CITY OF BELMONT

Asset Management Strategy 2021-2025

belmont.wa.gov.au

• BELMONT • CITY OF OPPORTUNITY •

Acknowledgement of Country

Kaya Wanjoo Noongar Boodja – Hello and Welcome to Noongar Country.

The City of Belmont respectfully acknowledges the Noongar Whadjuk People as the Traditional Owners of this land, and pay our respects to Elders past, present and emerging. We further acknowledge their cultural heritage, beliefs, connection and relationship with this land which continues today.

We acknowledge all Aboriginal and Torres Strait Islander peoples living within the City of Belmont.

Contents

What is the Asset Management Strategy?

A key issue facing local government is remaining financially sustainable whilst managing assets against the renewal and replacement needs, and community expectations. Asset management is the whole-of-life process from planning, purchasing, operation, maintenance, renewal and disposal of assets. It encompasses the integration of asset and service delivery outcomes.

In developing this Asset Management Strategy, the City has used the International Infrastructure Management Manual as a guiding document. The International Infrastructure Management Manual was developed by the Institute of Public Works Engineering Australia, which aligns with the international standard ISO 55000, being the international standard covering the management of assets.

To manage its infrastructure sustainably, the City must have a detailed understanding of its assets within the context of their projected financial, environmental and social impacts. This understanding will enable the City to make effective decisions to optimise the overall net benefit to the community. This will be achieved by providing the appropriate assets at acceptable standards and service levels.

Balancing the expectations of the community poses a challenge to the City against a sustainable and affordable management model. This Asset Management Strategy aims to provide a framework from which to respond to this challenge.

Our Asset Story

The City has a large portfolio of assets that deliver services and facilities that our community value. This portfolio ranges from smaller asset types such as bins, benches, and lighting, to larger types like playgrounds and buildings, to lineal assets that stretch for hundreds of kilometres in roads, footpaths and drainage systems. Their condition and longevity can be difficult to determine, and as such careful planning is required for potential peaks and troughs in expenditure when renewing and replacing such assets. The demand for new and improved services adds to the planning and financial complexity. As of June 2020 the total replacement value of these assets was estimated to be $697 million.

The key focus of asset management is to realise value from the significant investment we make in these assets.

This value is created in two ways:

- realising the ‘public good’ (which includes the social and environmental value) that is delivered via our assets and the services they support,
- realising the financial value by ensuring the asset is monitored and maintained regularly to achieve its full life cycle.

In financial terms these assets are often referred to as fixed assets because unlike liquid assets, such as cash, their potential value is locked and realised over time. In the case of some assets, such as roads, stormwater systems and buildings, this can be 50-100 years or more.

The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle. Therefore, the design of and planning for these assets needs to take future demands into consideration, including:

Growth Factors

Our City has a growing population and expanding local economy. This growth leads to an increase in demand for services and supporting assets to support them.

Demographic Change

Our City has an increasingly diverse population with an increasing proportion of people born overseas. Knowing the demography of the City influences decisions on where and how we deliver services.

Climate Change

The projected increases in climate change will mean that the City's assets need to be designed to allow for adaptation and repurposing. For example, recycle or reuse of road construction materials into the rehabilitation of an existing road, or returning an underused active reserve to a passive reserve to increase tree coverage, or repurposing of a no longer required building into a new community asset.

Sustainability Demand

Over time, more and more consumers are demanding ethically sourced and environmentally-friendly goods. Procuring and constructing with sustainable goods and materials can reduce the impact on the environment, as well as unlock opportunities to improve operational efficiencies.

Technological Advances

Data analysis informs many asset decisions at a strategic and operational level. The ongoing development of digital technologies presents opportunities to improve asset planning and management.

Service Needs and Aspirations

To realise the full value of investing in our assets, it is important to know what the community needs and values, and how this changes over time. Designing new facilities to be multifunctional allows the facility to be used in a number ways over its life.

The Benefits of Improved Asset Management

The benefits of asset management are many and varied and include improvements to risk management, service management and financial efficiency. Governance and accountability are also improved by the demonstration to stakeholders that services are being managed sustainably.

