The Secret Garden, Gordon Library

Ku·ring·gai Council

SERVIENDO GUBERNO

Asset Management Improvement Strategy

Adopted - 22 March 2011

THIS PAGE IS INTENTIONALLY LEFT BLANK

C

CONTENTS

KU-RING-GAI COUNCIL

Council's vision for its Community Infrastructure is to provide the desired level of service in the most cost effective manner for present and future customers[1]. The Council's Asset Management Improvement Strategy provides a strategic framework and action plan for successful achievement of this vision.

[1.] Ku-ring-gai Council's Delivery Program & Operational Plan 2010/2014

1 INTRODUCTION

Council delivers a variety of services to the community and in doing so, must ensure that the assets supporting these services are managed in a way that guarantees maximum performance for the lowest cost over the useful life of the asset.

Council's infrastructure assets represent a vast investment over many generations that support modern living in the community. Millions of dollars are spent annually managing and maintaining Council's infrastructure and it is imperative that Council provides the best asset management skills and practices to ensure that related services are delivered economically and sustainably.

Council has demonstrated a strong commitment to asset management. This is shown through the strategies contained in the Community Strategic Plan 2030, and the adoption of an Asset Management Policy in February 2009. This policy applies to all asset classes owned by Council and seeks to;

- link and integrate council's plan and resources, illustrating the means by which assets will deliver services;
- develop criteria for determining satisfactory standards;
- forecast future service delivery needs and the capacity of assets to meet those, on a short, medium and long-term basis;
- provide a full overview of expenditure on new assets and the existing asset base;
- specify asset management procedures, systems, resources and training; and
- establish systems for asset performance measurement and ensure that effective implementation is realised in practice.

This Strategy can be viewed as a second tier plan being supported by more detailed Asset Management Plans and an overall funding strategy. It provides direction to guide asset management actions into the future and ensures the Council continually improves the management of its infrastructure.

It is vital that Council develops and maintains rigorous asset management processes. Asset management is a key driver of the 10 Year Long Term Financial Plan and vital to the delivery of services to the community and the development of the ongoing Capital Works Program.

2 AIMS OF THE STRATEGY

The aims of this Strategy are to:

- Provide direction to Council's commitment to asset management;
- Identify when formal asset management plans for major asset classes will be prepared; and
- Undertake an overall assessment of the funding requirements for each asset class for incorporation in the 10 year Long Term Financial Plan.

3 PLANNING FRAMEWORK

The Asset Management Improvement Strategy is a second tier specific purpose document within Council's integrated planning framework and supports the implementation of the Delivery Program as shown below.

