

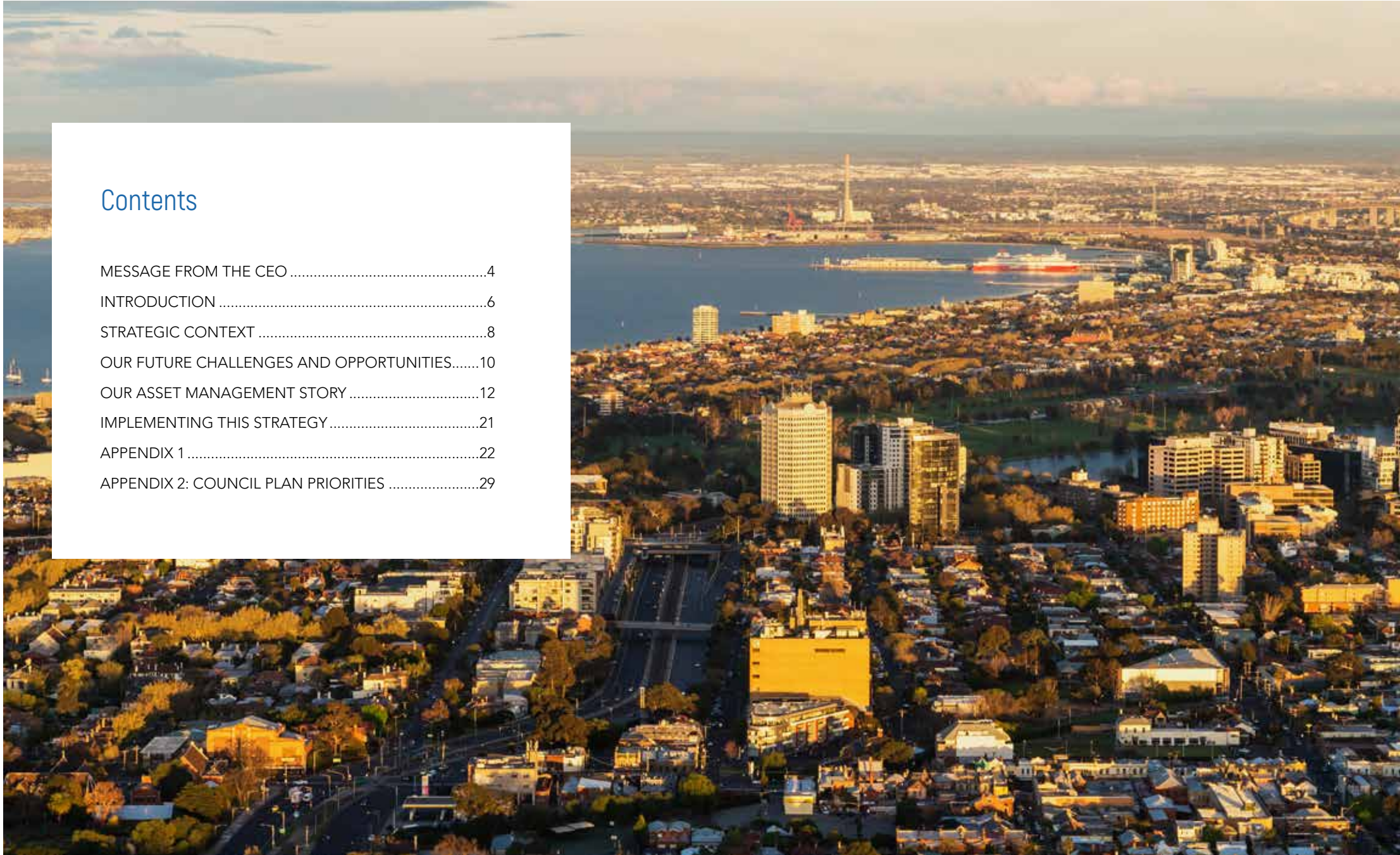
# Asset Management Strategy 2018-21



Review date:  
July 2019

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**We are entrusted by our community,  
as custodians to protect, grow and develop  
infrastructure and assets which enable  
Council to provide the services that our  
community value.**

**Womin djeka**

**Council respectfully acknowledges  
the Yaluk-ut Weelam Clan of the  
Boon Wurrung.**

We pay our respect to their Elders,  
both past and present.

We acknowledge and uphold their  
continuing relationship to this land.