Risk management is a key concern and asset management enables the assessment of the probability and failure modes of assets and addresses the continuity of service provision. Financial efficiency is also improved by robust project prioritisation methodologies and recognition of all costs incurred over the lifecycle of an asset.

Our City

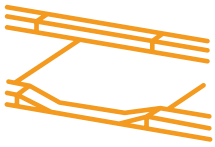
87
Parks and Reserves

51
Playgrounds

150
Buildings, Jettys and Minor Buildings

239km
Paths

238km
Roads



499km
Kerb

50
Car Parks

115
Bus Shelters

214km
Pipe Length

9,959
Connections

87.32ha
Land

71
Irrigation Systems

The Strategy

The Asset Management Strategy is based on five elements that fulfil the requirements of the International Infrastructure Management Manual and guide the strategic process in improving asset management within this organisation.

Strategic Alignment

Identifies how asset management will contribute towards the delivery of the Strategic Community Plan and supporting plan outcomes

Vision and Objectives

A description of what the Asset Management Strategy aims to achieve and where asset management practice will be by 2025

Self-assessment and analysis

A point in time snapshot of asset management practice and maturity within the organisation and focus areas for improvement

Toolset

The tools that will help deliver improvements to the practice of asset management – such as strategy / documents / committees / staff / systems

Actions

Activities identified via benchmarking and analysis that will advance the practices of asset management towards 2025 and beyond

Strategic Alignment

The Asset Management Strategy assists in the delivery of key result areas and key actions within the Strategic Community Plan 2020–2040 and the Corporate Business Plan 2020–2024 respectively.

Asset management for all assets is covered in the City's Strategic Community Plan under Goal 5: Responsible Belmont.

In support of the Strategic Community Plan 2020–2040, the City developed the Corporate Business Plan 2020–2024 to guide the City in achieving the strategies and outcomes detailed in the Strategic Community Plan 2020–2040.

Both of these documents are available on the City's website: belmont.wa.gov.au/strategies

Integrated Planning Framework

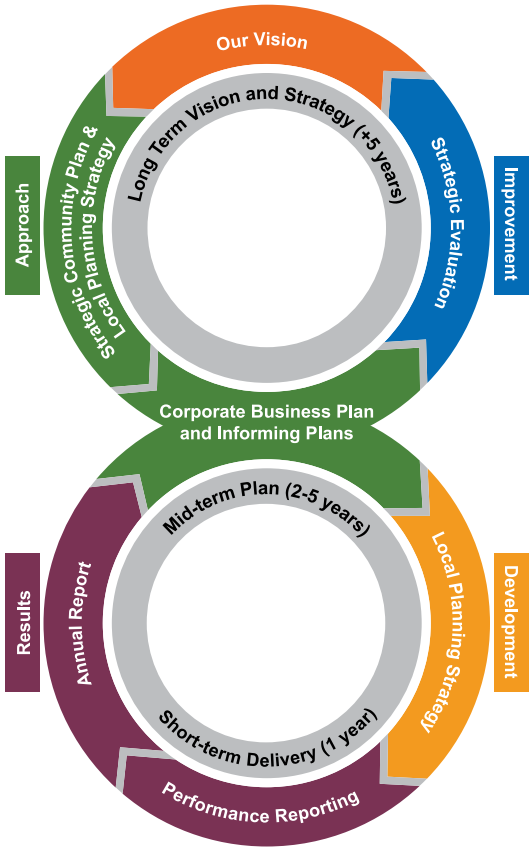
The State Government developed the Integrated Planning and Reporting Framework in 2010. As part of this Framework, all local governments are required to develop a Strategic Community Plan, a Corporate Business Plan and a mechanism to review and report on all elements of Integrated Planning and Reporting.

The City is committed to using this Framework and has developed an Integrated Planning and Reporting Framework. This Framework is integrated within all City Plans across three levels of planning. These are:

Strategic Level: A long-term vision and strategy with a minimum 5 year horizon.

