strategy will similarly fulfil the NAMAF requirements for an Asset Management Strategy.

Implementation of the Actions listed in Section 13 (and described in Appendix 1) is expected to enable staff to progressively bridge the gap between current and desired asset management practices and performance. It will enable Council to deliver its AM Policy and continuously improve in all areas where it is currently considered to be underperforming.

Wherever practicable, it is preferable to implement the Recommended Actions using internal resources, as this builds and retains knowledge and capabilities within the organisation. This will require relevant Council departments to allow time for the implementation of the recommendations within their annual business plans. To assist with this, an estimate of resource requirements is provided in Section 13. It must be noted that, some external expertise is likely to be required; to assist Council staff with some recommended Actions. This is noted Section 13, together with an indicative cost estimate.

1.5 What are the risks of not implementing this Strategy?

If the actions recommended in this Strategy are not implemented, Council will continue along its piecemeal reactive approach to asset management. Given that Council infrastructure is ageing, this would expose Council to numerous potential risks:

- Inadequate management of unsafe assets;
- Continued investment in Infrastructure that is not fit for purpose, or no longer needed by the community;
- Increasing likelihood of unexpected maintenance expenditure to address failing assets;
- Increasing likelihood of asset deterioration causing potential service disruption;
- An increase in the renewal gap;
- Underinsured assets; and
- Reduced opportunity for grant funding from the Federal Government due to a lack of compliance with the National Financial and Asset Management Framework. (NAMAF)

2.0 INTRODUCTION

2.1 The City of Frankston

Frankston City Council, through its nine Councillors and a staff of 1000, provides a wide range of services and infrastructure to around 122,000 residents. Frankston City is located 40 kilometres south of Melbourne's central business district. It includes the neighbourhood areas of Carrum Downs, Frankston Central, Frankston Heights, Frankston North, Frankston South, Karingal, Langwarrin, Langwarrin South, Sandhurst, Seaford and Skye. The City is strategically placed as a regional centre providing facilities and services for a population catchment far greater than its municipal boundaries.

Frankston City Council manages more than $1.3 billion in property (as reported in the 2011/12 Annual Report), infrastructure, plant and equipment on behalf of the community across an area of 131 square kilometres. These assets directly support the services that Council delivers to the community and includes road and footpath networks, stormwater drainage system, shared paths, active and passive open space reserves and community facilities such as preschools and maternal and child health centres.

2.2 Purpose of this Strategy

Council adopted its first Asset Management (AM) Strategy on 21 August 2006. This revised Strategy, builds on the original (2006) document. It aims to support the implementation of Councils revised Asset Management Policy in order to guide continuous improvement in Council's AM practices. Improvement actions focus on the following areas:

- Ensure Assets Support the Services Provided by Council;
- Community Involvement in Decision-Making;
- Focus on Long-term Sustainability;
- Sustainable Investment in Capital Works;
- Continuous Improvement in Data and Asset Management Information Systems;
- Compliant Asset Accounting;
- Legislative and Regulatory Compliance;
- Continuous Improvement in Risk Management;
- On-going Training and Skill Development; and
- Effective Monitoring and Reporting.

Improvement actions listed in Section 13 (and described in Appendix 1) outline how the City of Frankston intends to improve asset management across the organisation over the next four (4) years.

2.3 Scope of this Strategy

This Strategy summarises the following:

- Council's AM vision and policy goals;
- Council's current portfolio of services and assets;
- The current status of Council's:
    - Asset knowledge;
    - Asset information systems;
    - Asset Management skills and capabilities; and
    - Approach to asset management governance and evaluation.
- Recent performance, as assessed by:
    - Municipal Association of Victoria (MAV) step Program in 2012; and
    - Council staff during consultation conducted by CT Management in February 2012.
- The frameworks within which Council manages its asset portfolio:
    - Regulatory;
    - Risk Management ; and
    - Strategic Planning

It also presents a number of improvement actions considered necessary to enable Council to implement the goals set out in its Council Plan and AM Policy. Estimated resource requirements, accountabilities and timeframes for the delivery of each improvement action are noted.

2.4 Strategy Review and Update

The Manager Asset Strategy shall review and update this document, within 6 months of Council endorsement of this Strategy.

It is expected that subsequent reviews of this Strategy will occur every four (4) years, following review and adoption of the AM Policy. Council endorsement of the revised Strategy will be sought within 12 months of the adoption of a new AM Policy and Council Plan.

The Manager Asset Strategy, with support from the AMLT, will facilitate and monitor implementation of the improvement recommendations, and report progress to the Executive every 12 months. An annual review shall occur in line with Council's business planning timelines, in order to inform each Department's annual business plan and enable new initiative funding to be sought if required.

3.0 COUNCIL'S AM VISION & GUIDING PRINCIPLES

3.1 AM Policy

Council's AM Policy was adopted in February 2013. The Policy describes Council's vision for asset management as follows:

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

The Policy sets out the following core principles to guide Council's AM practices:

- Ensure Assets Support the Services Provided by Council;
- Community Involvement in Decision-Making;
- Focus on Long-term Sustainability;
- Sustainable Investment in Capital Works;
- Continuous Improvement in Data and Asset Management Information Systems;
- Compliant Asset Accounting;
- Legislative and Regulatory Compliance;
- Continuous Improvement in Risk Management;
- On-going Training and Skill Development; and
- Effective Monitoring and Reporting.

Implementation of the Policy is expected to ensure that:

- Council assets are well managed throughout their lifecycle;
- Council assets support triple bottom line outcomes of environmental, financial and social sustainability;
- Asset management decisions are based on an integrated process, which includes community participation, has a long term focus, and balances competing social, financial and environmental priorities;
- Council is accountable to the community regarding asset performance and its asset management activities;
- Non-Discretionary funding for the maintenance, operation and renewal of existing assets is prioritised ahead of Discretionary funding of new assets;

- Council proactively inspects and protects its asset inventory and seeks compensation from third parties who damage municipal assets;
- Council increases facility utilisation by reducing the current building stock and moving toward the development of integrated multi-purpose facility hubs;
- Council's exposure to risk is minimised, in regard to asset failures, property risk exposure, damage and loss;
- Improved alignment of assets with services and community expectations;
- Reduced demand for new council assets through better integration of service planning and asset planning;
- More effective use and maintenance of existing council assets;
- Improved processes and accountability for capital and recurrent works;
- Use of non-asset solutions to meet service demand;
- Increased use of sustainable solutions; and
- Reduction in Council's renewal gap.

Failure to comply with the adopted AM Policy is likely to result in increased risk of:

- Unsafe infrastructure;
- Infrastructure that is not fit for purpose;
- Assets that do not comply with Council's social, environmental and economic priorities;
- Assets with excessive on-going operational costs;
- Excess assets;
- Underinsured assets;
- Property damage causing potential service disruption;
- An increase in the renewal gap; and/or
- Reduced grant funding from the Federal Government due to a lack of compliance with the National Financial and Asset Management Framework.

3.2 Environmental Sustainability

Council is committed to the provision of environmentally responsible services. The need for climate change adaption, carbon pollution reduction and nature conservation are high on Council's list of priorities. The strategies Council has developed to further its environmental goals will have significant influence upon Council's service and asset planning and decision making. These include:

- Environment Strategy;
- Sustainable Water Use Plan;
- Climate Change Impacts and Adaptation Plan;
- Carbon Neutral Action Plan 2012-2016; and
- Waste Minimisation and Management Strategy.

Infrastructure asset creation/acquisition decisions need to consider environmental issues over the entire life cycle of proposed assets. These considerations need to inform asset design, specification, construction materials selection and techniques, operating models and disposal procedures (including the potential to recycle assets at the end of their useful lives).

Whilst the emphasis is now focused on the management of buildings through the application of Environmentally Sustainable Design Principles this should be extended progressively to other asset classes in future.

With increasing emphasis on environmental sustainability it is envisaged that significant effort will be required to better understand the asset knowledge requirements that are relevant for monitoring and improving the sustainability of all asset classes. Development of an Environmental Sustainable Design (ESD) Policy is therefore recommended.

4.0 COUNCIL'S CURRENT SERVICE & ASSET PORTFOLIO

4.1 Services Supported by Council Assets

It is acknowledged that Council's involvement in the provision and ongoing management of assets only occurs because Council is involved in the provision of services to the local community. Council's asset portfolio therefore exists to support a broad range of services that the community needs and expects. Council services include, but are not limited to:

- Administrative Services
- Aged Care
- Aquatic Services
- Arts & Cultural services
- Biodiversity Protection & Enhancement
- Community Development
- Community Education
- Coastal Recreation
- Family & Youth Services
- Flood Mitigation and Protection
- Health Services
- Integrated Water Management
- Libraries and Learning;
- Structured Recreation
- Seniors Support
- Traffic and Transport Management (Connectivity)
- Unstructured Recreation
- Waste Management

Council determines its asset requirements to meet service needs using various mechanisms including:

- Formal and informal interactions with the community as part of daily activities;
- Community consultation during the development of various master plans, feasibility studies and strategic documents;
- Best value service reviews undertaken every 4 years;
- Community consultation for the preparation of business cases for large or complex projects;

- Participation in community satisfaction surveys (e.g. DPCD Community Satisfaction Survey);
- Ongoing review of legislative obligations;
- Analysis of population projections and other demographic profile changes; and
- Review of best practice industry guidelines.

Based on the above, it is generally assumed that Council's current asset portfolio, described below, meets the basic service needs of the local community and that continuous improvement of the service and asset portfolios is necessary as community needs evolve.

4.2 Asset Portfolio

Frankston City Council has responsibility for an asset portfolio valued at $1.3 billion, as reported in Councils Annual Report 2011/12.

Three (3) asset groups have been defined in Council's Financial Reports (Property, Plant and Equipment and Infrastructure). In the case of Property, this includes 2 asset classes (Land and Facilities). The asset class Land includes the following asset categories: Foreshore & Riparian Land, Open Space, Land Under Roads and Land Improvements. Facilities include two asset categories Land and Buildings. The Buildings category consists of a range of components. Classification definitions are provided below:

- **Asset Group** – is the level that Council assets are reported in Council's Financial Reports.
- **Asset Class** – is the name given to a group of assets that have a similar nature or function in their operations.
- **Asset Category** – is a general grouping of asset components within the asset class, this is used for financial reporting and asset management purposes.
- **Components** – are specific parts of an asset, independent in functionality or type, which has different attributes such as life and maintenance regimes. This is the level that asset valuations, depreciation, maintenance costs and history are recorded. It is also the level at which renewal planning should occur.

For each Asset Group, known asset quantities are presented in the tables presented below. An indication of the reliability of Council's condition and valuation data has been rated as follows:

DATA RELIABILITY RATING

A - Highly Reliable *- Data based on sound records, procedure, investigation and analysis, which is properly documented and recognised as the best method of assessment.*

B - Reliable *- Data based on sound records, procedure, investigation and analysis which is properly documented but has minor shortcomings, for example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation.*

C -Uncertain *-Data based on records, procedure, investigation and analysis, which is incomplete or unsupported, or extrapolation from a limited sample for which grade A or B data is available*

D - No Reliable Data*- Some officers may have standalone spreadsheets of inventory information*

The assessment highlights gaps in current knowledge. It is important to note that a rating of ***A - Highly Reliable*** does not imply perfect data and knowledge, nor does it imply that no further work is required. Continued investment in asset audits and data management is therefore necessary to ensure Council's asset data is accurate and reliable.

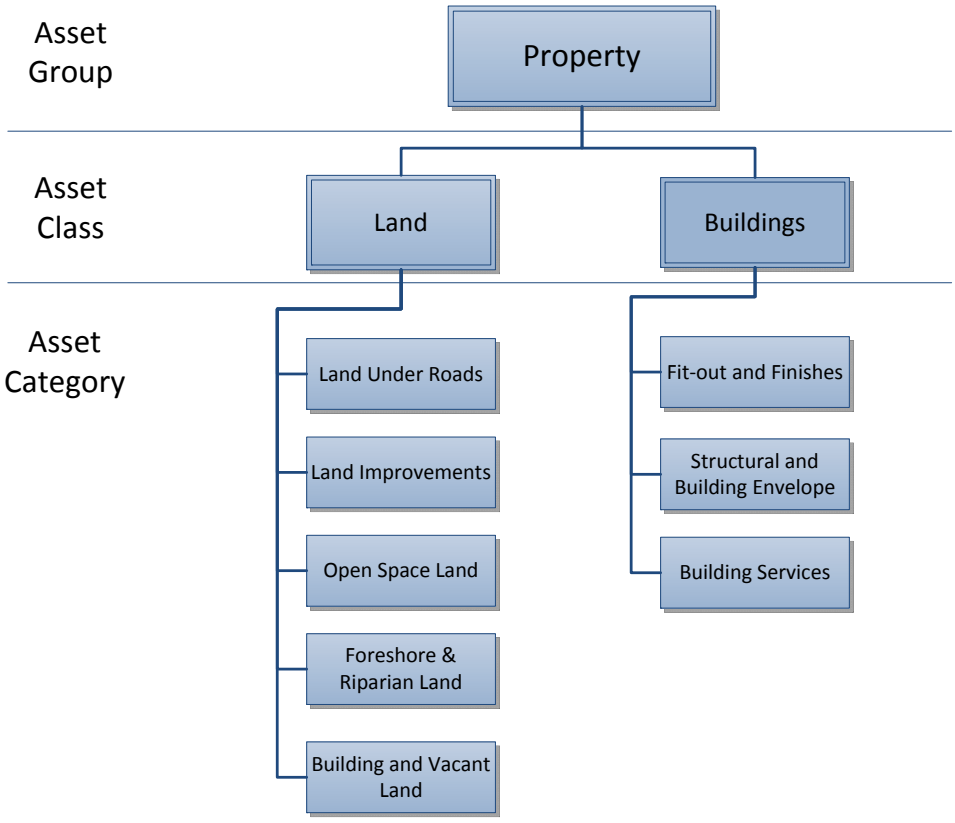


Figure 1: Frankston City Council – Property Asset Classifications.

Asset Class	Asset Category	Component	Quantity (where available)	Reliability	
				Condition	Valuation
Land	Foreshore & Riparian Land	Land	138.3ha	NA	B
	Land Under Roads	Land	1.485ha[$]	NA	B
	Land Improvements	Landscaping		NA	B
		Earthworks/formation	67 sporting grounds or 74.7ha	D	B
	Open Space Land	Active	29 no or 257.3ha	NA	B
		Passive	375 no or 825.5ha	NA	B
	Building and Vacant Land	Land Under Buildings	Within Vacant land	NA	B
		Vacant Land	680.9ha	NA	B
Buildings	Fit-out and Finishes	Internal	180	C	C
		External	102	C	C
	Structural and Building Envelope	External Fabric	275	C	C
		Sub-Structure	282	C	C
		Roof	282	C	C
		External Structures	103	C	C
	Building Services	Electrical Services	221	C	C
		Mechanical Services	93	C	C
		Fire Services	159	C	C
		Plumbing	217	C	C
		Water Services	216	C	C
		Security Services	108	C	C
		Lift/Hoist Services	5	C	C

Table 1 - Property Asset Group – Known Quantities

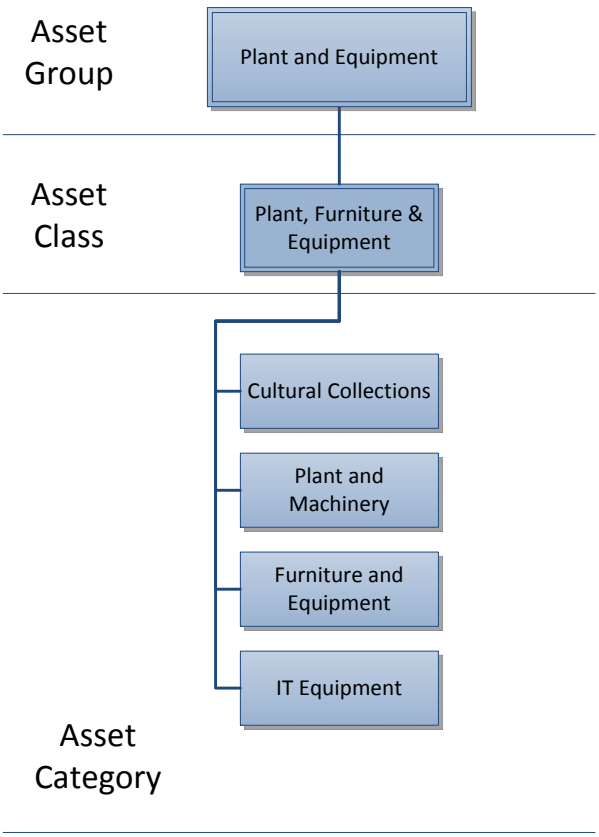


Figure 2: Frankston City Council – Plant & Equipment Asset Classifications.

Asset Class	Asset Category	Component	Quantity (where available)	Reliability	
				Condition	Valuation
Plant, Furniture & Equipment	Cultural Collections	Library Collection Items	201,175	C	B
		Public Art	62	C	D
	Plant and Machinery	Light Fleet	121	B	A
		Heavy Vehicle	209	B	A
		Trailer	Within Heavy Plant	B	A
		Minor Plant		D	D
	Furniture and Equipment	Office Furniture		D	D
		Phones		D	D
		Audiovisual Equipment		D	D
	IT Equipment	Computers	600 Desktops 100 Laptops	B	D
		Servers	2	B	D
		Photocopier/Printer		D	D
		GIS Mobile Hardware	30	B	D
		Software	100	B	D

Table 2: Plant and Equipment Asset Group – Known Quantities

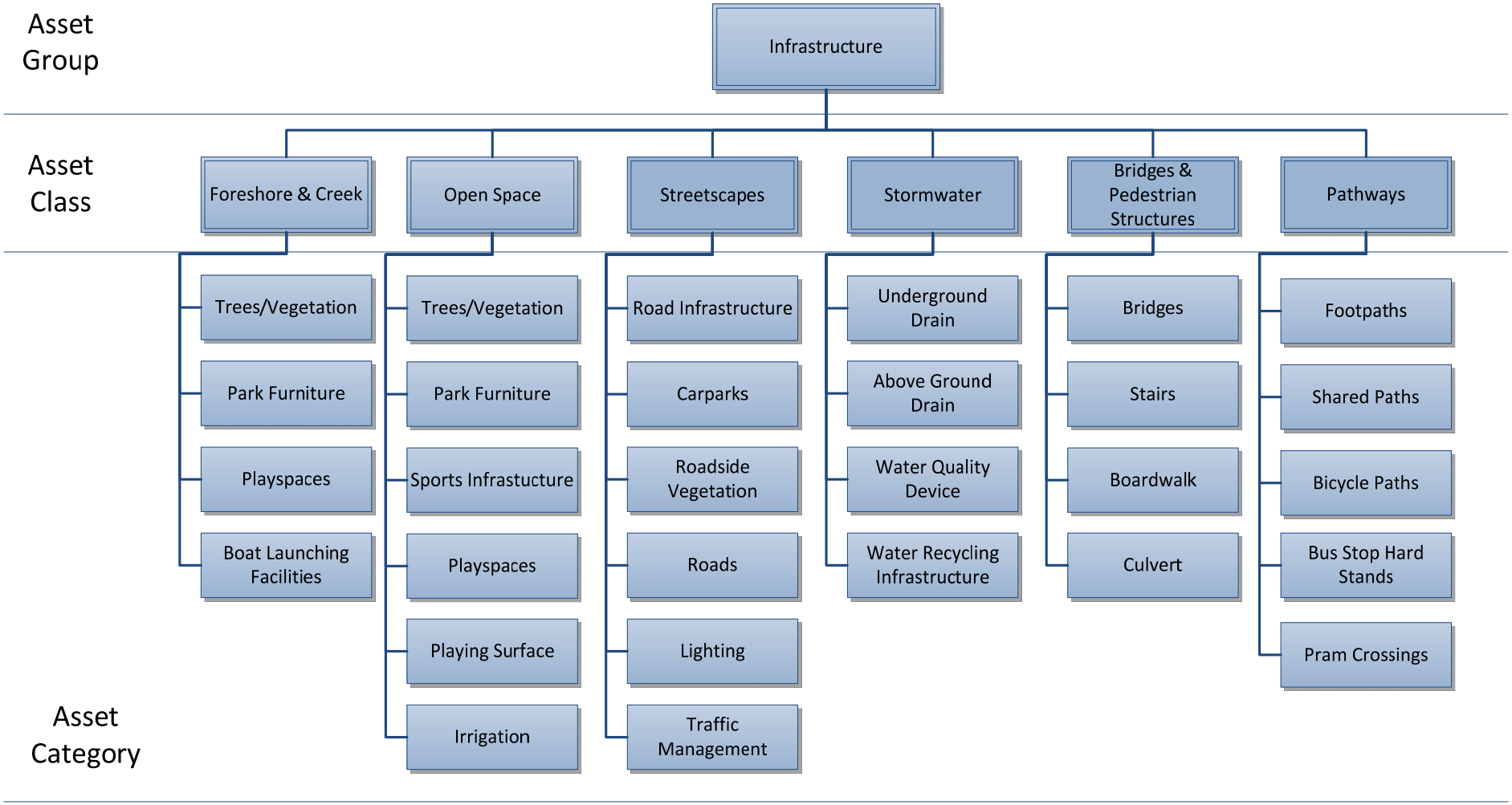


Figure 3: Frankston City Council – Infrastructure Asset Classifications.

