



Asset Plan 2022

Strategy Report

FINAL DRAFT

June 2022

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Glossary

Abbreviation	Definition
Act	Local Government Act 2020
AM	Asset Management
AMF	Asset Management Framework
AMP	Asset Management Plan
AP22	Asset Plan 2022
IIMM	International Infrastructure Management Manual
IPWEA	Institute of Public Works Engineering Australasia
LTFP	Long Term Financial Plan
SLP	Service Level Plan

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Acknowledgement of country

Moyne Shire Council acknowledges the traditional owners and custodians of the lands, waterways and country we live in.

We recognise and respect their diversity, resilience, and the ongoing place that Aboriginal and Torres Strait Islander people hold in our communities.

We pay our respects to the Elders past, present and emerging, and commit to working together in the spirit of mutual understanding, respect and reconciliation.

1. Introduction

Moyne Shire Council is responsible for the delivery of community, economic, infrastructure and corporate services under the Local Government Act 2020. Many of these services require the acquisition, operation, maintenance, renewal and disposal of an extensive range of physical assets across the shire by Council.

Infrastructure assets underpin community development and community connections, respond to environmental factors, support economic and social activity, and make a significant contribution to the liveability of our region.

Asset planning should:

- Reflect current and forecast generational change
- Acknowledge the diverse and unique social and economic characteristics of our towns and communities
- Support local self-sufficiency and local leadership aligned to the capacity and resources of the organisation and community
- Provide opportunities for all community members to be respected, and be part of and contribute to community life.

Council owned and managed assets include land, buildings, parks, recreation areas, roads, footpaths, drainage systems, coastal and marine structures, and commercial assets. These assets have a significant replacement value conservatively estimated at \$817 million. Asset management includes asset planning, development, management, maintenance and operational services that collectively contribute to our community's quality and way of life.

Located in south-west Victoria, Moyne Shire is home to over 17,000 residents and covers a geographic area of nearly 5,500 km², is one of the state's largest rural shires. Attracting thousands of visitors to its towns and villages, coastal and volcanic landscapes, cultural destinations and festivals and events, the shire is experiencing increased population growth particularly from metro areas, and increased demand for asset-based services and programs.

With a large asset portfolio, both the organisation and community must manage and plan current and future asset renewal, development and rationalisation in order to deliver sustainable services and assets that address community needs, and align to organisational management and investment capacity.

The Asset Plan 2022 (AP22) is frequently referred to as the Asset Management (AM) Strategy and it considers the objectives in the My Moyne My Future 2040, 2021-2025 Council Plan, Long Term Financial Plan, other organisational and community strategies and local policies. It presents the inter-related asset management objectives, principles, frameworks and strategies for sustainable asset servicing and development.

1.1. Asset snapshot

A summary profile of Council's key assets is provided in Table 1.

Table 1 - Summary of key assets as of June 2022

Asset class	Type	Indicative quantity
Roads and drainage infrastructure	Sealed and unsealed roads	2,743 kms
	Footpaths	75 kms
	Bridges	123
	Major and minor culverts	83
	Kerb and channel	45 kms
	Drainage pipes	48 kms
	Drainage pits	2,022
Open space, sport and recreation	Total open space	3,895 hectares
	Core open space	407 hectares
	Parks and gardens	44 hectares
	Outdoor sport facilities	286 hectares
	Swimming pools	4 (includes Belfast Aquatics)
	Individual play equipment and BBQs	349
	Clubrooms, change rooms and pavilions	38
Commercial	Caravan Parks	7
	Theatres	2
	Landfills and transfer stations	1 landfill and 8 transfer stations
	Quarry	1
Buildings	Total buildings and like structures	408 of which 187 are Crown assets managed by Council
	Public toilets	51

1.1.1. Asset valuations

The best available estimate of the value of assets included in AP22 are shown below

Current (gross) replacement cost	\$816,727,808
Depreciable amount	\$773,619,264
Depreciated replacement cost	\$560,183,680
Annual depreciation	\$12,365,294

1.2. What is asset management?

Asset management involves the integration of capital planning and asset management with service delivery. It requires a strategic process of asset development, creation, maintenance and disposal. This should lead informed and systematic asset management and decision making processes taken throughout the life of the asset. It should also support the financial, social and environmental sustainability of delivering services for our communities over the longer-term.

Robust asset management develops organisation and community-based understanding of asset cost, risks and trade-offs that align to corporate goals and priorities. It addresses the service level and service delivery needs of communities within organisational and community capacity and resources. Figure 1 shows a summary of the asset management framework.

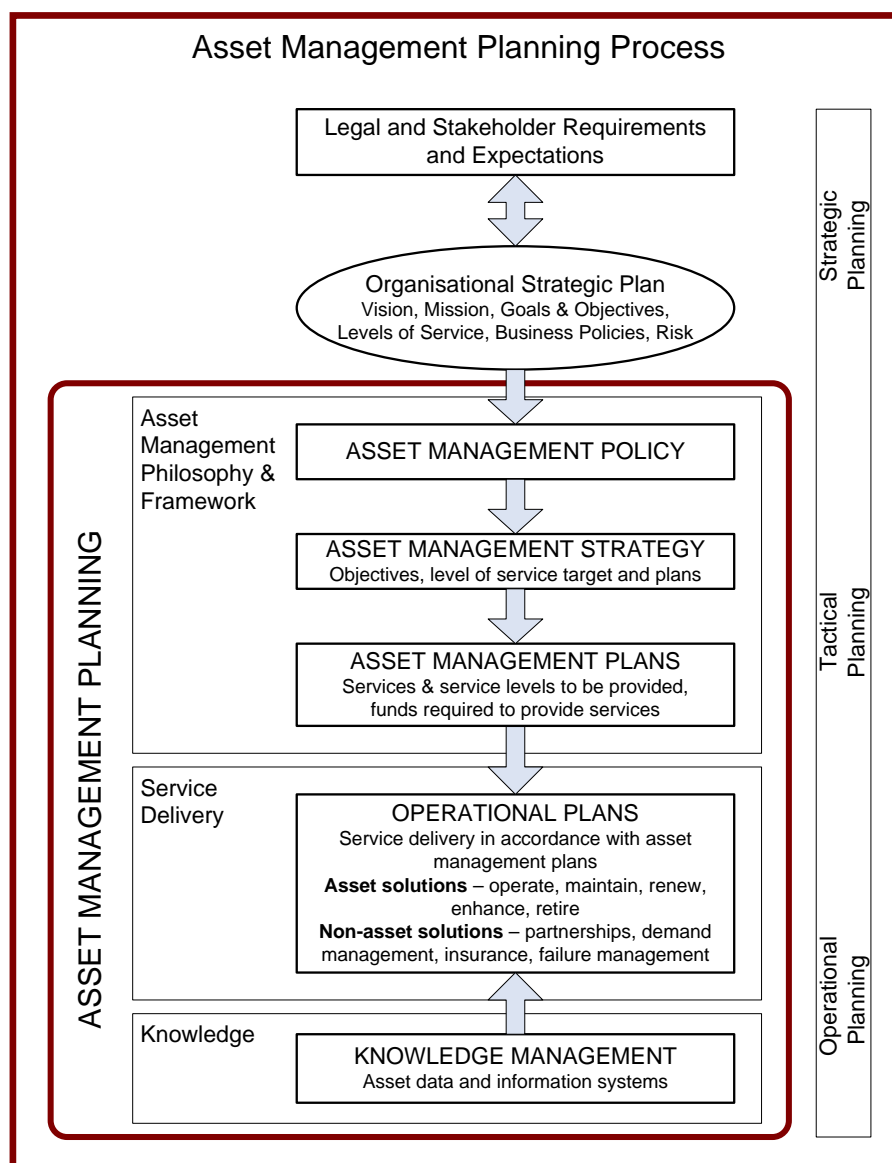


Figure 1 - Asset Management Framework

1.3. How the Plan was developed

The AP22 was developed through collation and analysis of existing Council data, information and reports relating to Council's asset portfolio and asset planning and management processes and systems. An internal project control group comprising of lead asset managers was established to provide expertise and asset information to the project delivery team.

Under the Local Government Act 2020, councils are required to engage with community on the development of the organisation's Asset Plan using deliberative engagement processes. Detailed deliberative engagement processes are presented in Council's 2021 Community Engagement Policy.

However, under the Act, councils are not required to use deliberative engagement for the development of the first 2022 Asset Plan. For the AP22, Council decided not to use deliberative engagement for the following reasons:

- In early to mid-2021, as part of the development of My Moyne My Future 2040 – the new community vision document – and the 2021-2025 Council Plan, a range of community and stakeholder engagement activities were undertaken. Asset related commentary and priorities were collated from this engagement program and summarised in the Community Engagement Findings for Moyne Shire Council Asset Planning report. This report was used as the reference for community-based considerations for the AP22.
- Gaps in available asset data and information that posed a challenge for providing robust and complete information to community. These information gaps would reduce the effectiveness and efficacy of community discussions and outcomes.
- Officer familiarisation of new asset strategy and data collation systems through the recent licensing of IPWEA – a subscription-based software for guiding and analysing asset-related information from across the organisation to identify trends, gaps and budget considerations.
- Short timeframes to plan, develop and deliver the AP22, six supporting Asset Management Plans (AMP) and new Asset Policy by early June 2022. This included the need to gather, collate and analyse asset-related information from across the organisation.

Community and stakeholder submissions were also sought on the Draft AP22 in April and May 2022 and were considered for the development of the Final report.

Extensive consultation was held with Council asset class managers and relevant officers to understand current operational processes and asset challenges, future trends, and opportunities for asset management improvement.

Community submissions received for other Council strategies and policies were also reviewed, including:

- 2021 and 2022 Annual budget
- 2021 Long Term Financial Plan
- 2020 Open Space Strategy
- 2021 Road Management Plan
- 2020 Port of Port Fairy Master Plan
- Other Master Plan and strategy documents

As required under the Act, Council will use deliberative engagement for future asset plan development.

1.4. COVID-19 and other external influences

COVID-19 has impacted on community asset use and servicing. Many community facilities have not been available for use due to restrictions and quotas. Council will take careful consideration of usage patterns when undertaking asset planning, budgets and future projects.

A further impact of COVID-19 has been an increase in prices and availability of raw materials and supplies, longer supply times, availability of contractors to undertake works and tenders and some increase in contractor costs. This has also been affected by COVID-19 vaccination and infection management requirements for staff and contractors.

Global forces can also impact on asset management through supply chain disruption, cost increases, government and community confidence levels, and diversion of funds from infrastructure to other government portfolios.

Assessment of costs, project and work timeframes and impacts on Council asset resourcing will be monitored and major trends or impacts reported to Council through regular briefings and updates.

1.5. Corporate framework

The AP22 is an integral component of Council's planning framework. It aligns to the organisation's strategic plans and sets the structure for AMPs for specified asset classes. The AP22 and AMPs are linked to the community vision and Council Plan, and to the long-term financial plan.

The long-term financial plan forms the basis for development of annual budgets to deliver agreed levels of service from available resources. The annual budget sets the framework for annual work plans and divisional objectives and staff performance targets.

Figure 2 shows the importance and corporate fit of AP22 within Council's integrated strategic planning and reporting framework.