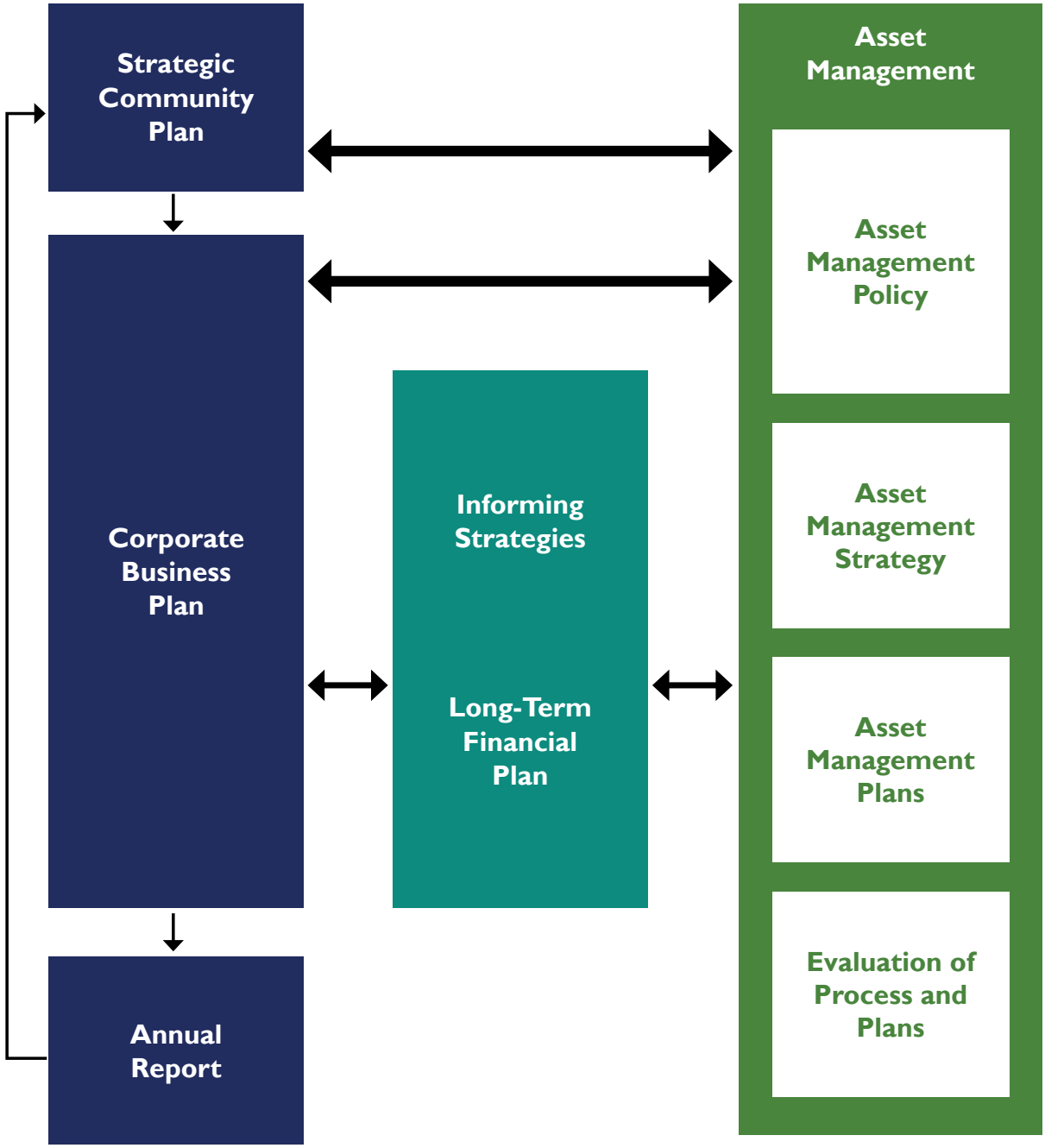
Corporate Level: A mid-term plan with a 2 to 5 year horizon.

Delivery Level: A short-term plan with a 1 year horizon.



City of Belmont Integrated Planning Framework

Western Australian Asset Management Framework



Source: Integrated Planning and Reporting Asset Management Framework Guidelines, Department Local Government Sport and Cultural Industries.