Asset Class	Asset Category	Component	Quantity (where available)	Reliability	
				Condition	Valuation
Foreshore & Creek	Trees/Vegetation	Trees	Currently reported within the Open Space Asset Class	D	D
		Other Vegetation		D	D
	Park Furniture	Seats		D	D
		Tables		D	D
		Drinking Fountain		D	D
		Barbeque		D	D
		Signage		D	D
		Fencing/Bollards		D	D
		Bins		D	D
	Play spaces	Playground Equipment		C	C
	Boat Launching Facilities	Boat Ramp	2 no	A	D
		Piers/Jetties/Pontoons	2! no	A	D
Streetscapes	Road Infrastructure	Bus Shelters	6 no	D	D
		Street Seats		D	D
		Bins		D	D
		Fencing		D	D
		Guardrail		D	D
		Retaining Walls		D	D
		Signage		D	D
		Guideposts		D	D
		Parking Ticket Machines		D	D
		Surface Marking		D	D
	Car parks	Surface	1590m^2	D	C
		Pavement	1590m^2	D	C
		Earthworks/formation	1590m^2	D	C
		Road Edge		D	C
	Roadside Vegetation	Trees	58,000	B	D
		Other Vegetation	7,000	C	D
	Roads	Surface	659km	A	C
		Pavement	659km	A	C
		Earthworks/formation	659km	NA	C
		Road Edge	1095km~	D	C
	Lighting	Poles		D	D
		Light Fittings		D	D
	Traffic Management	Roundabout	139 no	D	C
		Speed Hump		D	D
		Islands	762 no	D	C
		Chicanes/Slow Points		D	D
		Pedestrian Crossing		D	D

Asset Class	Asset Category	Component	Quantity (where available)	Reliability	
				Condition	Valuation
		Traffic Signals		D	D
Bridges & Pedestrian Structures	Bridges	Superstructure	153> no	B	B
		Substructure	106> no	B	B
		Deck Joists	2> no	B	B
		Bearings	9> no	B	B
		Miscellaneous	288> no	B	B
	Stairs	Superstructure		B	B
		Substructure		B	B
		Deck Joists		B	B
		Bearings		B	B
		Miscellaneous		B	B
	Boardwalk	Superstructure		B	B
		Substructure		B	B
		Deck Joists		B	B
		Bearings		B	B
		Miscellaneous		B	B
	Culvert	Culvert	43 no	B	B
Stormwater	Underground Drain	Pipe	912km	B	C
		Pit	34,164 no	B	C
		Headwall/End wall	683 no	B	C
	Above Ground Drain	Open Drain	292 no	D	D
		Retarding Basin	11 no	D	D
		Overland flow path		D	D
		Drainage Reserve		D	D
	Water Quality Device	Gross Pollutant Trap	18	D	C
		Litter Basket/Trap		D	C
		Wetlands	188.6ha	D	D
		Bio-retention Basins/Rain Gardens		D	D
		Bio-retention Swales		D	D
		Ponds/sedimentation basins		D	D
		Porous Pavements		D	D
	Water Recycling Infrastructure	Storage Tank		D	D
		Pump/Pump house		D	D
		Pipes		D	D
		Filter/filter pipe		D	D
Pathways	Footpaths	Surface	878km*	C	C
		Earthworks/Formation	878km*	C	C
	Shared Paths	Surface		D	C
		Earthworks/Formation		D	C
	Bicycle Paths	Surface	16.5km	D	C
		Earthworks/Formati	16.5km	D	C

Asset Class	Asset Category	Component	Quantity (where available)	Reliability	
				Condition	Valuation
		on			
	Bus Stop Hard Stands	Surface		D	D
		Earthworks/Formation		D	D
	Pram Crossings	Surface		D	D
		Earthworks/Formation		D	D
Open Space	Trees/Vegetation	Trees	230,000no+	D	D
		Other Vegetation		D	D
	Park Furniture	Seats	315 no	D	D
		Tables	203 no	D	D
		Drinking Fountain		D	D
		Barbeque	22 single 10 double	D	D
		Signage	356 no	D	D
		Fencing/Bollards	8764m	D	D
		Bins	289 no	D	D
	Sports Infrastructure	Cricket Nets	66 no	D	D
		Goal Posts	274 no	D	D
		Ground Lighting	37 no	D	D
		Golf Fence	3 no	D	D
	Play spaces	Playground Equipment	121 no	C	C
		Skate/BMX Equipment	7 no	D	D
		Fitness Equipment	2 no	D	D
	Playing Surface	Netball Court	19 outdoor 5 indoor	D	D
		Tennis Court	99 no	D	D
		Basketball Court	13 outdoor	D	D
		Bowling Green	13 no	D	D
		Athletic Track	2 no	D	D
		Baseball Pitches	4 no	D	D
		Golf Fairway/Green	19 no	D	D
		Wickets	40 synthetic 13 Turf	D	D
	Irrigation/Drainage	Pit		D	D
		Pump	7 no	D	D
		Pipe		D	D
		Irrigation System	53no	D	D

Table 3: Infrastructure Asset Group – Known Quantities

Notes:

! Piers and Jetties are currently reported within the Bridges and Pedestrian Structures Asset Class

~ This figure is Kerb & Channel only. It does not include shoulders.

> These figures include Stairs and Boardwalks but the register is incomplete, a number of structures have not been recorded.

* Figure includes 64km of footpaths in reserves, which are currently not a valued or condition audited

+ Council arborist estimate only

In 2007, Council began the implementation of a centralised Asset Management Information System (AMIS). This project involves progressively creating a centralised reliable asset register for all assets. The asset inventory, presented here, is therefore expected to change in future years as Council undertakes asset audits to improve the quality and scope of its centralised asset register.

5.0 CURRENT STATUS - ASSET KNOWLEDGE & INFORMATION SYSTEMS

5.1 Asset Knowledge

In order to obtain a clear understanding of the current situation regarding Council's assets and their management, Council needs to understand the quantity and condition of the asset portfolio. Council also needs to know whether the assets are able to meet the current and projected needs of the community.

To assist in this, Council has been undertaking a process of audits and assessments of its major assets including buildings, roads, bridges and footpaths. The inventory and condition audit methodology has been evolving and improving over time but is somewhat ad hoc, particularly for some asset classes. This is evident from the gaps in asset data presented in the previous section.

Development of a more structured asset audit methodology and the introduction of a prioritised audit program is recommended to progressively improve Council's asset knowledge and incorporate reliable asset data into future AM Plans and Financial Reports.

5.2 Asset Management Information System - Hansen 8

Council is currently implementing an Asset Management Information System (AMIS) **Hansen8** from the vendor 'Infor'. Council's objectives in selecting and staging the implementation of AMIS were as follows:

- To have a central repository for all infrastructure asset data;
- To support the efficient and effective delivery of services through effective maintenance management;
- To undertake life cycle management of all asset groups;
- To correctly identify and account for Council asset data and transactions and ensure compliance with accounting standards and other regulatory requirements;
- Implement a system that is flexible enough to accommodate the variations in the management of the various asset groups;
- To facilitate an asset management culture and reduce the overall costs and risks associated with assets;
- Provide the ability to add advanced asset management functionality as Council 'matures' with respect to asset management; and
- Implement an integrated 'off-the-shelf' package that will support the concept of 'data entry only once' and be easily interfaced with other relevant corporate applications.

The AMIS Project is a multi-year project monitored via a Project Control Group with representation from the following Departments: Asset Strategy, Information Services,

Operations, Facilities & Leisure, Finance and Infrastructure. In 2011, a four-phase implementation process was adopted with the following phases: Roads, Drains, Facilities, and Parks.

Review of Council's Road Management Plan in May 2013, highlighted a need to ensure that AMIS has the capacity to support compliant delivery of the maintenance and inspection service levels documented in the Road Management Plan, in order for Council to have a policy defence against public liability claims under the Road Management Act. As a result, the AMIS Project implementation phasing is currently under review.

It is expected that each phase of the rollout (Roads, Drains, Facilities, and Parks) will include development of:

- An asset register, that stores the data needed for asset valuations and predictive condition-based asset deterioration modelling;
- Capacity to facilitate, manage and report on the delivery of:
- Routine Hazard/ Defect Inspections;
- Reactive Maintenance Activities; and
- Routine Maintenance Activities.

  (Including provision of an auditable documentation trail from initial identification of a defect through to assessment and (if required) ultimate asset repair)
- Capacity to support asset condition auditing processes including associated updates to the condition data stored in the asset register (and GIS);
- Support the planning and delivery of capital works programmes for:
- Regulatory Compliance/ Risk Mitigation Projects
- Renewal Works; and
- New/ Upgrade Works.

  (Including updates of the asset register details)
- Support asset valuation processes including updates of the asset register details and inputs into Financial Reports;
- Integration of Hansen8 with relevant information systems (TechologyOne, Pathway, Mapinfo/ Intramaps, Kern Mobile and SMEC Pavement Management System)

It is expected that business processes for the above-listed system development items will be common across each phase (Roads, Drains, Facilities, and Parks).

Completion of Phase 1 (Roads) is expected by December 2013. Implementation of the other phases is expected to occur by 2016/17. It is recognised that ongoing system improvements will be required after the initial system rollout as business processes and reporting requirements evolve.

5.3 Information Systems

In addition to Hansen8, discussed above, Council uses a number of other information systems to support the management of its asset data. The table below summarises Council's key information systems.

In the absence of a fully operational centralised integrated asset management information system for all assets, Council retains reliance on a number of disparate systems and spreadsheets. The multiplicity of independent systems has made data integrity management and real-time reporting time-consuming and somewhat unreliable.

System	Comments
Financial System: TechnologyOne (T1)	• T1 currently records costs against financial accounts. Costs can be interrogated at an asset class level. The system however, does not enable identification of which assets Council has actually spent money on. • The intention is to integrate Hansen8 and T1 so that actual costs are recorded against the affected asset. This will allow Council to have a better understanding how much Council has spent on a particular asset, group of assets, or usage area.
Customer Request System: Pathway PCS	• PCS records all requests from both external and internal customers. It is currently being used as a "proxy" maintenance management System. • The current inappropriate use of PCS makes it difficult to reliably monitor Council's compliance with the service levels set out in the Road Management Plan. Particularly given that officers are able to extend the due dates set within PCS. The creation of "proxy" customer service requests by maintenance staff, distorts the data available to assess Council's customer response. • PCS and Hansen8 have been integrated to allow customer service requests to automatically create work orders within Hansen8 if the service request is applicable to an asset. • When Hansen8 is implemented, it will be used to manage inspection and maintenance works leaving the PCS to manage Council's customer response.
Geographic Information Systems (GIS): Mapinfo and Intramaps	• Currently GIS is used to store asset data in lieu of a centralised asset register. • When Hansen8 is implemented all asset data will be stored within Hansen8. Council's GIS systems will then be used to spatially present and view asset data stored in Hansen 8.

System	Comments
Maintenance Management System: **Hansen 8 and Kern Mobile**	• Council is currently using Pathway as a make-shift solution for a maintenance management system in the roads and drainage area. In other areas there is no systems used. • Council currently has some stand-alone mobile applications that are used to facilitate inspection and maintenance of the following asset classes: drains, trees and paths. These stand-alone systems do not link directly to asset registers and require staff to manually update the asset registers. Retention of these systems would require considerable IT development support. It was therefore decided to replace these systems with Hansen8 and Kern Mobile. • Council's Asset Management Information System (AMIS), Hansen8, will act as its Maintenance Management System. Use of Hansen8 will be facilitated by Kern Mobile, which will act as a data logger for staff when working in the field. This will create efficiencies as staff move toward a paperless system for all inspection and maintenance functions. • Asset Strategy will be able to use Hansen8 to undertake condition audits, store, verify and analyses asset data.
Pavement Management System - SMEC PMS	• SMEC PMS is the asset register, condition register, renewal works programming and deterioration modelling tool used for all Council roads. • As the modelling function of SMEC PMS cannot be replicated within Hansen8 it is the intention that both systems will be used with Hansen8 being used for inspections and maintenance and SMEC PMS being used for renewal works programming and asset deterioration modelling. • A common asset register, which includes condition data, will be stored in Hansen8 and SMEC.

Table 4: Information Systems

It is important to recognise that Council must continually invest in maintaining and improving asset data and knowledge in order to demonstrate good governance, and make well-informed asset management decisions to sustainably meet community needs.

Improvements in asset knowledge require continuous investment in a centralised AMIS that is used by all staff for all asset management activities. The improvement actions (listed in section 13 and described in Appendix 1) aim to ensure continued support for the implementation of AMIS and to ensure the asset management data stored in the system is reliable, reportable, updated on a regular basis and appropriately managed.

6.0 RECENT AM PERFORMANCE

6.1 MAV STEP Program Assessment (2013)

The Municipal Association of Victoria (MAV) STEP Asset Management Program, (STEP Program) was established in 2003 to support the improvement of asset management practices across Victorian Councils. The program aims to lift the profile and focus on asset management and assist Council's with the development of asset management capacity by:

- Improving awareness of asset management;
- Improving asset management skills and capabilities;
- Defining core and advanced standards for asset management practices.

Since 2010, the MAV has used the **National Asset Management Assessment Framework** (NAMAF) when assessing Council's asset management performance. Eleven (11) elements of asset management are assessed:

- Strategic Planning
- Annual Budget
- Annual Report
- Asset Management Policy
- Asset Management Strategy
- Asset Management Plans
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & Processes
- Evaluation

The assessment provides a rating of performance based on Council's responses to a series of questions. The MAV has set performance targets for Core and Advanced Maturity. The aim is to achieve Core Maturity then progress to Advanced Maturity.

Frankston City Council has participated in the STEP Program, since 2003. The most recent assessment was conducted in 2013. The graphs below summarise Council's performance for each of the eleven elements assessed. The goal is to achieve a score of 100 for each element. Council performance is an indication of the organisation's capacity to effectively, and sustainably manage its asset portfolio.

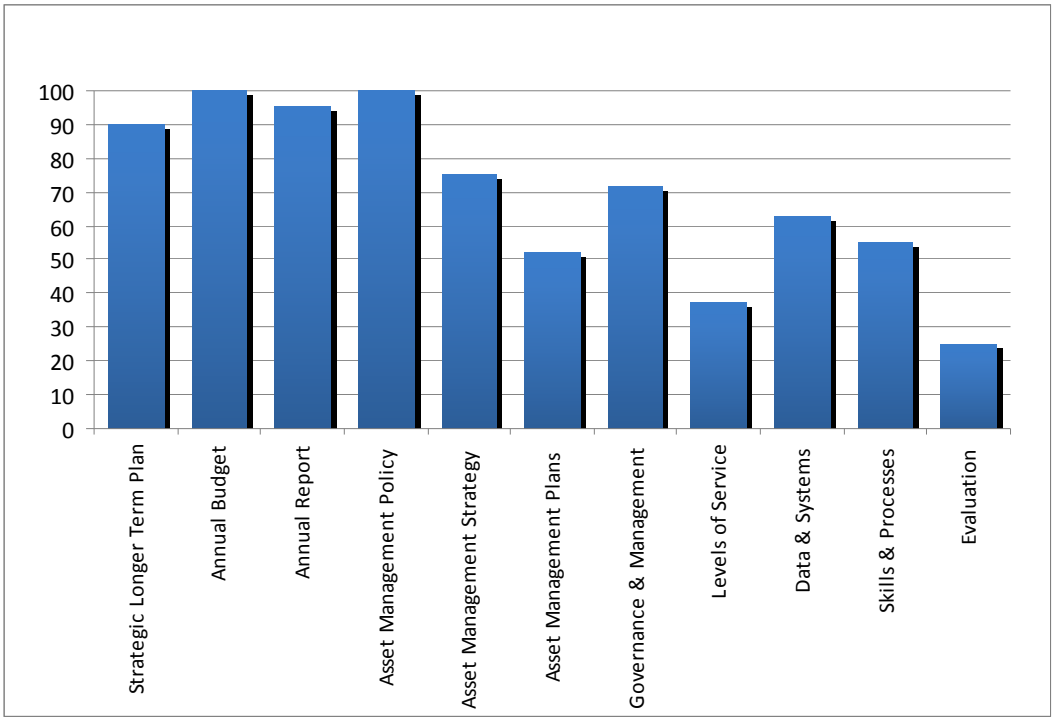


Figure 4 - Frankston City Council's – NAMAF – Core Maturity Performance 2013

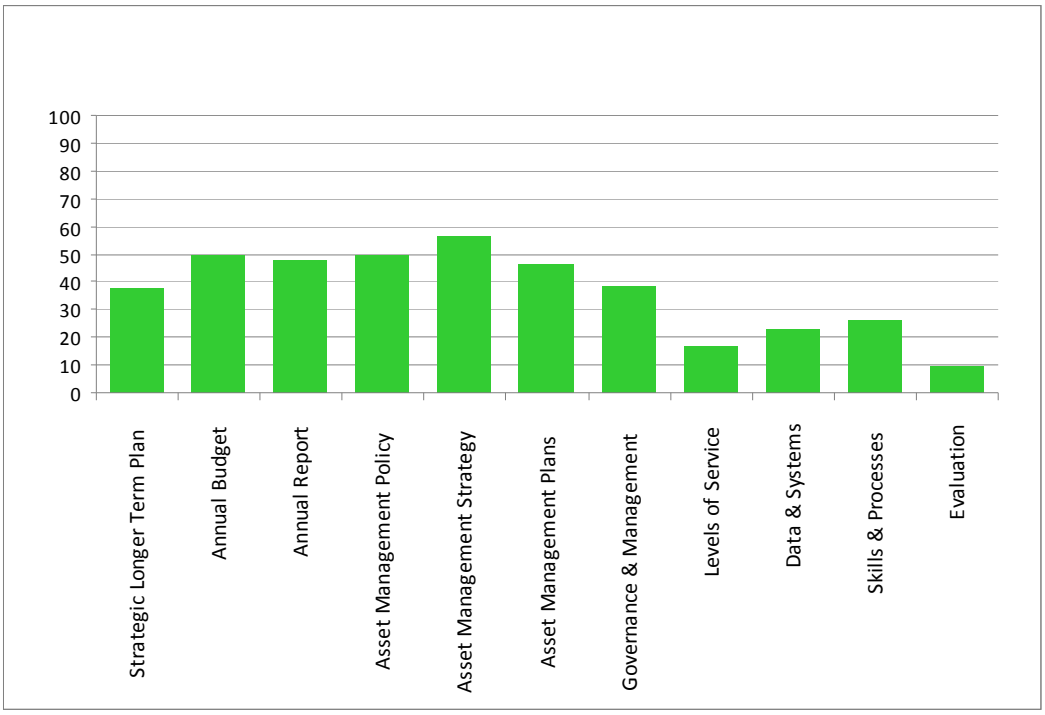


Figure 5 - Frankston City Council's – NAMAF – Advanced Maturity Performance 2013

More details of the 2013 audit are included in Appendix 2.

In addition to the individual assessment of participating Council's the MAV provides Council's with an indication of how their performance compares with that of other similar Councils. The following Figure shows the results of the most recent benchmarking. It shows how Frankston City Council compared with other Outer Metropolitan Councils.

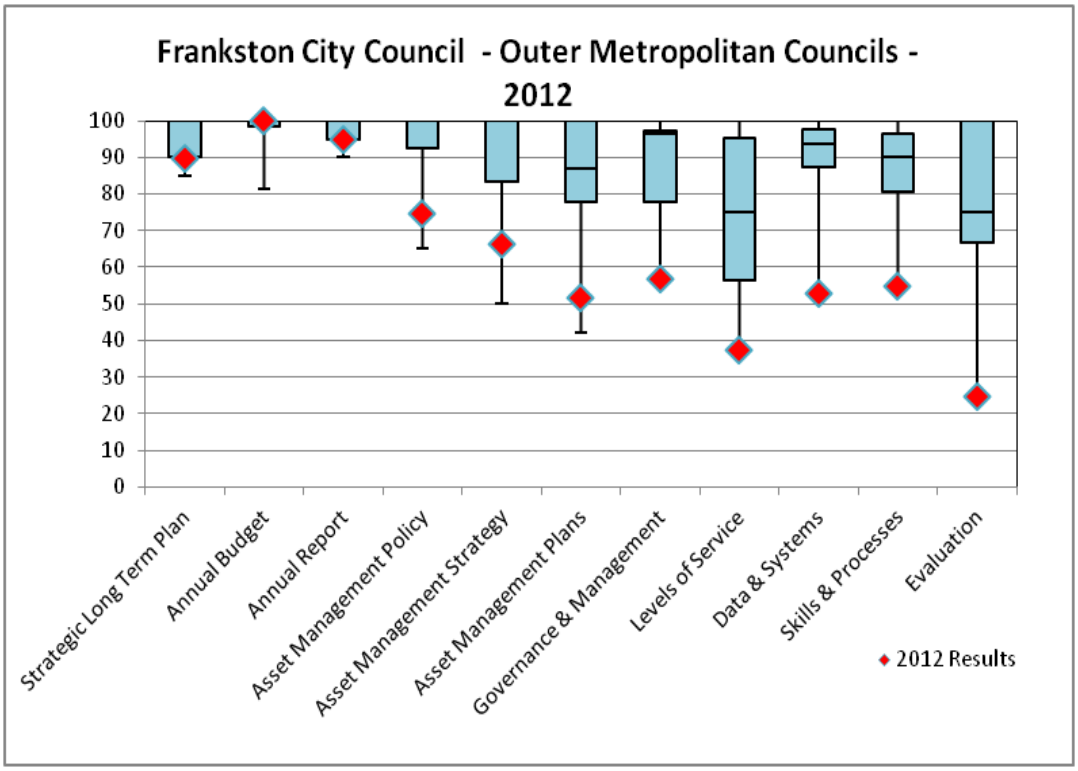


Figure 6: National Asset Management Assessment Framework 2012 Benchmark

Recent adoption of Council's AM Policy and subsequent adoption of this AM Strategy will meet the NAMAF Advanced Maturity requirements in these two areas.

Improvement actions listed in section 13 and described in Appendix 1 are intended to close the gap between Council's performance when compared with that of other Outer Metropolitan Council's by addressing shortcomings and the following areas:

- Asset Management Plans
- Governance & Management
- Levels of Service
- Data & Systems
- Skills & Processes
- Evaluation

6.2 Staff Feedback

Meetings were held over two days in February 2012 with various groups of Council staff members who had an involvement in asset management or were impacted by it. The discussions were aimed at establishing organisational impediments or difficulties that staff faced while undertaking their responsibilities.

Appendix 3 provides a comprehensive list of the issues raised and a list of attendees. A number of the issues raised are organisational ones that cannot be addressed by this AM Strategy document. Key issues raised that are considered relevant to asset management included:

- **Lack of Strategic Direction for Asset Management** – there is a good understanding of asset management at the Executive level, however, there is a perceived divergence of views on how the challenges it poses should be handled. This is having a detrimental impact on the progress toward best practice asset management outcomes. Clearer direction, and consistency from the Executive, is seen to be important in order to facilitate progress, which is currently somewhat ad-hoc.
- **Inadequate AM Responsibility Assignment** – need closer examination and amendment to better reflect what the organisation needs in relation to asset management.
- **Maintenance Funding Issues** – there are a number of maintenance related issues including funding shortfalls, lack of prioritisation process, downsizing contract outcomes to meet a budget but expecting work outcomes to be retained, and transfer of funds from maintenance to other tasks.
- **Confusion Regarding 'Asset Condition' and 'Fit for Service' Assessments** – there is a need to recognise the difference between these two aspects when determining renewal and upgrade requirements for long-term financial planning.
- **Service Levels Not Clearly Defined** - to support reliable estimation of upgrade funding requirements current and desired service levels need to be determined for all services and associated asset classes.
- **Financial Management of Assets** – there is a need to refine the financial planning/ budget preparation process to ensure asset renewal funding allocations is aligned with condition based asset deterioration modelling outcomes. The impacts of renewal funding shortfalls on current and future asset conditions need to be communicated to decision makers during the financial planning process.
- **Lack of Policy Documentation** – there is a need for an asset handover policy and procedure to ensure projects are signed off as suitable by al key players involved in its ongoing functioning of the assets. There is a need for life-cycle costing policy procedure and guidelines for new and upgrade projects to ensure that adequate consideration is given to whole of life costs.
- **Asset Data Collection and Management** – there is a need to ensure that correct data sets are utilised when setting up the new Asset Management Information System, Hansen8. There are many data sets in existence on spreadsheets, across the organisation. These need to be reconciled into a single corporate database which then caters for the needs of all users. Also need to recognise the cost of data

collection and keeping it up-to-date. This is expensive, so data should only be collected if there is a definite ongoing use for it.

- **Capital Project Development Process** – need a review of the overall process from concept phase right through to completion and asset handover. There are a number of weaknesses in the current process including lack of consistency across the organisation in terms of the application of the Project Planning & Development Process.

Improvement actions (listed in section 13, and described in Appendix 1) are intended to address key staff concerns by improving asset management practices.

It is noted that, with regard to the Capital Project Development Process issues considerable work has been undertaken to improve the situation. In 2011, CT Management reviewed Council's capital works processes from budget submission to project delivery. Seventeen (17) improvement actions were identified. Of these, six (6) actions are not yet completed. It is important to note that it will take time for the organisation to improve, staff training and education is necessary to imbed improved practices and a new framework. An improvement actions (listed in section 13, and described in Appendix 1) is intended to enable continued work on this.

7.0 REGULATORY FRAMEWORK

Council's approach to the management of its asset portfolio is required to comply with all relevant legislation. Recognising that the regulatory framework, under which Council provides services and assets for the community is not static, Council has a duty to remain abreast of changes in regulations, standards and guidelines.