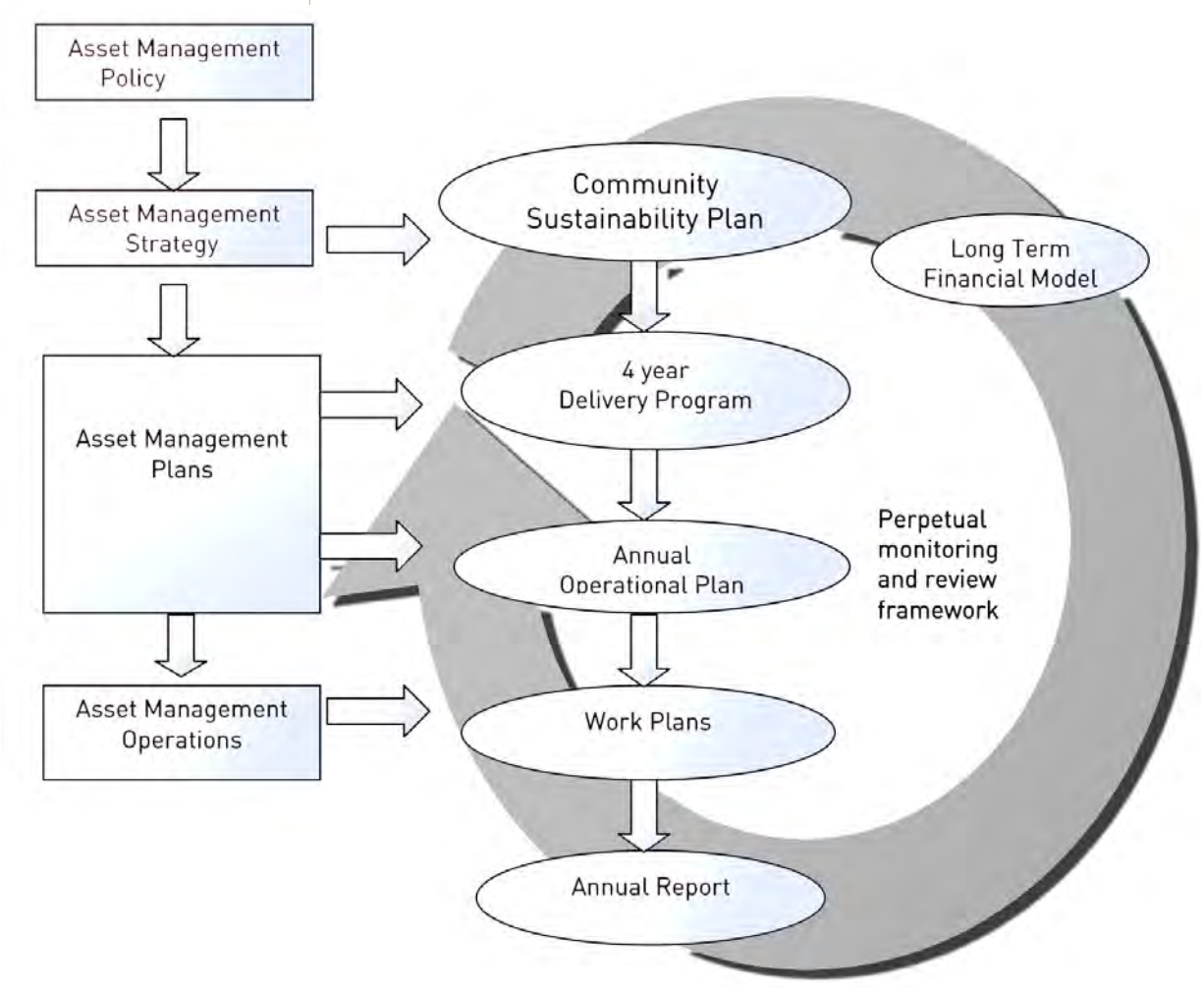
Ku-ring-gai Council's Delivery Program and Operational Plan 2010-2014, commits to the strategy[2]. Recognising the issues surrounding our urban environment and aiming to ensure our assets are managed effectively to meet community needs and standards within our available resources. It identifies objectives and the development of further strategies as follows;

- To develop an Asset Management Strategy that integrates into Council's Long Term Financial Plan and Capital Works Program;
- To establish programs that provides funding to maintain Council's assets at a sustainable standard;
- To adopt a program and funding strategy to implement new community facilities;
- To establish community based service level agreements for all asset classes.

[2] Page 38 & 39 Ku-ring-gai Council's Delivery Program & Operational Plan 2010/2014

4 STRATEGIC ASSET MANAGEMENT FRAMEWORK

Council's Strategic Asset Management Framework integrates policy, plans and operational actions with regard to asset management as shown below.



The components of the framework are as follows:

4.1 Asset Management Policy

Ku-ring-gai Council's Asset Management Policy was adopted in 2009 to underpin the organisation's Strategic Plan with respect to Asset Management.

4.2 Asset Management Strategy

The Asset Management Strategy is a corporate planning document designed to provide high level direction to the Council's asset management activities.

4 STRATEGIC ASSET MANAGEMENT FRAMEWORK (CONTINUED)

4.3 Asset Management Plans

Asset Management Plans provide detailed direction for all major asset classes. These are currently under development and once completed will provide prioritisation of projects for Asset Management Operations based on risk management, available funding and life cycle management.