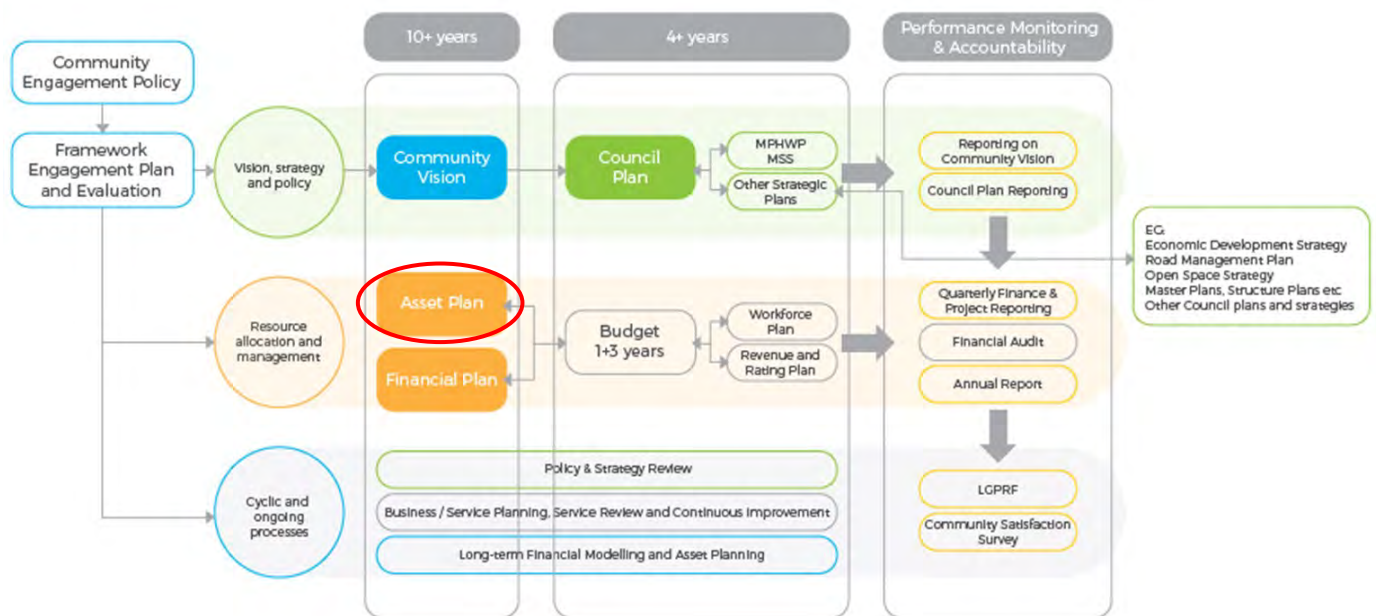


Figure 2 – Corporate strategic and planning framework

Council provides essential services to residents, businesses and visitors including:

- Infrastructure and environmental services
- Economic development and visitor services
- Strategic and statutory land use planning
- Cultural and community development
- Open space and sport and recreation
- Community care, health and child services
- Youth, arts and community asset services and programs
- Waste management and local laws

These services are an essential component to the liveability and economic prosperity of the community, and fundamentally link to asset delivery, service levels and planning.

1.5.1. Relationship to legislation, strategy and policy.

AP22 responds to and aligns with a range of Council strategies and policies, as well as statutory and legislative requirements. These include:

- My Moyne, My Future 2040
- 2021-2025 Council Plan
- 2022 Long Term Financial Plan
- 2022 Asset Management Policy
- Road Management Plan 2021
- Open Space Strategy 2020
- Port of Port Fairy Master Plan 2021
- Gardens Reserve Master Plan 2019
- Other land use policies, development strategies, master plans, structure plans and precinct plans

Statutory and legislative requirements include:

- Local Government Act 2020
- Road Management Act 2004
- Subdivisions Act 1988
- Disability Act 2006
- Public Health and Wellbeing Act 2008
- Occupational Health and Safety Act 2004
- Gender Equality Act 2020
- Victorian Charter of Human Rights and Responsibilities Act 2006
- Marine and Coastal Act 2018
- Planning and Environment Act 1987
- Building Act 1993 and Building Regulations 2018
- Council planning policy and local laws

Council has adopted a number of policies that inform asset governance, decision-making, roles and responsibilities. The Asset Management Policy is summarised in section 4 and other relevant policies are presented in Appendix 1 – Summary of Council policies.

1.5.2. Responsibility for the Asset Plan

The Director of Infrastructure and Environment has overall responsibility for the development, maintenance, monitoring and review of the AP22. The AP22 will be reviewed at regular intervals by senior management as part of the asset management framework review.

Review outcomes will be reported to Council and the community through:

- A yearly State of Assets Report, 4-yearly review report and Council's corporate annual report.
- Community engagement with Community Asset Committees, community committees of management and other community representatives and stakeholders.

Table 2 - Asset management framework responsibilities

Who	Role and responsibility
State government	Crown land and asset policy. Support funding. Approvals and referrals for Crown land and asset development and management.
Councillors	Stewards of Council and community assets on behalf of the community. Allocation of budgets, resources and policy. Transparent, informed and consistent decision-making for asset management.
Executive management team	Promote the asset management framework across the organisation, the community and stakeholders. Ensure asset management processes and decisions meet Council good governance practices and strategic objectives. Manage, review and report on asset management budgets, resourcing and asset related decisions.
Directorates and business unit managers	Implement and manage asset strategy, policy and projects. Report on implementation of Asset Management Plans. Manage and plan asset management budget and resourcing.
Council officers	Support the delivery of the AP22 and asset management plans. Management of community, contractor and stakeholder interests and asset management activities.
Community	Provide asset management services in line with Council policies, leases, licences and committee of management governance and terms of reference requirements. Maintain, use and manage assets for their intended and agreed purpose in a safe, equitable and responsible manner. Inform Council officers on asset management issues.
Developers and investors	Ensure that asset development aligns to Council policy and community priorities. Inform and work with Council on any proposed asset development plans that will become the responsibility of Council or the community to own or manage. Ensure the development of assets meet all statutory and legislative requirements

Council uses a range of systems and processes to support its asset management framework, as summarised in Appendix 2 – Asset management systems.

1.6. Asset management scope

1.6.1. Inclusions

The Moyne Shire Council asset management framework includes:

- The AP22.
- Asset Management Plans for the asset portfolios detailed in section 1.6.3.
- Council's Asset Management Policy.
- Integration of asset management processes, activities and data with other organisational functions including service delivery, quality, accounting, risk management, safety and human resources.
- Reporting of asset management objectives and resources to achieve the objectives in annual and long-term budgets.
- Reporting of asset management objectives achievements in annual reports.
- The asset management framework, documents, plans and policies relate to assets where Council is:
 - The direct asset owner and/or manager
 - The asset manager as an appointed Committee of Management of Crown assets and land
 - The asset owner and manager where Council has appointed either a Community Asset Committee or a Community Committee of Management

1.6.2. Exclusions

Crown, privately or other agency owned and / or directly managed infrastructure assets are excluded from the AP22. Council plant, fleet and equipment, IT and general operational assets are also excluded from the AP22.

1.6.3. Moyne Shire asset portfolio

Asset classes included in Council's asset management framework, AP22 and AMPs are:

- | | |
|------------------------------------|----------------------|
| • Road Infrastructure | • Drainage |
| • Buildings | • Coastal and Marine |
| • Open Space, Sport and Recreation | • Commercial |

1.6.4. Asset Management Plans

Asset Management Plans (AMPs) document the services provided by the organisation for each of the asset classes and the strategies to achieve service level targets. They provide, where possible, forecasts for consideration in the organisation's LTFP. AMPs have been developed for each of Council's six main asset classes.

AMPs provide a basis for consultation with decision makers, customers and the community on the services they really need, and what is financially achievable. This should facilitate reaching a financially sustainable position where the organisation can provide asset-based services at an appropriate level and cost.

A summary profile of Council's key assets is provided in Table 1.

1.7. Asset maturity assessment

The International Infrastructure Management Manual (IIMM) asset management maturity index measures asset management practice areas on a scale that starts at "aware" and progresses through "basic", "core", "intermediate" to "advanced" level.

During the establishment of AP22, Moyne Shire Council's asset management practices were assessed with the results shown in Figure 3. The blue lines indicate the current level of maturity and the green the target maturity desired.

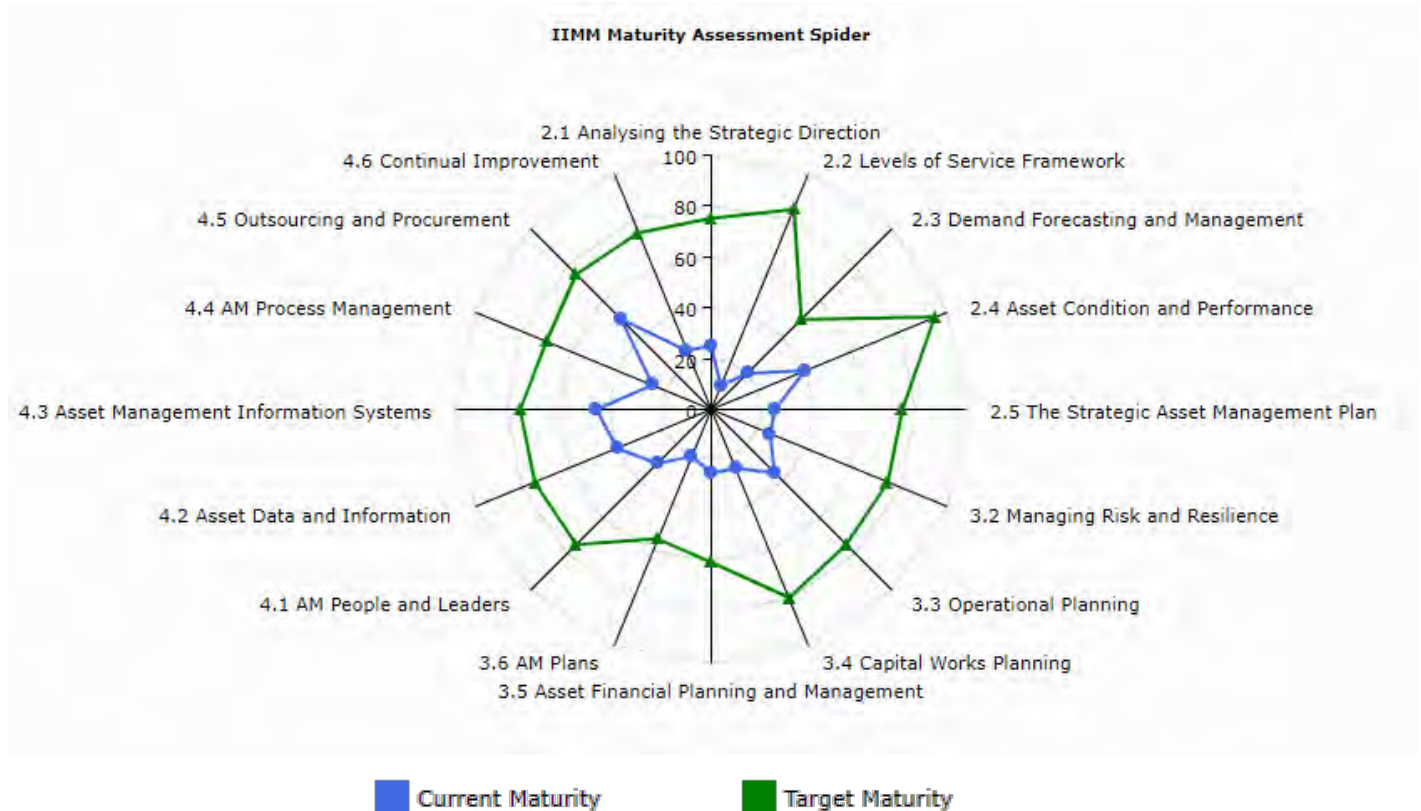


Figure 3 - Organisation asset management maturity analysis

It should be noted that as this is Council's first Asset Management Plan developed in response to the Local Government Act 2020, it is expected that asset maturity and awareness are low. This has, however, provided opportunity to identify areas of improvement and key priorities for the AP22 improvement plan.