## MESSAGE FROM THE CEO

We are custodians of \$3.0 billion worth of assets that enable Council to provide the services that our community value. This includes buildings, council owned land, roads, footpaths, drainage pipe and pits, art, library books and other assets which have been built up progressively over many years.

A significant portion of the Council budget each year is spent on looking after, operating, improving, and growing assets for the benefit of the community. Given this, as well being a growing City, with the Fishermans Bend Urban Renewal Project being the largest urban renewal area in Australia, general population growth, rates capping, climate change, and an urban coastal environment, Council must be good at asset management.

In 2014, the Victorian Auditors General's Office undertook a review of asset management in local government using a

sample of five representative Victorian Councils, including Port Phillip City Council. The review identified a number of focus areas for Council to improve its asset management maturity, including the development of an Asset Management Strategy.

This strategy is a foundational document in our Asset Management Framework, directly aligned to best practice of International Standards Organisation (ISO) 55000 and National Asset Management Assessment Framework (NAMAF).

Through a commitment to continuous asset management improvement guided by this strategy, we aim to be recognised as leaders in asset management in local government.



**Peter Smith**  
Chief Executive Officer  
City of Port Phillip

**A significant portion of the Council budget each year is spent on looking after, operating, improving, and growing assets for the benefit of the community.**



**Our vision**

**As trusted stewards of Council's assets on behalf of the community, we will ensure that the right assets are in the right place at the right time to support delivery of community services for current and future generations.**





**Around 30 per cent of our total annual expenditure is asset related.**

## INTRODUCTION

We have over \$3.0 billion in assets under our management.

This includes land, 214 buildings, 293 km of roads, 414 kilometres of footpaths, 232 km of underground drainage pipes, 11,585 drainage pits as well as art, library books and other assets that have been acquired over many years.



We budget over **\$40 million** per year for renewing, improving and growing our assets. We also budget around **\$20 million** each year to operate and maintain assets. Combined, around **30 per cent** of our total annual expenditure is asset related.

Given this sizeable investment and the importance of these assets to achieving community outcomes, it is vital that we are responsible asset managers.

Objectives 1 through 4 will largely be delivered through our asset management plans, the long-term financial plan and priority projects identified in the integrated Council Plan 2017-27.

This strategy will help deliver to those objectives, but its primary focus is to achieve objective 5: Advanced Asset Management Practice.

## Council have five objectives for asset management, outlined in our Asset Management Policy, June 2017:

### 1. Fit-for-purpose

Assets will deliver agreed levels of service to the organisation and community in terms of function (including safety and accessibility), condition, and capacity.

### 2. Community benefit:

Council will innovatively use its asset base to support the social, cultural and economic wellbeing of the community.

### 3. Environmental sustainability

Assets are planned and developed to incorporate climate resiliency and mitigate our environmental impact.

### 4. Financial sustainability

We will deliver our community value for money through transparent asset management decisions and practices ensuring Council has the funds to look after, improve and grow its assets for current and future generations.

### 5. Advanced Asset Management practice

Council is committed to advanced asset management practice including the use of smart technology to optimise decisions and performance.

## STRATEGIC CONTEXT

### Planning and asset management framework

The delivery of services to the community is guided by Council plans, strategies and policies. These also drive our approach to asset management. Figure 1 illustrates our planning and asset management framework.