4.4 Asset Management Operations

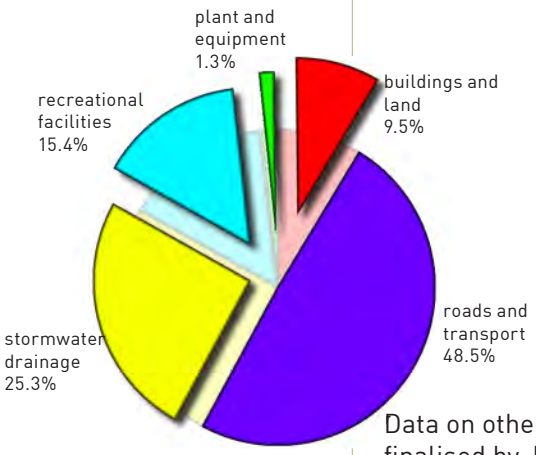
Council develops and reviews operational systems and procedures:

- to continually improve the knowledge of the assets Council owns and manages;
- to minimise risk through a co-ordinated approach to asset management;
- to develop and realise capital works programs;
- to develop maintenance programs;

The primary driver for operational improvement will be the collection of asset data and its associated condition to enable infrastructure renewal programs to be developed and prioritised.

5 CURRENT STATUS OF ASSET MANAGEMENT

Council manages a variety of infrastructure with a replacement value in the region of $930 million[3] as at 30 June 2010, distributed as shown below.



Council's Assets (Replacement Cost)	
Buildings and Land:	$88,020,258
Roads & Transport:	$451,486,748
Stormwater Drainage:	$235,417,094
Recreational Facilities:	$143,433,797
Plant and Equipment:	$12,342,992

Data on other asset classes is currently being collected and will be finalised by June 2011. This Strategy deals specifically with the 5 largest (major) asset classes by value that together represent 99% (by replacement value) of Council's total asset inventory. These are:

1. Buildings and Land
2. Roads & Transport
3. Stormwater Drainage
4. Recreational Facilities
5. Plant & Equipment

In order to prepare detailed asset management plans for our major asset classes, Council will continually improve the quality of data held on its assets over the coming years. This data will integrate with the Geographical Information System where possible. An assessment of the current state of data follows and uses the following 'confidence levels' identified within the GHD Report[4] and which are based on the International Infrastructure Management Manual[5].

Confidence Level	Level of Practice	Extent of Practice
0	Innocence	Never Done
1	Aware but there is no practice currently in place	Ad hoc process rarely executed
2	Low practice level	Ad hoc process occasionally executed
3	Modest practice level	Mixture of ad hoc and systematic processes, partially documented
4	Substantial practice level	Mostly systematic processes pretty well documented and regularly executed
5	World class practice level	Systematic, fully documented process, always executed

[3] REPLACEMENT COSTS - Total:$930,624,647

[4] Ku-ring-gai Council Report for Asset Management Review – GMD February 2009

[5] The internationally renowned IIMM manual has been developed and updated to reflect the advancing field of asset management by the IPWEA.

5.1 BUILDINGS & LAND (DATA CONFIDENCE LEVEL 3)

A Building Condition Audit was undertaken in order to develop a long term maintenance and renewal plan. This audit provides a high level of component information and although not specifically rating each item, it does provide invaluable replacement timetables and costs. Council currently manages a building portfolio of approximately 252 buildings including administration facilities, sport and recreation facilities, libraries, clubrooms, community centres, halls, toilets and change rooms.

Bus shelters, netball and tennis courts, car parks, miscellaneous park items, play equipment and lighting were included in the original building schedule assessment but are not included in these estimates as they have been included elsewhere in the asset management plans; namely Road Structures Asset Management Plan and the Recreational Facilities Asset Management Plan.