In this section, some relevant aspects of the following standards and Acts are highlighted:

- Local Government Act
- Planning & Environment Act
- Disability Act (2006)/Disability Amendment Act
- Occupational Health & Safety Act
- Road Management Act
- Retail Leases Act
- Building Act
- Australian Accounting Standards

Local Government Act

Local Government in Victoria is administered under the Local Government Act 1989, which provides a framework for the establishment and operation of local councils. It includes provisions that cover all aspects of local government responsibility including:

- Council governance requirements, including codes of conduct;
- Council decision making, including records of meetings, confidentiality and limits on decisions during election periods;
- Preparation of Council Plans, budgets and annual reports;
- Council's powers to make and enforce local laws.

Section 3E of the Act sets out the functions of Council, which includes '*Providing and maintaining community infrastructure in the municipal district'.*

Planning & Environment Act

This Act sets the framework for planning the use, development and protection of land in the State of Victoria.

Disability Act and Disability Amendment Act

This Act, which has been recently updated, requires Council to ensure that the services it provides do not discriminate against any person or group of persons. Where existing

infrastructure does not conform to current standards, then Council may produce an action plan detailing the actions it intends to undertake to ensure that assets comply with universal access provisions and the relevant codes of practice.

Occupational Health & Safety Act

This Act promotes improved standards for occupational health, safety and welfare. It places obligations on employers to provide a safe working environment for their employees and to ensure that they are adequately trained and that the plant and equipment they use is maintained in a manner that is safe and fit for purpose.

Road Management Act

The Road Management Act sets out the framework and principles for the management of the public road network. Under this Act, Council is considered a responsible and/or coordinating road authority with specific road management obligations. The Act specifies the rights and duties of road users and the roles and functions of road authorities. It describes the purpose and scope of Road Management Plans.

Retail Leases Act

The Act creates certain rights and responsibilities for tenants and landlords in Victoria which aim to encourage fairness, equality and transparency in Lease dealings. The Act seeks to balance the rights of the landlord with those of the tenant. It specifically prohibits conduct that is unconscionable and promotes practices which provide the tenant with a degree of transparency and equality, tenants being generally viewed as being the less powerful party in most Lease transactions. This results in greater obligations and responsibility being placed on the landlord.

Building Act

The objectives of the Act include to:

- establish, maintain and improve standards for the construction and maintenance of buildings
- facilitate the adoption and efficient application of national uniform building standards and the accreditation of building products
- enhance the amenity of buildings and protect the safety and health of people who use buildings
- facilitate and promote the cost-effective construction of buildings
- provide an efficient and effective system for issuing building and occupancy permits.

The building regulations are derived from the Act and govern the construction and use of buildings in Victoria. The regulations refer to the Building Code of Australia which must be complied with.

Accounting Standards

The following Australian Accounting Regulations apply to Local Government and are relevant for the financial reporting of Council assets:

- AASB 116 Property, Plant and Equipment;
- AAS 27 Financial reporting by Local Government (note this standard is largely superseded by the other standards);
- AAS 136 Impairment of Assets; and
- AAS 137 Provisions, Contingent Liabilities and Contingent Assets.

8.0 RISK MANAGEMENT FRAMEWORK

Risk management is one of the fundamentals of asset and service management, and is observed to the highest possible level using industry standard practices. It is appropriate that formal risk management processes be applied to support decision making in all areas and at all levels of the organisation. The processes need to be ingrained in the daily activities for the organisation.

Risks can typically be categorised as:

- **Natural Events**. Council has virtually no control over the timing or extent of the event, however, the probabilities may be understood;
- **External Impacts**. Council has some control over these risks, associated with other organisations providing goods and services to Council;
- **Physical Failure Risk**. Where conditions or performance of an asset could lead to failure. Council can control these risks through maintenance and renewal funding levels;
- **Operational Risk**. Where management of the asset or asset management activities might impact on an asset. Council can control these risks through maintenance and renewal funding levels.

The structured planning process is designed primarily to address the risks associated with 'physical failure risk' and 'operational risk'. The risk management structure records primary risks and critical risks associated with the assets and services.

Frankston City Council's risk management framework and processes are based on the provisions of Australian/New Zealand Standard AS/NZS ISO 130 31000 Risk Management – Principles and Guidelines. This superseded AS/NZS 4360.

The principles and processes described in the standard are displayed in the figure below. The elements are further described as:

- **Risk Management Context**. Establishes the objectives, stakeholders, key issues and criteria against which risks will be evaluated;
- **Identify the Risk**. Identifies what risk events are likely to impact on assets and services;
- **Analyse the Risk**. Reviews the existing controls and then analyses the likelihood of an event occurring and the consequence of the event to determine the level of risk;
- **Assess the Risk**. Assesses and ranks the identified risks in a Risk Register;
- **Treat the Risks**. Identifies actions to reduce/control the risk.

The process is as outlined in AS/NZS 4360, illustrated in the figure below:

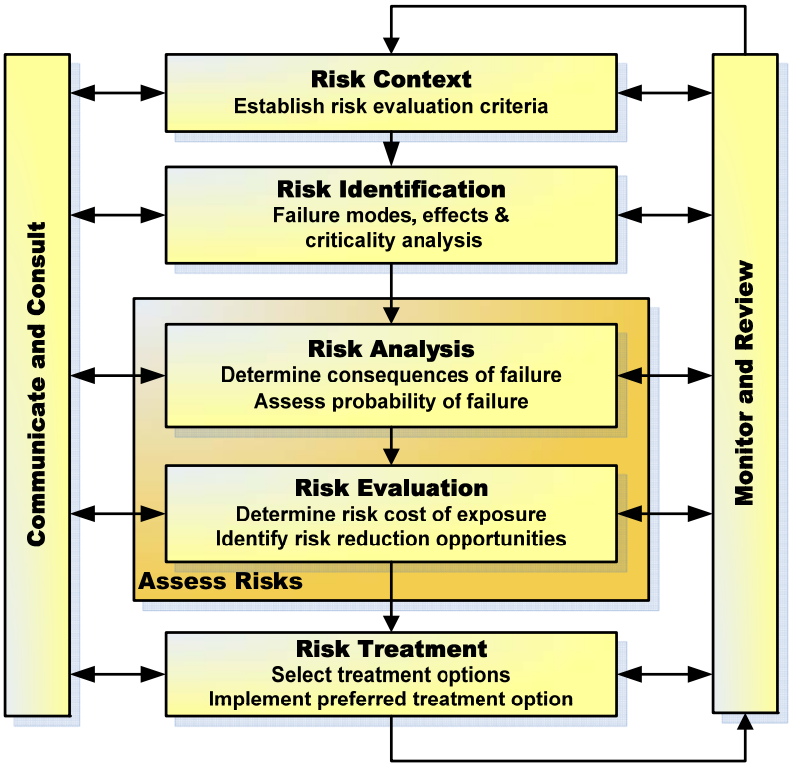


Figure 7: Risk Management Framework (Source: AS/NZS ISO 31000:2009)

Capital works programs have recently been established to enable funding of works necessary to address risk items identified by Council, including non-compliance with relevant regulations and standards. These non-discretionary programs include:

- Bridges Compliance – to enable prioritised implementation of barrier and guardrail upgrades to comply with current standards;
- Facilities Compliance – to enable Council to address non-compliance with the Building Code of Australia, Occupational Heal & Safety and Disability Discrimination Act;
- Playground Compliance – to provide compliance with relevant Australian Standards;
- Footpaths Compliance – to enable footpath upgrades/ renewal to address safety issues; and
- Parks & Leisure Compliance - to enable upgrades/ renewal to address safety issues in Council reserves.

9.0 STRATEGIC PLANNING CONTEXT

9.1 Council's Planning and Policy Framework

Council's adopted planning and policy framework is illustrated in the figure below The planning and policy framework is informed by community expectations. It is also influenced by legislative requirements and aims to guide the implementation of good management practice.

The MAV, as part of the STEP Program, is promoting an integrated planning framework and financial planning framework considered appropriate for all Victorian Councils. These MAV frameworks are illustrated in Appendix 4.

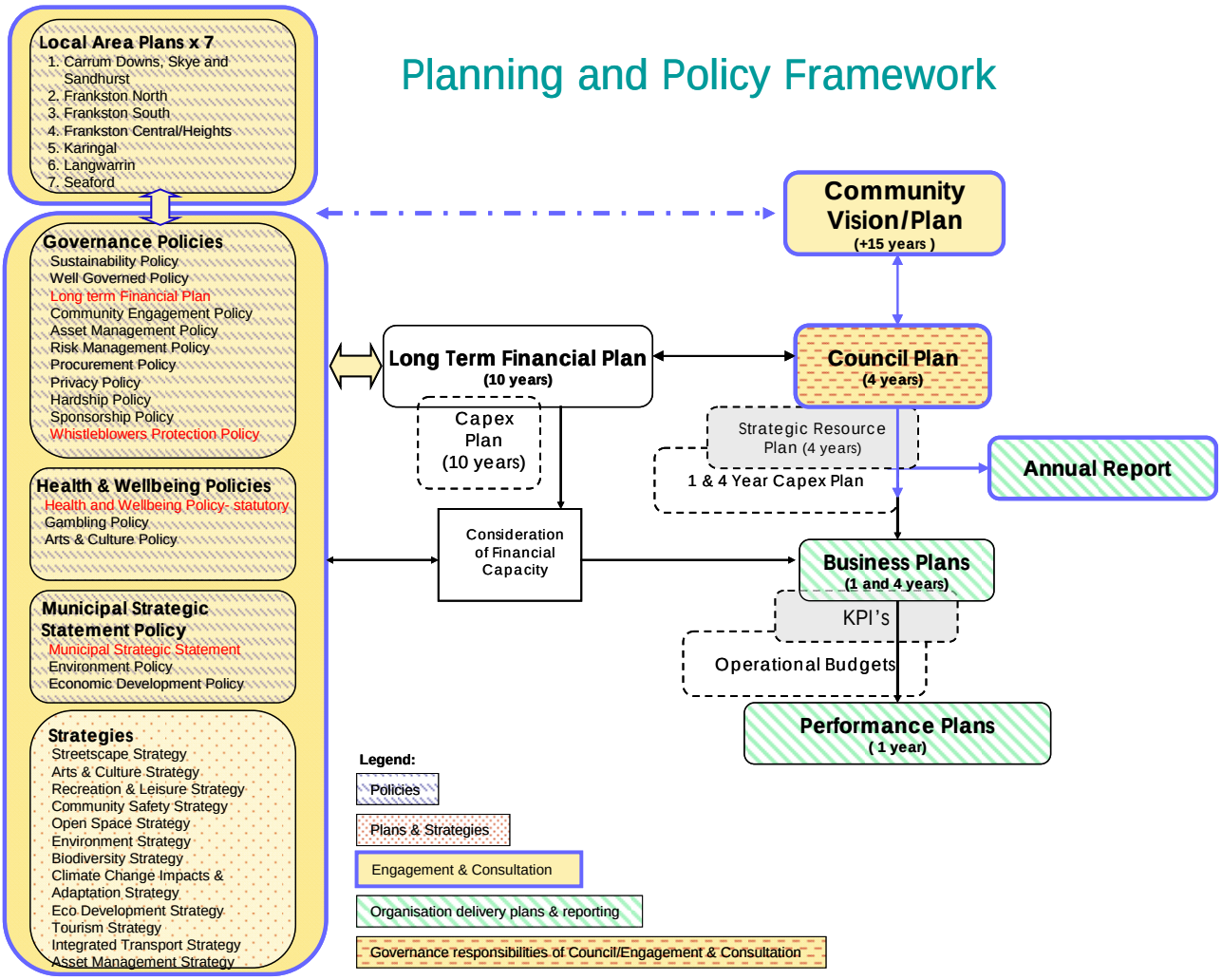


Figure 8: Frankston City Council – Planning & Policy Framework

9.2 AM links to long-term planning and the annual budget process

Consistent with Council's overall planning and policy framework, and the MAV's frameworks, the diagram below is provided to illustrate how this AM Strategy is linked to Council's AM Policy and integrated into Council's longer term planning and annual budgeting process.

Three planning aspects, listed below are illustrated and described in this section:

- High Level Council and Community Planning
- Policy Development
- Strategy Development
- Service and Asset Planning
- Financial Planning

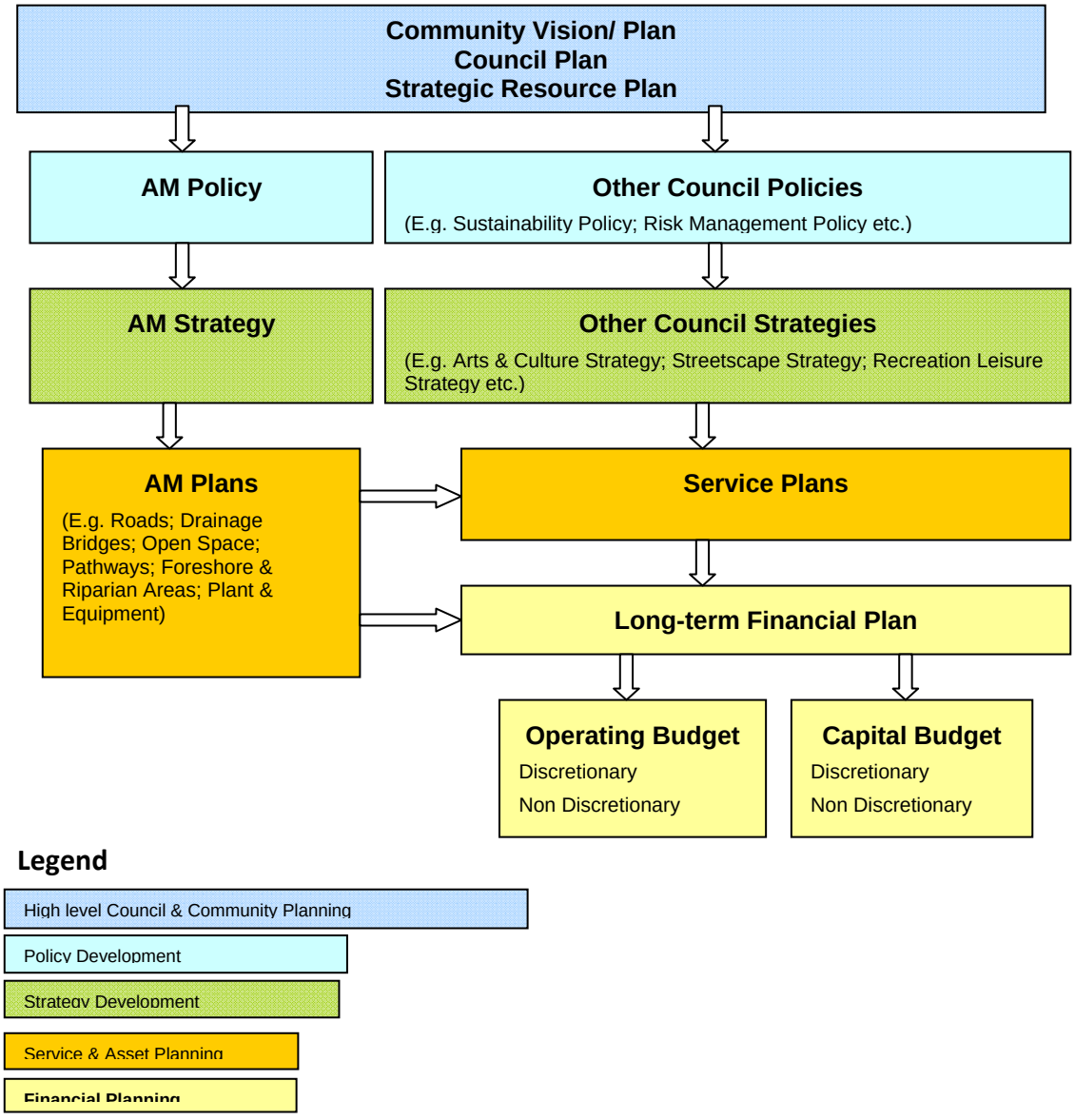


Figure 9: Relationship between Council's AM Strategy and other Strategic Planning Documents

9.3 High Level Council and Community Planning

The City of Frankston **Council Plan (2013 – 2017)** guides Council's overall strategic direction. It demonstrates how Council intends to balance competing priorities while delivering desired community benefits.

Council's **Vision** is for Frankston to be:

> *"A sustainable regional capital on the Bay – vibrant, inclusive and a natural lifestyle choice"*

Council's **Mission** is to:

> *"Lead and govern a connected community and deliver services and infrastructure which promote the quality of life for our current and future generations."*

The Council Plan 2013-2017 identifies the **Long Term Community Outcomes**. Those relevant to asset management are listed in the table below together with the associated Initiatives and Actions.

Long Term Community Outcomes	Initiative	Action
2. Liveable City	2.3 Engage the Community in shaping the services and future of the city and their local are	Establish agreed standards for infrastructure that will meet current and future service needs
3. Sustainable City	3.1 Plan, build, maintain and retire infrastructure to meet the needs of the city and its residents	Identify and reduce the financial shortfall for maintenance of infrastructure to ensure service standards are maintained
	3.3 Ensure good governance and management of Council resources.	Ensure the organisation is financially sustainable

Table 5: Strategic Objectives, Council Plan 2013-2017

Council's **Strategic Resource Plan** and **Long-Term Financial Plan** support the delivery of the long-term community outcomes set out in the Council Plan.

9.4 Policy Development

Council policy documents articulate the formal position that must be adopted by Council, based on principles linked to the Council Plan. Policies influence and determine decisions, actions and other matters.

Council's **AM Policy** is one of many policy documents. It sets the guiding principles for sustainable management of Council's asset portfolio.

9.5 Strategy Development

Council prepares a broad range of strategies on numerous topics ranging from Economic Development to Biodiversity, and Arts & Culture. These documents are an important resource that often analyse a range of options and provide Council and the community with a plan of action to achieve desired outcomes.

This **AM Strategy** aims to facilitate the implementation of the guiding principles and commitments made in the AM Policy. A key function of this Strategy is to illustrate how the City of Frankston intends to improve asset management across the organisation over the next four (4) years.

9.6 Service and Asset Planning

It is important to note that preparing a **Service Plan** is quite different from undertaking a Best Value Service Review. Council's Best Value Service Review Process document states that the Service Reviews are a process of understanding Council's efficiency, effectiveness and quality in service delivery that is best for the community, as judged by the community through consultation and measurement and monitoring of service provision. This is quite different to the preparation of **Service Plans** which include documenting the following:

- Service Description
- Service Owner
- Service Vision / Policy Intention
- Service Rationale
- Sub-Services and Programs Delivered
- Department(s) Responsible for Service Lifecycle Management
- Service User Profile
- Stakeholder Review
- Assets Currently Used by the Service
- Asset Management Roles and Responsibilities
- Current Contracts, Revenue Streams, Partnerships, Capital Contributions
- Assessment of Factors Affecting Current and Future Service Demand
- Current & Desired Levels of Service and Performance Targets
- Workforce Plan
- Proposed Operational Funding Requirements
- Current & Proposed Capital Works Program Initiatives
- Action Plan to deliver the service at the desired level

Service Plans are a key input to the asset management planning process. A key output of the service plans is a description of what is required in order for a service (and the supporting

assets) to be considered fit for purpose. Council has not yet developed Service Plans for all services that make use of Council assets. A key part of each Service Plan is **levels of service.** Essentially, levels of service act as management targets that facilitate decision-making. They define the standard at which Council aims to provide services and assets for community use. Service planning and the setting of service levels enables Council to develop AM Plans that support desired service outcomes. Without Service Plans, the AM Plans can only reliably predict future funding requirements to safely retain current service standards.

An improvement action is proposed (refer Section 13 and Appendix 1) to enable Council to focus on the development of a suite of Service Plans for all services that make use of Council assets. An important first step before developing Service Plans is to develop a list of services that Council provides. This listing of services should be developed with the participation of Councillors.

An **AM Plan,** which conforms to best practice as described in Institute of Public Works Engineering International Infrastructure Maintenance Manual (IIMM), includes the following:

- Describes the asset (physical, financial);
- Describes the objective/purpose of the asset (or each key component of it);
- Defines the intended life of the asset or key components;
- Defines levels of service within financial/resource/risk constraints;
- Specifies the capital expenditure for renewing, upgrading or new assets;
- Presents cash flow forecast for acquisition, operation, maintenance and capital expenditure and for revenue where relevant;
- Justifies the contribution of each asset in terms of value for money for the Council;
- Establishes the targets and measures that will be used for monitoring progress with its implementation; and
- Outlines an improvement program.

An AM Plan is a tactical plan for managing the organisation's infrastructure and other assets so as to cost-effectively achieve the organisation's strategic goals in the long-term. It is a written representation of the intended asset management programs based on the organisation's understanding of customer requirements, existing and projected asset conditions and performance. An AM Plan acts as a vehicle for communication with customers and other stakeholders.

First generation **AM Plans** have been developed for the following asset categories:

- Roads
- Artwork
- Drains
- Buildings
- Open Space

The current **AM Plans** have been prepared in accordance with the best practice guidelines set out in the International Infrastructure Maintenance Manual (IIMM). AM Plans have

attempted to include levels of service but these have not been well defined or clearly linked to service objectives and customer requirements set out in other Council strategies.

It is expected that the delivery of the AM Policy and this AM Strategy will be supported by a revised suite of **AM Plans**, which in turn will be supported by various standards, guidelines and operational plans.

The asset planning and management objectives developed by the Local Government and Planning Ministers' Council are documented in a set of Nationally Consistent Asset Management Frameworks. In particular, Framework 2 - Asset Planning Management highlights the Federal government's intention for State and Territory governments to develop mechanisms to ensure that local Councils:

- Define levels of service in consultation with the community;
- Establish cost and quality standards for services delivered from Council assets;
- Regularly review services in consultation with the community to determine the financial impact of a change in service levels.

Compliance with the objectives of the National Asset Management Framework (NAMF), which is assessed by the Municipal Association of Victoria, requires Council to consult with the community in order to have confidence that Council's service levels are aligned with community expectations. The NAMS Groups Manuals International Infrastructure Management Manual (IIMM) and Developing Levels of Service & Performance Measures Guidelines, provide guidance to facilitate the development of service levels in a manner consistent with the expectations implied by the NAMF.

The objective of developing service levels is to ensure that service delivery is aligned with community expectations within the context of financial and other practical constraints. Service levels can be used to inform Council's future operating and capital works programs and communicate the costs and benefits of Council's asset management approach.

The level of service that can be provided by Council is affected by factors such as:

- Legislative and regulatory requirements;
- Council's strategic mission and objectives;
- Availability of resources; and
- Financial constraints.

Updated **AM Plans** are expected to incorporate **service level planning outcomes** and to include predictive financial modelling that will inform Council's future **Long Term Financial Plan** and budgets.

9.7 Financial Planning

The adopted **AM Policy** included a detailed description of the **Budget Framework** noting that there are discretionary and non-discretionary budget decisions. As illustrated in the figure above, in future, it is expected that **Service Plans** will directly inform discretionary components of Council's **Long-term Financial Plan** (i.e. investment in new assets and asset upgrades).

The **AM Plans** will inform the non-discretionary components of the **Long term Financial Plan** and therefore the **Operating and Capital Budgets**:

Non- Discretionary Operating funds are required to:

- Maintain existing asset stocks and mitigate risks so that existing services are maintained to approved service standards;
- Undertake the additional maintenance (as determined by lifecycle cost analysis) that will be incurred as a result of the creation of new and upgraded assets;
- Operate new and upgraded assets (as determined by lifecycle cost analysis) that will be incurred as a result of the creation of new and upgraded assets; and
- Operate existing asset stocks so that existing services can be delivered to approved service standards.

Non- Discretionary Capital funds are required to:

- Address mitigate risks associated with assets that are non-compliance with relevant regulatory obligations; and
- Renew/ replace existing assets in order for existing, new and upgraded assets to remain in a condition that is safe for use and retain their service capacity.