The implementation of the asset management framework will raise scores for strategic and operational processes, asset management plans, and service level frameworks with the organisation working toward a mature approach over the next 10-years.

Opportunities for the AP22 improvement plan will consider asset management data, systems and process management while monitoring and reporting on continuous improvement each year through a "State of the Assets" report.

Detailed assessment will be undertaken every four years as part of the AP22 review to form a continual improvement process. Improvement in maturity particularly around risk is indicated by movement of the green current risk line to the red target line as shown in Figure 4.

A description of the risks associated with not achieving appropriate levels of maturity is provided in Figure 4. This is useful in determining appropriate levels of maturity and understanding the potential implications of gaps between current practice and desired appropriate practice.

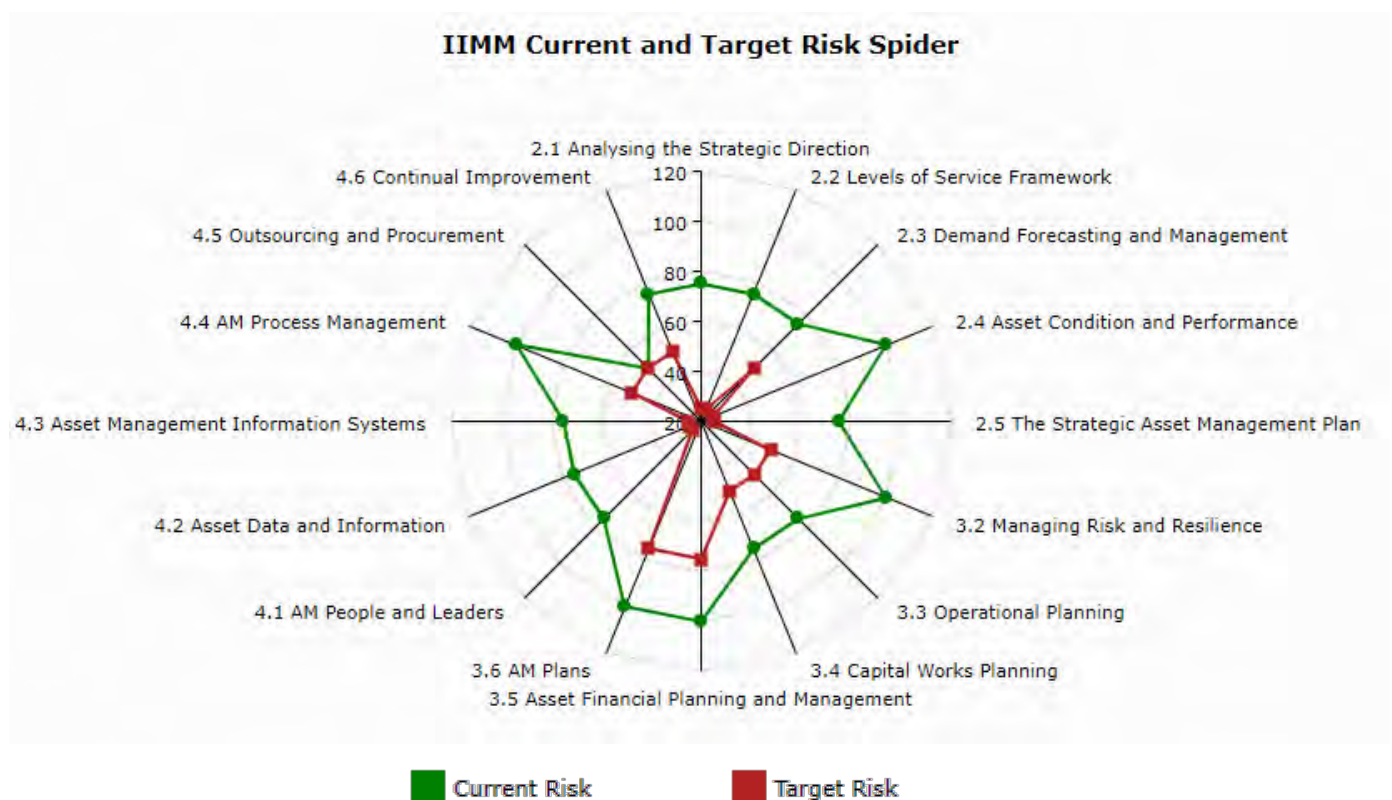


Figure 4 – Organisational asset management risk analysis

MOYNE SHIRE ASSET PLAN 2022

2. Vision and goals

2.1. My Moyne My Future 2040 Community Vision Statement

The people of Moyne embrace the region's extraordinary cultural and ecological country. Our fertile volcanic plains and pristine coast are the pride of Victoria's southwest.

From coast to country, our connected and vibrant communities are active stewards, working meaningfully towards the protection and advancement of environment, history, social and economic vitality for present and future generations.

My Moyne, My Future 2040 presents the community aspirations to support the Vision Statement under four pillars: Place, Environment, People and Economy. These aspirations and pillars are reflected in the 2021-2025 Council Plan and the AP22 also supports the implementation of these two important strategic documents. The AP22 has adopted the My Moyne My Future 2040 Vision as its vision statement.

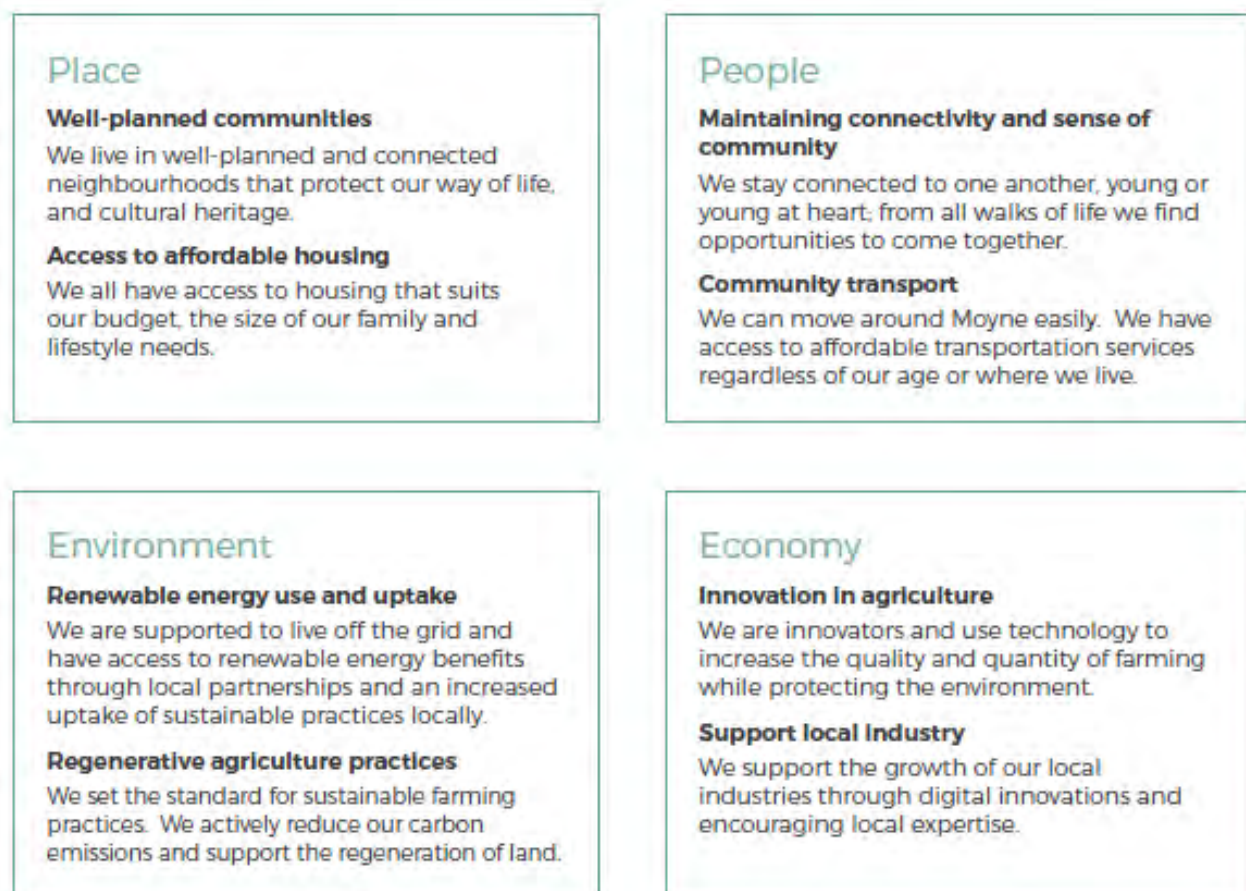


Figure 5 - Community Vision Pillar priorities

2.2. 2021-2025 Council Plan

The 2021-2025 Council Plan sets the strategic directions and priorities for Council over the Councillors' term of office. The Council Plan has adopted the 2040 Vision Statement and the four Vision pillars. For the first time in 2021, the Council Plan incorporated the Municipal Public Health and Wellbeing Plan and includes a section on organisational good governance.

The overall asset management framework, asset plans and policy need to support the implementation of the Council Plan's key projects, strategy and policy which include:

- Provision of infrastructure and services to support new development.
- Utilising existing facilities and buildings that represent viable opportunities for investment or repurposing.
- Fostering partnerships with community groups, agencies and service providers to develop multi-purpose, adaptable facilities to maximise co-use, co-management and mutual benefits.
- Partnerships that increase the use and function of, and investment in, community assets.
- Supporting transport, mobility and connections across the shire through local roads, footpaths, tracks and trails.
- Provision of play, sport and recreation spaces designed for all ages, genders and abilities and encourage active and social lifestyles.
- Development of open spaces, roads, pathways and streetscapes that enhance people's mobility, accessibility, safety, and sense of connection.
- Protection of the coastline and coastal communities from the impacts of climate change and extreme weather events.
- Continued planning, management and advocacy for support funding to reduce and mitigate risks from existing and old landfill sites in the shire.
- Identifying land and assets that could support light industrial investment for small business, industrial parks, innovation and business hubs.
- Enhancing the visitor experience through place-making, activation, streetscape and visitor amenity improvements.
- Investigating the shortage of childcare services in locations of critical and immediate need.
- Supporting healthy communities through open space, urban and housing development design and investment that enables active recreation, access to housing and social and physical connections.

3. Asset management principles and objectives

AP22 principles and objectives contribute towards delivering the four aspiration pillars of My Moyne, My Future 2040. These principles and objectives align with Council asset resourcing capacity and strategic priorities.