Quality Elements	Objectives	Actions	Timeframe	Staff Responsible
Processes and Practices	Implement and/or improve building asset management processes	To develop a Building Asset Management Plan (BAMP)	Completed	Manager Strategic Assets & Property Management
	Assets and procedures for cost and risk documented	Develop register and utilise AS/NZS ISO 31000 for inclusion of risk in the BAMP	2012/2013	Manager Strategic Assets & Property Management
	Continual maintenance of procedures	Review of processes and practices	2013/2015 (ongoing)	Manager Strategic Assets & Property Management
Data and Knowledge	Complete database of assets	Develop data collection procedure and program	Commenced	AM Coordinator
	Congruence between needs and data collection	Align collection program with identified needs	2012 (ongoing)	Manager Strategic Assets & Property Management
Asset Management Plans	Understanding of BAMP for relevant staff	Provide training for asset management principles for relevant staff	Completed	AMWG
	Basic BAMP to build on	Develop basic BAMP	Completed	AM Coordinator
	Advanced BAMP for each asset group	Develop advanced BAMP	2013/2015 (ongoing)	Director Operations
Asset Information Systems	Suitable corporate asset management system	Selection and evaluation of most appropriate corporate management system	Completed	AMWG
	Suitable life cycle management system	Develop a cost modelling and knowledge management system	2012/2013	AMWG
People and Organisational Issues	Understanding of building asset management	Provide staff training for all facets of building asset management	Commenced (annually)	Director Operations
	Responsibilities included into staff work plans	Review and match staff skills with responsibilities	Commenced (annually)	Manager Engineering Services
	Asset performance register	Review and measure asset performance	Commenced (ongoing)	Manager Engineering Services
Implementation Tactics	Outline of required building asset management activities	Review core and non-core activities	2013/2015	AMWG

5.2 ROADS & TRANSPORT (DATA CONFIDENCE LEVEL 4)

The roads and transport asset group includes footpaths, kerb and gutter, road structures, road furniture, bridges as well as the roads surfaces. There are various databases which contain data for each of these sub classes including the SMEC Pavement Management System software which is used by a significant number of Local Government Councils in New South Wales. The catalogues include materials, dimensions and quantity and construction dates for the various assets. The inventory is updated by 20% of the network annually to ensure a 5 year cycle. Kuring-gai Council currently owns and maintains 417.444 km[6] of road network.

Quality Elements	Objectives	Actions	Timeframe	Staff Responsible
Processes and Practices	Implement and/or improve road asset management processes	To develop Road Asset Management Plans (RAMPs) for each group of this Asset Class	Completed	Director Operations
	Assets and procedures for cost and risk assessment documented	Develop register and utilise AS/NZS ISO 31000 for inclusion of risk in the RAMPs	2012/2013	Director Operations
	Continual maintenance of procedures	Review of processes and practices	2013/2015 (ongoing)	Director Operations
Data and Knowledge	Complete database of assets	Develop data collection procedure and program	Commenced	Director Operations
	Congruence between needs and data collection	Align collection program with identified needs	2012 (ongoing)	Director Operations
Asset Management Plans	Understanding of RAMPs for relevant staff	Provide training for asset management principles for relevant staff	Commenced (ongoing)	AMWG
	Basic RAMP for each asset group within the asset class	Develop basic RAMP	Completed	Manager Engineering Services
	Advanced RAMP for each asset group	Develop advanced RAMP	2013/2015	Manager Engineering Services
Asset Information Systems	Suitable corporate asset management system	Selection and evaluation of most appropriate corporate management system	Completed	AMWG
	Suitable life cycle management system	Develop a cost modelling and knowledge management system	2012/2013	AMWG
People and Organisational Issues	Understanding of road asset management	Provide staff training for all facets of road asset management	2011 (ongoing)	Director Operations
	Responsibilities included into staff work plans	Review and match staff skills with responsibilities	Commenced (ongoing)	Operation's Managers
	Asset performance register	Review and measure asset performance	Commenced (ongoing)	
Implementation Tactics	Outline of required road asset management activities	Review core and non-core activities	2013/2015	AMWG

[6] 3,785,200m2 including walkways and private roads. 507.56km including RTA main roads, private streets, laneways and surfaces constructed of materials other than bitumen.

5.3 STORMWATER DRAINAGE (DATA CONFIDENCE LEVEL 1)

The stormwater drainage network in includes all gross pollutant traps, enviropods, swales, filters as well as pits and pipes. The pits and pipes drainage data is held in the Stormwater Conduit Assets spreadsheet database. The inventory includes materials, dimensions and quantity and construction dates for the majority of the network. The data indicates there are approximately 288 kilometres of pipe and pit infrastructure and 150 other items with a total replacement value of $192,487,458.[7]