10.0 ORGANISATIONAL CONTEXT

The chart below demonstrates Council's organisational structure. The organisation is split into four divisions - Assets, Communities, Corporate and Development - each led by a General Manager. The Organisation Development Department reports directly to the CEO as it has ultimate responsibility for all employees.

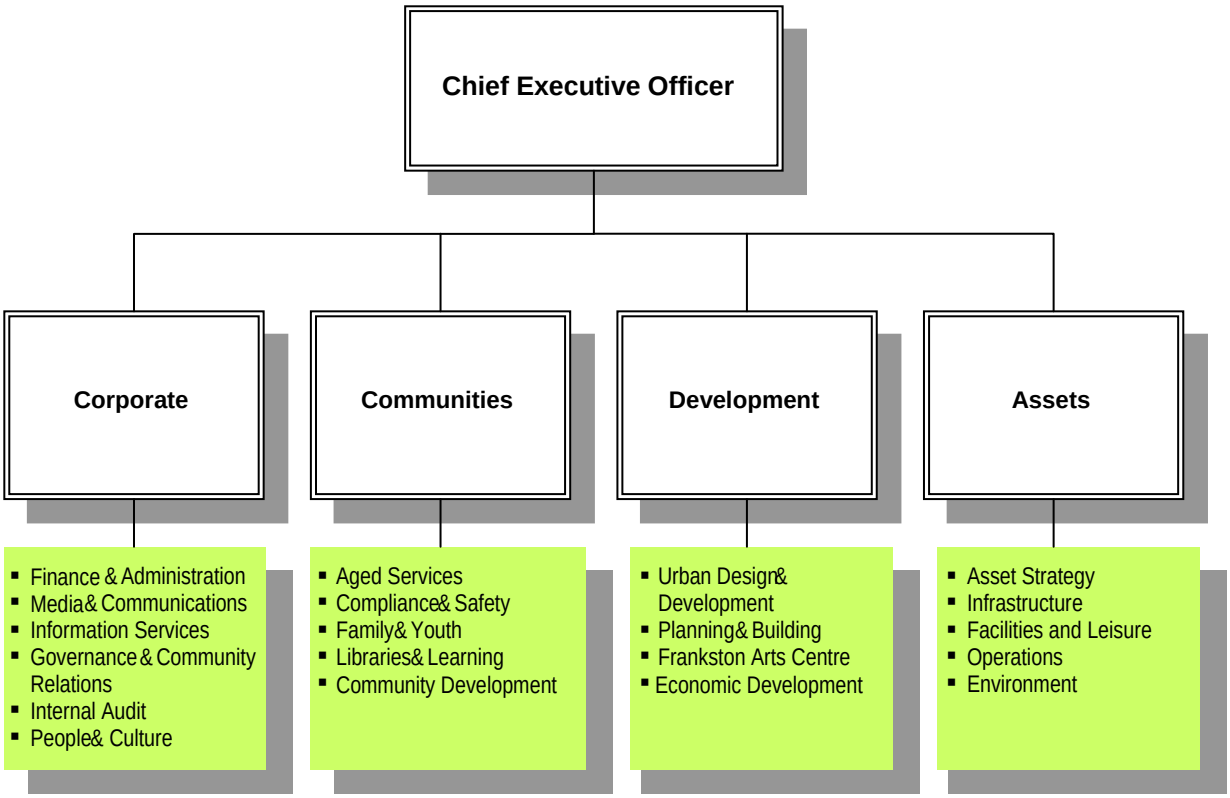


Figure 10: Organisation Chart

The Assets Division is primarily responsible for the care and management of Council's infrastructure assets. All other Council teams also have a responsibility for either supporting or setting service standards and delivering services to the community as primary users of these assets.

Roles and responsibilities for asset management are set out in Council's AM Policy for the following:

- Council
- Chief Executive Officer (CEO)/Executive Leadership Team (ELT)
- General Manager Assets (GMA)
- Asset Management Leadership Team (AMLT)
- Manager Asset Strategy & Asset Planning Coordinator
- Managers & Coordinators
- Staff

The AM Policy also includes the Service Delivery Model, illustrated below, which is intended to describe the relationship between community demand for services and Council's responsibilities when managing a service and the supporting assets.

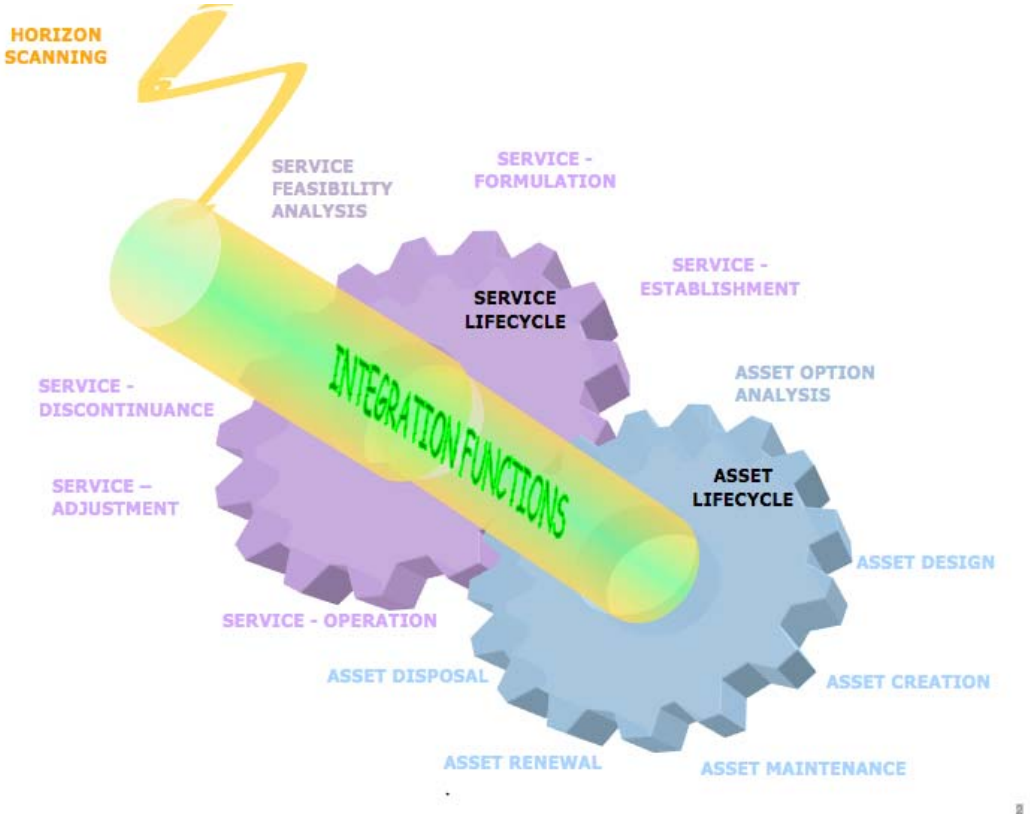


Figure 11: Service Delivery Model - Integrated Service & Asset Lifecycle Management

Two lifecycles are illustrated. Each phase of the service and asset lifecycle must be managed in a sustainable manner.

The Service Delivery Model illustrated in the figure above is consistent with the model developed by the MAV, and illustrated below.

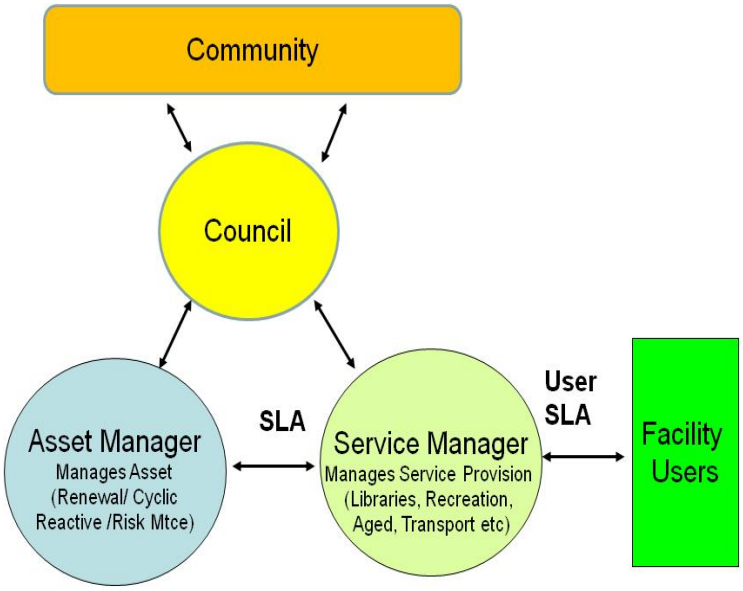


Figure 12: MAV - Asset and Services Manager Model

The **Asset Manager** is directly responsible for the management of the physical asset including consideration of the long term renewal needs, managing asset information, and ensuring that management of the existing assets is undertaken so that they continue to function and meet the needs of Service Managers into the future. Officers in the Assets Division generally have the role of Asset Manager.

Service Managers are directly responsible for the delivery of services to the community and liaise with asset users. They analyse community expectations, document current demand and predict future service demand. They undertake service planning to determine the standard/level of service desired by the community. They communicate desired and adopted service levels through a Service Plan and/ or Service Level Agreement (SLA). Officers in the Communities and Development Divisions generally have the role of Service Manager.

An improvement action is proposed (refer section 13 and Appendix 1) to ensure clear responsibilities are assigned for all services and assets.

11.0 CURRENT AM SKILLS & CAPABILITIES

The level of AM awareness and capabilities vary across the organisation. Councillors and the Executive are aware of the importance of asset management as demonstrated by the adopted Council Plan and AM Policy.

Some officers are exposed to asset management principles and practices via the asset management information system (AMIS), and various ad hoc training opportunities. There is currently no formal AM training program for staff, management or Councillors. Organisation-wide asset management training needs tend to be identified in an ad hoc manner.

Successful asset management underpins long-term sustainability. It is therefore important for everyone in the organisation to understand what asset management is about and to understand that development and implementation of sound asset management planning and practices is an organisation-wide responsibility. Considerable effort is necessary to enable AM skill gaps to be identified and addressed.

12.0 AM GOVERNANCE & EVALUATION – CURRENT STATUS

12.1 Governance

Council had established an Asset Management Leadership Team (AMLT), to oversee and guide Council's asset management activities. Recent disruption to the organisation structure has resulted in a disbanding of this team.

In accordance with Council's revised AM Policy, it is expected that when this Strategy is adopted, the AMLT will be reformed with a revised terms of reference. AMLT will be chaired by the Manager Asset Strategy, and consist of representatives from all Council departments. It is considered important that the Team take an active role in facilitating the implementation of all improvement actions set out in this Strategy.

12.2 Evaluation & Reporting Mechanisms

I. Internal

A regular program of meetings is in place to support the governance of Council practices including asset management. The regular reporting program includes:

- Monthly reports on Capital Works Delivery to the Executive and Council;
- Monthly Capital Works Improvement Working Group;
- Bi-monthly Assets Divisional Leadership Meeting;
- Monthly Infrastructure Assets Trouble -Shooting Working Group ; and
- Regular Departmental staff briefings and weekly meetings in each functional areas of Council.

Other ad hoc meetings also occur including occasional reports/ presentations to Council and Executive as part of budget preparation processes to ensure awareness of asset management principles, capital investment principles and responsibilities regarding progress toward closure of the renewal gap.

ii. External

Participation in the MAV STEP Program, which includes assessment of Council practices against the National Asset Management Assessment Framework, as discussed earlier in this Strategy, is the key tool used by Council to monitor and evaluate its asset management performance and benchmark this performance against other Victorian Councils. Performance is reported to the Executive.

Council is also a member of a regional asset management group, South East Metro Councils Capital and Asset Management Group (SEMCCAM), which meet bi-monthly to discuss issues, collaborate and review how each Council tackles asset management and capital planning.

13.0 IMPROVEMENT ACTION PLAN

The table below summarises the Asset Management Improvement Action Plan to be implemented over the next four years. Detailed descriptions of each Action are provided in the Appendix 1. Actions have been aligned with the core principles set out in the AM Policy

- Ensure Assets Support the Services Provided by Council;
- Community Involvement in Decision-Making;
- Focus on Long-term Sustainability;
- Sustainable Investment in Capital Works;
- Continuous Improvement in Data and Asset Management Information Systems;
- Compliant Asset Accounting;
- Legislative and Regulatory Compliance;
- Continuous Improvement in Risk Management;
- On-going Training and Skill Development; and
- Effective Monitoring and Reporting.

For each Action, the table below highlights the following:

- Recommended Project Leader
- Target completion date

The proposed improvement plan is ambitious. Implementation will require active participation of existing staff across the organisation.

Constraints to the deliverability of the program include:

- The availability of key staff members, and external consultants with the relevant skills to undertake the activities.
- The capability and capacity of staff to be fully involved in project activities and also maintain their everyday duties.
- The ability of staff to accept cultural change with respect to challenging the status quo, and implementing new, or altered, asset management practices.

13.1 Implementation Approach

The Manager Asset Strategy, with support from AMLT, will be charged with responsibility for coordinating the implementation of all actions. Where additional resources outside existing budget constraints are required, the Manager will provide guidance to the Executive on the nature, priority and extent of extra resources needed to implement the AM Improvement Action Plan in a timely manner. Given that a number of the recommended improvement actions are interdependent, it is expected that where possible the delivery of related projects will be combined.

Each Project Leader will be charged with responsibility for incorporating delivery of the assigned actions into their annual business plan. Further work is therefore required, by each proposed Project Leader, to define the scope of each action in more detail and review the

project delivery costs and resource requirements, which are all estimates at this stage. Consultation with key stakeholders will be necessary during this planning stage.

In the event that multiple stakeholders are expected to contribute to the successful delivery of an Action it will be incumbent on the Project Leader to define the scope, estimate the hours required to complete the works and communicate this information to all stakeholders to ensure they too allocate appropriate time and resources to work collaboratively on the improvement project.

For some projects, it may be necessary for the nominated Project Leader, to prepare a submission to seek additional funding for the delivery of the improvement project. Consideration for funding of new initiatives occurs either during the development of the annual budget or at mid-year budget reviews.

ID	Action	Project Leader (stakeholders)	Resource Estimate					External	Target Completion Date	Comments
			2013/14	2014/15	2015/16	2016/17	Future Years			
Ensure Assets Support the Services Provided by Council										
1	Identify Council Services - Assign Service & Asset Lifecycle Management Responsibilities	Asset Planning Coordinator (Service Managers, Councillors)	✓						30/6/2014	
2	Develop Service Plans – Define Desired Levels of Service for Key Asset Groups	Service Managers (Asset Planning Coordinator)		✓	✓	✓	✓	$10,000 Per Plan	30 June each year	It is expected that a program for the preparation of Service Plans will occur in 2014/15 and that Service Managers will be responsible for preparation of Service Plans, ideally during the year prior to the development of corresponding AM Plans.
3	Develop a "State of Frankston Assets – Report Card	Asset Planning Coordinator	✓	✓				$10,000	30/6 /15	Some investment in improved asset data will make this a more accurate and valuable document

ID	Action	Project Leader (stakeholders)	Resource Estimate					External	Target Completion Date	Comments
			2013/14	2014/15	2015/16	2016/17	Future Years			
4	Implement a 4-year cycle for the Review and Update of AM Plans (One major and one minor Asset Class per year)	Asset Planning Coordinator (Officers responsible for relevant service and asset lifecycle phases)	Drainage Bridges	Buildings Plant& Equipment	Open Space Foreshore & Riparian Areas	Roads Pathways		$10,000 per plan	Draft to Council 30 June each year	/investment in improved asset data will make these documents more accurate and valuable
Community Involvement in Decision-Making										
5	Develop a Community Consultation Framework to Support the Development of Service Plans & Asset Management Plans	Manager Community Development (Asset Planning Coordinator)					✓	$10,000		
6	Develop a Community Consultation Framework to communicate achievement of service level targets set in AM and Service Plans	Manager Community Development (Asset Planning Coordinator)					✓	$10,000		
Focus on Long-term Sustainability										
7	Review the Capital Works Investment Evaluation Policy and Procedures – (incl. Ranking Criteria and Assessment Methodology)	Capital Works Monitoring and Planning Coordinator (AMLT Members)	✓	✓	✓	✓	✓		30 September each year	To be undertaken as part of AM Plan Development and timed to be included in budget/ LTFP preparation
8	Review Council Design & Construction Standards – Establish Standards Committee	Manager Asset Strategy (AMLT Members)			✓				30/06/2016	

ID	Action	Project Leader (stakeholders)	Resource Estimate					External	Target Completion Date	Comments
			2013/14	2014/15	2015/16	2016/17	Future Years			
9	Annual review of AM Plan Cash flow Forecasts as part of Annual Review and update of the Long Term Financial Plan	Asset Planning Coordinator (Finance Manager)	✓	✓	✓	✓	✓		31 March each year	Timed to be included in budget/ LTFP preparation
10	Develop & Implement a Lifecycle Cost Allocation Policy for the automatic adjustment of Operating Budgets	Finance Manager (Asset Planning Coordinator)		✓					30/6/2015	
Sustainable Investment in Capital Works										
11	Improve Integration of Capital Planning & Asset Management	Capital Works Monitoring and Planning Coordinator & Asset Planning Coordinator	✓	✓	✓	✓				Timing will be managed via the Implementation Program associated with the CT Management Review
12	Develop Asset Rationalisation/ Disposal Policy	Manager Governance (Asset Planning Coordinator)		✓					30/6/2015	
13	Undertake Asset Rationalisation Assessment	Asset Planning Coordinator (and relevant Service Managers)		✓	✓	✓	✓		30 September each year	To be undertaken as part of AM Plan Development
Continuous Improvement in Data and Asset Management Information Systems										
14	Continue to Invest in Council's Asset Management Information System (AMIS) & Associated Business Process Improvements	AMIS Project Manager (Asset Planning Coordinator)	✓	✓	✓	✓	✓	Capital Budget Required	30 June each year	

ID	Action	Project Leader (stakeholders)	Resource Estimate					External	Target Completion Date	Comments
			2013/14	2014/15	2015/16	2016/17	Future Years			
15	Review Quality of Asset Register Data – Reconcile Financial (T1) and AMIS register	Asset Planning Coordinator (Finance Officers, AMIS Project Manager)	✓	✓	✓	✓	✓		31 May each year	To be undertaken as part of the development of Council's AM Plans
16	Develop Data Management Guidelines and Responsibilities	Asset Planning Team Leader (AMIS Project Manager)		✓	✓	✓	✓		30 June each year	To be undertaken as part of the development of Council's AM Plans and aligned with the AMIS Project timelines. Annual review may be required
17	Prepare & review desired maintenance & renewal requirements for AMIS Project	Asset Planning Coordinator (Officers responsible for asset maintenance and renewal)	✓	✓	✓	✓			30 June each year	To be undertaken as part of the development of Council's AM Plans and aligned with the AMIS Project timelines
18	Develop Condition Audit Methodology and Implement Rolling Audit Program	Asset Planning Coordinator (AMIS Project Leader)	✓	✓	✓	✓	✓	Capital Budget Required ($ 200k per year)	30 June each year	To be undertaken as part of the development of Council's AM Plans

ID	Action	Project Leader (stakeholders)	Resource Estimate					External	Target Completion Date	Comments
			2013/14	2014/15	2015/16	2016/17	Future Years			
19	Develop Environmental Sustainable Design (ESD) Policy and provide training in environmental impact minimisation techniques	Manager Environment (Capital Works Coordinator & Officers responsible for Capital Works Delivery)		✓	✓	✓	✓		ESD Policy presented to Council by 30/06/2014. Training by 30 June each year	
Compliant Asset Accounting										
20	Develop Asset Valuation Policy for asset additions, upgrades and disposals including how to value assets identified during asset inventory collection projects	Asset Planning Coordinator & Accounting Services Coordinator (Finance Manager)		✓					31 May 2015	To be reviewed each year as part of the development of Council's AM Plans
Legislative and Regulatory Compliance										
21	Include Non-discretionary funding allocation for legal compliance in LTFP	Finance Manager (Asset Planning Coordinator)	✓						31/3/2014	
22	Introduce rolling program of Building Compliance Audits	Manager Facilities & Leisure (Municipal Building Surveyor, Asset Planning Coordinator)		✓	✓	✓	✓	Capital Budget Required	30 June each year	
Continuous Improvement in Risk Management										
23	Develop Document & Implement Asset Handover Process (including accountabilities)	Asset Planning Coordinator		✓					30/06/2015	Ongoing training and education will be required

ID	Action	Project Leader (stakeholders)	Resource Estimate					External	Target Completion Date	Comments
			2013/14	2014/15	2015/16	2016/17	Future Years			
24	Implement Risk Audit Program	Asset Planning Coordinator (Governance Manager)		✓	✓	✓	✓	Capital Budget Required	30 June each year	Could be incorporated into AM Plan development
25	Develop Demarcation Agreements – for assets with maintenance responsibilities shared with 3rd parties	Asset Planning Coordinator (Officers Responsible for asset maintenance and renewal)	✓	✓	✓	✓			30/6/2017	To be incorporated into AM Plan development and Road Management Plan development
26	Review Facility Occupancy Agreements	Governance Manager (Manager Facilities & Leisure, Asset Planning Coordinator)	✓	✓	✓				30/6/2016	
On-going Training and Skill Development										
27	Review Staff Skills Matrix	Asset Planning Coordinator				✓	✓		30/6/2017 Update 30 June each year	
28	Develop and Implement AM Training Program for All Levels of the Organisation	Manager Asset Strategy (Organisation Development)					✓		30 June each year	
29	Introduce Service and Asset Management KPIs into Relevant Staff Position Descriptions	Manager Organisation Development (Manager Asset Strategy)					✓		31 January each year	In line with performance plan development and review and the business planning process

ID	Action	Project Leader (stakeholders)	Resource Estimate					External	Target Completion Date	Comments
			2013/14	2014/15	2015/16	2016/17	Future Years			
Effective Monitoring and Reporting.										
30	Develop Reporting Requirements for AMIS for all Asset Lifecycle Phases	Asset Planning Coordinator (AMIS Project Leader)	✓	✓	✓	✓			30 June each year	In line with AMIS project plan & as part of the development of each AM Plan
31	Annual Progress Report to Council– AM Improvements	Manager Asset Strategy		✓	✓	✓	✓		31 August each year	
32	Develop AM Performance Reporting Framework	Manager Asset Strategy				✓			30/6/2017	
33	Review AMLT Terms of Reference – Reinvigorate AMLT	Manager Asset Strategy	✓		✓				30/11/2013 and 30/11/2015	
34	Continue involvement in Independent Audit Programs (e.g. MAV STEP Program)	Asset Planning Team	✓	✓	✓	✓	✓		30 June each year	
35	Review and progressively address Staff Concerns listed in (Appendix 3)	Manager Asset Strategy (AMLT)	✓	✓	✓	✓			30 June each year	To be undertaken as part of AMLT agenda and incorporated into AM Plans where relevant

14.0 APPENDICES

Appendix 1 – Improvement Actions – Project Descriptions

Appendix 2 – MAV Step Program Assessment Results (2013)

Appendix 3 – Staff Consultation (2012)

Appendix 4 – MAV Integrated & Financial Planning Frameworks

Appendix 5 – Capital Works Program Responsibilities

Appendix 6- Service & Asset Manager Involvement in the Preparation of AM Plans

APPENDIX 1 - IMPROVEMENT ACTIONS – PROJECT DESCRIPTIONS

Ensure Assets Support the Services Provided by Council

1. Identify Council Services - Assign Service & Asset Lifecycle Management Responsibilities

To facilitate improved integration of service and asset planning it is considered necessary to identify all services that rely on the use of Council assets. The list provided in section 4 of this Strategy can be used as a starting point for identifying Council services.