Table 3 - AP22 principles and objectives

2040 aspirations	AP22 principles and objectives
Place <p>We live in and plan for vibrant, connected communities with a range of affordable and accessible housing. We have an abundance of natural play spaces and accessible outdoor activities for all. Our community facilities, events, arts and culture are integral to our sense of place, giving us opportunities to further enrich our way of life.</p>	<p>Asset management policy and planning assesses investment benefits, outcomes, community sentiment and legacy for communities and residents.</p> <p>We will understand and support the aspirations of the Traditional Owners of Country in planning, strategy and policy.</p> <p>The design, location and accessibility of assets contribute to well connected, active, equitable and social community life.</p> <p>Assets and facilities are designed to accommodate growth, diverse needs and future demand.</p> <p>Assets contribute to the recreational, events and health and wellbeing of our community and visitors.</p>
Environment <p>Our natural environment is our biggest asset. We are lifelong learners working together to care for the coast and country. We embrace sustainable practices and development, and proactively address climate change.</p>	<p>Environmentally sustainable design and features are incorporated into new and future asset design, upgrades and investment.</p> <p>Monitoring and addressing the impacts of climate change, weather and emergency events are included in asset planning and reporting.</p>
People <p>Moyne is welcoming and generous. We plan for the future of our youth. We are an educated and inclusive community, which is socially, digitally and culturally connected. We have access to reliable and affordable quality services that maintain and improve our health and wellbeing. We enjoy a life of meaning.</p>	<p>Delivering sustainable community service levels are considered as part of asset planning and investment.</p> <p>Inclusion of technology systems and benefits are included in asset renewal and upgrade processes.</p> <p>Assets will be assessed on their capacity and capability to provide enhanced, more multi-use services for a wider range of users and partners.</p>

2040 aspirations	AP22 principles and objectives
Economy	
We are industry leaders in regenerative practices. We have equal and flexible access to quality educational and employment opportunities. We attract people who appreciate and immerse themselves in Moyne's natural wonders and environment.	<p>Economic benefits and outcomes arising from asset investment, procurement and purpose are included in asset planning and policy.</p> <p>Opportunities to leverage co-investment partnerships and economic returns are identified for economic-based asset investment and development.</p>

Council's asset management objectives also consider and respond to:

- Strategic plans and review of risks, including the potential impacts from failure of:
 - Specific assets; or
 - Asset management activities achieving asset management objectives, individually or in combination
- The importance of assets related to their intended outcomes, objectives, function or service requirements.
- The age, condition and asset demand / usage patterns.
- How asset investment aligns to the asset management objectives.

AMPs for each of the six primary asset classes have been formulated and documented to achieve Council's asset management objectives. These objectives include decision making criteria, processes for managing the complete and complex life cycle of assets, addressing risks and opportunities, resources and capacity, responsibilities, timelines, performance criteria and financial implications.

3.1. The Asset Plan horizon

The AP22 has a planning horizon of 10 years and is based on the detail in the AMPs. The AP22 has a life of four years and will be reviewed and updated in line with the four year strategic planning cycle of each Council term.

4. Asset management policy

Council's has revised the 2016 Asset Management Policy into the new 2022 version. The AMF including AP22 supports its purpose and policy statements. The Policy aligns to the objectives and strategies specified in the 2021-2025 Council Plan and the requirements of the *Local Government Act 2020*.

The Asset Management Policy adopts necessary policy statements to assist in achieving AP22, AMPs and Councils LTFFP. The policy guides a consistent asset management approach using asset management principles and processes to meet legislative requirements for Moyne Shire Council assets.

The responsibilities set within the policy provide decision makers with the authority to adequately provide resources to ensure asset maintenance, renewal, acquisition, expansion, upgrade and rationalisation can be sustained into the future. These resources are necessary to ensure:

- Assets are provided and managed in a financially sustainable manner.
- Risk reduction is considered and reported.
- Appropriate levels of service to customers and delivery of sound environmental management.
- Future generations maintain ability to make their own choices.

The *Local Government Act 2020* requires AP22 be reviewed for adoption by 31 October in the year following a general council election.

The purpose of the Policy is to set guidelines for implementing consistent asset management processes throughout the organisation and applies to all Moyne Shire Council departments, officers, employees and contractors.

5. Service levels and investment planning

There are a number of steps involved in determining and responding to service level and performance targets for asset classes. These steps are summarised in Figure 6.

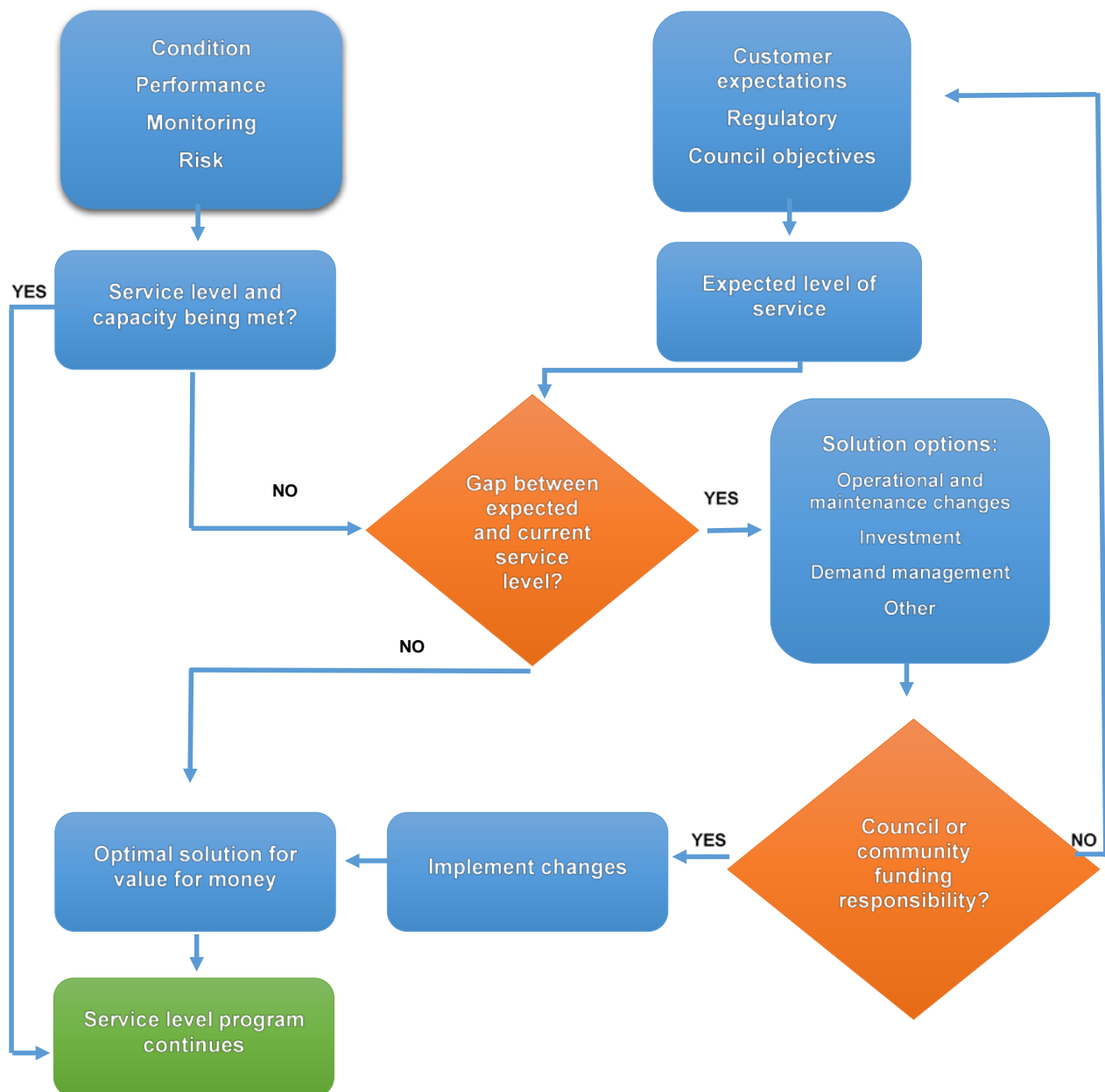


Figure 6 - Service level framework

5.1. Financial position and forecasts

This is Council's first strategically developed asset plan and asset management framework. It has taken an all of organisation approach to asset data, forecasts and strategies to assess where possible:

- The state of our assets today
- The future state of our assets.

The process has identified key areas for improvement in Council's asset planning and management processes that will support future improved information, understanding and management of Council's infrastructure asset portfolio.

5.1.1. Overall financial summary

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets.

Estimated available funding data and forecasts for the 10-year period is \$167,074,946 or \$16,707,495 on average per year as per the LTFP. This is 62% of the cost to sustain the current level of service at the lowest lifecycle cost with no change to the asset base. If we include proposed upgraded or acquisitions, the forecast funding will only provide 50% of what is required. Given that some of the background data and information is based on estimates due to gaps in strategic asset information, this overall lifecycle funding ratio could be a conservative result and the gap may very well be larger.

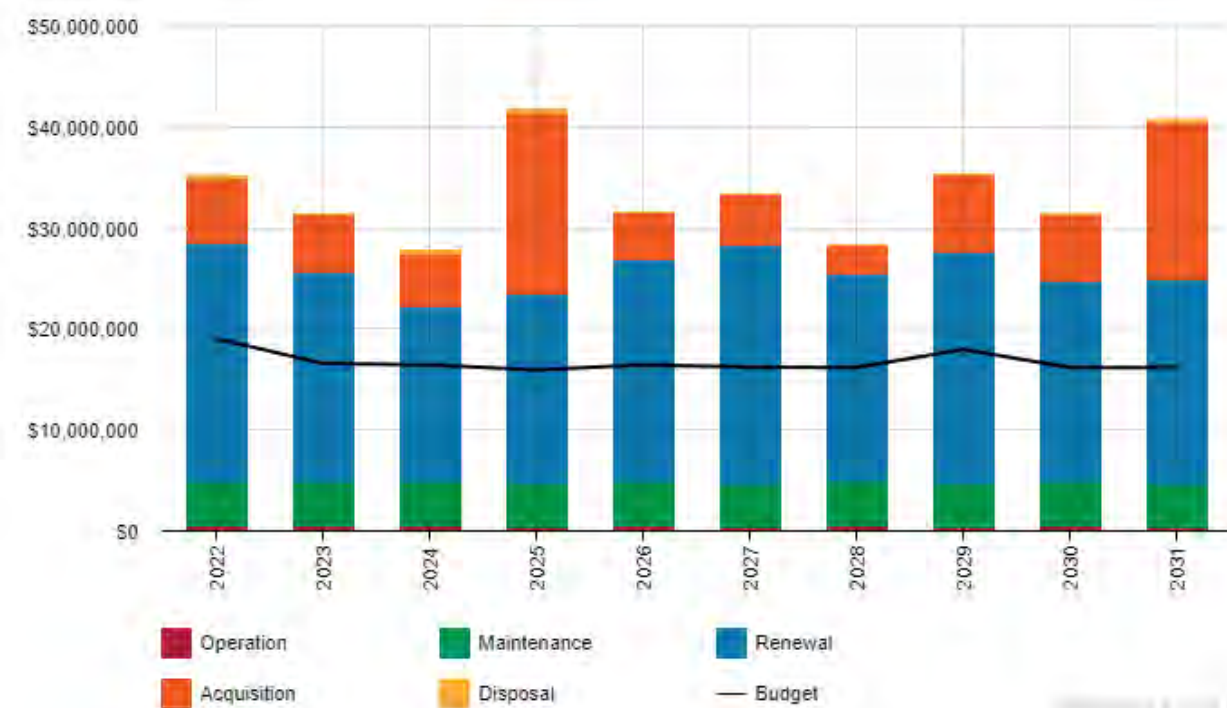


Figure 7 - Financial asset lifecycle summary (10 year forecast)

5.2. Forecast renewal

The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 8.