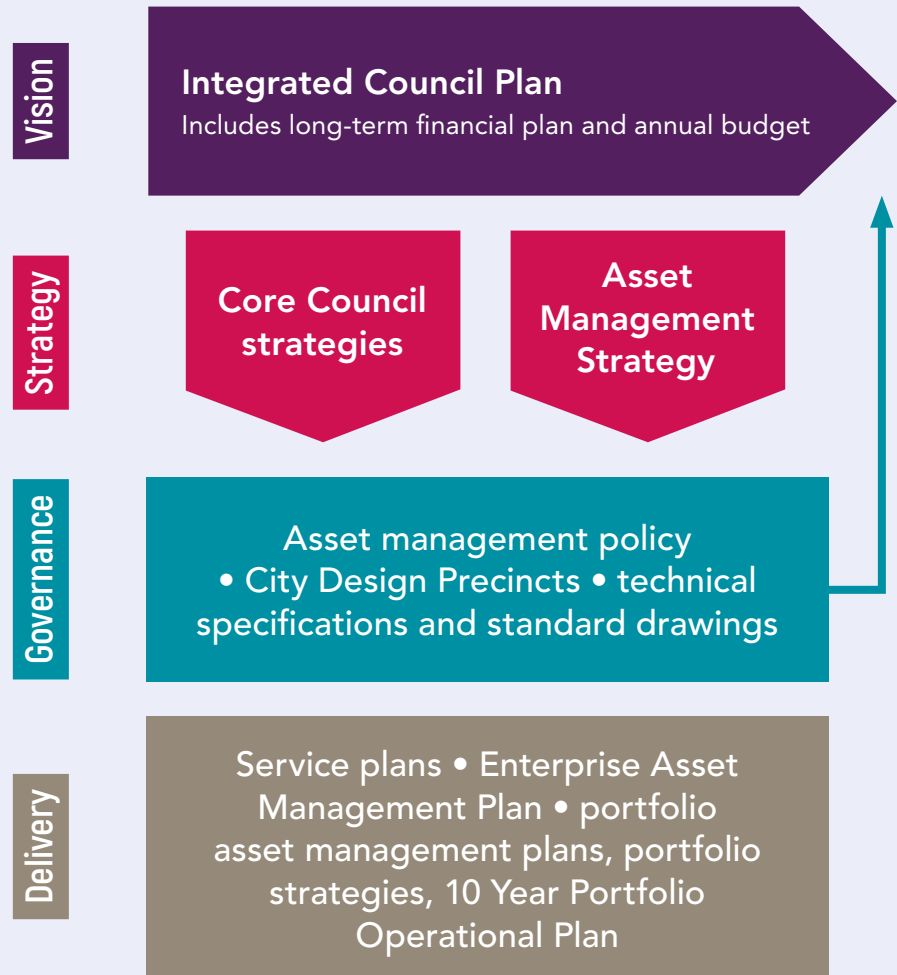
### The Council Plan 2017-27

The integrated Council Plan 2017-27 makes a commitment to outcomes and priority initiatives across six strategic directions. Effective asset management will support the Council Plan outcomes and the delivery of sustainable services.

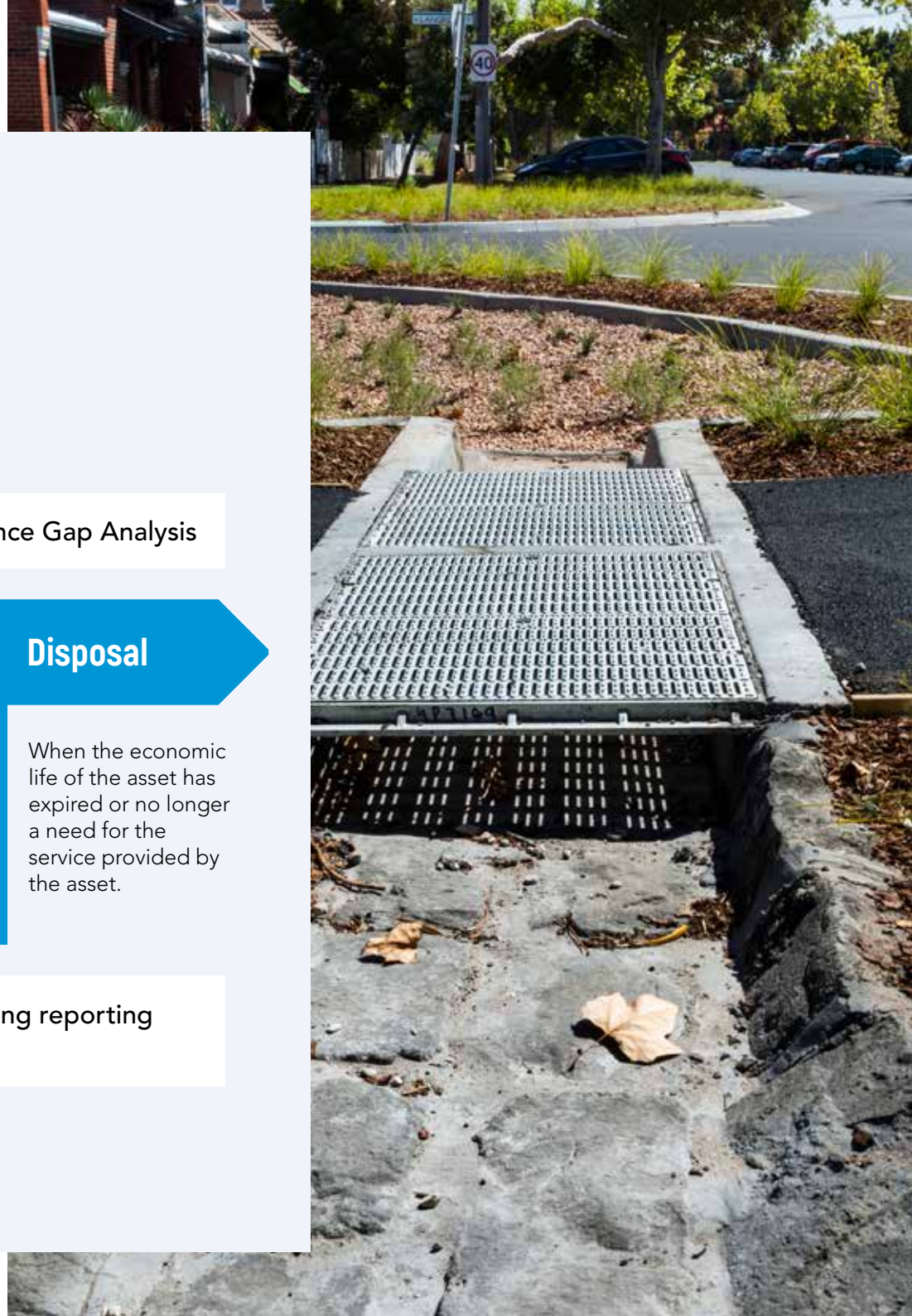
Strategic initiatives in our Council Plan which will enhance the way we manage our assets include:

- Improve the organisation's present level of asset management maturity
- Upgrade our financial and asset management systems, processes and practices
- Continue to invest in the renewal and improvement of our assets
- Grow the supply and diversity of affordable housing by implementing the In Our Backyard strategy
- Develop strategies to guide our future assets and services
- Invest in measures to reduce our environmental impact

### Council planning and asset management framework







## Asset management lifecycle

We manage assets on a lifecycle basis.

Integrated Planning and Reporting • Asset Framework and Governance Gap Analysis

### Planning

Where the need is identified and requirement for a new asset is planned for and justified

### Acquisition

Where the asset is purchased, constructed, or otherwise created.

### Operations

Where the asset is used for its intended purpose and maintained at optimum service levels

### Disposal

When the economic life of the asset has expired or no longer a need for the service provided by the asset.

Portfolio Strategy • asset and financial analysis / scenario modelling reporting  
• system and tools • 10 year operational plans

## OUR FUTURE CHALLENGES AND OPPORTUNITIES

Our City faces a number of challenges and opportunities that have the potential to significantly impact service delivery and asset management.



### Population growth

Our present population is 110,967 people and is expected to grow to more than 167,870 people by 2041.

We will need to expand our services and assets to cater for our growing community.

Council will need to make a financial investment in infrastructure so that our assets are of a suitable capacity to cater for growth and that exemplary urban renewal is achieved.



### Urbanisation

Population growth will drive an increase in urban density. This will mean that more people will use our open spaces, roads, footpaths, and facilities.

We will require innovative thinking and approaches to the way we deliver our services and to optimise the use of our existing assets.

We will need to look towards forming partnerships and alliances to provide cost effective services.

We will need to be open to opportunities to consolidate and co-locate services and activities to multiuse facilities.



### Ageing infrastructure

One of the biggest financial challenges facing us is the cost of renewing our ageing infrastructure, particularly in light of reducing risk, meeting changing industry standards and the increasing construction costs

We will need to introduce systems and processes to ensure that our spending on our existing assets is optimised.

As our assets continue to age, more investment in maintenance and renewal expenditure will be required to ensure that we meet levels of service agreed with our community now and in the future.

### What does this mean for asset management?



## Technology

People, businesses and governments are increasingly moving online to connect, deliver and access services, obtain information and to perform day to day activities.

Smart technologies like building management systems and digital monitoring will give us real-time information about assets improving our understanding of performance.

We will have the capability to share our data on our assets to others enabling them to interact with our services digitally.

Changes in technology will also enable a more mobile workforce.



## Climate change

Port Phillip is already experiencing the impacts of climate change. In the future, we can expect; storm damage to infrastructure; beach erosion; decreased security of water supply; and hotter urban spaces.

Infrastructure needs to be assessed against climate extremes, vulnerable infrastructure and actions taken to mitigate against potential risks.