Asset Management Plans are identified as informing plans within the State Government developed Asset Management Framework, as shown above. Through the consideration of other strategic priorities and initiatives, the Asset Management Strategy directs the advancement of asset management practice within the organisation.

The Asset Management Strategy is the overarching strategic plan for the City's suite of Asset Management Plans.

Through lifecycle cost analysis, the Asset Management Plans forecast the required expenditure levels to maintain and replace existing infrastructure, or increase services through new or upgraded assets.

How will we score in 2025?

Vision and Objectives

The following vision statement portrays where the practice of asset management aspires to be. It represents a shift from engineering and financial focus, to a new position of integrated planning that includes the social, environmental and economic value of projects.

> To ensure the long-term sustainability of the City, community, social, environmental and economic values are considered to be an intrinsic part of asset planning - ensuring outcomes are affordable, while meeting community needs and adopting a best practice approach to asset management.

To assist in achieving this balance, the City aspires to:

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

The City has adopted an Asset Management Policy which can be found on the City's website and is reviewed at least biennially and more often if necessary.

belmont.wa.gov.au/councilpolicies

The Asset Management Policy sets out the following objectives that now underpin the Asset Management Strategy:

Objective 1

Provide a framework for implementing asset management to enable a consistent, coordinated and strategic approach at all levels of the City and Council.

Objective 2

Apply best asset management practices, as appropriate to the City of Belmont.

Objective 3

Allocate corporate responsibility for asset management and the necessary resources to deliver the Asset Management Strategy.

Objective 4

Facilitate continuous improvement and innovation of delivering service by achieving service standards that benefit the community.

Objective 5

Provide a framework which quantifies risk and incorporate it into the decision making process.

Objective 6

Provide guidance to staff responsible for asset management.

Self-Assessment and Analysis

Asset Management Maturity

The International Infrastructure Management Manual details a maturity index for asset data management. Benchmarking against this index provides a point-in-time measuring tool that can be used to track improvements in asset management practice.

Assessment of Asset Management Capability

The City has undertaken an assessment of its asset management capability to develop strategies that enable the achievement of its vision and objectives. Outlined below are key elements and activities associated with asset management:

Processes

The City documents the approach to asset management, including levels of service (trigger/quality for maintenance, renewal and replacement), within asset management plans. Accounting practices meet current standards and there are processes in place to ensure assets are reported at their appropriate value.

Systems

The City uses a number of systems to manage its assets including AssetFinda, RAMM, Finance One, GIS and Excel. However, systems to support the management of data could be enhanced to facilitate a best practice approach to asset management.

Data

The City has reasonable understanding of its asset portfolio with good data available for most asset classes. While considerable work has been undertaken to improve the City's asset data over recent years, the potential for improvement has been identified for some asset classes.

Planning

The City was one of the initial Councils to participate in the West Australian Asset Management Improvement Program (WAAMI). The City's first generation of asset management plans were finalised in September 2008 and plans have been reviewed biennially since that time, supporting the ongoing preparation of the City's Long Term Financial Plan.

Implementation

Asset management roles and responsibilities are reasonably well defined, with a dedicated team leading the development and implementation of asset management functions. The City will continue to support the ongoing development of competencies within the organisation to enhance asset management practices.

Asset Management Maturity Self-Assessment

Whilst the City has not formally undertaken the Asset Management Maturity Self-Assessment available through the participation in the IPWEA NAMS+ program, the City has identified the need to undertake a formal assessment as part of its journey toward best practice asset management. This process is identified as one of the key actions of this strategy.

Definitions for asset maturity levels for data management are shown in the table below.

Asset Maturity Level	Definition
Aware	Asset information combination of sources and formats. Awareness of need for asset register.
Basic	Basic physical information recorded in a spreadsheet or similar but may be based on broad assumptions and not complete.
Core	Sufficient information to complete asset valuation and support prioritisation of programmes. Asset hierarchy, identification and attribute systems documented. Metadata held as appropriate.
Intermediate	A reliable register of physical, financial and risk attributes recorded in an information system with data analysis and reporting functionality. Systematic and documented data collection process in place.
Advanced	Information on work history type and cost, condition, performance, etc. recorded at asset component level. Systematic and fully optimised data collection programme with supporting metadata.