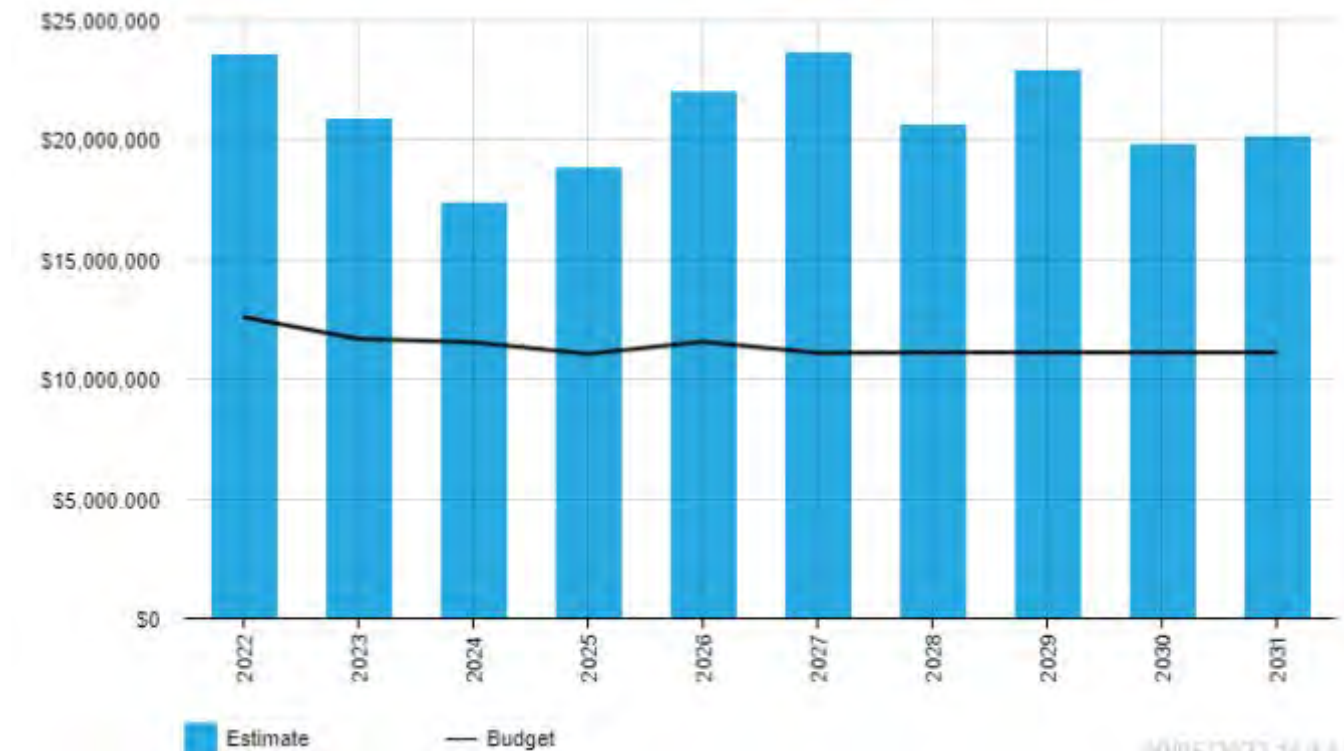


Figure 8 - Forecast renewals across all asset classes

5.2.1. Asset renewal funding ratio

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 54% of the funds required for the optimal renewal of assets.

5.2.2. Renewal discussion

Renewal forecasting has been challenging due to:

- Significant gaps in condition data across all asset classes excluding roads, bridges and major buildings
- A range of asset projects currently not included in the LTFP. A number of unlisted projects have been identified through
 - Analysis of asset-based development or strategic plans (e.g. Port of Port Fairy Master Plan, Vic Park Master Plan)
 - Discussions with asset managers on forecast projects and investment needed to maintain the existing asset base and meet future service levels.
- Lack of integrated information, data sharing and reporting processes. This includes limited transference of key directions in strategic development plans into future asset budgeting.

Whilst there is an absence of robust data, asset renewal, upgrade and acquisition forecasting for AP22, the document:

- Integrates future population growth and development trends that asset managers are increasingly considering for asset investment to ensure that service levels remain aligned and respond to future community needs
- Addresses impacts of climate change and extreme weather events on the existing capacity, sustainability and functionality of the asset base, and impacts on community safety. This will require greater asset interventions and improvements to ensure asset suitability and functionality into the future.

Assessment of the current LTFP from an asset management perspective shows a general flat line renewal forecast over the next 10 years that AP22 seeks to address. AP22 acknowledges that asset condition assessments have been a gap in organisational asset management.

Improving condition data collection, which is recommended by the AP22, may result in a higher renewal costs. Improved condition data however, will enable the organisation to:

- Direct funds to assets in critical need of renewal and include in LTFP forecasts
- Level out the wave of infrastructure asset renewal
- Enable informed decision-making on asset funding and renewal
- Verify the importance of asset renewal priorities versus upgrade or acquisition
- Allow for proactive rather than reactive asset renewal. This can drive down renewal and maintenance costs and improve operating efficiencies over the medium to longer term.

- Allow for fair and informed future renewal planning for specific assets that Council can more easily communicate and explain to the community

A renewal gap is not unique to Moyne Shire Council, with all levels of government facing an asset renewal challenge. Many Council assets are over 40 years old – and many are much older - and present the following asset condition, regulatory or trend characteristics:

- Have reached their end of life and / or are no longer fit for purpose
- Are subject to building codes that were not in place when built or renewed in previous years.
- Have declining use or their use / function has changed over time
- Population and community demographic changes impacting on the use, function, demand or community capacity to manage and maintain community assets
- Changes to Council's asset portfolio through the acquisition, development of new, gifting and / or consolidation of the use / users of assets
- Subject to heritage requirements, climate change or weather impacts
- Rising maintenance, renewal and upgrade costs in a financially constrained environment.

The AP22 enables Council and community to:

- Make decisions on asset renewal and investment priorities and implement strategies
- Gather accurate, contemporary data in order to assess the forecast asset renewal legacy
- Implement strategies to manage and, where possible, reduce the renewal gap – e.g. prioritise renewal catch up versus acquiring new
- Maximise the potential and capacity of existing assets
- Rationalise assets beyond serviceable use or investment
- Undertake asset reduction that does not significantly disadvantage the broader community
- Establish processes to monitor and report on asset renewal trends and implications for the organisation and community.

5.3. Rankings

As part of asset management planning and setting investment priorities, a rating assessment of the condition status of Council assets has been developed.

There are gaps and variations in the frequency, accuracy, assessment process and reporting of asset condition (asset audits) throughout the organisation. Reasons include the costs and resources required to undertake condition audits, scheduling of audits, and the complexity of auditing some assets.

The AP22 has adopted the following rating structure with improvements included in the AP22 Improvement Plan (section 7). These ratings will be reviewed and updated as part of AP22 monitoring, review and reporting (section 9).

Table 4 - Organisational asset condition and confidence rankings

Condition grading	Description	Data confidence	Description
1	Very good. Only planned maintenance required	A	Highly reliable. Sound data, records and / or audits
2	Good. Minor maintenance required plus planned maintenance	B	Reliable. Sound data, records and / or audits with some shortcomings or gaps.
3	Fair. Significant maintenance required with some areas of renewal and upgrades	C	Uncertain. Data incomplete or limited in scale
4	Poor. Significant maintenance and renewal and / or upgrades required	D	Very uncertain. Unconfirmed data based on verbal reporting or estimates or out of date data.
5	Very poor. Physically unsound or no longer fit for purpose. Beyond reasonable or achievable rehabilitation.		

Table 5 - Asset class ranking summary

Asset class	Condition grade	Data confidence	Comments
Road infrastructure	2 - Good	A – Highly reliable	Supported by Road Management Plan and regular proactive inspections for maintenance interventions and condition assessments.
Buildings	3 - Fair	B – Reliable	Condition assessments completed in 2020. However, proactive maintenance inspections are rarely undertaken and generally instigated through customer requests or asset failure.
Drainage	4 - Poor	D – Very uncertain	Reactive inspections occur based on impacts from weather events. Limited data available on condition of underground drainage assets.
Open space, sport and recreation	3 - Fair	C - Uncertain	Some regular inspections occur – e.g. swimming pools and ovals – but most maintenance and renewal activities are driven by customer requests.
Commercial	3 - Fair	B - Reliable	Maintenance for most commercial assets is regulated by statutory requirements. High use assets such as caravan parks have an increased inspection regime.
Coastal and Marine	3 - Fair	C - Uncertain	Limited condition data is available particularly given the scale and nature of these assets. However, more condition assessments are occurring based on available budgets. Maintenance primarily driven by customer requests, historical practices or officer observations.

6. Asset lifecycle management

6.1. Service levels and delivery

Service Level Plans (SLPs) have been developed for each major asset class. SLPs cover condition, capacity, resourcing, affordability, performance reporting, community expectations and values, trends, functionality and establishing asset “fit for purpose” criteria.

Service levels can be impacted by a range of factors over time, including:

- Impacts from change of use
- The need for essential works
- Responses to emergency events
- Increased demand and usage trends
- Local or regional economic activity, seasonal use, festivals and events
- The capacity of the organisation or community to deliver the desired level of service including personnel, maintenance, renewal regimes and asset risk management
- Supply chain considerations including availability of contractors, materials and goods, plant and equipment, technical skills and budgets.

Improved forecasting of future renewal, upgrades and whole of life costs will assist the organisation to maintain desired levels of service for each asset class through information budget, resource planning and investment. Over time, this will include ensuring alignment of Council and community asset committee resources within license and lease agreements and funding structures.

SLPs must consider and respond to statutory compliance requirements to ensure Council assets continue to be accessible, safe and fit-for-purpose. This can be monitored through Council's customer service requests for asset maintenance services and community asset committee feedback and input.

Service level targets and strategies are detailed in the relevant asset class AMP.

6.2. Financial management

The priorities for asset financial management under the AP22 are to:

- Address information gaps and accuracy relating to Council asset value and renewal data and inform the LTFP
- Manage and reduce the renewal gap
- Align investment to assets that:
 - have the highest levels of risk and / or
 - clearly demonstrate value for money based on usage, service levels and demand
- Stabilise or reduce asset operational and maintenance costs wherever possible
- Identify asset investment, funding, cost sharing mechanisms and co-share partnerships
- Maximise value for money from procurement and works
- Ensure asset investment aligns with the strategic priorities of the organisation and the LTFP
- Implement a service-needs based capital works program
- Improve whole of life cost assessments for new or upgraded assets
- Develop and monitor timely works programs to maintain safe and compliant assets
- Strategically plan for and manage asset investment and rationalisation.

6.3. Demand management

Asset demand management refers to actions designed to either influence or respond to demand for services and assets and understanding forecast consequences.

Demand management needs to recognise that in some circumstances, as needs are satisfied, expectations rise and almost every action taken to satisfy demand will most likely stimulate further demand.

The key drivers of asset management, planning and investment are linked to:

- Council and community priorities as detailed in My Moyne, My Future 2040 and the 2021-2025 Council Plan
- Demand planning and management based on population and demographic growth and change both across the shire and within individual communities and localities – this also includes seasonal population patterns
- Usage trends, purpose, age, condition of assets and resource capacity to manage, renew and maintain assets
- Internal financial and external funding constraints and opportunities
- Climate change, weather conditions and emergency events
- Legislative and statutory requirements and change.

Asset demand in Moyne is influenced by a number of factors and summarised in Table 6 along with implications for AP22.