We will need maintenance and renewal to ensure that future planning of our assets considers both their impact on the environment and resiliency to the effects of climate change.



## Legislative and policy influence

We operate in a complex legislative and policy environment that directly influences the way we do business.

We need to meet our statutory obligations while being conscious of maintaining affordability and financial sustainability. This requires good decisions to be made to manage competing funding demands across a broad range of projects, programs and services.

**What does this mean for asset management?**

# OUR ASSET MANAGEMENT STORY

## State of our assets

Our customers determine the demand and value of the services our assets provide.

The performance of our assets are measured on agreed service levels through condition, function and capacity assessments.

Asset Category	Condition	Capacity	Function
Lighting	96 %	92 %	87 %
Maritime	95 %	96 %	96 %
Public Space	98 %	90 %	95 %
Stormwater	90 %	80 %	95 %
Footpaths	98 %	95 %	95 %
Roads	98 %	95 %	95 %
Bridges	100 %	95 %	95 %
Kerb and Channel	100 %	95 %	95 %
Buildings	90 %	90 %	80 %

### Buildings

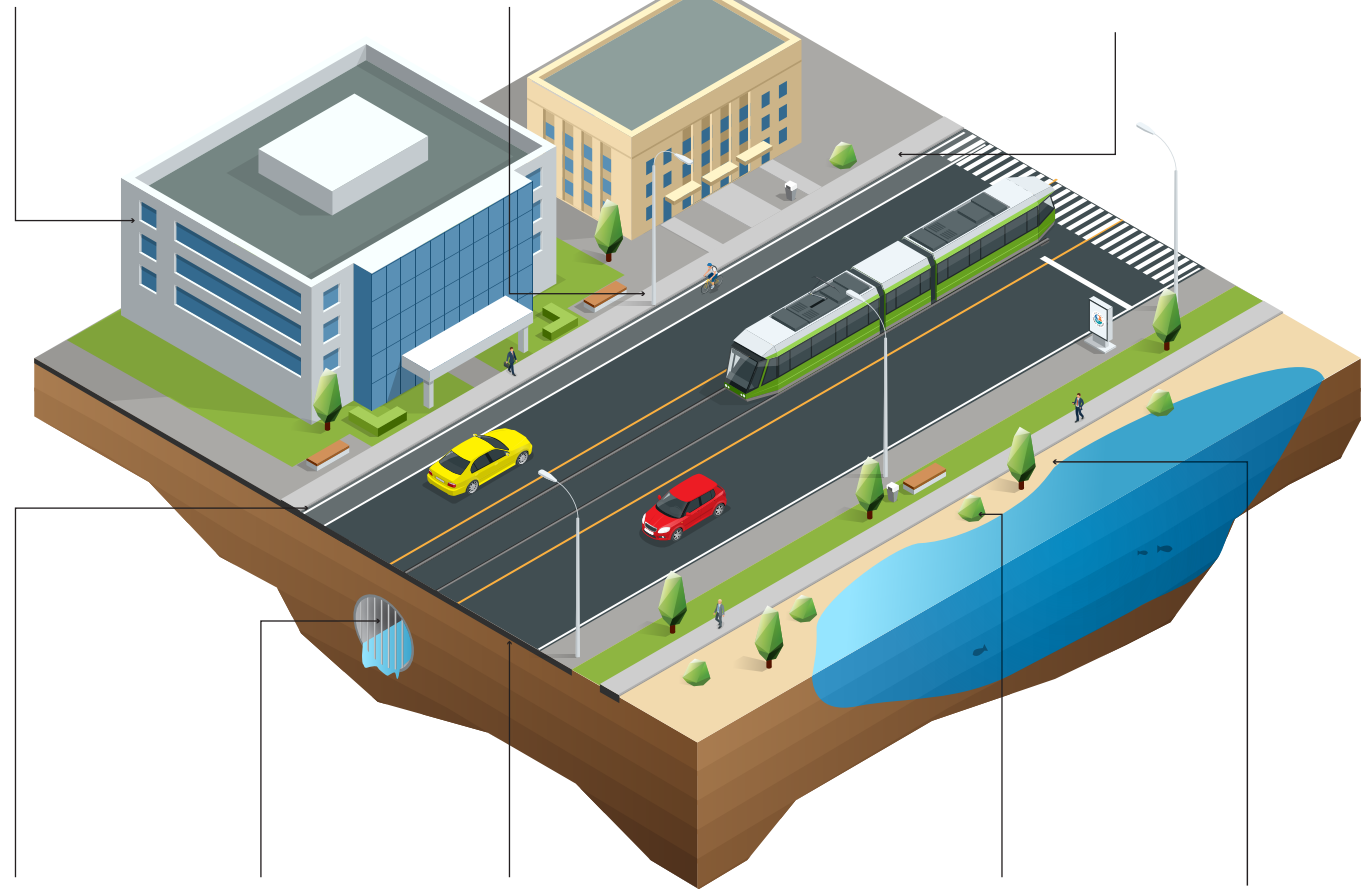
Condition: 90 %  
Capacity: 90 %  
Function: 80 %