For each service, one Service Manager should be assigned the role of service owner. A service owner essentially has primary responsibility for defining and communicating the strategic direction and objectives of the service. The service owner must also aim to ensure that all Council assets, people and processes work in a manner that supports delivery of desired service objectives.

The asset classes that support each service should also be determined and one Asset Owner should be identified for each asset class. Each Council owned and managed property that supports each service should also have one Site Owner responsible for coordinating asset owners and service owner actions within that site.

Using the asset management responsibilities documented in Appendix 5 and those documented as part of the recent Asset Division Review as a starting point, improve the clarity of roles and responsibilities with a focus on assets that were previously unallocated and re-visit all lifecycle phases where more than one department was assigned responsibility Refer also to the roles and responsibilities set out in the AM Policy.

2. Develop Service Plans – Define Desired levels of Service for Key Asset Groups

Consistent with the objectives of the National Asset Management Assessment Framework, implemented by the MAV Step Program, it is recommended that Council develop Service Plans for all services that make use of Council owned or managed assets.

These Plans should be in a consistent format and have a minimum 10-year planning horizon. Ideally the planning horizon will be the same as that adopted for the long-term financial plan. The Service Plans should be reviewed every 4 years, following adoption of the Council Plan. To achieve Core Maturity status when assessed by the MAV Step Program, it is recommended that the Service Plans include:

- Service Description
- Service Owner
- Policy Intention / Service Vision
- Service Rationale
- Service Map (systems view of the service)

- Sub-Services and Programs Delivered
- Department(s) Responsible for Service Lifecycle Management
- Service User Profile
- Stakeholder Review / Client feedback
- Assets Currently Used by the Service
- Asset Lifecycle Management Roles and Responsibilities
- Current Contracts, Revenue Streams, Partnerships, Capital Contributions
- Assessment of Factors Affecting Current and Future Service Demand
- Current & Desired Levels of Service and Performance Targets
- Workforce Plan
- Current & Proposed Operational Funding Requirements
- Current & Proposed Capital Works Program Initiatives
- Action Plan to deliver service vision at the desired level

The Service Plan review and update could form part of a modified approach to the Best Value Review process.

Once developed, the timing of the Service Plan review should be aligned with the review of associated Asset Management Plans. Implementation of the Service Plans should be driven the Annual Department Plans.

In order to make a start on this recommendation a list of all Council services will need to be developed and described.

3. Develop a "State of Frankston Council Assets – Report card"

It is recommended that Council prepare a document that very briefly provides a snapshot of Council's current understanding of its asset portfolio. This brief document should summarise the current data available for all asset classes:

- Age
- Condition
- Replacement cost
- Capacity
- Recent expenditure on maintenance renewal and upgrades

It should provide an indication of current gaps in asset renewal budgets and outline strategies to mitigate the risks associated with ageing assets.

4. Implement a 4-year cycle for the Review and Update of AM Plans (One major and one minor Asset Class per year)

AM Plans are dynamic documents and therefore must be updated regularly to be effective as a management tool and reference document. In order to ensure the AM Plans can effectively inform Council's asset investment and management practices, it is considered important that they are regularly updated. A 4-year cycle for review of each Plan is proposed.

AM Plans to be reviewed/developed over the next 4 years is as follows:

Major

- Roads
- Buildings
- Open Space
- Drainage

Minor

- Bridges (incl. road and pedestrian bridges and boardwalks)
- Plant & Equipment (incl. art, IT, library collections)
- Pathways (incl. footpath, shared paths, cycle paths)
- Foreshore & Riparian Areas (incl. Kanook Creek)

Revised AM Plans must align with the Council Plan and AM Policy objectives and respond to any changes in the Service Plans, legislative environment. It is therefore recommended that the Plan updates occur following the development of associated Service Plans.

The revised suite of AM Plans should continue to promote a focus on maintenance and renewal of existing assets and sustainable creation of new assets and asset upgrades by emphasizing the need to evaluate the lifecycle costs associated with all asset decisions to ensure future budgets can accommodate maintenance and renewal needs without imposing unsustainable liabilities on future generations.

It is expected that the revised AM Plans, for each major asset group, will:

- Confirm existing asset data including: inventory, replacement costs, financial valuation, treatment intervention level and economic life assumptions;
- Benchmark economic life, treatment intervention level and replacement cost assumptions against those adopted by other similar Councils;
- Report asset condition audit results and use these results to determine the remaining life of the assets;
- Establish asset criticality profiles to be used to prioritise all programs;
- Document recent expenditure history used to deliver current service levels;
- Document community services supported by the AM Plan;
- Demonstrate clear links to relevant services and service planning outcomes;

- Interpret asset requirements necessary to deliver service planning outcomes contained within existing service plans/ strategic documents (identify potential new assets, upgrades and disposals);
- Document expected future demand for assets;
- Review asset performance data including: customer satisfaction data, customer request history, risk register, insurance claims data;
- Document current and target technical service levels (maintenance & renewal). Identify the gap and associated costs to address the gap;
- Provide replacement unit rates, maintenance unit rates for all asset types considered in the Plan;
- Define asset lifecycle roles and responsibilities including cost/ resource impacts associated with any changes to the status quo;
- Include an improvement program to close identified gaps;
- Provide 20-year cash flow forecasts (for: renewal, upgrade, maintenance, operations, disposal of existing assets and creation of new assets) for a range of scenarios;
- Demonstrate the impact of alternative funding scenarios on asset condition; and
- Provide a recommended funding scenario, in a format suitable for inclusion in Council's capital works program and Long-Term Financial Plan. The recommended scenario should be sustainable and based on service requirements, asset condition data, the expected life of Council assets and current replacement costs.

It is recommended that all revised AM Plans become public documents that are formally adopted by Council. Prior to adoption it is recommended that community consultation be undertaken. As a minimum, Council should seek feedback on the Plans.

It is considered important that the funding (cash flow) scenarios, including the predicted impact on asset condition, be communicated to Council prior to adoption of each Plan. Council adoption of the recommended funding scenario should be sought prior to inclusion in the Long-Term Financial Plan.

Community Involvement in Decision-Making

5. Develop a Community Consultation Framework to Support the Development of Service Plans & Asset Management Plans

A community consultation framework needs to be developed to facilitate the community's involvement in the development of desired service levels, which are key inputs to asset planning. It is important to identify the most appropriate methods available to determine the level of community satisfaction with current service levels and the desire for change, including the willingness to pay for any changes to the current service levels.

Consideration should be given to the use of existing community consultation means including, for example, consultation undertaken for the development of Local Area Plans.

6. Develop a Community Consultation Framework to communicate achievement of service level targets set in AM and Service Plans

This action is related to the one above, in that it requires investigation of the best methods for involving the community in decision-making regarding service levels. In this case, the objective is to report back to the community on Council's progress toward achieving service levels set out in its service and asset management plans.

Focus on Long-term Sustainability

7. Review the Capital Works Investment Evaluation Policy and Procedures – (incl. Ranking Criteria and Assessment Methodology)

It is recommended that project-ranking criteria, currently used to assess new/ upgrade programs, be reviewed and adjusted so that they can be applied to all capital programs, including renewal. It is expected that a basic evaluation process would apply to low cost and low impact projects/programs and a more comprehensive process be developed for high impact or high cost projects. A sample set of ranking criteria are presented below. It is recommended that all proposed projects be given a score out of 100. The highest scoring projects should then be given funding priority.

The initial ranking of projects could be undertaken as part of the update of Council's AM Plans.

Each year in order to ensure objectivity, it is recommended that a panel of staff be charged with responsibility for reviewing the priority ratings. Council's AMLT may be an appropriate group for this task.

Sample Project Ranking Criteria	Score
1. Condition/Remaining Life – Project addresses renewal of assets in poor condition	
Predominantly poor condition or failed assets, or assets nearing end of useful life (<20%)	20
Predominantly fair condition assets, or assets with moderate remaining useful life	10
Assets in good or excellent condition with considerable remaining useful life (>80%)	0
2. Criticality – Project addresses renewal of assets on high priority sites	
Level 1 - Critical	10
Level 2	8
Level 3	6
Level 4 – Not Critical	5
3. Functionality - Gap Between Current Design Features and Desired Standard	
High (most features do not match the desired standard)	10
Moderate (some features do not match the desired standard)	5
Low (most features match desired standard)	0
4. Strategic alignment – Project aligns with principles of an existing Council's Strategy or other relevant strategic document	
Significantly	10
Moderately	7
Slightly	3
Not at all	0

Sample Project Ranking Criteria	Score
5. Integration – Project integrates with other capital works project	
Yes	5
No	0
6. Risk – Project addresses a known risk raised in an internal/external audit	
Yes	10
No	0
7. Access & Inclusion – Project promotes access and inclusion for all	
Yes	10
No	0
8. Environment – Project will reduce impact on the environment	
Significantly	10
Moderately	8
Slightly	6
Not at all	0
9. Maintenance – Project will reduce future maintenance costs	
Significantly	10
Moderately	7
Slightly	3
Not at all	0
10. Utilisation – Project will result in increased asset utilisation	
Significantly	5
Moderately	3
Slightly	2
Not at all	0

8. Review Council Design & Construction Standards – Establish Standards Committee

There are instances where assets have been designed and installed without adequate consultation with the departments that will be responsible for maintaining them. It is recommended that a standards committee be created. The terms of reference for the committee should include:

- Minimum monthly meetings, with minutes distributed to all Managers;
- Establish and maintain a centralised register of approved design, construction and maintenance standards for all types of Council assets;
- Review, (suggest modifications) and approve standards presented to the committee;
- Review the long-term maintenance and renewal implications associated with all design and construction standards;
- Ensure a lifecycle cost assessment has been undertaken for all new design standards (including detailed maintenance and renewal requirements);
- Assess environmental impacts of design and construction standards;
- Ensure consistency with adopted Council documents;
- Report to the Asset Management Leadership team on any issues regarding current standards; and
- Communicate all changes to the current standards to all Council departments.

The committee should include representatives from all departments involved in the planning, design, construction or maintenance of Council assets. It should also include service managers, so that they are able to ensure the asset decisions do not have adverse impacts on Council services.

In the first instance, the Committee will be required to identify, and develop a list of all existing standards that have been developed and implemented. The documents should be collated and stored in Council's centralised document management system.

9. Annual review of AM Plan Cash flow Forecasts as part of Annual Review and update of the Long Term Financial Plan

Council's Long Term Financial Plan (LTFP) is reviewed each year. It is recommended that this annual review be informed by the 20-year funding models developed in each of the AM Plans which is expected to include predicted funding levels for:

- **Compliance** - based on risk register, compliance audit data, risk and insurance audits.
- **Renewal** - based on asset condition data, the expected life of Council assets and current replacement costs.
- **Upgrade/ New** – if required for delivery of desired service levels as defined by service requirements and demand forecasts (detailed in Council's Service Plans)
- **Disposal** – if required for delivery of desired service levels as defined by service requirements and demand forecasts (detailed in Council's Service Plans)
- **Maintenance** - based on asset condition, community satisfaction data and desired service levels as defined by service requirements and demand forecasts

- **Operations** – to allow for improvements in operational aspects of the assets. (e.g. condition auditing, resources for specific improvement programs)

The Long-term Financial Plan should be updated at the same time to include the predicted Renewal, Upgrade/New, and Disposal funds identified in each AM Plan.

Annual updates of the AM Plan financial models should incorporate the effects of:

- Changes in the inventory;
- Future condition audit results;
- Asset condition changes resulting from renewal and capital upgrade works;
- Changes in economic life or replacement cost assumptions;
- Changes to desired service levels as informed by service planning work.

The timing of these annual reviews should allow a 3-month lead-time to the budget process.

10. Develop & Implement a Lifecycle Cost Allocation Policy/ Procedure for the automatic adjustment of Operating Budgets

Formalise Council's approach to lifecycle cost estimation and ensure that a consistent methodology is used for all project nominations for capital works projects involving new asset creation or major upgrades/ expansions to existing assets. Once maintenance service levels and renewal service levels are documented, the costs associated with delivery of these service levels can be more easily estimated and used when calculating lifecycle costs associated with new and upgrade projects.

It is recommended that a policy be developed to allow for the automatic adjustment of Council's maintenance budgets, (if necessary) following asset disposal or asset creation/ upgrade in order to capture lifecycle cost changes and ensure budgets are appropriate for ongoing maintenance of all assets.

Lifecycle costs associated with each capital works project (new/ upgrade) should continue to be estimated and included in the capital works project nominations. When projects are completed the lifecycle costs should be reviewed and relevant maintenance budgets should be adjusted accordingly.

In order to implement such a policy, it is considered necessary to adjust the annual budget approval process to ensure that appropriate adjustments to maintenance budgets can be made. A non-discretionary component of the operating budgets will be created as a result of this policy.

Sustainable Investment in Capital Works

11. Improve Integration of Capital Planning & Asset Management

CT Management was engaged to review the manor Frankston City Council delivered its Capital Works Program. Their review identified 17 improvement actions. Continued implementation of the review recommendations is considered necessary. This includes implementation of the revised Program Management and Project Management Frameworks. This will require ongoing staff education.

The objective is to improve the Organisations performance in delivering the Capital Works Program to achieve 93% delivery rate by 2016/17. This is an ambitious target which may be assisted by applying individual KPIs for Renewals, Legal Compliance, New and Upgrades.

12. Develop Asset Rationalisation/ Disposal Policy

There is a need develop a rationalisation evaluation policy and process which can be used across all asset classes. The decision making process must consider things such as asset condition, cost effectiveness of maintenance and renewal of assets that are under utilised, the value of the asset delivering services to the community, current and potential utilisation, functionality, type and location of the asset.

13. Undertake Asset Rationalisation Assessment

Following adoption of the proposed Rationalisation/ Disposal Policy, it is recommended that a cross-organisation group be established to undertake a review of all assets commencing with the property and facilities assets.

Continuous Improvement in Data and Asset Management Information Systems

14. Continue to Invest in Council's Asset Management Information System (AMIS) & Associated Business Process Improvements

Council is currently implementing a dedicated Asset Management Information System that will store all Council's asset data and allow for the effective management of asset inspections, maintenance renewal and valuations. Implementation of the System requires a long-term commitment to continuous improvement.

Continued investment will enable many organisation-wide business process improvements to be driven by the Assets team resulting in the following benefits:

- Establishment of an asset register, that stores the data needed for asset valuations and predictive condition-based asset deterioration modelling
- Risk-based delivery and transparent reporting of:
  - Routine Hazard/ Defect Inspections
  - Reactive Maintenance Activities
  - Routine Maintenance Activities
- Asset condition audit functionality including associated updates to the condition data stored in the asset register (and GIS)
- Transparent capital works planning and delivery of:
  - Regulatory Compliance/Risk Mitigation Works
  - Renewal Works
  - New/ Upgrade Works

  Including updates of the asset register details
- Transparent asset valuation processes including updates of the asset register details and inputs into Financial Reports

15. Review Quality of Asset Register Data – Reconcile Financial and AMIS Register

It is important for Council to progressively work toward having one asset register (stored in Hansen8) that is used by all staff, including the Finance team, which is responsible for assessing and reporting fixed asset valuations.

Asset hierarchies and classification systems have been developed and outlined in this Strategy. However, there is a need to further develop and communicate these so they form the basis for all asset reporting. As a part of this process the hierarchies need to be consistent across asset accounting, capital planning, asset maintenance and asset planning.

For each asset class, it is important to review Council's existing asset attribute and condition data, including life expectancies, stored in the register.

16. Develop Data Management Guidelines and Responsibilities

As part of the AMIS rollout, review existing asset data management techniques and develop a strategy for ongoing data maintenance. Determine appropriate frequency of data collection, and methods of collection. It is considered important to develop business rules for the management of data for: all asset classes, all capital works programs and developer contributions. The data management strategy should consider data maintenance needs for both GIS and Hansen. Ongoing data management resourcing requirements should be estimated.

Once documented and approved by the Executive, implement data management guidelines and practices including assignment of responsibilities for data management tasks such as:

- Recording inventory data for assets contributed by private developers
- Recording inventory data for new assets and asset upgrades undertaken via capital works
- Recording asset disposals
- Collection and recording of asset condition data
- Updating condition data resulting from renewals and upgrades
- Recording asset replacement and maintenance unit rates for AM Plan financial modelling and for annual reporting of financial valuations
- Updating Council's risk register with audit findings, coroner report findings etc. including identification and costing of risk mitigation actions
- Identification of fitness for purpose assessment criteria
- Assessment of Fitness for Purpose

17. Prepare & Review Desired Maintenance & Renewal Process Requirements for the AMIS Project

For some asset classes, maintenance practices are not well documented making it difficult to implement AMIS it is important that all current maintenance service levels be documented for each asset class in a consistent manner. Service levels should be documented for:

- Routine Inspections (i.e. frequency, and defect intervention levels applicable to each asset class)
- Reactive Maintenance Activities that occur in response to community requests or unexpected asset defects, identified by Officers or Contractors. As part of this process review the Pathway request categories and timeframes

Asset	Reactive Maintenance Activity	Defect Intervention Levels	Target Response Time
BBQ	BB-001 BBQ MAINTENANCE	BB-01 - Not clean BB-02 - Fat stains BB-04 - Graffiti BB-05 - Fat containers full BB-06 – BBQ Not Working	Initial Assessment -1 Day Make Safe - 1 Day Rectification - 1 Day

- Routine Maintenance Activities that occur to preserve asset functionality (e.g. painting, mowing, barbeque cleaning etc.)

Asset	Routine Maintenance Activity	Service Level	Frequency
BBQ	BB-001 BBQ CLEANING & TESTING	Clean all BBQ surfaces. Remove all fat stains, graffiti and billposters from all surfaces. Empty and maintain fat containers under each hotplate Remove all loose litter, from around each BBQ to a radius of ten (10) metres; Test BBQ is working – repair or report all defects found	Local Parks – Daily Regional Parks – Weekly

- Renewal Programs (i.e. frequency, or condition intervention levels applicable to each asset class)

Asset	Renewal Activity	Service	Frequency
BBQ	BB-001 BBQ Replacement	Replace BBQ with current Council design standard	15 year cycle

Once the current service levels are documented they can be used to rollout AMIS for all asset classes.

18. Develop Condition Audit Methodology and Implement Rolling Audit Program

Review Council's approach to condition auditing for each asset class. Compare existing processes with industry best practice and adopt a consistent system. A consistent rating scale should be adopted within Council for all asset classes. The scale used should be consistent with that recommended by the Municipal Association of Victoria to facilitate future benchmarking.

It is recommended that the revised condition audit methodology be transparent, repeatable and objective. To ensure reliable repeatability it is considered important that the audit include the collection of asset defects and a rating of the severity and extent of each defect observed. Council officers, responsible for the maintenance and renewal of each asset class, should develop the list of generic defects and define the relevant defect severity and extents to be audited.

The relationship between defect severity, extent and condition can be made transparent using the following method:

Defect Severity	Defect Extent			
	<20%	**20 to 50%**	**50 to 80%**	**>80%**
1 - Minor	1- Excellent	2 – Good	3 – Fair	4 – Poor
2 - Moderate	2 – Good	3 – Fair	4 – Poor	4 – Poor
3 - Severe	3 – Fair	3 – Fair	4 – Poor	5 – Failed

The following condition rating system is recommended for all assets

Condition Rating	Description	Expected Action	% Remaining Economic Life
1- Excellent	Asset is as new and can be expected to perform adequately and reach its expected life.	No additional maintenance required Routine maintenance required only	90- 100%
2 – Good	Asset is sound, operationally safe, functional and displays superficial defects only	Minor maintenance intervention required. No component replacement required.	60-89%
3 – Fair	Asset is functional but shows signs of moderate wear & tear. Deferred maintenance works are evident	Minor maintenance intervention and/or minor component replacement required	30-59%
4 – Poor	Asset functionality is reduced. Asset has significant defects affecting major components and runs a serious risk of imminent breakdown	Significant ongoing maintenance intervention or major component or asset replacement required	6-29%
5 – Failed	Asset is not functional. Condition can not be improved without replacement	Asset requires decommissioning and/or replacement	0- 5%

It is recommended that each review of an AM Plan include an update of the asset inventory and condition. To enable this, a condition audit should be undertaken prior to the development of each Plan. The audit should cover all assets considered by the Plan.

Given that Council is currently implementing AMIS, it is recommended that the initial audits be undertaken as the asset register is developed for each asset class. Subsequent audits should occur on a 4- year cycle.

Adequately trained Council staff or independent contractors can undertake condition audits. It is important that the data is collected and stored in the asset register (Hansen 8) and its location reflected in Council's GIS system.

In the case of building audits the scope of the condition audit could be expanded to include assessment of disability accessibility, environmental sustainability features and building code compliance audits to inform future asset upgrade programs.

19. Develop Environmental Sustainable Design (ESD) Policy and Provide training in environmental impact minimisation techniques

It is recommended that Council develop and adopt an Environmental Sustainability Policy to drive improvements in this area. Once adopted, monitoring and reporting requirements will be necessary to drive performance in accordance with policy targets.

During the development of each asset management plan, it also will be necessary to review available environmental sustainability data requirements then establish and implement processes for the collection and capture of appropriate data to measure and monitor the performance of environmentally sustainable design practices for all asset classes.

It is expected that training will be required important to ensure decision makers are informed about available sustainable technologies, recent research and best practice initiatives. The intention should be to incorporate sustainable initiatives into daily practices.

Compliant Asset Accounting

20. Develop Asset Valuation Policy for asset additions, upgrades and disposals including how to value assets identified during asset inventory collection projects

Council currently undertakes asset valuations for property and some infrastructure asset such as roads, drains and bridges. Although these assets are valued annually, there is a lack of documented methodology in line with AASB116 for the process.

It is also evident that not all Council assets are currently valued. There is the need to start to undertake asset valuations for much of the parks assets and some transportation assets not currently covered in asset valuations.

Both asset and finance personnel need to bring their respective expertise together to agree on aspects such as unit replacement rates, economic remaining and useful lives, residual values and the appropriate valuation methodologies required to meet the needs of the organisation.

Legislative and Regulatory Compliance

21. Include Non-discretionary funding allocation for legal compliance in LTFP

Appropriate non-discretionary funding allocations are considered necessary to enable building compliance issues to be continually assessed and addressed.

22. Introduce rolling program of Building Compliance Audits

Compliance audits are considered necessary for all buildings occupied by third parties. These audits would investigate whether occupants are unintentionally creating compliance issues through inappropriate building use, or illegal building works. The rolling program should aim to identify and then address the root cause of recurrent compliance issues. Information from these audits could be used to educate occupants and encourage them to uphold occupancy agreement conditions.

The proposed rolling program should also consider Council's asbestos management practices to ensure the approach is compliant with current regulations.

Continuous Improvement in Risk Management

23. Develop Document & Implement Asset Handover Process (including accountabilities)

There is a need to document and implement an asset handover process and guidelines for the collection, transfer and management of data and information about newly created, upgraded or renewed assets.

During development of the guidelines and process it is important to identify the critical data needs of each stakeholder and each asset class. The data to be recorded and transferred is likely to include: asset quantities, condition ratings, engineering drawings and plans, accounting/capitalisation data. Responsibilities and timing for data updates should be clearly documented for each asset class.

24. Implement Risk Audit Program

During the process of reviewing each AM Plan, identify and assess all strategic and operational risks associated with the assets considered in the Plan. Log in Council's asset register, all risks that have been identified in relevant documents such as:

- Coroner's Reports
- Auditor General Reports
- Insurance Audits

Risk management strategies may need to be linked to the relevant non-discretionary capital works program for compliance (refer list Appendix 5)

25. Develop Demarcation Agreements – for assets with maintenance responsibilities shared with 3rd parties

It is recommended that demarcation agreements with other authorities such as: Parks Victoria, Melbourne Water, Vicroads be developed to clarify each party's responsibilities regarding infrastructure assets (such as roads, bridges, paths, drains). It is recommended that Council's asset register and GIS be used to communicate agreed responsibilities to all Council officers.