Source: Adapted from figure 1.4.1 The Maturity Index for Asset Data Management, International Infrastructure Management Manual 2015.

The following assessment was undertaken in-house by the City's Asset Management team using existing Asset Management Plans, asset data capture and updating processes, confidence levels in the existing data for the relevant asset class and using the previous table above as a guide.

The results of the self-assessment are as follows:

Asset Type	Maturity Level	Confidence Level
Land	Core	Medium to high
Roads	Core	High
Street Infrastructure	Core	High
Fleet and Plant	Core	High
Facilities and Structures (includes Lighting)	Core	High
Drainage	Core	Medium to high
Paths	Core	Medium to high
Public Open Space and Irrigation (includes Parks Infrastructure)	Core	Medium
Playground Equipment	Core	Medium
IT and Communications Equipment	Basic	High
Furniture and Equipment	Basic	Medium
Public Art	Basic	High

The self-assessment indicates the City of Belmont is currently performing Basic to Core in terms of asset management data maturity. Through this Asset Management Strategy, the City aims to improve current practices to achieve an 'intermediate' level of maturity by 2025.

Focus areas to support this goal are:

Data-Management Focus

Enhance asset data and improve data management practices, with a focus on accurately informing future financial planning. Reinforcing the link of asset data with long term financial planning and budgeting. Improvements will ensure asset classes are equally advanced in data capture and reporting.

Levels of Service Measurement

To move from exclusively using the annual Community Survey to establish levels of service, to including a more collaborative approach. This could be by working with the community to establish where their priorities lie. This may also involve further analysis of the 'hot spot' data the City receives from the survey. The current Community Survey involves contacting 4000 residents and 100 businesses and asking them to rate their satisfaction in relation to the City's performance over a range of services the City provides.

In developing Asset Management Plans, consideration is given to technical levels of service and community levels of service. When measuring technical levels of service, consideration is given to condition, age, safety, renewal triggers and capacity to meet the needs of the community. Whereas community levels of service will focus on factors such as the quality of the asset and how well it is maintained, along with the functionality of the asset, such as whether it meets the service needs of the community i.e. is the asset fit for purpose.

These measures are detailed within the City's Asset Management Plans.

Climate Change and Risk Management

The City recognises that climate change is likely to affect asset life and functionality, therefore the City needs to explore how climate change will affect assets. This could be established as part of reporting processes that capture the consideration of risk into decision making.

Asset Management Systems

Currently, the City's asset data exists in five different systems across the organisation. A single system is being considered to cover all asset business functions to ensure integration, achieve streamlined work processes and decision making.