### Lighting

Condition: 96 %  
Capacity: 92 %  
Function: 87 %

### Footpaths

Condition: 98 %  
Capacity: 95 %  
Function: 95 %



### Kerbs and Channel

Condition: 100 %  
Capacity: 95 %  
Function: 95 %

### Storm water

Condition: 90 %  
Capacity: 80 %  
Function: 95 %

### Roads

Condition: 98 %  
Capacity: 95 %  
Function: 95 %

### Bridges

Condition: 100 %  
Capacity: 95 %  
Functionality: 95 %

### Public space

Condition: 98 %  
Capacity: 90 %  
Function: 100 %

### Maritime

Condition: 95 %  
Capacity: 96 %  
Function: 96 %

### Key

Condition: The actual physical and technical state of the asset  
Capacity: The ability of physical infrastructure to meet demand  
Function: The ability of physical infrastructure to meet service program delivery needs

100 % - 95 % of assets meet target performance  
94 % - 90 % of assets meet target performance  
<89 % of assets meet target performance



**Embedding asset management**

**Asset management will be integrated into corporate governance including enterprise planning, reporting and risk management frameworks.**

**Asset management will be service driven and will align with the strategic priorities and directions of Council.**

### Our asset management maturity

We are guided by three recognised standards as benchmarks for asset management best practice:

1. ISO55000:2014. An international standard that provides an overview of principles, terminology and definitions.
2. International Infrastructure Management Manual (IIMM) that provides guidance on how to implement ISO55000.
3. National Asset Management Assessment Framework (NAMAF), the Australian framework used to measure local government asset management capability and maturity.

We are not seeking ISO accreditation, but will use this standard as a benchmark for best practice.

We use NAMAF to measure our asset management maturity. The framework is a self-assessment against 11 elements (refer to appendix 1).

Our current state of maturity is approaching core capability, with a score of 900.

### Our vision for asset management

As trusted stewards of Council’s assets on behalf of the community, we will ensure that the right assets are in the right place at the right time to support delivery of community services for current and future generations.

### Our goal

Our goal is to reach core maturity and progress towards advanced capability over the life of this strategy.