26. Review Facility Occupancy Agreements (Leases & Licences)

It is recommended that this action be undertaken as part of the Building Asset Management Plan review and update.

It is important that all Council properties have appropriate occupancy agreements in place. Legal advice will be required to ensure Council's risk exposure is minimised. The initial focus should be on sites with no known agreement in place, and sites with complicated land and building ownership arrangements.

The review should consider whether existing responsibilities for asset maintenance and renewal are appropriate to minimise public safety risks resulting from actions of occupants. Financial and other implications of potentially reducing maintenance and renewal responsibilities imposed on occupants (particularly community groups) should be assessed in the context of legal liabilities.

A policy for addressing non-compliance with occupancy agreements should be developed based on legal advice. All new agreements can then include the endorsed policy statement. Once the policy position is defined, processes to monitor compliance should be established and the new policy can be communicated to all community groups occupying Council properties.

On-going Training and Skill Development

27. Review Staff Skills Matrix

To facilitate improvement in AM capabilities it is considered important to develop a staff skill matrix to identify gaps in AM skills including the following relevant skill sets:

- Understanding the impacts of service planning on asset management
- AM Planning
- AM Data Management
- Technical and community service level development
- Condition auditing
- Defect Inspections
- Performance monitoring
- Asset risk management (reporting, monitoring and mitigation responsibilities)
- Predictive modelling of asset renewal requirements
- Life cycle costing
- Project/ contract management
- Adapting to cultural change
- Working in cross-functional teams

This review should be coordinated by the Organisation Development Department and the subsequent training be incorporated into corporate training processes.

28. Develop and Implement AM Training Program for All Levels of the Organisation

Using the skill review recommended above, it is recommended that a targeted AM Skill Development Training Plan be developed for all relevant Council staff. The targeted training should seek to fill identified gaps.

Consideration should be given to the introduction of a mentoring program using industry experts to work with key staff on improvement actions included in this Strategy.

Targeted training should be supported by other initiatives, such as inclusion of asset management as a regular feature in Council‘s Newsletter to encourage staff to participate in:

- Asset Management conferences
- Relevant post graduate studies
- Relevant MAV initiatives

29. Introduce Service and Asset Management KPIs into Relevant Staff Position Descriptions

In order to reinforce the Service Management and Asset Management roles and responsibilities of staff across the organisation it is recommended that adjustments to staff Position Descriptions and Performance Plans be undertaken to embed agreed accountabilities.

Effective Monitoring and Reporting

30. Develop Reporting Requirements for AMIS for all Asset Lifecycle Phases

Develop reports to facilitate continuous improvements in Council's approach to asset inspections and maintenance, including ensuring compliance with service standards set out in the Road Management Plan.

31. Annual Council Report – AM Improvements

In order to improve Councillor and Executive AM awareness, and drive the implementation of this Strategy, it is recommended that the AMLT Chair report to the Executive every 6 months and annually to Council on asset management improvements undertaken during the year to demonstrate the benefits of implementing this AM Strategy and associated work practice improvements.

The timing of the reports should align with the budget preparation process so that new initiative funding can be sought if required.

32. Review AMLT Terms of Reference – Reinvigorate AMLT

A fully functional and passionate AMLT is considered critical for the implementation of the AM Policy and this Strategy. Redrafting the terms of reference for the AMLT is recommended as described in the AM Policy. The team's focus should be on increasing education and awareness of AM across the organisation by facilitating the implementation of the recommendations in this Strategy. To do this it is important to re-establish regular meetings.

The AMLT should establish an AM Performance Reporting Framework that communicates the status of AM to all levels of the organisation.

- Develop KPI's on AM performance (including delivery of service levels)
- Further develop systems and processes to benchmark asset management performance against other Councils
- Introduce an AM reporting cycle to EMT reporting on the implementation of the AM Strategy including implementing the AMIS system and review of AM Plans

33. Continue involvement in Independent Audit Programs

Continued participation in the MAV STEP Program, which includes annual assessment of Council's AM documents and practices using the National Asset Management Assessment Framework, is recommended. Participation should include progressive, timely implementation of the improvement recommendations to achieve agreed targets.

Continued participation in regional asset management group, South East Metro Councils Capital and Asset Management Group (SEMCCAM), which meet bi-monthly to discuss issues, collaborate and review how each Council tackles asset management and capital planning.

34. Review and progressively address Staff Concerns listed in (Appendix 3)

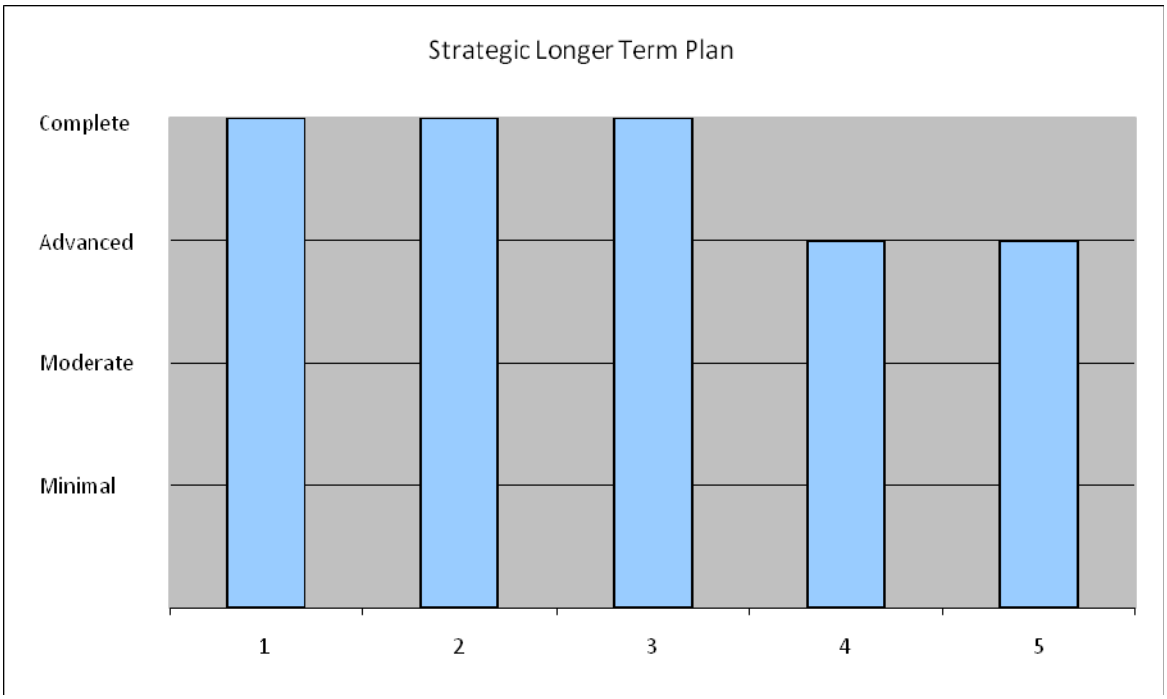
As part of a continuous improvement approach to asset management it is considered important to make a concerted effort to acknowledge and address issues raised by staff during the consultation undertaken as an input to the development of this Strategy.

APPENDIX 2 – MAV STEP PROGRAM ASSESSMENT RESULTS (2013)

The tables below present the results of The MAV Assessment undertaken in 2013.

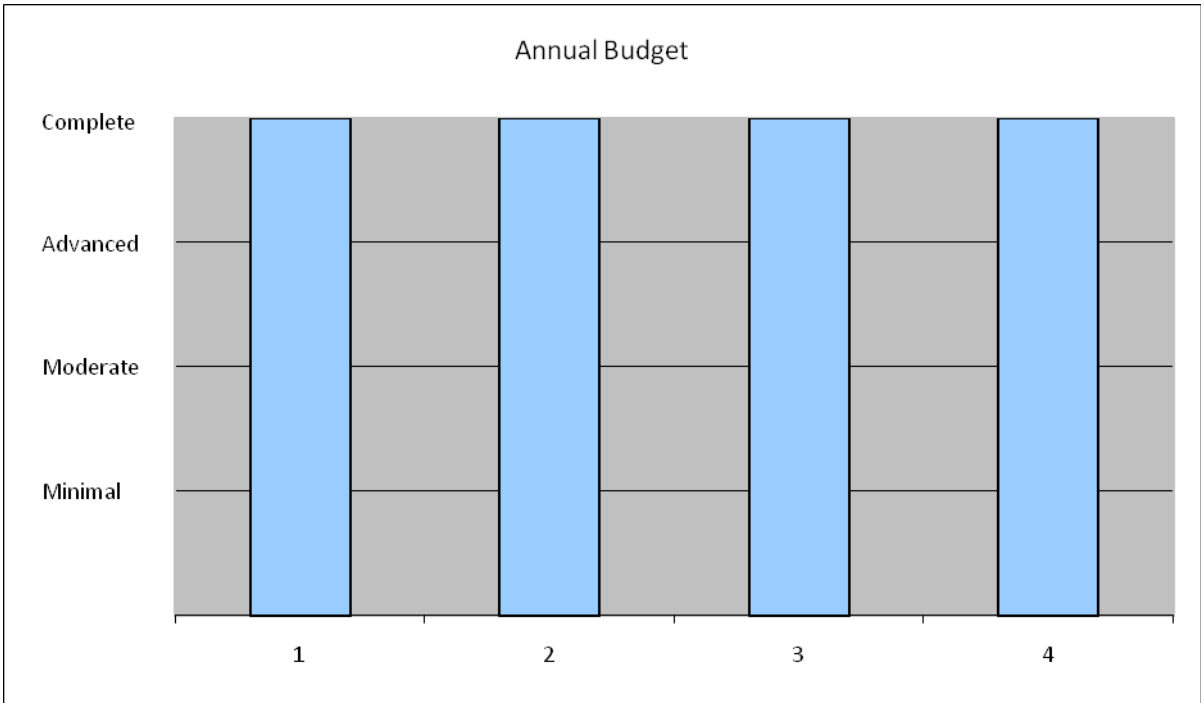
The audit identified the following five priority actions:

- Complete the implementation of Hansen8
- Complete the review of the Asset Management Policy & Strategy, and adoption of the AM Strategy and Policy by Council
- Update the 5 asset management plans (Roads, Buildings, Stormwater Drainage, Parks & Reserves, and Plant Equipment & Furniture) in line with the NAMAF and IIMM over the next two years.
- Improve Asset Management knowledge and processes across the organisation
- Commence Service Planning to establish current and desired levels of service - especially in Parks and Facilities



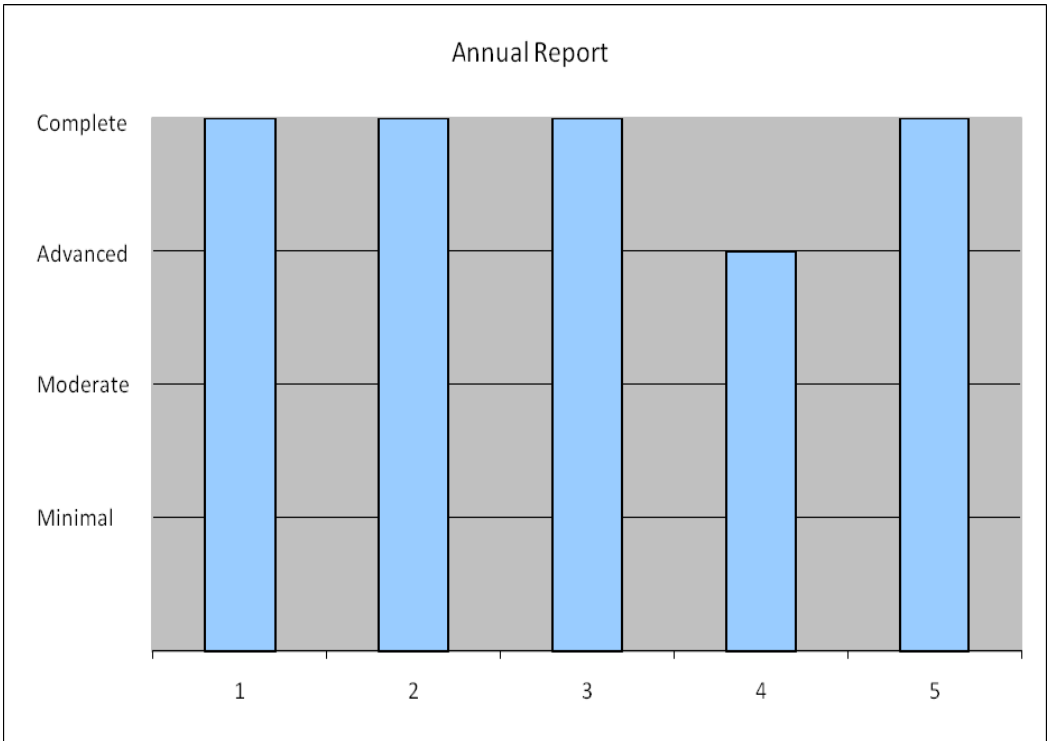
Scorecard review dated: March 2013

1	Council has a Strategic Longer Term Plan (planning horizon of at least 5 years) that incorporates a vision, strategic outcomes, mission, values and service outcomes that Council wants to achieve.
2	The development of the Strategic Longer Term Plan included community consultation and reflects community needs.
3	The Strategic Longer Term Plan incorporates priorities and performance measures and indicates how they will be monitored and measured.
4	Council has a sustainable Long Term Financial Plan covering the period of the Strategic Longer Term Plan (at least 5 year) supporting the implementation of its Long Term Plan.
5	The Long Term Financial Plan has been prepared based on the resource requirements and strategic objectives detailed in Council's Long Term Plan and Asset Management Plans.



Scorecard review dated: March 2013

1	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 Longer Term Plan, Asset Management Plans and Long Term Financial Plan.
2	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 Longer Term Plan.
3	The Annual Budget aligns with Year 1 of the Long Term Financial Plan, and was adopted following community consultation
4	Council's Annual Budget includes resources to implement Strategic Longer Term Plan strategies.



Scorecard review dated: March 2013

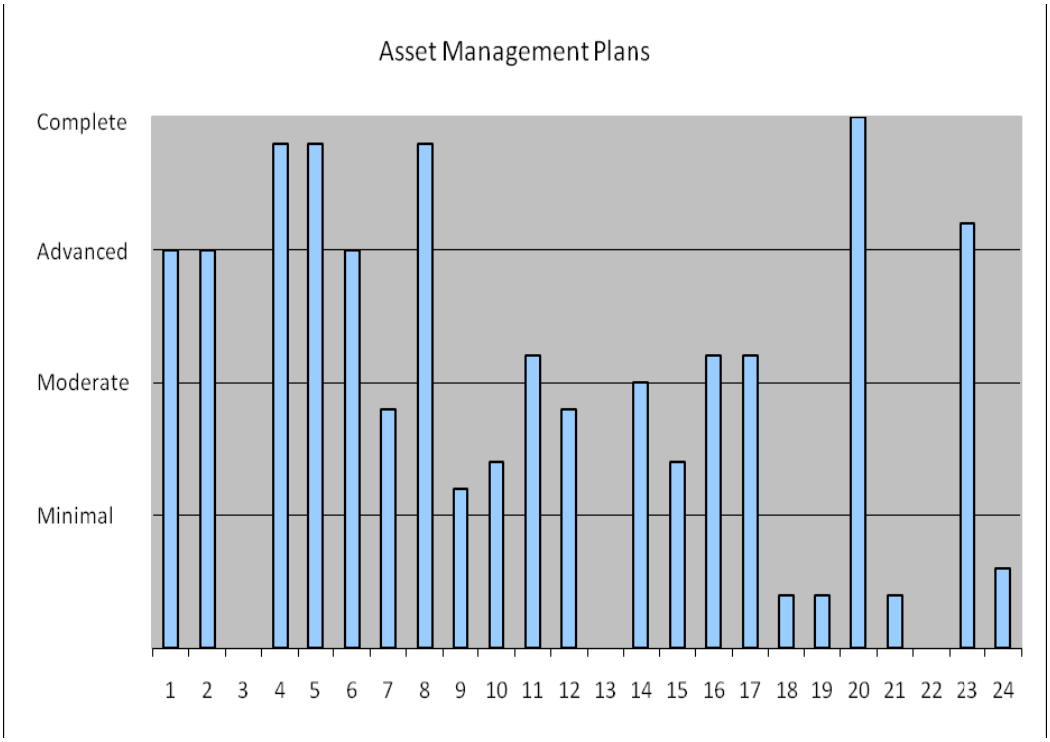
1	The Annual Report complies with all statutory requirements including publication by the due date and is made widely available to the public.
2	The Annual Report includes independently audited financial statements that are prepared on an accrual basis in accordance with the Australian Accounting Standards.
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 Longer Term Plan.
4	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 Longer Term Plan.
5	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: • Asset valuations and revaluations • Asset acquisitions including capitalisation policy • Asset disposals

Scorecard review dated: March 2013

1	Council has an adopted Asset Management Policy which defines the Council's vision and service delivery objectives for asset management.
2	The Asset Management Policy has a direct linkage with Council's Strategic Longer Term Plan and Long Term Financial Plan.
3	The Asset Management Policy requires the adoption of Asset Management Plans informed by community consultation and local government financial reporting frameworks.
4	The Asset Management Policy defines asset management roles, responsibilities and reporting framework.
5	The Asset Management Policy identifies a process for meeting training needs in financial and asset management practices for councillors and staff.

Scorecard review dated: March 2013

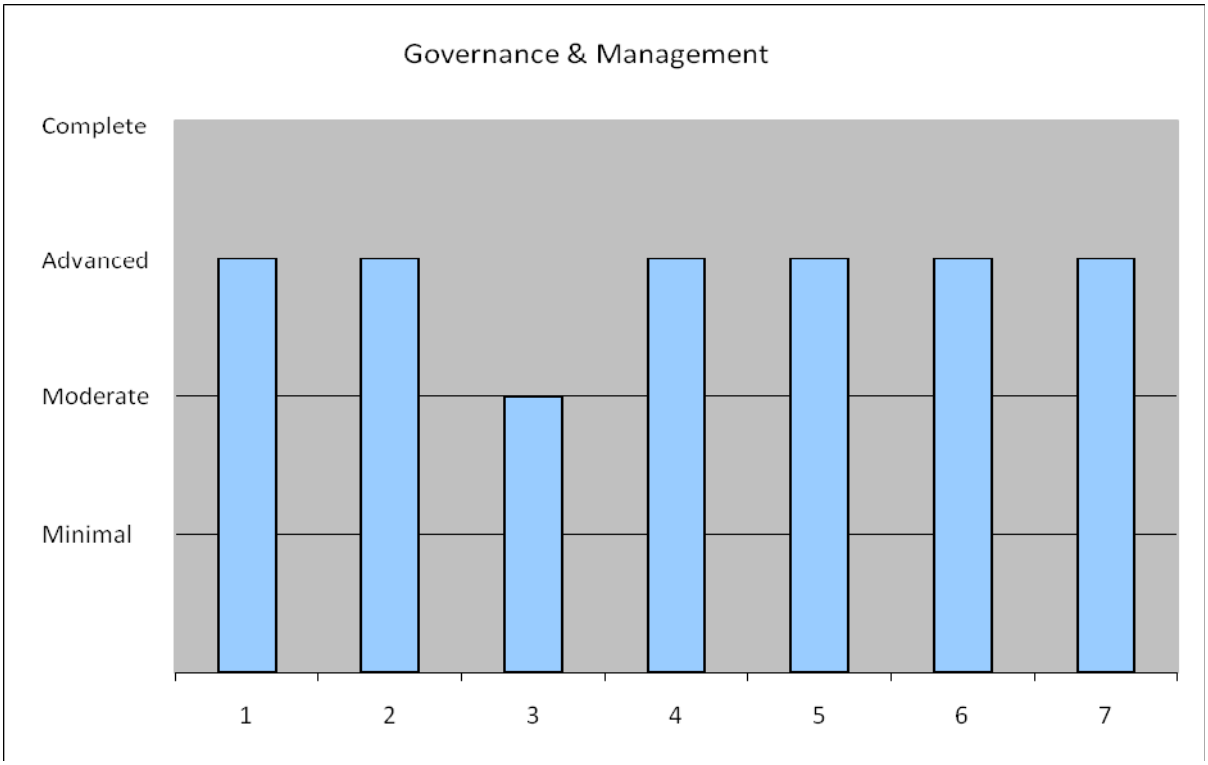
1	Council has an Asset Management Strategy which shows how the asset portfolio can meet the service delivery needs of the community and defines the future vision of asset management practices within Council.
2	Council's Asset Management Strategy is linked to Council's Asset Management Policy and integrated into Council's Strategic Longer Term planning and annual budgeting processes.
3	Council's Asset Management 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 Asset Management Policy, including resource requirements, timeframes and accountabilities.



Scorecard review dated: March 2013

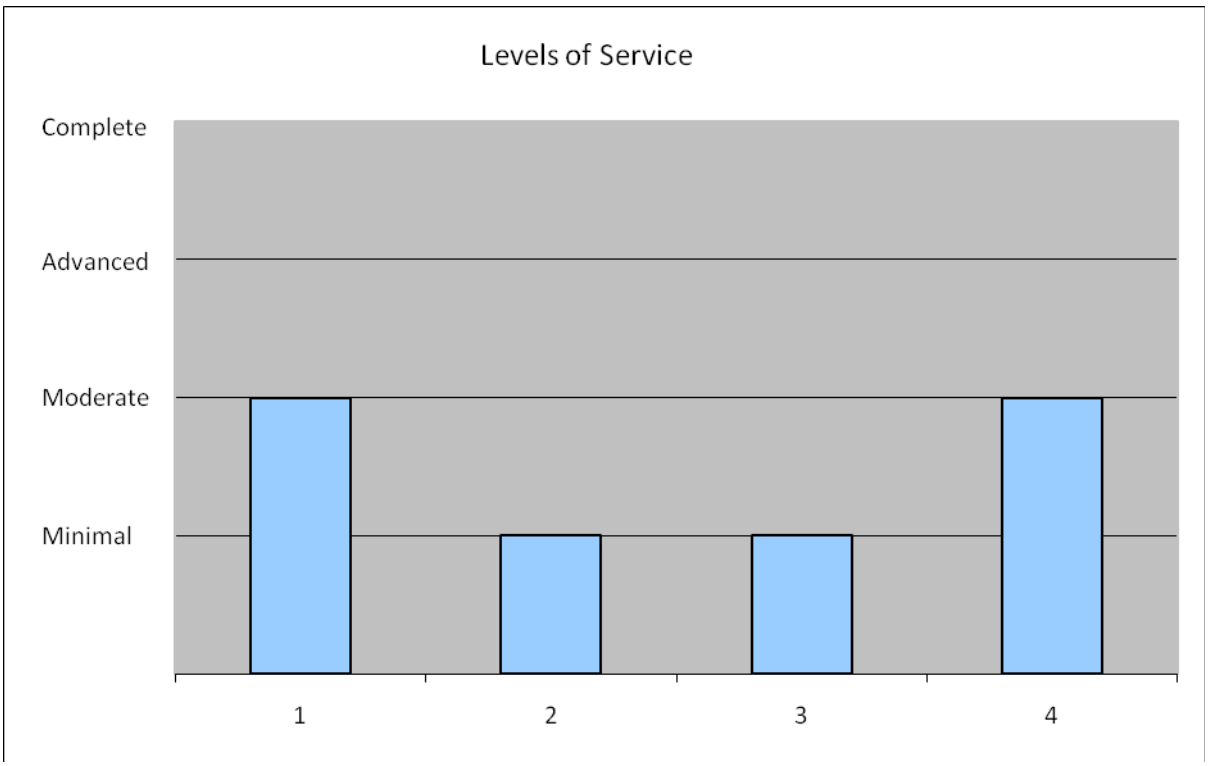
1	There are documented Asset Management Plans for all material asset groups in a consistent format in accordance with industry best practice (E.g. Appendix A of the International Infrastructure Management Manual (IIMM)) available to all relevant staff across the organisation.
2	The Asset Management Plans define which asset groups are covered by each Plan in accordance with a clearly documented Infrastructure Asset Hierarchy.
	With respect to the content of the Asset Management Plans, they:
3	a. Refer to Council's Asset Management Policy and Asset Management Strategy;
4	b. Include all assets and document asset inventory information for the asset group/category as recorded in the asset register;
5	c. Document the asset hierarchy within each asset group;
6	d. Document the current condition of assets;
7	e. Document the adopted useful lives of assets;
8	f. Include risk assessment and criticality profiles;
9	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;
10	h. Include demand management forecasts;

11	i. Address life cycle costs of assets;
	j. Include forward programs identifying cash flow forecasts projected for:
12	i. Asset Renewals;
13	ii. New Assets and Upgrades of existing assets;
14	iii. Maintenance expenditure;
15	iv. Operational expenditure (including depreciation expense);
16	k. Address asset performance and utilisation measures and associated targets as linked to levels of service;
17	l. Include an asset rationalisation and disposal program; and
18	m. Include an asset management improvement plan.
19	n. Include consideration of non-asset service delivery solutions (leasing private/public partnerships)
20	o. Recognise changes in service potential of assets through projections of asset replacement costs, depreciated replacement cost and depreciation expense.
21	The Asset Management Plans link to the Council's Asset Management Policy, Asset Management Strategy, Strategic Longer Term Plan, Long Term Financial Plan and other relevant Council Policy objectives.
22	The Asset Management Plans have all been prepared in association with community consultation.