Table 6 - Trends and demand drivers

Trend	Asset implications
<p>Whilst population growth rates will vary across the shire, overall the shire will primarily experience population growth in the main urban centres and surrounds. Trends show the population will be an ageing one, with more people moving out of the workforce into retirement.</p> <p>Additionally, Moyne Shire experiences significant seasonal shifts in population levels due to its high profile as a tourism destination, calendar of festival and events and its highly valued natural and culturally significant environments and landscapes.</p>	<p>Council, community and stakeholders must plan and manage assets that support the needs and services of residents in areas of greatest need and growth.</p> <p>Community capacity and resources to act as custodians and managers of assets and facilities will need to be assessed and determined in partnership with the community.</p> <p>Assets and facility development will increasingly need to be adaptable, have multi-uses and multi-users in order to meet changing, broad and diverse community demographics and needs, and address community asset and resource sustainability.</p> <p>Population growth will create increased demand for and impacts on assets, particularly with regard to roads and bridges, footpath connections, drainage, open space and waste management.</p>
<p>Renewal and maintenance costs and resourcing will increase as assets and infrastructure age and some community assets become no longer fit-for-purpose, or no longer meet community needs.</p> <p>Council rate capping, competitive funding environments and competing service and asset priorities will place further financial and investment pressures on asset planning, management and maintenance.</p>	<p>The asset renewal gap - the difference between the total cost of Council's asset renewal commitments and available budgets and resources – will be an ongoing challenge. Community levels around service expectations are already above Council's capacity to meet desired service levels by the community.</p> <p>Therefore, consideration will need to be given to:</p> <ul style="list-style-type: none"> • Council's overall asset portfolio, including the critical infrastructure needs of communities and the region • Funding and budget policies • Development of new asset investment and management partnerships • Asset rationalisation and / or consolidation.
<p>A range of Council assets are ageing and costs to maintain, renew or upgrade these assets are and continue to be a financial and social challenge. Ageing assets are having a cumulative and growing impact on Council's and the community's financial capacity, thereby producing a backlog of asset investment demand.</p>	<p>Greater emphasis will need to be given to understanding the condition, useful life and renewal imperatives across all Council asset classes. Asset investment will need to be based on criticality, usage, safety and future demand.</p>
<p>Many Moyne assets have heritage or historical community importance.</p>	<p>The historical context of some assets will need to be considered under Council's asset policy setting, and</p>

Trend	Asset implications
Renewals, upgrades, rationalisation or disposal will need to carefully consider the social and community context of various assets.	processes put in place to acknowledge and retain the importance of community assets as their use or retention is determined or changed.
Renewal and other works and regular maintenance will need to adhere to higher compliance, statutory and regulatory requirements. This includes building codes, heritage considerations, accessibility, equity, safety and function.	Meeting asset-based statutory requirements will undoubtedly increase the cost of future asset maintenance, renewal and upgrades. Optimising Council and other asset investments' budgets will be an important part of asset planning, design, procurement and partnerships.
Climate change, extreme weather and emergency events are impacting and are forecast to continue to impact on Council and community assets and safety.	<p>Asset design, renewal and development will need to incorporate features, equipment and materials that reduce the impact of climate change and weather. Land-use planning will also be an important component in future asset development and investment.</p> <p>Assessment should be made as to how these design features and considerations may have benefits to ongoing operational and asset maintenance costs.</p> <p>Contingency funding / set aside may need to be considered to address the impact of asset failure, emergency management responses and reinstatement or alternate treatment options for critical assets.</p>
Technology systems and connectivity will change how assets are managed, assessed, maintained and used. They will also change how services are delivered and how assets are used to deliver or provide for services and community activities.	<p>Improved asset data collation, analysis and sharing will improve Council's and the community's ability to better plan and manage assets across all asset classes.</p> <p>Opportunities may exist to use technology and other IT functionality to connect or integrate services across communities which may lead to less demand for physical assets.</p>

6.4. Risk management

The purpose of asset risk management is to assess and respond to risks associated with providing services to the community from Council infrastructure assets. This process is summarised in Figure 8.

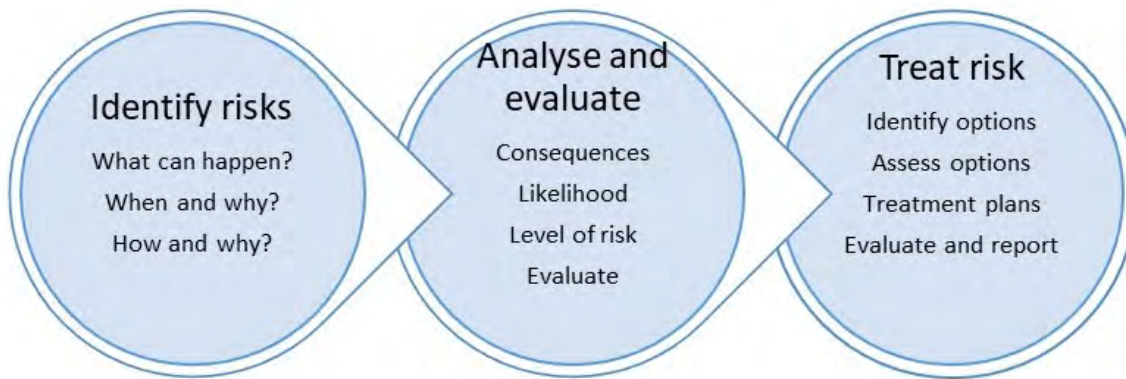


Figure 9 - Risk model

The main objectives of asset risk management are to:

- Identify risks to the Moyne Shire Council that may impact on the delivery of services from infrastructure and select credible risks for detailed analysis and risk prioritisation.
- Identify risks requiring treatment in accordance with Moyne Shire's risk frameworks

Moyne Shire's asset risk management complies with the following principles.

- Risk management is an integral part of all organisational activities and management practices to identify and mitigate risks associated with providing services from infrastructure assets.
- Have a structured and comprehensive approach to risk management that contributes to consistent and comparable results.
- The risk management framework and processes are customised and proportionate to the organisation's external and internal context related to its asset objectives.
- Appropriate and timely involvement of stakeholders enables knowledge, views and perceptions to be considered, resulting in improved awareness and informed risk management.
- Risks can emerge, change or disappear as the organisation's external and internal context changes. Risk management anticipates, detects, acknowledges and responds to changes or events in an appropriate and timely manner.
- The inputs to risk management are based on historical and current information, as well as on future expectations. Information, should be timely, clear and easily available.

Table 7 - High asset risks

What can happen	Possible cause	Existing controls
Asset failure due to maintenance cost increases or inadequate renewal resourcing.	Underfunding and under resourcing based on inadequate information. Ageing assets and infrastructure.	Reactive maintenance works undertaken when required. Customer service requests. LTFP development and reporting processes.
Storm, flood and fire events impacting on asset condition and usability, community safety and resilience.	Extreme weather events and climate change Buildings and structures not built to withstand climate change events Condition and capacity of ageing drainage and stormwater systems. Community-led emergency response volunteer capacity	Municipal Emergency Management Plan. Site specific emergency plans and essential safety measures. Condition audits. Annual fire hazard property inspections. Roadside burns and vegetation controls. Moyne Shire Planning Scheme.
Public health and environmental impacts from asset failure or non-compliance.	Asset failure – e.g. septic systems. Pandemic and emergency events. Human error and technology failures.	Statutory compliance. Audits and inspections. Environmental health officers. Municipal Emergency Management Plan. Business continuity plans. Septic system permits.
Regulatory and audit non-compliance leading to litigation or asset and community risks.	Resource capacity to adhere to and meet compliance across all asset classes.	Staff training, access to legal advice, auditing and reporting processes and policy
Bridge failure - structural or functional – leading to safety, economic and connectivity risks.	Asset failure due to age, condition, increased demand. Competition for investment from other assets.	Ad hoc monitoring of load limits and construction traffic management plans. Bridge condition inspections to identify highest risk asset.
Asset failure, accidents, injury and litigation. Decision-making does not align to policy, procedures, strategic priorities, or statutory compliance.	Lack of specialised skills and financial resources in community groups required to safely operate and manage facilities and equipment. External or other sources influencing or impacting on decision-making. Variances in organisational and community understanding of governance and liability issues. Inconsistent decision-making. Resourcing and capacity gaps.	Limited controls or reporting in place. Annual audits for risk processes and systems. Council workshops and Ordinary Council Meetings. Executive and Full Management Team meetings. Attendance at community asset meetings and community consultation and media.

6.5. Maintenance and operations

6.5.1. Definition

Asset maintenance is a core function of Council and requires a range of resourcing and information across Council, contractors and community.

Asset maintenance is primarily used to:

- Repair or replace a damaged or broken asset or components
- Reduce future renewal costs, or
- Ensure the asset is fit for purpose, accessible or in an acceptable state of repair and presentation.

AP22 aims to build organisation and community asset maintenance capacity and operational management.

6.5.2. Maintenance and operational principles

- Identify and respond appropriately to the maintenance intervention required.
- Ensure the organisation or contractors have the skills, resources, equipment, funds and capacity to undertake maintenance in a timely and efficient manner in accordance with industry / sector standards, statutory obligations and OH&S requirements.
- Align maintenance to asset SLPs to address, where reasonable and appropriate, community expectations and customer service requests.
- Plan for appropriate emergency management responses.
- Have processes in place for programmed maintenance inspection and reporting to reduce reactive maintenance.
- Ensure organisational structures, service centres and communication systems support efficient and timely maintenance.
- Improve asset inspection and maintenance regimes with community asset committees of management, external agencies and other asset managers.

6.6. Renewal

6.6.1. Definition

Renewal is expenditure on an existing asset or replacing an existing asset. Renewal works do not increase the capacity of the asset but restores the asset to its original service level to current-day standards.

As it reinstates the original asset service capacity / function, it generally has minimal impact on revenue, and should reduce future operating and maintenance expenditure. Asset renewal and replacement is typically undertaken to either:

- Ensure the reliability of the existing asset to deliver the service it was constructed to facilitate (e.g. replace a bridge that has a 5t load limit to one also with a 5t limit, repair damage to a sports oval to return it to a safe playing environment), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. roughness of a road, community hall amenities, repair damaged or broken equipment with like for like).

Any works that significantly alter, extend or upgrade an asset, would be classed as upgrade or expansion activities.

6.6.2. Renewal principles

- Require renewal to meet the SLP objectives for the asset class or specific asset.
- Renewal activities must align with asset renewal gap management strategies.
- Review whether renewal or rationalisation is the most suitable option for assets that have a high consequence of failure.
- Respond to identified priority asset investment informed by audits, condition assessments and strategic priorities.
- Assess customer and asset manager requests based on condition, criticality, demand / usage and risk.
- Consider renewal for assets that have a high utilisation and / or where loss of service would have a significant impact on the broader community not just specific users.
- Understand how major renewal aligns to best practice investment logic through cost-benefit assessment and options analysis.
- Consider renewal for assets that have high operational or maintenance costs and where replacement with modern equivalent assets would yield material savings.

- Council will not invest in asset renewal for assets that:
 - Are beyond rehabilitation and should be considered for rationalisation
 - No longer have a demonstrated or strategic need or demand.

Renewal should be seen as an asset management intervention within the asset lifecycle as shown in the renewal lifecycle curve Figure 9.

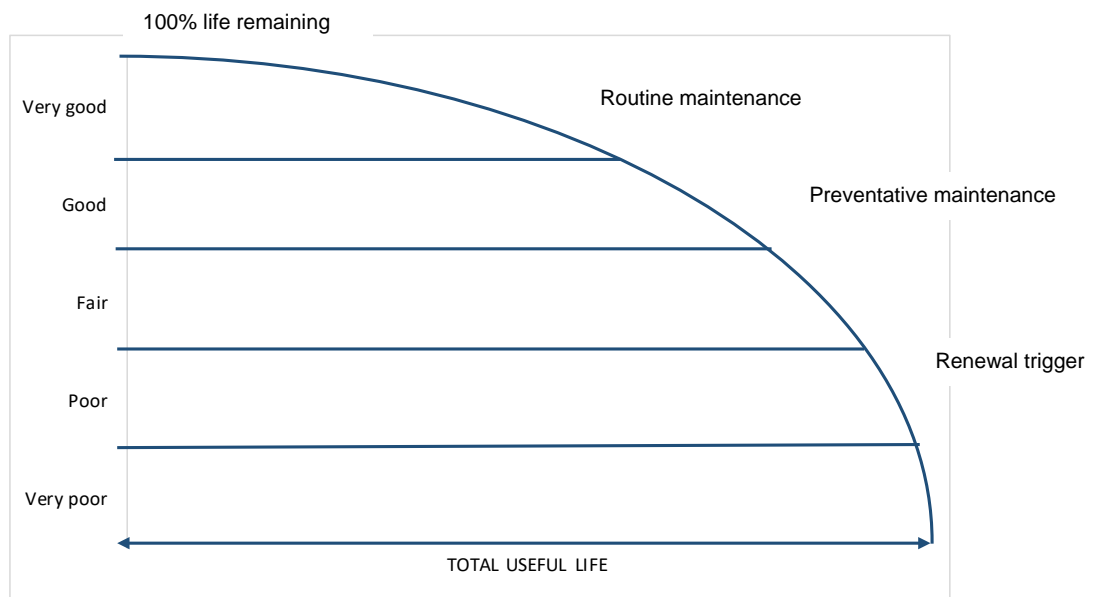


Figure 10 - Renewal lifecycle curve

6.7. Acquisition / new

6.7.1. Definition

Acquisition of new asset refers to the creation of a new asset that was not previously listed on Council's asset register and can also include improvements / upgrades to an existing asset.