We will assess our maturity each year to track and report on our progress

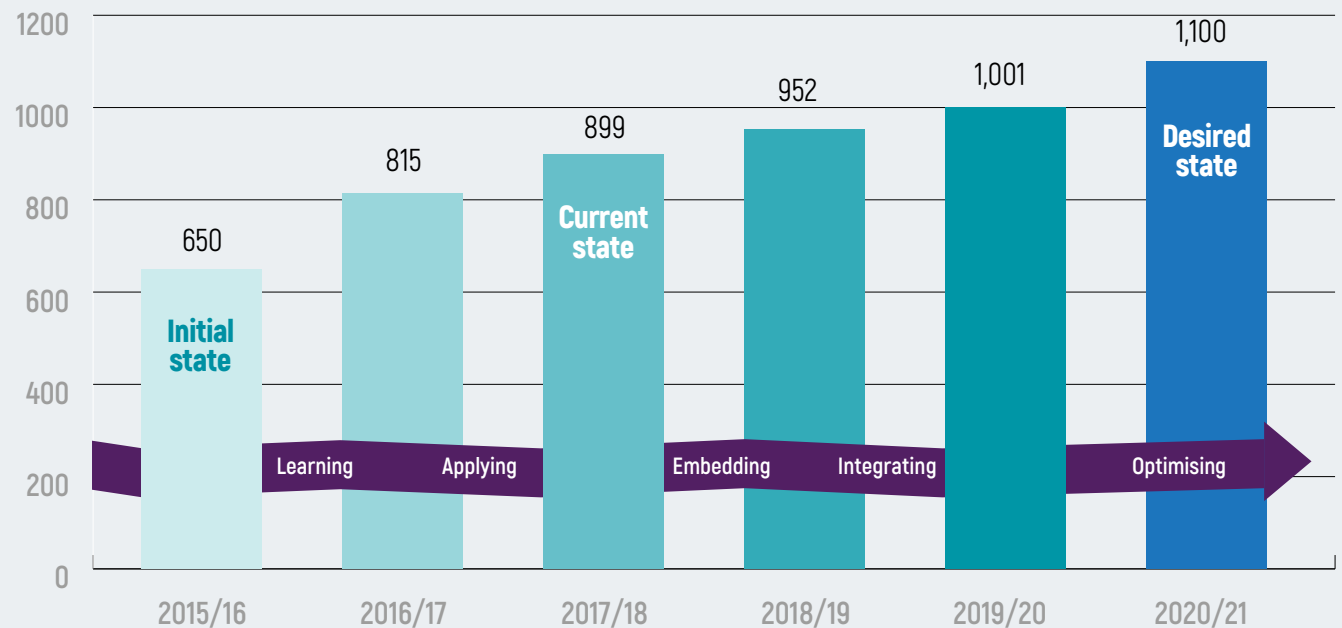
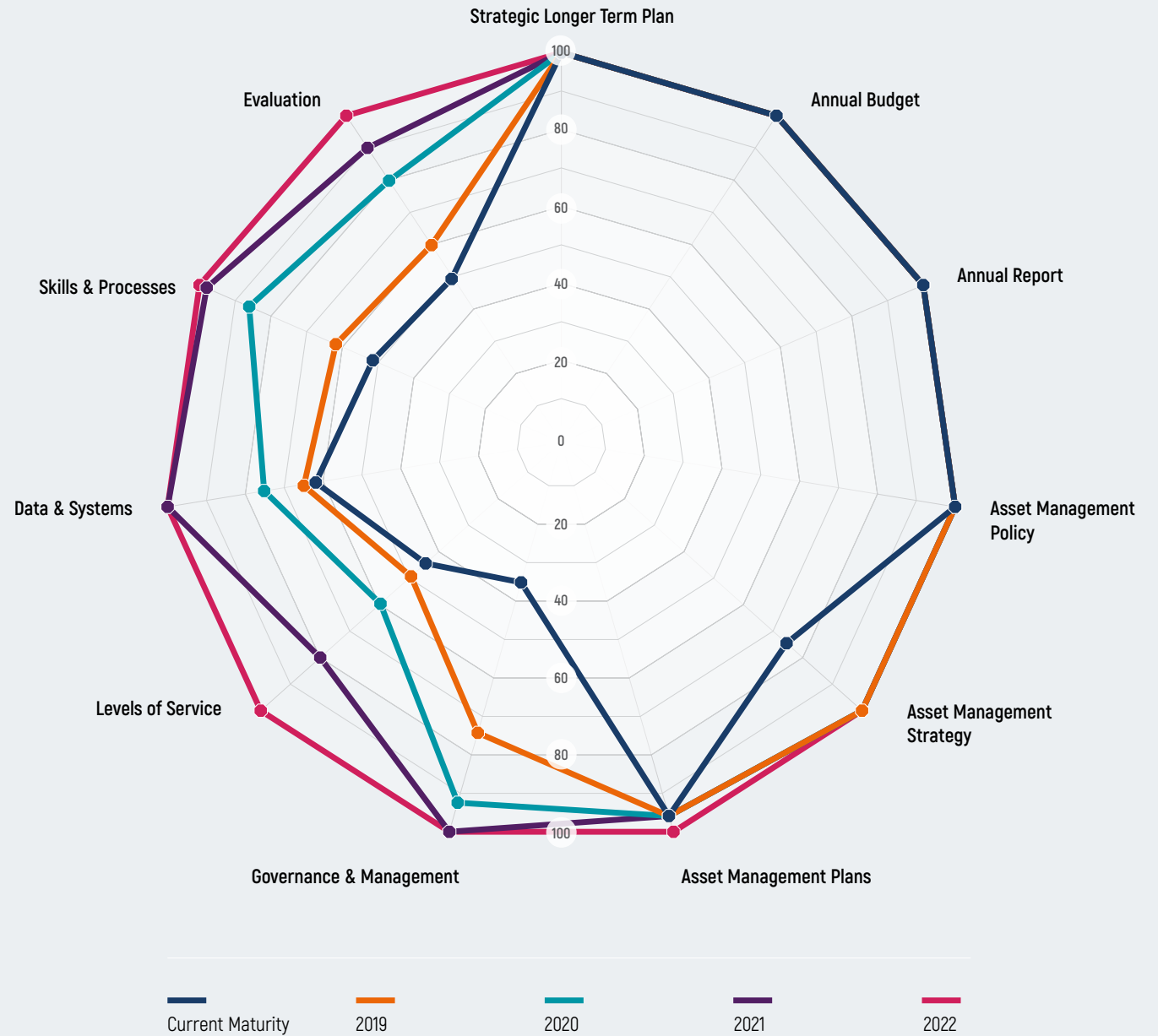