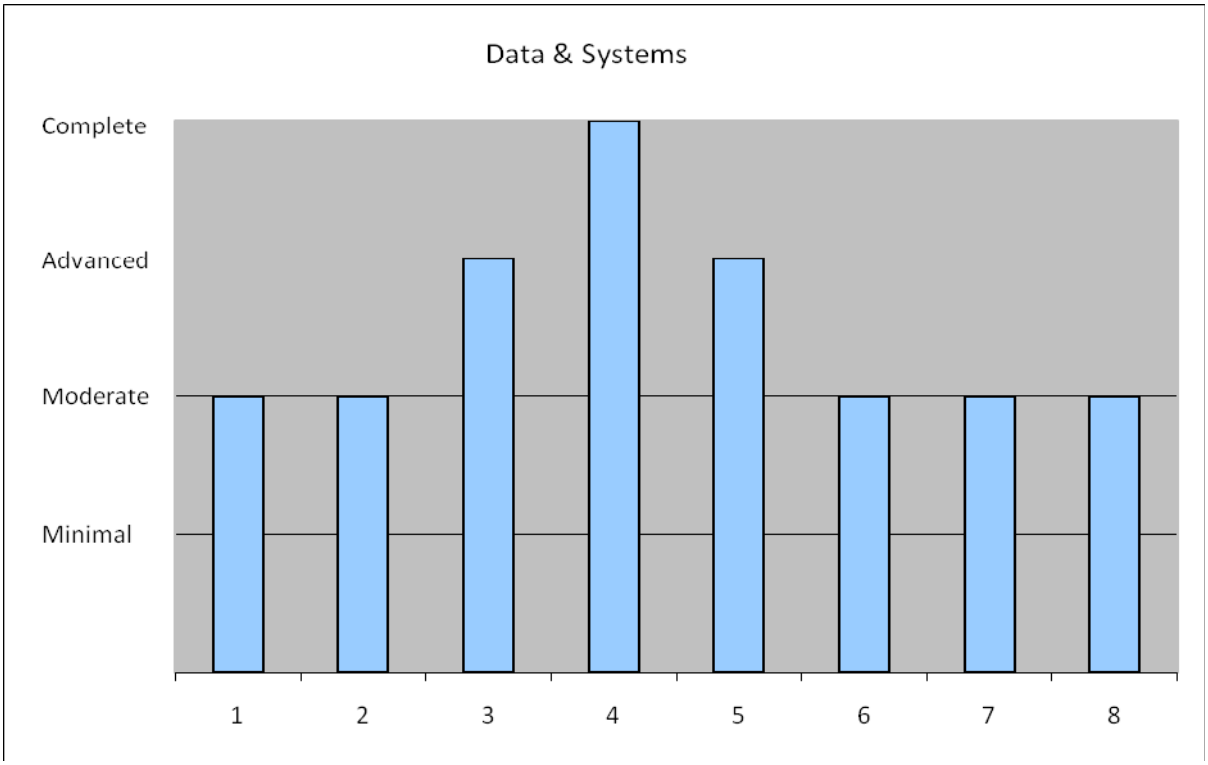
Scorecard review dated: March 2013

1	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 Asset Management Strategy and Asset Management Plans.
2	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	The staff structure and position descriptions clearly define asset management functions, responsibilities and skill requirements for managing all asset classes.
4	Council has a documented process for making capital investment decisions, which is driven by Council's Strategic Longer Term Plan, Long Term Financial Plan and the Council Plan and explicitly details the impacts on the future operations and maintenance budgets, "Whole of Life" costs and risk management assessments.
5	Council involves all its departments in Asset Management.
6	Council has an Asset Management 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.
7	There are internal processes to promote Asset Management across Council



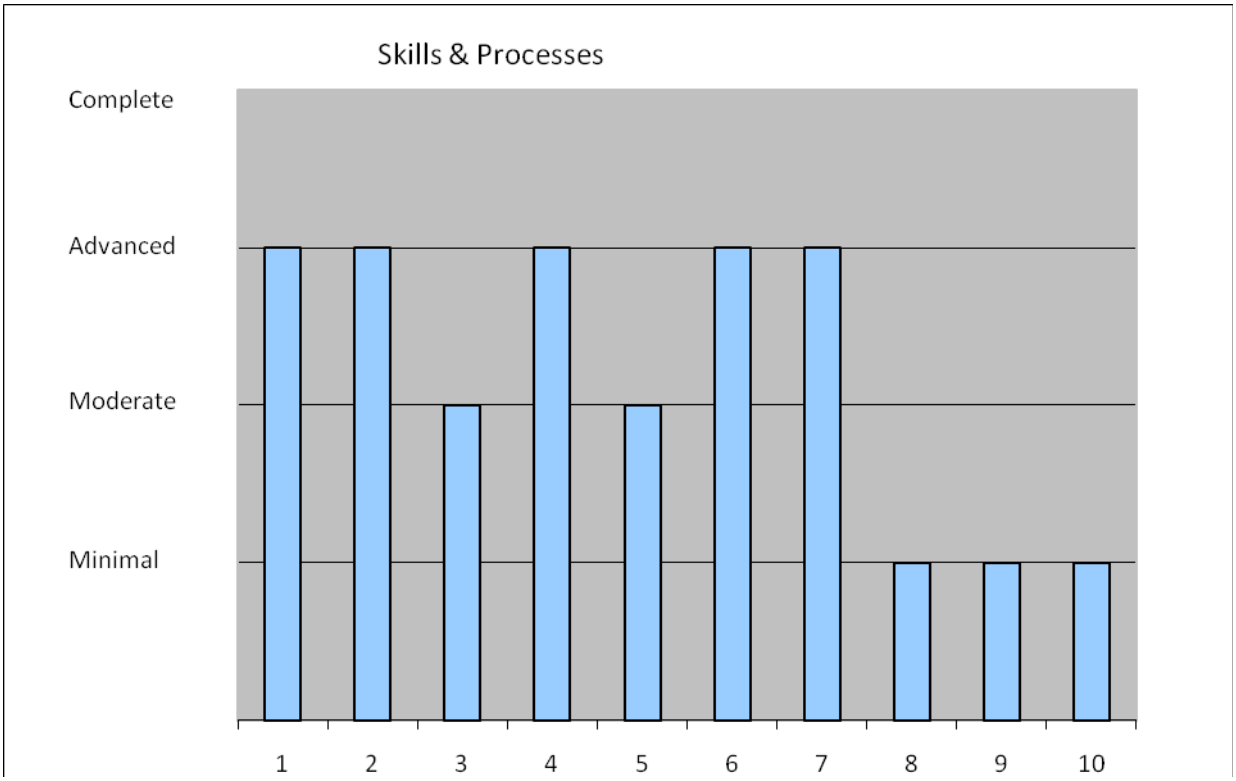
Scorecard review dated: March 2013

1	Council has Service Plans for each of its services which have been developed in consultation with the community.
2	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 Asset Management Plan.
4	Technical levels of service are incorporated into service agreements and/or maintenance, operational and capital renewal procedures.



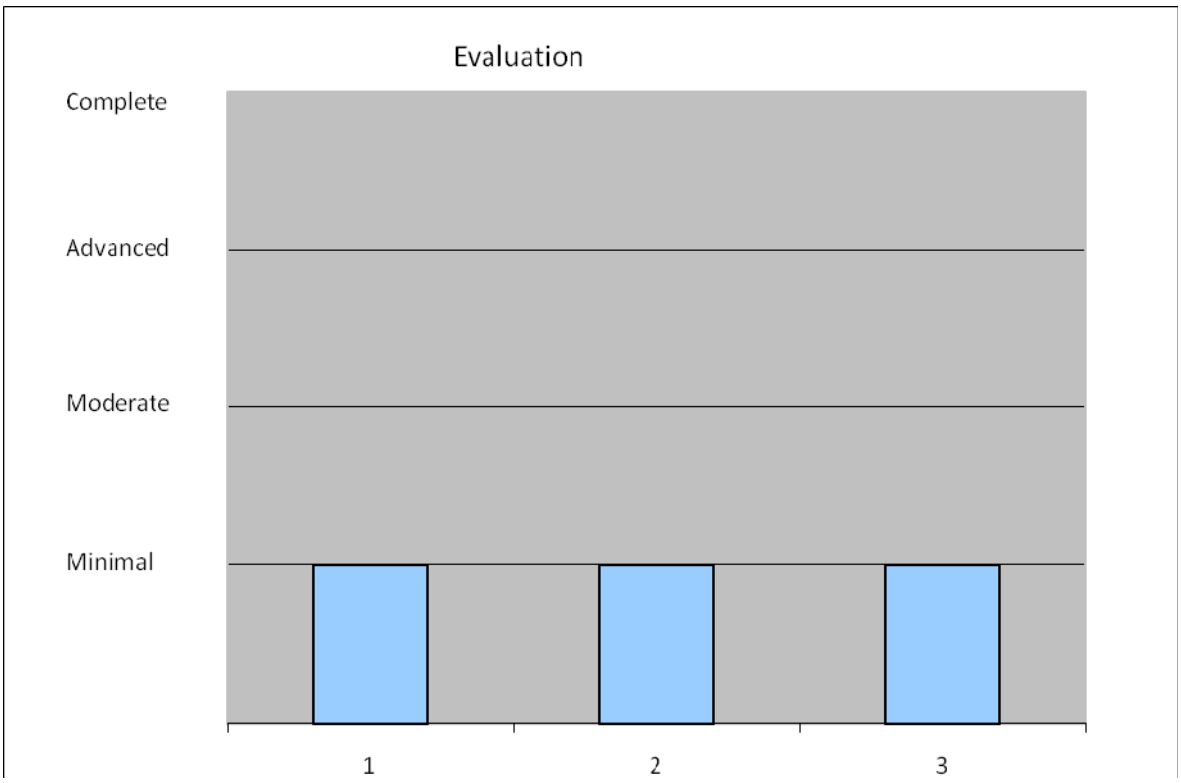
Scorecard review dated: March 2013

1	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.
2	There is a common corporate data framework used across all asset groups, which is defined by Council's Infrastructure Asset Hierarchy.
3	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.
4	Council's asset financial reporting functionality is comprehensive and includes audit trails, depreciation calculations, reporting thresholds and records of acquisition and disposal of assets
5	Council's systems, procedures and processes allow it to benchmark its asset management performance against like Councils over time.
6	Asset Management systems have the functionality to generate maintenance and renewal programs and produce associated cash flow forecasts.
7	Council has defined and documented procedures for determining asset replacement and treatment unit rates, which are then stored in Council's Asset Management system.
8	Council has a defined process for operations, maintenance, renewal and upgrade planning for its existing assets.



Scorecard review dated: March 2013

1	Council has a process to review and update the Asset Management Strategy on a maximum of a 5 year cycle. The Asset Management Strategy is to be formally adopted by Council.
2	Council has a process to review and update Asset Management Plans for all asset groups on a maximum of a 3 to 4 year cycle consistent with the Council election cycle. Asset Management Plans are formally adopted by Council.
3	Council has a process to identify operational risks, assign responsibilities and monitor risk treatment actions all recorded within a risk register.
4	Council has a process to annually review and update the financial forecasts for all asset classes and update the Long Term Financial Plan.
5	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 asset management skills matrix. Staff training needs have been identified and training scheduled.
6	Council has a defined methodology for assessing the Remaining and Useful Life, Residual Value and Depreciation Method of assets.
7	Council has a process to collect and record asset data into an Asset Management system upon the commissioning of new (and/or modified) assets, including built and contributed assets.
8	Council has formal processes for the handover of assets to asset custodians/owners.
9	Council has a process to communicate the financial implications of the Asset Management Plans to internal and external stakeholders.
10	Council provides ongoing training programs for councillors, council management and officers on key asset management topics.



Scorecard review dated: March 2013

1	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
2	Technical levels of service are monitored and performance reported.
3	Community levels of service are monitored and performance reported.

APPENDIX 3 – STAFF CONSULTATION (2012)

Meetings were held over two days (2 - 3 February 2012) with various groups of Council staff members who had an involvement in asset management or were impacted by it. The discussions were aimed at establishing what organisational impediments or difficulties faced staff while undertaking their responsibilities.

It is noted that many of the concerns raised are not peculiar to Frankston City Council but in fact are relatively common across local government. There are a number of issues that can in large be addressed through management.

Most if not all councils have a resource shortage in relation to numbers of staff available to undertake the multitude of tasks facing them and completing them in an entirely satisfactory manner. The reality is that situation is not going to improve significantly. Addressing some of the impediments should at least ease the work load situation.

Staff who made themselves available:

- George Modrich - CEO
- Matthew Cripps - A/GM Assets
- Mick Cummins - GM Corporate
- Dr Gillian Kay - GM Communities
- Jane Homewood - GM Developments
- Darren Sampson - A/Infrastructure Manager
- Graham Hayden - Physical Services Manager
- Neil Horden - Parks & Leisure Manager
- Mandy Gatliff - Family and Youth Manager
- Leonie Reints - Aged Services Manager
- Liz Daley - Community Development Manager
- Robin Batt - FAC Manager
- Kim Jaensch - Finance Manager
- Lauren Day - Asset Planning Coordinator
- Wayne Stevens - Facilities & Administration Coordinator
- Jacquie Anderton - Recreation Coordinator
- David Gray - Parks Planning and Development Coordinator
- Luke Ure - Asset Planning team Leader
- Matthew Wright - Road Asset Engineer
- Wasantha Opanayaka - Drainage Asset Engineer
- Samantha Cross - Parks Asset Planner
- Markus Vorster - Facilities Asset Planner
- Peter Moon - AMIS Project Manager
- David Hanby - Capital Works Accountant

Issues raised:

- **Financial Management of Assets**

(a) **Budget Process -** Consequential costing of recurrent operations and maintenance for proposed new assets is not as good as it could be. Staff don't really have a handle on determining such costs and also the time constraints in processing new projects tend to be too tight for the costing to be undertaken with due care. Also need to review budget

allocations to ensure that staff is allocating them correctly to operations, maintenance or capital.

(b) **Program Budgeting** – is not uniformly undertaken across the organisation. Some areas are okay but not good in others. Important that it be developed as it enables a much better grip on the true cost of providing services and the programs within each service. The development of Hansen AMIS should help facilitate this – Hansen is supposed to interface directly with Finance One Corporate financial system. Finance and Assets Department do have a good working relationship.

(c) **Long Term Operations and Maintenance Programs** – as part of Council's Long Term Financial Plan (LTFP) it is important that 10-year indicative operations and maintenance programs be developed as part of Asset Management Plans that can then guide the future funding needs of each asset group. Such programs to also cater for new assets that are taken on board during this period. It is important that such additional work be catered for otherwise existing assets will have reduced levels of service as a result of having to manage unfunded new works.

(d) **Capital Works Business Case Template –** although the template is supposed to be used it often is not adequately completed. Needs a corporate push to make sure it is done properly. Also projects should be derived from long-term strategy rather than from out of the blue.

(e) **Equitable Spread of Funding** – there is concern that there is not an adequate prioritisation process in place when considering apportionment of funding between new projects in the budget process across all asset categories. Also concern expressed that it would be useful if councillors had a better understanding of the full impact of asset ownership on budgeting.

(f) **Carryover projects** – the general assumption in the organisation seems to be that once approved by Council through the budget if not undertaken during a financial year, the work automatically carries over into the next financial year. However from a financial management perspective the only carry-overs should be for those projects actually commenced during the year. If not commenced they should be resubmitted and run the gauntlet with other new projects for consideration. The bottom line being that the community should not be rated in a financial year for a project that is not intended to be completed during the year. There are exceptions such as bad weather etc that cause unforeseen delays.

(g) **Under-expenditures** – where savings in capital works are made, these should be returned to the funding pool to assist other financial commitments (e.g. Superannuation liability, over-expenditures, etc).

(h) **Use of Borrowings for Capital Works** – staff acknowledge the need to keep Council's loan borrowings under control but there is concern that councillors are persisting with a view that there are no borrowings at present to the detriment of provision of improved facilities for the community.

(i) **Lack of understanding of financial management** – concern was raised that indicates a lack of understanding of the financial management and budget process within the organisation. These include pressure on asset managers to move funds allocated to maintenance to cover cost of capital works and vice-versa. There is a need to clarify how budget funding allocations are managed from an operational perspective. Perhaps some basic ground rules need to be established that simply document the correct process.

- **Lack of Strategic Direction for Asset Management** – these is a good understanding at Executive level with asset management however there is a divergence of views on how it should be handled (i.e. currently no common view across CMT) and this is having a

detrimental impact for others in the organisation. Clearer direction is seen to be important to facilitate progress currently seen as ad-hoc rather than strategic in direction. Also there is a need to keep CEO and CMT aware of benefits of asset management to keep the focus.

- **Responsibility Assignment** – this is an issue that was raised a number of times as currently there is confusion about roles. Issues include:

- Needs to be some clear ground rules identifying clearly asset managers and service managers and their respective roles and these are to meet corporate requirements.
- Close examination of the various elements involved in managing assets to ensure the roles and responsibilities of key tasks are correctly allocated and understood by those charged with the responsibility. This includes setting service delivery standards, maintenance standards, intervention levels for defects, inspections, etc).
- Recognising that being 'responsible' does not mean actually doing the work involved but simply ensuring that it gets done to the required standard/level of service.

- **Apparent Lack of Policy Documentation** – this is stated as 'apparent' because it is believed that there may well be a number of policy and guidance documents in existence but there is no central reference register making it difficult to locate relevant documents. Issues include:

1. No asset handover policy and pro forma to be completed at time of asset handover. Templates need to be developed to cater for complex assets such as major projects such as multi-function centres and also minor projects such as pergolas where it is important that the project be signed off as suitable by al key players involved in its ongoing functioning.
2. Need for a life-cycle costing guide for new projects to ensure that adequate consideration is given to whole of life costs of any new asset being proposed.
3. Adequate document management required.

- **Service Levels** – need a better understanding of the true cost of providing services.
- **Asset Data** – there is a need to ensure that correct data sets are utilised when setting up the new Asset Management Information System, Hansen8. There are many data sets in existence on spreadsheets etc across the organisation. These need to be reconciled into a single corporate database which then caters for the needs of all users. Also need to recognise the cost of data collection and keeping it up-to-date is expensive so data should only be collected if there is a definite ongoing use for it.
- **Funding for Hansen8** – this is a priority project for implementation but funding is still constrained. Progress is therefore slower than desirable. Programmed maintenance will ne be able to be effectively implemented until Hansen is up and going.
- **Public Toilets Responsibility Assignment** – the concern raised was that this does not appear to be sitting in the right responsibility area to get the best outcomes. Apparently there used to be a Public Toilet Group under Infrastructure that examined the various issues (it is acknowledged that the condition of public toilets is an issue for Frankston City Council). It is now under Urban Planning.
- **Project Development Process** - This issue was raised by a number of staff as being of a significant concern and should therefore be given priority for resolution across the organisation. Concerns include:

4. Inadequate consideration given to project outcomes at the concept stage before it is listed as a potential budget item.

5. A concept needs input from the end users and should involve a multi-disciplinary team to examine any proposal before it gets 'legs' and commitments are made. Input at this early stage will provide an opportunity to address key issues to influence design outcomes.
6. A key aspect is the realistic consideration of whole of life costs of the asset being proposed. Part of this exercise is the development of costing guidelines or templates that provide indicative costs of common asset types (e.g. building types). A guide list did exist several years ago however this seems to have disappeared from the scene.
7. An operations and maintenance plan needs to be developed with indicative costs.
8. One of the issues to be discussed at an early stage is whether or not the new proposal will enable an older facility to be made redundant and disposed of from Council's asset stock rather than replacing an old building yet keeping it on and incurring even more maintenance costs.
9. There seems to be a lack of recognition by urban planners of the need to progressively replace assets that are currently substandard and also take on board the potential to rationalise current asset stock.
10. A concern is that project architects/designers at times seem more interested in producing a design that has visual impact at the expense of the practical functional requirements.
11. Those who should be involved in the multidisciplinary team include:
    a) Project initiator as or with a Project Sponsor;
    b) Service provider in order that the project is developed in accordance with service functional needs;
    c) Asset manager so that the infrastructure item being produced meets AM requirements;
    d) Maintainer of the infrastructure to ensure that maintenance considerations are incorporated into the design to minimise the call on ongoing maintenance funding (a scarce resource) and maximising the life of the proposed asset.
    e) IT personnel where data management cabling is required to ensure conduits etc meet corporate system requirements.
12. Service providers want more input at the design stage, along with building advice (preferably the proposed builder) to ensure that some of the issues they as service providers have are addressed and that the proposed structure meets the intended function and is practical for operations.
13. Rather than presenting plans to be signed off, as most service providers are not overly familiar with plans, it is seen as an important step in the process that the architect/designer talk the stakeholders (service providers, user representatives asset managers, maintainers and potential builder/s) through the proposal in order to be able to make constructive input where potential flaws are observed.
14. Project budgets to have contingency allowances allocated to cover unknowns that may arise that have not been picked up during the process.
15. Examples of problem designs include:
    a) Use of high maintenance materials in the structure (e.g. raw timber cladding originally intended to weather but which to maintain a 'new' appearance has to be regularly oiled at relatively high ongoing maintenance cost);
    b) Use of non-corporate standard security mechanisms fitted that have to be changed after the structure has been completed;
    c) Inadequate attention to internal and external access to facilities (independent audit undertaken of access being provided, not just disability access but all access;

d) Inadequate attention to landscaping requirements, including threats from overhanging trees that could potentially fall causing structural damage during storms and filling roof gutters with leaves requiring more attention to gutter cleaning on already stretched operations and maintenance budgets.

e) Adequate storage provided in multi-function centres with separate secure storage areas to cater for individual user groups to minimise the potential for the inevitable conflict that arises.

f) Examination and provision for management of utility costs such that there is ease of identification of these costs apportioned amongst user groups as this is a big facility management issue for service providers (separate zone metering etc provided).