For example, development of new play facilities associated with a community hall, development of a new BBQ shelter at a sporting facility. These assets can be Council funded / developed or a granted or gifted asset. Acquisition also includes infrastructure associated with new residential and like developments. The acquisition process of new assets and upgrade/expansion of existing assets are identified from various sources such as councillor or customer/community requests, proposals identified by strategic plans, or from partnerships with other organisations.

6.7.2. Acquisition / new asset principles

- Planning and scheduling acquisition of assets and upgrades will need to deliver the defined level of service in the most efficient manner.
- New assets add to Council's total life-cycle expenditure and are less desirable than the renewal of existing assets unless the acquisition of new assets has considered the rationalisation of existing assets.
- Ensure project scoping for all capital acquisition / new projects in order to identify:
 - the service delivery "deficiency", present risk and required timeline for delivery of the asset acquisition
 - objectives to rectify the deficiency, including value management for major projects
 - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
 - evaluate options against a set of evaluation criteria and select the best option to be considered in capital programming.
- Review current and required skills base and implement staff acquisition, training and development to meet required construction and project management needs.
- Review management of capital project management activities to ensure Council and the community are obtaining best value for resources used.
- New proposals should be investigated to verify need and to develop preliminary capital expenditure and operational expenditure estimates.
- Verified proposals will be ranked by priority, benefit, availability funds for purchase and maintenance, and be scheduled into future works programs rather than replacing or impacting current projects or works.

6.8. Expansion

6.8.1. Definition

Expansion expenditure extends the capacity of an existing asset to provide additional or new benefits at the same standard as is enjoyed by:

- Existing beneficiaries.
- A new group or users.

It is generally discretionary expenditure, which may increase future operating and maintenance costs as it increases the organisation's asset base. However, it may be associated with additional revenue from a new user group or uses, or opens up new funding partnerships. In addition, the expansion may be required due to statutory, compliance or accessibility requirements. An example would be the development of an additional meeting space at a community hall, increase in footpath width to meet accessibility requirements, or installation of additional play equipment at an existing playground.

6.8.2. Expansion principles

- Any asset expansion must have a supporting business case that details:
 - The issue or problem the expansion will address
 - The funding structures to enable the expansion, including alignment with any Council contributions policies
 - How the expansion project aligns with the Council Plan or any other relevant strategic plan, master plan or asset development plan
 - How the project will provide a net benefit to the organisation and the broader community
 - Alternatives to the expansion project and whether the expansion is a statutory, compliance or OH&S issue.
- How the expansion aligns with the target service levels for that particular asset class.
- The impacts on whole of life asset costs and impacts on future operating and service costs.
- The evidence of community support for the expansion and its purpose.
- Whether a Council resolution may be required depending on the:
 - Scale and nature of the expansion
 - Impact on Council finances and resourcing for maintenance
 - Impact on Council's long-term financial plan for renewal gap management
 - Capacity of the organisation and / or the community to maintain and renew the expanded asset.

6.9. Upgrades

6.9.1. Definition

Upgrade expenditure improves an existing asset with enhanced capability or function within the existing footprint or primary functionality of the asset. Upgrade expenditure is discretionary and often does not necessarily result in additional revenue unless there are new users and / or user charges apply.

Examples include full renovation of a community hall's toilets to include new unisex disabled facilities, installation of split system heating and cooling units to replace old gas heating, or provision of disability access ramps where none previously existed. Because of the overall increase in the organisation's asset service base, upgrades will generally increase operating or maintenance expenditure and future renewal costs.

6.9.2. Upgrade principles

- Upgrade works should be identified through Council strategies and asset priorities and be included for Council consideration as part of setting the annual budget and LTFP.
- Align with and respond to the trend and demand drivers by having a focus on future need, use and costs.
- External funding sources are to be identified as part of upgrade planning and submissions.
- Planning and scheduling asset upgrades must deliver the defined level of service in the most efficient manner.
- Project scoping must be completed for - as a minimum - all major asset upgrades to identify:
 - The service delivery "deficiency" that exists and the impact this has on the functionality of the asset
 - Project objectives to rectify the deficiency, including value management
 - The present risk and any legislative and regulatory requirements to ensure compliance
 - The required and realistic timeline for delivery of the upgrade
 - The range of options and estimated capital and life cycle costs for each option that could address the service deficiency
 - Evaluation of options against evaluation criteria adopted by Council
 - Selection of the best option to be included in capital upgrade/new programs
 - Management of risks.

6.10. Rationalisation

6.10.1. Definition

Asset rationalisation can involve three responses which can be undertaken independently, or as part of an overall asset rationalisation process: Consolidation, Decommissioning and Disposal. These processes do not mean or imply that a rationalised asset will be replaced.

- **Consolidation** of assets are planned where this action will lead to one or more of the following: efficiency, collaboration, socialisation, community partnerships, upswing in usage, increased community accessibility, and possible investment to establish co-use community or service hubs through new service delivery models.
- **Decommissioning** relates to activities to take an asset out of service or its removal from Council's asset register. This can include permanent closure of a building, undertaken as part of consolidation actions above, or decommissioning an asset that has been replaced with another asset.
- **Disposal** is when an asset is sold, or when an asset:
 - Is at end of life or is no longer fit for purpose
 - Has been decommissioned or demolished; or
 - Where an asset is returned to the Crown or other asset authority / owner.

6.10.2. Rationalisation principles:

- Asset rationalisation will be undertaken through the development of a Rationalisation Report that will detail the rationalisation reason(s) cost-benefit, community impact assessment, cost / revenue considerations and future replacement / non-replacement recommendations.
- Key factors to be considered as part of rationalisation will include:
 - The condition or risk presented by the asset
 - Where the asset sits within its overall useful / expected life
 - Cost versus benefit of renewal or other asset investment
 - Evidenced usage and / or usage demand for the asset
 - Accessibility to similar or like assets
 - Analysis of demand drivers and trends
 - Building, OH&S or other statutory compliance issues either from condition / loss of the asset or impacts on service delivery
 - An alternative and more cost effective service delivery site has been identified.
- Asset rationalisation processes, including any asset sale or transfer, must follow statutory policy and procedures.

- Any asset sale must be approved by Council and Council will also make the decision on where sale proceeds will be directed within the Council budget.
- Were the community will be impacted by rationalisation of a local community asset, appropriate community consultation will be undertaken in line with Council's Community Engagement Policy, except where the asset is for the sole provision of Council services.
- Artefacts or associated items of community, cultural, historical or heritage value must be considered as part of the Rationalisation Plan and Policy.
- Dangerous goods and / or building materials (e.g. asbestos, lead paint) are to be managed and disposed of in an authorised manner in line with relevant guidelines and regulations.
- Council must ensure that no conflict of interest occurs in or as a result of the asset disposal process. Councillors and officers must disclose any actual or perceived conflict of interest that may arise through asset rationalisation activities.

7. Asset Management Improvement Plan

Table 8 - Moyne Shire Asset Management Improvement Plan

*S: Short term – 1 to 3 years. M: Medium Term – 4 to 6 years L: Long term – 6+ years

Outcome	Action	Priority*
7.1. Strategic governance		
The strategic importance of asset management and AP22 as an integral part of Council's strategic planning framework is reinforced.	An AP22 internal working group will be established to oversee and guide AP22 implementation and promote AP22 to business teams, staff and community.	S and ongoing
	AP22 and asset management prompts will be incorporated into organisational reports, business unit plans, budget business cases, and strategic project planning systems.	S
	The resources required to successfully manage and deliver Council's asset management framework will be determined and priority resource setting undertaken.	S and ongoing
All of organisation awareness and understanding of asset management principles, roles and responsibilities is enhanced.	Gender Impact Assessments will be conducted for key asset projects, policies and governance that directly or significantly impact the community.	Ongoing
	AP22 management result areas will be incorporated into performance reviews for responsible asset class managers	S
	Asset management principles will be incorporated into performance review processes for key staff.	M
	An internal asset management framework communication and information plan will be developed.	S
Strategic decision-making is supported and adopted for asset management by Council, the organisation and community.	Asset management best practice training will be included in the Councillor induction program.	S
	A portfolio of investment ready projects and a future project pipeline will be developed, monitored and utilised for strategic decision making, funding and grants.	S
	A Deliberate Engagement Plan for future reviews and updates of AP22 will be developed.	S

*S: Short term – 1 to 3 years. M: Medium Term – 4 to 6 years L: Long term – 6+ years

Outcome	Action	Priority*
7.2. Strategic governance		
Asset management continuous improvement is promoted through AP22 monitoring and reporting.	An annual State of the Assets report will be completed that includes reporting on the asset renewal gap management, projects, resourcing, risk reductions, forecasting and implementation and performance of AP22.	S and ongoing
	Templates for development, planning and reporting for key asset activities under the main asset lifecycle management processes will be developed, and include responses to climate change and emergency events.	S
	Where gaps exist, policies will be developed to support asset lifecycle management processes and priorities.	M
7.3. Finance, resourcing and efficiencies		
Financially sound decision-making and trust in data sources and information will be built and supported.	The currency and accuracy of asset-based data by asset class, and integrated information processes will be improved to better inform the LTFP including:	S
	Renewal costs and gap	S
	Asset valuations	M
	Operational and maintenance costs	M
	Evidenced-based forecasts	M
	Insurance and compliance considerations	M
	Develop an Asset Financing Strategy through evaluation of options presented in section 8.	S/M
Strategic longer-term asset planning will be fostered by enabling the LTFP to better reflect asset cost trends over the LTFP 10-year period.	Robust renewal gap analysis process, data and reporting will be established through the development of a Strategic Renewal Management Plan.	Ongoing
	Where strategic assets investment outcomes can be achieved LTFP forecasts will be continually improved, reflect actual costs, and allow for budget allocation modelling over the 10-year horizon of the LTFP rather than the current year on year practice.	Ongoing
Pursuit of asset funding and grants that support the objectives of AP22 and new investment opportunities will be strategic and evidence-based.	Pursuit of funding and grants will be assessed against the investment priorities and project readiness in the project pipeline.	S and ongoing
	Opportunities for multi-use and multi-user assets will be fostered and progressed using strategic business and management processes and as integrated service models are identified.	M and ongoing
	Asset investment and management partnerships will be fostered that meet the objectives of AP22.	Ongoing

*S: Short term – 1 to 3 years. M: Medium Term – 4 to 6 years L: Long term – 6+ years