Quality Elements	Objectives	Actions	Timeframe	Staff Responsible
Processes and Practices	Implement and/or improve drainage asset management processes	To develop Drainage Asset Management Plan (DAMP)	Completed	Manager Engineering Services
	Assets and procedures for cost and risk assessment documented	Develop register and utilise AS/NZS ISO 31000 for inclusion of risk in the DAMP	2012/2013	Manager Engineering Services
	Continual maintenance of procedures	Review of processes and practices	2013/2015 (ongoing)	Director Operations
Data and Knowledge	Complete database of assets	Develop data collection procedure and program	Commenced	AM Coordinator
	Congruence between needs and data collection	Align collection program with identified needs	2012 (ongoing)	Manager Strategic Assets & AM Coordinator
Asset Management Plans	Understanding of DAMP for relevant staff	Provide training for asset management principles for relevant staff	Commenced	AMWG
	Basic DAMP to build on	Develop basic DAMP	Completed	Manager Engineering Services
	Advanced DAMP for each asset group	Develop advanced DAMP	2014/2015	Manager Engineering Services
Asset Information Systems	Suitable corporate asset management system	Selection and evaluation of most appropriate corporate management system	Completed	AMWG
	Suitable life cycle management system	Develop a cost modelling and knowledge management system	2012/2013	AMWG
People and Organisational Issues	Understanding of drainage asset management	Provide staff training for all facets of drainage asset management	Commenced (ongoing)	Director Operations
	Responsibilities included into staff work plans	Review and match staff skills with responsibilities	Commenced (annually)	Manager Engineering Services
	Asset performance register	Review and measure asset performance	2013/2014 (annually)	Manager Engineering Services
Implementation Tactics	Outline of required drainage asset management activities	Review core and non-core activities	2013/2015	AMWG

[7] Does not include Gross Pollutant Traps, enviropods and other environmental water saving devices.

5.4 RECREATIONAL FACILITIES (DATA CONFIDENCE LEVEL 3)

Council currently owns and maintains approximately 292 parks including tennis courts, playgrounds, natural areas and sports ovals. Infrastructure found within these areas includes playground equipment, reticulation, sporting infrastructure, park furniture, lighting and fencing. The Playfix database is used as an inventory of these assets, and includes a condition assessment of all items.

Quality Elements	Objectives	Actions	Timeframe	Staff Responsible
Processes and Practices	Implement and/or improve recreational asset management processes	To develop Recreational Facilities Asset Management Plans (RFAMP)	2011/2012	Manager Open Space Services
	Assets and procedures for cost and risk assessment documented	Develop register and utilise AS/NZS ISO 31000 for inclusion of risk in the PRAMP	2012/2013	Director Operations
	Continual maintenance of procedures	Review of processes and practices	2013/2015 (ongoing)	Director Operations
Data and Knowledge	Complete database of assets	Develop data collection procedure and program	Completed (ongoing)	Manager Open Space Services
	Congruence between needs and data collection	Align collection program with identified needs	2012 (ongoing)	Manager Open Space Services
Asset Management Plans	Understanding of PRAMP for relevant staff	Provide training for asset management principles for relevant staff	2010/2011	AMWG
	Basic RFAMP for each asset group within theasset class	Develop basic PRAMP	2011/2012	Manager Open Space Services
	Advanced PRAMP for each asset group	Develop advanced PRAMP	2015/2016	Manager Open Space Services
Asset Information Systems	Suitable corporate asset management system	Selection and evaluation of most appropriate corporate management system	Completed	AMWG
	Suitable life cycle management system	Develop a cost modelling and knowledge management system	2011/2012	AMWG
People and Organisational Issues	Understanding of parks and recreation asset management	Provide staff training for all facets of park and recreation asset management	Commenced (ongoing)	Director Operations
	Responsibilities included into staff work plans	Review and match staff skills with responsibilities	Commenced (annually)	Manager Open Space Services
	Asset performance register	Review and measure asset performance	Commenced (ongoing)	Director Operations
Implementation Tactics	Outline of required parks and recreation asset management activities	Review core and non-core activities	2013/2015	AMWG

5.5 PLANT AND EQUIPMENT (DATA CONFIDENCE LEVEL 1)

Some plant and equipment data is held in the FleetMex database system and a data review has recently been completed. The inventory contains some cost details, and since an internal audit was conducted in 2007, there has been better record keeping. Some older assets values were equated against similar products and attain an average value. There are currently 700 pieces of plant & equipment in Council's database with a replacement value of $12,202,608.38. This asset group includes assets such as backhoes, passenger vehicles, street sweepers, tippers, as well as small plant such as chainsaws and mowers.