16. At the stage when a project is nearing completion, prior to the point of practical completion, the service provider, asset manager and asset maintainer should undertake an inspection with the builder so that any potential defects can be picked up and addressed while the builder is still on site so that there is very little if any outstanding work to be completed after practical completion in the warranty period. Experience is that it is often left to the service provider to chase the builder to complete outstanding works during the warranty period often without success. Project managers have not performed this task well in the past.

17. Apparently a Project Planning & Development Process has been developed although there is a concern that it has not been rolled out across the organisation and that it is introduced at a stage when the project may have already been locked it. Need to review where it is and see if it can be introduced at the early concept stage (if in fact that isn't the case) then roll out properly across the organisation.

18. It is also noted that a Capital Works Implementation process is currently being developed by CT Management's Ian Mann.

- **Building Maintenance & Condition Audits**
    - There needs to be a maintenance prioritisation process particularly when maintenance demands are greater than available funding.
    - Ideally need a Building Maintenance Management System.
    - No centralised Building Data System at present however Hansen System should address this.
    - Building condition assessments (structural) are undertaken by external resource and it provides a program for renewal works.
- **Maintenance Contracts** – it is of concern in relation to a recent tendered maintenance contract that a negotiation with the preferred tenderer was required to get the contract cost reduced by $0.5M because costs were too high yet the contractor was expected to produce the same level of service. The concern here is that the service level will drop. Currently facility maintenance budgets are already over-expended by $300,000 meeting urgent maintenance needs. Maintenance is being underfunded. Maintenance contracts include CPI as the inflationary increase yet this has no direct cost relationship with maintenance costs (cost of materials, plant and labour) and also don't recognise the increased size of the asset as new projects are taken on board.
- **Project/Contract Management** – is not being handled well within the organisation, it is perceived as a weakness. There are cost over-runs, capital works are not completed as budgeted or are rushed to meet timeframes with resulting over-expenditure or poor quality work as a result. Project cash-flow projections are not good. Community Services Providers have great concern in that they themselves have to chase buildings to complete outstanding works as the project manager seems to lose interest once practical

completion is reached. Issue needs to be explored and perhaps some training initiated across the organisation for those involved.

- **Maintenance to be by Asset Class** – this should be adopted for consistency of service to avoid having differing levels of service in an asset class which increases risk and also potentially impacts council's ability to respond to any litigation as a consequence of differing standards.
- **Project Participation** – individual officers need to understand their limited role in a project in which they are but a part of a bigger picture. They need to consult and fit in for the greater good to get the best outcome for the project. Need to get away from a 'silo' mentality.
- **Project Cost Estimates** – there is a need to refine the cost estimating process at various stages of progression of a project to ensure that when finally presented to council in the budget the project cost is likely to be a true reflection of tender costs. This would involve at the least an initial indicative cost assessment at concept stage, a reappraisal of costs at the time of the preliminary design and then a further review upon completion of the final design after all inputs have been received and considered. If there is any delay between the costing at final design and actual funding, a further review should be undertaken to pick up on any cost increases during the intervening period. When forecasting costs there needs to be a corporate process as guidance and the organisation needs to stick to it for consistency in cost projections.
- **Strategic Planning for New Assets** – concern that there is not adequate strategic planning being given to the need for new assets (management of future demand). This process should also include the opportunity to rationalise existing asset stock and provide better long-term outcomes for the future. This would involve consultation with service providers (assets no longer fit for purpose) and asset managers (assets reaching the end of their useful structural lives). Where a building is no longer fit for purpose it needs to be removed or made redundant.
- **Vacating Buildings** – when it is necessary for a building to be vacated by a regular scheduled user group a program for vacating these groups needs to be developed to assist the service provider otherwise they cop the brunt of the group's wrath.
- **Decommissioned Buildings** – there needs to be some input put into the management of timely disposal of decommissioned buildings so that they are not left sitting around and vulnerable to vandalism.
- **Asset Condition versus Fit for Service –** Apparently there is some confusion amongst service providers as to the difference between asset condition and a facility being 'fit for purpose'. Asset condition is used to assess the structural condition of a building and is not related to the purpose for which it is being used. Structural condition has an impact on renewal of the building. 'Fit for purpose' relates to the ability of the building to perform the function for which it is intended. For various reasons, not least of which are legislative requirements that have to be met in performing its service function, a building may no longer be suitable. This may then require structural modifications or even abandoning it for that particular service. Both structural condition and 'fit for purpose' have a bearing on a building's future but it is important that the difference is recognised. Asset Managers are involved with structural condition whereas service managers are involved in 'fit for purpose'. Any shortcomings in the latter must then be advised to the asset manager to ensure appropriate action can be planned.
- **Maintenance & Renewal Programs for Community Facilities** – the service providers had the following concerns:

    - There needs to be a maintenance prioritisation process particularly when maintenance demands are greater than available funding. Ideally need a Building Maintenance Management System.
- They do not have adequate input into maintenance programs and also renewals (e.g. internal fit-outs and mechanical equipment) to ensure they are fit for the purpose for which the building is being used.
    - Issues with IT when it comes to internal fit-outs of buildings – there seems to be inadequate time for IT to respond to requirements or their response is inadequate.
    - Need to have the level of service documented for fittings and facilities required in each building for the services it is to provide to the community with clear definition of whether it is to be provided by the asset manager or service provider.
    - A level of service to be documented for maintenance where relevant showing defect intervention levels.
    - Defects need to be recorded when they occur and then reported to maintenance for attention (risk management issue).
    - In some instances with major facilities such as the Arts Centre, it is useful if there is a dedicated officer who can assist the facility manager with maintenance issues which can be complicated and very site specific (plant rooms, electronic operations for lighting & sound, etc) as the facility manager although perhaps familiar with needs is not skilled in maintenance activities.
    - When examining a facility nearing the end of its useful life consideration needs to be given to the increasing maintenance needs as the structure decays. This also applies to mechanical equipment such as heating and cooling as older equipment may not be energy efficient and now incurs high energy costs. This causes much angst with user groups required to pay these costs.
    - In relation to maintenance, community expectations are higher now than 10-15 years ago. Silly items of negatives include quality of carpet, building not as good as they would like, yet nothing actually physically wrong with them.

- **Environmental issues** – Community service providers have a concern that when consideration is given to environmentally sustainable projects there is an additional cost imposed on some user groups who are expected to contribute part of the cost of the facility. This is seen as not being equitable when compared to other groups who have not had the environmental issue to contend with. Is it practicable for Council to only seek payment from the group for their proportion of the base structure excluding the cost of the environmental enhancement with Council (the community overall) picking up the cost of the enhancement?
- **Maintenance Inspections for leased facilities** - apparently council is not providing adequate inspection of council owned facilities being leased to user groups. They are council structures and council wears the risk if inadequate maintenance causes problems.
- **Open space reserves** – developers should be required to provide a development plan for new reserves and discuss with council staff.
- **Information Technology (IT) need to be team players** – several people raised the issue of IT not being seen as team players, they tend to dictate and not adequately assist other departments to get their jobs done.

- **Understanding of Asset Management** – it seems that there is a lack of understanding of AM at lower levels of the organisation. For instance Open Space Strategy where standards are being set without due consideration of asset management requirements.
- **Drainage Assets** – reasonably well identified in terms of location on GIS. However much work still to be done to identify asset details (size, material, date of construction, etc). No condition assessments undertaken at this stage.
- **Customer Service Centre** – need to review how it can perform better in managing request for drainage issues in particular. Currently many drainage issues are directed to the drainage strategy planner in asset management. He then conducts a site inspection but not being the maintenance provider has to refer many queries to maintenance. This is time consuming and takes the planners time from his normal AM duties. The calls would be better directed to Maintenance in the first place.

APPENDIX 4 – MAV INTEGRATED & FINANCIAL PLANNING FRAMEWORKS

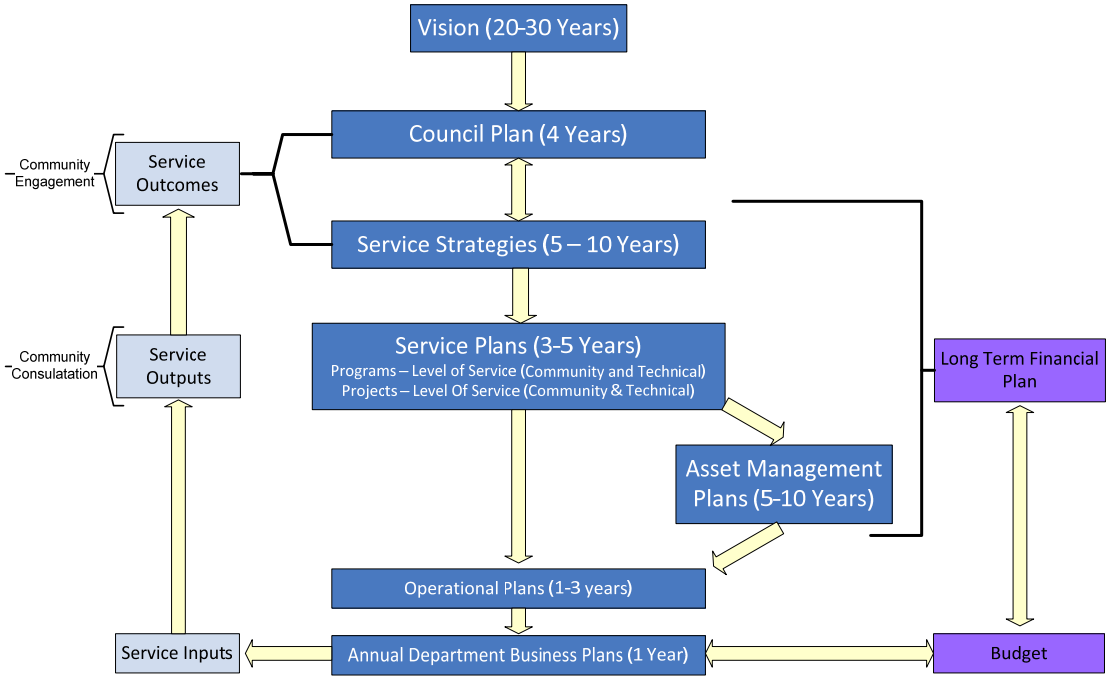


Figure 13: MAV Integrated Planning Framework

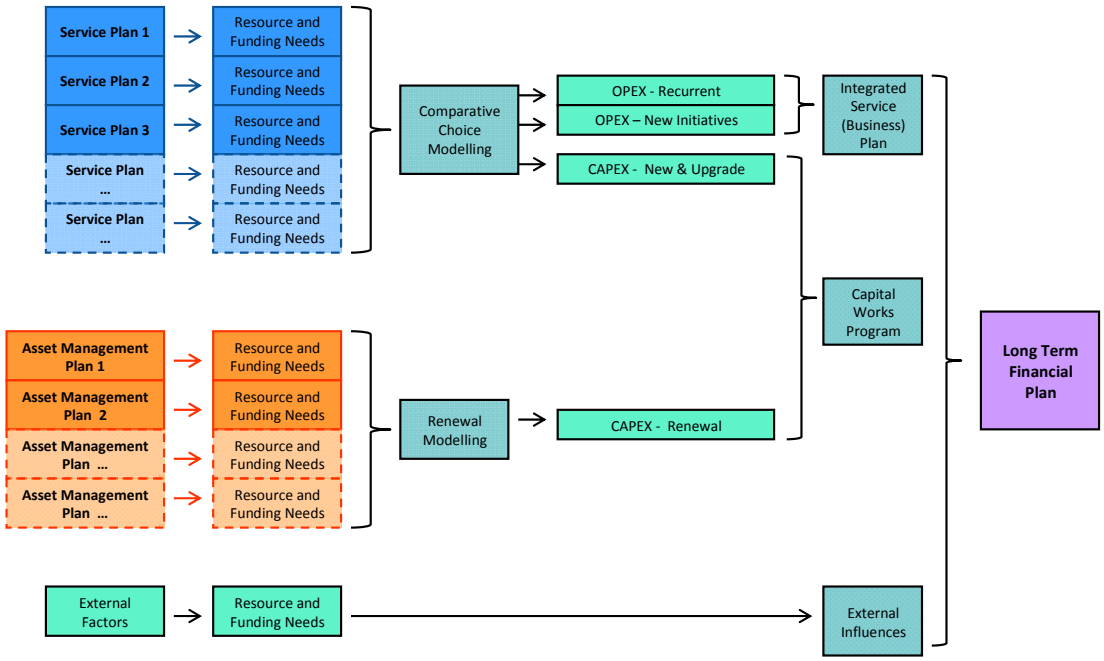


Figure 14: MAV Financial Planning Framework

APPENDIX 5 – CAPITAL WORKS PROGRAM RESPONSIBILITIES

During the development of Council's Capital Works Framework in 2012, programs and their responsibilities were defined. The tables below show both the discretionary and non-discretionary programs and the responsible Manager or Coordinator.

Further work is required to detail all asset and service lifecycle responsibilities.

Discretionary Program (New/ Upgrades)	**Description**	**Service Manager**
Structured Recreation	Development of new and upgraded recreation/leisure infrastructure at Council's Open Space structured recreation/leisure reserves.	Parks & Leisure Manager
Arts & Cultural Services	Development and upgrade of art facilities and public artworks.	Manager Frankston Arts Centre
Libraries & Learning Services	Development and upgrade of library facilities, furniture and equipment.	Manager Libraries & Learning
Family & Youth Facilities	Building works for Maternal & Child Health Centres, Pre-school, Playgroups, Child Care, Early Learning Centres, Youth Facilities, etc.	Manager Family & Youth
Aged Care Facilities	Development and upgrade of aged care buildings.	Aged Services Manager
Community Facilities & Meeting Places	Development of new and upgraded Council owned community facilities, community hubs, neighbourhood houses and the Frankston Community Support Centre.	Manager Community Development
Civic & Corporate Buildings Upgrades	Program for new/upgrade works for Council facilities.	Manager Infrastructure
Land Acquisition & Sales	Program of purchasing or disposal of Council land.	Governance Manager

Discretionary Program (New/ Upgrades)	Description	Service Manager
Aquatic Services	Development of new and upgrade projects to Council's Aquatic Services at the FRAC and Pines Aquatic Centre.	Manager Aquatic Services
Open Space, Foreshore & Unstructured/Passive Initiatives	Upgrade existing Open Space for unstructured or passive recreation and biodiversity protection. Also includes creation or upgrade of pedestrian structures such as footbridges, boardwalks and staircases.	Parks & Leisure Manager
Playground & Play space Initiatives	Creation or upgrade of playgrounds and play spaces in Council's Open Space areas or facilities.	Coordinator Park Planning & Development
New Plant & Fleet	Program of new plant and fleet purchases for new services.	Fleet Services Coordinator
Waste Management	Program of new and upgrade projects to enhance waste management services	Waste Management Coordinator
Sustainability Initiatives	Initiatives to reduce environmental impact from new and existing Council facilities through the use of Environmentally Sustainable Technology and Design Principles.	Environment Manager
Information Services	Program of improved IT systems and record management as determined by the IS Steering Committee.	Manager Information Systems
Stormwater Management	Flood mitigation works as identified through Council's Flood Management Plan and major drainage issues identified through Council's drainage inspection program and customer response system. This program also includes WSUD, Recycled Water and Water Harvesting initiatives.	Manager Infrastructure
Pathways	Creation or upgrade of paths to link with existing pathways, new paths and bus stops.	Coordinator Transportation & Developments
Bicycle Facilities	Creation or upgrade of on-road and off-road bicycle routes.	Coordinator Transportation & Developments

Discretionary Program (New/ Upgrades)	Description	Service Manager
Roads & Bridges	Creation or upgrade of roads, vehicular bridges, special charge schemes, road widening, kerbing and on-street car parking.	Coordinator Transportation & Developments
Traffic Management	Program for local road safety infrastructure projects to enhance road safety and amenity. Includes traffic treatments, traffic devices and LATMs.	Coordinator Transportation & Developments
Streetscapes	Program to support improved street amenity & street furniture environment in shopping precincts.	Strategic Design Coordinator
CAA Initiatives	Program for works within the Frankston CAA to stimulate economic development, visitation to the area and local area revitalisation.	General Manager Development
Urban Revitalisation	Program for works within the municipality (excluding CAA) to stimulate economic development, visitation to the area and local area revitalisation (e.g. Frankston Yacht Club, Long Island Redevelopment, etc.)	General Manager Development

Table 6: Discretionary Capital Work Program Responsibilities

Non-Discretionary Program (Regulatory Compliance & Renewals)	Description	Service Manager Position
Facilities Compliance	OHS & DDA Upgrade works of Council facilities	Asset Planning
Footpaths Compliance	Footpath safety upgrades via Citywide footpath inspection	Asset Planning
Parks & Leisure Compliance	Implementation of annual risk management audits in Council Reserves targeted at specific asset safety issues	Asset Planning
Playgrounds Compliance	Works identified through annual Australian Standards Audit, includes removal of treated pine play structures and major modifications	Asset Planning
Bridges Compliance	Prioritised implementation of recommendations to upgrade barrier and guardrails over a 3 year period to comply with current standards	Asset Planning
Waste Management Compliance	Upgrade projects to enhance waste management services to comply with current standards	Asset Planning
Bridges Renewal	Program to address renewal recommendations as determined from regular condition audits. Includes vehicle bridges and major culverts & pedestrian bridges, boardwalks, look-outs and stairways. Priority order is determined from ranking criteria.	Asset Planning
Kerb Renewal	Program to rehabilitate and reconstruct failed kerb and channel to improve the service level across the municipality, as determined from condition audits.	Asset Planning
Road Renewal	Program to reseal, rehabilitate or reconstruct deteriorated roads across the municipality, as determined from condition audits.	Asset Planning
Drainage Renewal	Program to replace damaged and deteriorated sections of pipe and drainage pits, as determined through condition audits and CCTV (Closed Circuit Television) investigations. Program includes replacing non-functional drainage pipe lines.	Asset Planning
Footpaths Renewal	Program to replace damaged dangerous and aged footpaths across the municipality, as determined from condition audits.	Asset Planning

Non-Discretionary Program (Regulatory Compliance & Renewals)	Description	Service Manager Position
Office Furniture & Equipment Renewal	Renewal of Business Critical equipment, including office furniture, desktop and notebook computers and other server and communications related components to support infrastructure required to maintain business operations.	Asset Planning
Facilities Renewal	Program for renewal of all Council owned buildings. This program is developed from results of regular condition audits and prioritised in terms of ranking criteria.	Asset Planning
Park Furnishings & Equipment Renewal	Program to replace open space infrastructure in all open space areas, including playgrounds, sporting equipment and playing surfaces. Replacement of playgrounds is based on the Playground Strategy and condition audits.	Asset Planning
Car Park Renewal	Program to reseal and rehabilitate off-street car parking areas.	Asset Planning
Plant & Fleet Renewal	Program to replace vehicles, plant and equipment.	Asset Planning
Street Tree Replacement	Program to replace trees in road reserves that are in fair to poor condition, as determined from condition audits.	Environment

Table 7: Non-Discretionary Capital Work Program Responsibilities

APPENDIX 6 - SERVICE & ASSET MANAGER INVOLVEMENT IN THE PREPARATION OF AM PLANS

The following diagram presents an AM plan table of contents, which conforms to that presented in the International Infrastructure Management Manual. It is a common format used within Local Government in Australia.

The diagram highlights the key roles of Service Managers and Asset Managers in obtaining relevant information for the development of an AM Plan.

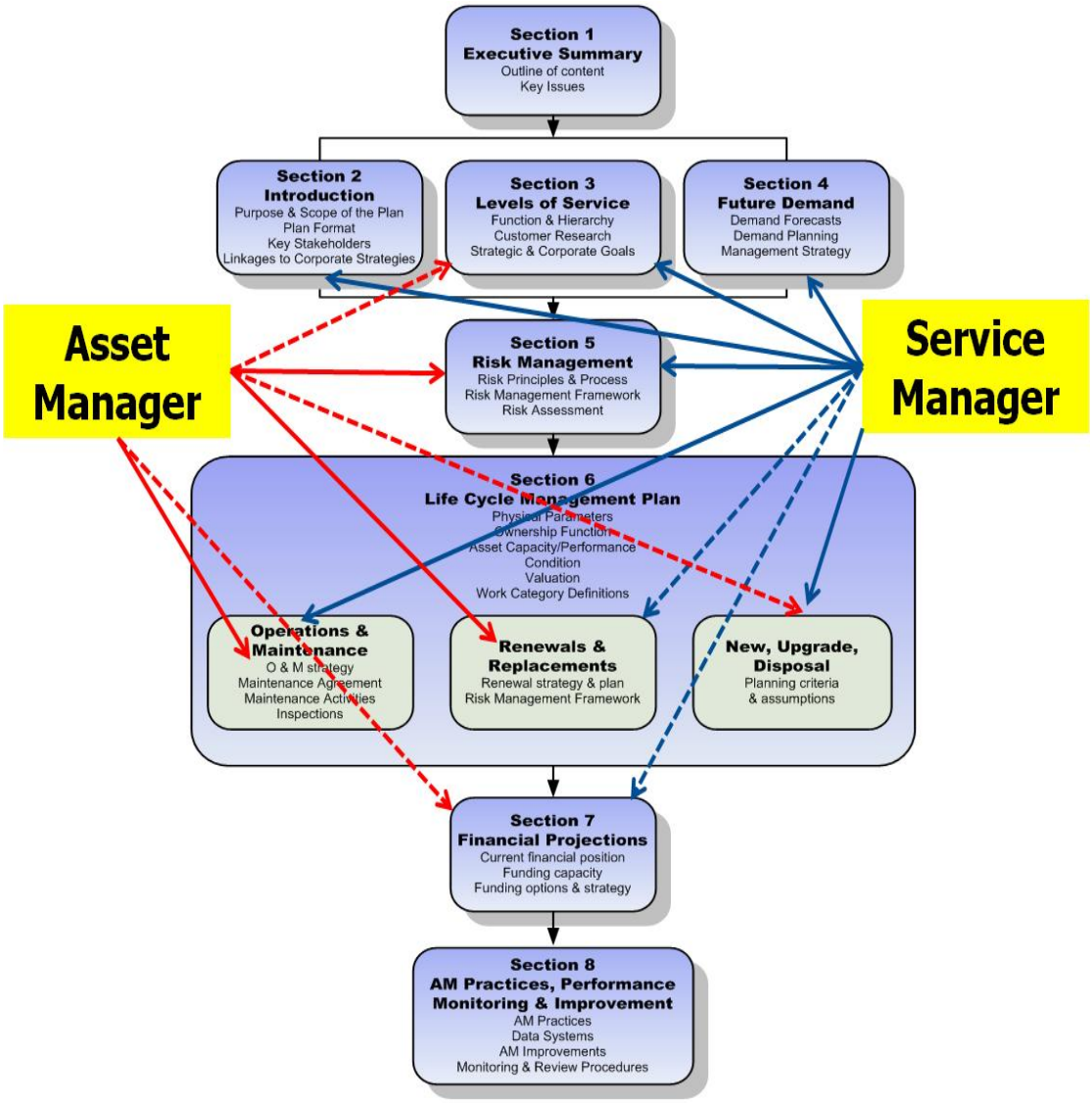


Figure 15: Typical Structure of an Asset Management Plan

The level of detail contained within the AM Plans will vary depending upon the complexity of the asset group under consideration.