Outcome	Action	Priority*
7.4. Asset management		
Council's overall asset management maturity rankings will be improved to enhance performance and reduce risks.	Achievement of asset maturity targets and address lagging targets or higher risk areas will be monitored, reviewed and reported.	Ongoing
Systems, processes and resourcing will support proactive and informed asset management planning, delivery, asset cost management and renewal efficiencies.	A schedule of asset condition audits to be developed and maintained for all asset classes and outcomes integrated into the LTFP.	S and ongoing
	An Asset Rationalisation Strategy and Policy will be completed 2022-2023.	S
	Due to high risk consequences, bridge infrastructure condition audits will be completed as an asset management priority.	S
	A renewal ranking criteria model will be implemented that will consider as a minimum asset condition, criticality and risk.	M
Asset Management Plans for key asset classes will continue to deliver service level targets and respond to trends and demand drivers.	Asset class managers will be responsible for reviews and updates of their relevant Asset Management Plans within the statutory requirements of the <i>Local Government Act 2020</i> .	Ongoing
	Asset class managers will integrate service level reviews with their Asset Management Plans reviews.	Ongoing
7.5. Risk		
Risk awareness, processes and accountability will reduce operational, cost and liability risks to the organisation and community.	Asset management risk will be reviewed and aligned with corporate risk management processes and policies.	S
	Council's procurement processes will be reviewed to ensure asset planning, project and works align to AP22 risk management strategies.	M
	Risk awareness training for asset class managers and key officers will be implemented.	M
	Community-based asset governance will be improved to reduce management, operational and users risks and operational and renewal costs. This will include formalised and required reporting from community-based asset management committees and licensees. Training, guidance and templates will be offered to support theses improved asset management responsibilities and processes.	S

*S: Short term – 1 to 3 years. M: Medium Term – 4 to 6 years L: Long term – 6+ years

Outcome	Action	Priority*
7.6. Business processes and systems		
Asset management systems are integrated, resourced and efficient and encourage innovation and continuous improvement.	Upgrades to GIS will be completed and its use commissioned across the organisation and distribution and use of mobile and in-field technologies will be investigated and expanded..	S and M
	Opportunities and efficiencies relating to improved or new technologies will be regularly identified and reviewed.	M and ongoing
Community and customers can more readily access relevant asset data, information and service support.	GIS system capabilities for external uses to retrieve asset, property and other relevant information as part of customer service improvements will be developed and implemented.	L
	Collation and reporting on customer service requests to allow the organisation and customers to track and analyse responses and progress of service request activities will be implemented.	L
7.7. Capacity building		
Professional and technical skill development will be provided to staff to improve overall understanding and competencies to: <ul style="list-style-type: none"> ▪ Deliver high quality asset management across the organisation; and ▪ Support succession planning. 	Asset class managers and key officers will undertake training in Council's asset management and reporting systems and implement the organisations new Asset Project Management Governance Framework.	S and ongoing
	Understanding of asset management roles and responsibilities within the organisation will be reviewed to provide greater asset management integration, and improve internal and external customer service outcomes.	S
	Asset manager and staff skills and competencies in asset development and project scoping skills including whole of life asset planning will be implemented.	M
	A role-based skills matrix to support professional development, training requirements and workforce planning, including staff succession planning, will be created and utilised.	S
Community-based asset governance will be enhanced to improve understanding and delivery of required asset management responsibilities.	Asset licence and management agreements will be up-to-date and current through a rolling program of review and renewal.	S and ongoing
	Asset development and design guidelines will be developed for internal and external users and that align to Council's asset principles and objectives including cultural, gender and accessibility strategies.	S and ongoing

8. Financial strategy

The critical basis for the AP22 funding strategy is to manage and reduce the overall renewal, investment and resourcing gaps identified in sections 5.1 and 5.2 . There are a number of mechanisms that Council can apply to support future financial planning and asset funding.

8.1. Internal strategies and policies

- Enforce and utilise developer contributions towards local open space asset renewal and upgrades.
- Review fees and charges for relevant assets and move towards a cost recovery model.
- Smooth renewal demand by investing in proactive maintenance and renewal and invest in a rolling program of asset condition audits to better understand existing liabilities and future asset investment.
- Consider opportunities to use Council financial reserves or to borrow funds to either leverage funding opportunities or invest in strategically important community assets that provide a level of economic return to the organisation and therefore the community.
- Review and update the LTFP to better reflect forecast asset budgets with allowances for variances in costs, inflation and funding structure that align to forecast expenditure rather than flat line allocations.
- Continue to provide low interest loans to community-based asset projects that can clearly demonstrate a partnership approach and that lead to multi-use / multi use outcomes.
- Undertake an Asset Rationalisation Plan to identify assets that can be consolidated, develop multi-use / multi-user facilities or which can be decommissioned and / or sold. This may include assets that could be returned to the Crown, traditional land owners or the open market.
- Develop an Asset Rationalisation Policy to provide clarity and processes for reinvestment of disposal revenues back into asset renewal projects.
- Consider options for a rate cap review for investment in critical assets that provide significant benefit to the broader community.
- Develop competencies and processes for improving scheduling of works and better utilisation of internal and contracted skills for strategic asset planning, audits and strategies.
- Develop a portfolio of investment ready projects and a future project pipeline for strategic decision making.
- Develop a Strategic Renewal Management Plan and Policy.

- Place priority focus on addressing and reducing the renewal backlog over the short to medium term.
- Invest in predictive modelling tools to better forecast costs and budget and lead to a more robust and informed LTFP.
- Focus investment on existing rather than new asset where there is evidenced need and benefits for the broader community.
- Develop project plans that allow for cross-organisation consolidation of asset budgets that cover the lifecycles of asset planning, development and management – whole of life planning and budgeting.
- Investigate options to allocate depreciation values as a financial value that can be reinvested into asset renewal and upgrades.

8.2. External strategies and policies

- Investigate asset partnerships where costs, investments and revenues can be shared whilst delivering the same or improved level for service and increase asset function and uses.
- Identify opportunities for commercial and entrepreneurial uses of assets that can provide a new source of revenue and ensure that lease arrangements align to market rates and value.
- Leverage cost efficiencies through collaborative procurement for goods and services with other local Councils and relevant authorities and agencies.
- Consider options for an Asset Municipal Charge, special charge schemes or differential rates for significant assets that deliver a commercial return.

In order to consolidate options and present Council's asset financial strategy, it is recommended that an Asset Financing Strategy is completed to complement and support the implementation of AP22 and the six AMPs.

9. AP22 monitoring and review

Council will undertake regular monitoring and review of AP22 in line with Council and *Local Government Act 2020* requirements using the following process.

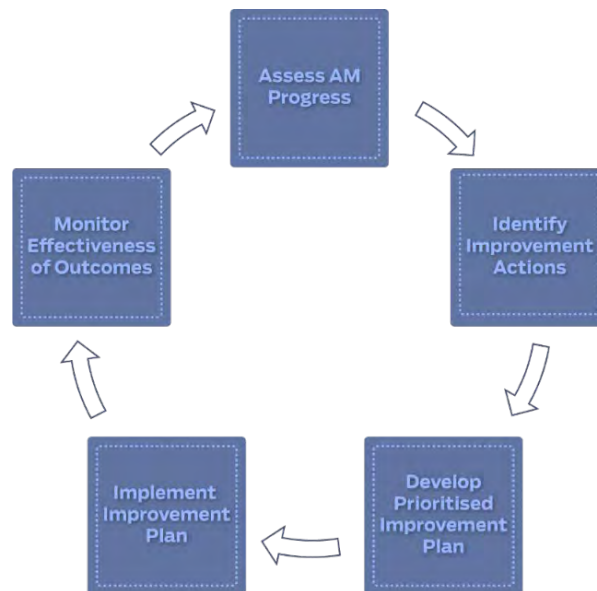


Figure 11 - Continuous improvement approach

Developing a continuous improvement approach to asset management will include:

- Establishment of an internal AP22 Working Group comprised of key asset managers and staff, to monitor and report on progress of AP22
- Reporting on implementation and outcomes of AP22 and against My Moyne, My Future 2040 and the 2021-2025 Council Plan
- Provision of an annual State of the Assets report for Councillors, the organisation and community
- Reviewing achievement of service level targets or barriers to achieving targets
- 4-yearly full AP22 review in line with the Council election cycle
- Integration of deliberative engagement with future AP22 reviews and updates
- Integration of AP22 implementation and monitoring into responsible asset managers' performance reviews.

The effectiveness of AP22 can be measured by:

- How AP22 supports the implementation of My Moyne, My Future 2040 and the 2021-2025 Council Plan
- Community satisfaction levels with Council's asset management
- Tracking of renewal gap against renewal management strategies
- The extent and accuracy of forecast costs incorporated into the LTFP
- Improvements in the asset maturity assessments including strategic processes and risks
- Incorporation of asset management into works programs, project and business unit budgets and business plans
- Implementation of training and professional development programs and achievement of performance targets.

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11. Appendix 1 – Summary of Council policies

Table 9 - Summary of Council asset-related policies

Policy name	Review date	Purpose
Asset Sales and Proceeds Disbursement	October 2022	To ensure that the sale of Council owned assets is subject to a fair and transparent process in accordance with this policy and relevant legislation.
Capital Projects on Council Owned or Controlled Land	June 2025	The purpose of this policy is to have a consistent approach to the approval process for capital projects proposed to be undertaken on Council owned or managed land.
Community Loan Policy	December 2021	The purpose of this policy is to assist Council in assessing requests for loan requests by community organisations.
Maintenance and Construction of Footpaths	July 2022	The purpose of this policy is to guide Council decision making regarding maintenance and construction of footpaths.
Procurement Policy	July 2025	Provides direction on the conduct of procurement activities throughout the sourcing, management and disposal phases.
Property Lease Policy	October 2022	Ensures that leases of land owned or controlled by Council are undertaken in accordance with legislation including <i>Land Act 1958</i> , <i>The Retail Leases Act 2003 (Vic)</i> , <i>Local Government Act 1989</i> and conform with Council delegations and powers, in a manner that secures appropriate and equitable consideration, and risk management for Council.
Property Management Policy	October 2022	This Policy sets out a range of principles for the arrangements that Council will have with the occupiers of Council owned or Council controlled property.
Unused Road Licenses	May 2024	Ensures the declaration of a road as unused, to re-open a licenced road and the issuing of consent for unused road licences are pursuant to the <i>Land Act 1958</i> , and conforming with Council delegations and powers. Ensures roads constructed on Unformed Government road reserves are only constructed when required, to appropriate standard, and the cost is borne appropriately by benefitting owners.

12. Appendix 2 – Asset management systems

Table 10 - Asset management systems

System	Description / use
Asset Vision	Inspection and maintenance programming of works for Council assets.
MyData	Asset Management System that stores inventory, value and condition data of infrastructure assets - roads, bridges, drainage, footpaths, buildings, playgrounds, etc.
MAGIQ Documents	Document management, storage and retrieval system.
MAGIQ Performance	Finance - linked directly to data from Finance One. Displays a summary of financial information by directorate, drilling down to Cost Centre to Jobs and displaying a number of years and budgets on one screen.
NAMS+	Provides the tools and guidance to assist organisations in writing and updating Asset Management Policy, Strategy and Plans aligned to the Financial Strategy and Plan.
TechnologyOne - Finance One	Used for Purchasing, Accounts Payable, Payroll, Finance transactions.
TechnologyOne - Property and Rating	Used for Rates, Accounts Receivable, Planning, Building, Local Laws, Receipting.
TechnologyOne - Ci Anywhere	HR, Timesheets, Leave and people management.
Map Info	GIS – Council's spatial information system.
Exponare	GIS enquiries.
CAMMS Strategy (Interplan)	Corporate reporting, Annual Works reporting to council monthly, Internal Audit Action reporting.
CAMMS IPM	Capital Works and Projects annual budget bids.
CAMMS Risk	Risk Management System.



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