Quality Elements	Objectives	Actions	Timeframe	Staff Responsible
Processes and Practices	Implement and/or improve plant and equipment asset management processes	To develop Fleet & Plant Asset Management Plans (F&PAMP) for each group of Asset	2011/2012	Manager Engineering Services
	Assets and procedures for cost and risk assessment documented	Develop register and utilise AS/NZS ISO 31000 for inclusion of risk in the F&PAMP	2011/2012	Director Operations
	Continual maintenance of procedures	Review of processes and practices		Director Operations
Data and Knowledge	Complete database of assets	Develop data collection procedure and program	2010/2011	AM Coordinator
	Congruence between needs and data collection	Align collection program with identified needs	2011/2013 (ongoing)	Manager Strategic Assets & AM Coordinator
Asset Management Plans	Understanding of F&PAMP for relevant staff	Provide training for asset management principles for relevant staff	2011/2012	Director Operations
	Basic P&EAMP for asset group to build on Advanced P&EAMP for each asset group	Develop basic F&PAMP	2011/2012	Fleet Coordinator
		Develop advanced F&PAMP	2014/2015	Manager Engineering Services
Asset Information Systems	Suitable corporate asset management system	Selection and evaluation of most appropriate corporate management system	Completed	AMWG
	Suitable life cycle management system	Develop a cost modelling and knowledge management system	2011/2012	AMWG
People and Organisational Issues	Understanding of plant and equipment asset management	Provide staff training for all facets of plant and equipment asset management	2011/2012 (ongoing)	Director Operations
	Responsibilities included into staff work plans	Review and match staff skills with responsibilities	Commenced (annually)	Manager Engineering Services
	Asset performance register	Review and measure asset performance	Commenced (ongoing	Director Operations
Implementation Tactics	Outline of required plant and equipment asset management activities	Review core and non-core activities	2013/2015	AMWG

6 GAP ANALYSIS

In February 2009, Council engaged GHD to undertake an independent review and report on asset management processes and practices across the organisation[8]. The report concluded that Council had improved its asset management competence from previous years, although there were still a number of areas requiring improvement. These include;

- Improvement to processes, such as detailing demand drivers for each of the asset groups;
- Clarification on appropriate data to be collected and managed for each asset group;
- Strategic processes related to the evaluation of asset failure;
- Development of a robust, organisation wide process for evaluating and prioritising capital works;
- Asset management information systems that are integrated and which can register and manage different assets adequately;
- Improvement to the quality of data held on different assets as currently this varies significantly across the organisation;
- Improved definition and documentation on levels of service for all the asset groups, rather than just for Road assets;
- Long term financial planning for assets, having consideration for renewal obligations;
- Enhancement to staff asset management capabilities, profiles and succession planning practices;
- Development of Asset Management Plans for all the major asset groups;

The gaps identified in the GHD report and actions to reduce these gaps are included in this improvement Strategy. The Strategy demonstrates that some actions are completed whilst other actions have commenced, with further improvements planned and allocated to relevant staff across the organisation.

[8] Ku-ring-gai Council Report for Asset Management Review – GHD February 2009

7 IMPLEMENTATION AND REVIEW

This Strategy will be reviewed every 3 years. Should emergent issues arise within this time frame that would adversely impact on the Strategy; an interim review will be undertaken. The complete asset review process is included in the following table:

Document	Review
Asset Management Policy	Every 3 Years
Asset Management Strategy	Every 3 Years
Asset Management Plans	Every 3 Years
Capital Works Program	Annually

818 Pacific Highway, Gordon NSW 2072
Locked Bag 1056, Pymble NSW 2073
T 02 9424 0000 **F** 02 9424 0001
DX 8703 Gordon **TTY** 133 677
E kmc@kmc.nsw.gov.au
W www.kmc.nsw.gov.au
ABN 86 408 856 411