Toolset

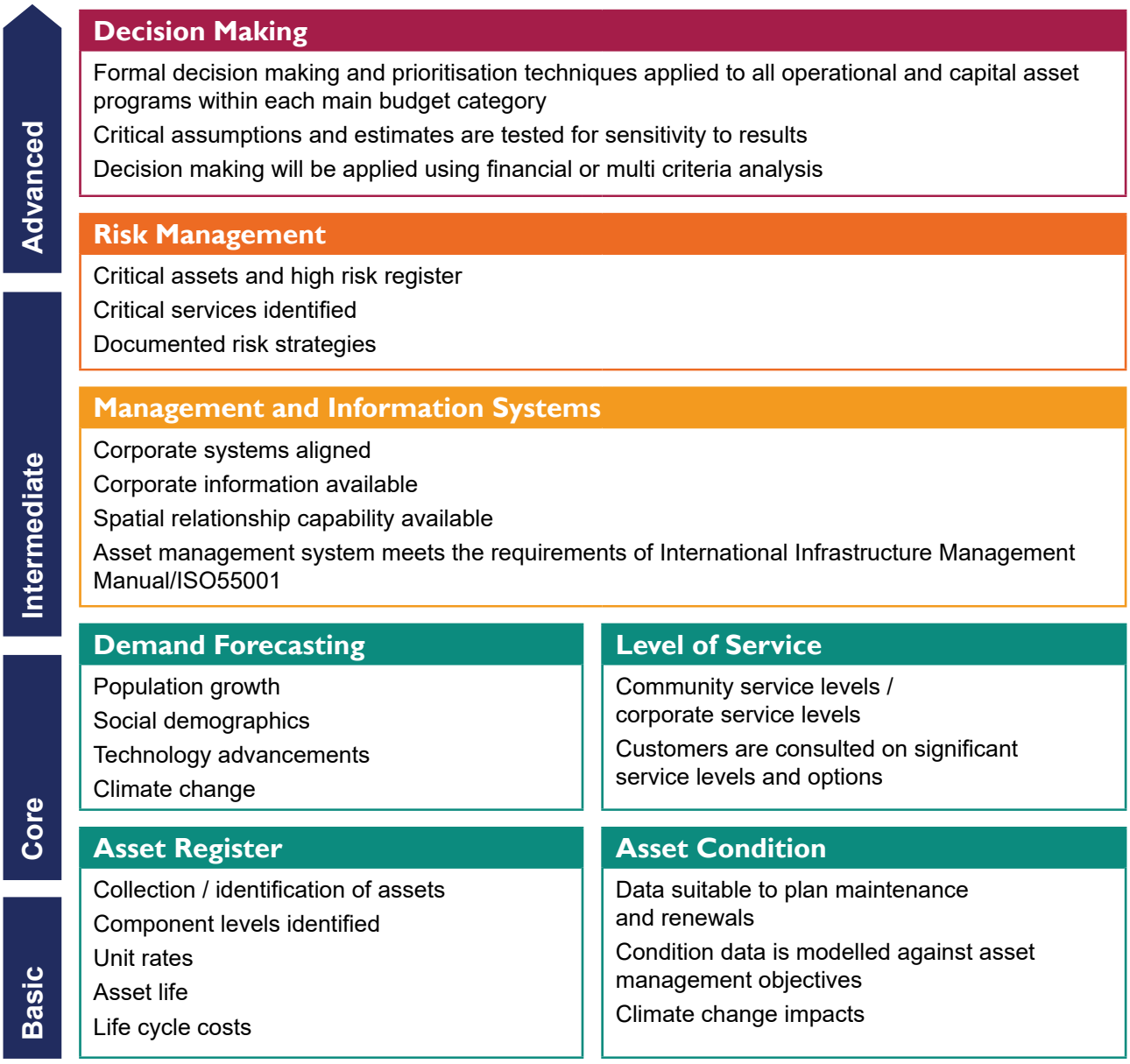
The table below outlines the set of tools that are currently available for the planning and management of the City's assets:

Asset Management Policy	Specifically establishes the strategic context within the organisation.
Asset Management Strategy	A high level document that establishes where we want to be and provides direction on how to get there.
Asset Management Custodian Group	For each asset class, a Manager and a responsible officer are identified to support asset management functions.
Asset Management Plans	Detailed plans for specific asset types that are reviewed at least every two years. Plans include: levels of service, demand forecasts, lifecycle costs and activities, valuation/accounting measures, future renewal and replacement programs, and improvement plans.
Capital Works Plans	Identifies specific projects and budgeting. These are developed and included in the relevant Asset Management Plans and are reviewed annually and included in the development of the City's Long Term Financial Plan.
Staff	Key personnel are identified and responsible for the advancement of asset management and contribute to the asset register.
Asset Management System (Software)	Specialised proprietary asset management systems used to manage asset data include AssetFinda and RAMM. Additional systems used are Finance One and Excel.
Geographic Information System (GIS)	Technology One's Intramaps software is used to display, capture and manage spatial data. GIS provides the visual / locational representation of assets on a City map.

A key enabler to intermediate or advanced asset management within the organisation is leadership. This will be achieved by establishing a clear vision and creating a culture to enable the vision to be achieved. Leadership is not the same as management - although both are necessary in effective organisations, it is leadership that enables transformation. The City has a dedicated Asset Management team providing asset management leadership through focusing on ongoing organisational improvement, development and education relating to asset management practices, while adopting industry best practice.

Action Plan

This Action Plan highlights the hierarchy of asset management and identifies key actions that, once completed, should progress the City's journey from basic to advanced level of asset management.



Source: Developed and adapted from Sections 2, 3 and 4 of the International Infrastructure Management Manual 2015.

The diagram above represents a bottom-up approach, highlighting focus areas to improve the City's asset management maturity. To enable the City to advance its decision-making, initial focus must be placed on our asset register, this will lead to improved service levels and understanding demand factors. Strengthening these areas will provide confidence in the City's risk modelling and decision making. Action activities will control organisational improvement, when incorporated in improvement plans identified in future reviews of the Asset Management Plans.

Key Actions

The City of Belmont aspires to deliver sustainable infrastructure through the practice of “advanced” asset management. An advanced approach to asset management applies analysis to individual assets and supports the optimisation of services to meet agreed service levels.

As part of the Implementation Plan for this Strategy, the following key actions have been identified to support the City in moving from Core to an Intermediate level of maturity by 2025.

Data Management

Review frequency of data collection for all asset classes.
Asset Condition Inspections to be performed for all major asset classes as per timeline in relevant Asset Management Plans.
Continual review and update of asset registers which will result in improved asset data knowledge and assist in more accurate decision making processes.
Improve the processing of asset data information flow from the Parks, Leisure, Environment and City Projects areas.
Move to align all asset registers with the financial asset register, while aligning asset management activities with long term financial planning and budgeting cycles.
Collate all asset data within one asset system (with exemptions e.g. State run systems like RAMM or integration to be considered) and eliminate the use of Excel workbooks.
Use the new Asset Management System to capture data across various asset classes relating to work orders (record activities associated with maintenance work orders and preventative maintenance schedules, renewal, upgrade and new).

Asset Custodian Steering Group

Create an Asset Custodian Steering Group to lead and guide asset management practices across the organisation.
The Asset Custodian Steering Group to meet quarterly to track the progress of deliverables detailed in the Improvement Plans contained within Asset Management Plans.
Asset Custodian Steering Group will review and endorse the Improvement Plans to ensure objectives, timeframes, deliverables, resources, and responsibilities are identified.
Asset Custodian Group to provide annual update on deliverables detailed in the Improvement Plans.

Levels of Service

Conduct a community survey to understand the level of importance and satisfaction ratings for all major asset types.

Develop or adjust levels of service and performance measures in place covering major asset types, based on survey above.

Risk Management

Integrate identified asset risks into the City's Corporate Risk Register.

Asset risk registers to be reviewed by the Asset Custodian Steering Group annually.

Financial Planning

Undertake an annual review to ensure the Long Term Financial Plan aligns with Asset Management Plans and that major capital projects for the next 10 years are conceptually identified and cost estimates are available.

Asset Maturity

Undertake an IPWEA NAMS+ Maturity Assessment to identify the City's current level of maturity.

Upon completion of the IPWEA NAMS+ Maturity Assessment, an improvement plan will be developed to guide the City with moving to intermediate maturity (and then advanced).

Implement the improvement plan to progress maturity from Core to Intermediate maturity.

ISO55000 Alignment

The Action Plan will assist the City in aligning its asset management practices and processes with ISO55000, which will enable the City to work towards its long term goal of achieving accreditation.

Overall this Strategy will support the City with enhancing its existing asset management practices. Key goals associated with this Strategy include:

- Consolidate data into a single asset management system, while providing accurate data that is sufficiently detailed to support informed decision making.
- Ensure that the asset management system provides a user friendly interface which encourages and supports staff, customers and contractors to log and monitor work orders.
- Levels of service are appropriate to the demand and needs of the community, while maximising the useful life of the asset.
- Risk reduction through the proactive monitoring of both risks associated with assets and the condition of the assets, ensuring renewal is undertaken before the asset fails.
- Organisational knowledge of asset management is developed and nurtured through leadership and education.
- Increase the asset maturity from a basic/core level to intermediate level by 2025.

To support and monitor the ongoing achievements associated with this Strategy, this document will undergo a minor review in 2023 and a major review in 2025.

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