Diagram 3: Our asset management transformation journey

**Our objectives and strategies for improvement**

The figure below shows how we score on each of the maturity elements and the improvement that is anticipated to be made as we progressively implement this strategy over the next four years.

A detailed assessment of our current state maturity is in appendix 2.



# Fit for purpose

Key priorities from the Council Plan which are intended to deliver fit for purpose assets:

Building renovation and refurbishment to reduce the renewal gap (\$11.6 M)

Building upgrades to improve safety and accessibility (\$6.8 M)

Stormwater management program including WSUD to renew and improve our drainage network (\$5.2 M)

Renewal of our road and footpath assets (\$18.4 M)

## Objective

Assets will deliver agreed levels of service to the organisation and community in terms of function (including safety and accessibility), condition, and capacity.

Responsible asset planning will ensure that our assets are appropriate for the job, designed to deliver the appropriate level of service to our residents and visitors. In our current Long Term Financial Plan we are forecast to spend close to \$162 M over the next four years on renewing and improving our extensive asset portfolio.

While most of our assets generally meet our service targets we have invested an additional \$3.7 M to address the condition, accessibility and safety of our buildings.

We are also planning to allocate an additional \$1.9 M per annum to drainage (compared to 2017/18) in future years to improve network capacity. These increases have been offset by a reduction in road and footpath renewal budgets as these assets are in good service condition. We are continuing to work towards optimising our asset expenditure to ensure that our investment is at the appropriate intervention level to reduce the whole of life cost of the each asset component.

MEASURE	BASELINE 2016/17	RESULT 2017/18	TARGET 2018/19	TARGET 2019/20	TARGET 2020/21
<b>Asset condition</b>	80 %	85 %	85 %	88 %	90 %
<b>Asset capacity</b>	92 %	95 %	95 %	95 %	95 %
<b>Asset function</b>	80 %	82 %	85 %	90 %	90 %



# Community benefit

Key priorities from the Council Plan which maximise community benefit include:

## Affordable housing and homelessness

- In Our Backyard Strategy implementation (\$80 K - 2017/18)
- Balaclava Precinct Program - Marlborough Street Affordable Housing (\$50 K - 2017/18)

## Ferrars Street Education and Community Precinct

- Community Facilities And Netball Courts (\$2.9 M - 2017/18)
- Construction of Montague Park (\$8.3 M over next four years)

## Objective

Council will innovatively use its asset base to support the social, cultural and economic wellbeing of the community.

We are committed to providing fit-for-purpose facilities and infrastructure that provide a foundation for delivering quality services and programs. Our facilities support social, recreational, cultural, and lifelong learning activities that benefit and strengthen the local community, leading to increased community connection, participation, health and wellbeing.

We will continue to work with our community to understand their needs and expectations. Our asset framework will enable us to be agile to ensure we can enable the delivery of services in an efficient and timely manner.

MEASURE	BASELINE 2016/17	RESULT 2017/18	TARGET 2018/19	TARGET 2019/20	TARGET 2020/21
Satisfaction with sealed local roads	70	75	70	75	75
Resident satisfaction with parks and open space	96%	90%	90%	90	90
Affordable housing units leveraged from Council assets*	-	0	0	0	20
Resident satisfaction with transport planning policy, safety and design	87%	90%	90%	90	90
Community rating of Council's recreational facility performance	73	75	80	80	80

\* Council is committed to supporting growing affordable housing in Port Phillip. Target figures are reflective of the timeframes to implement the strategy in partnership with the Victorian Government.

# Financial sustainability

Actions during 2017-21 that will help us maintain ongoing affordability and financial sustainability:

Targeting the delivery of efficiency savings equivalent to one per cent of operating expenditure per annum

Monitoring the affordability of services, and recognise ongoing community concerns about the financial impact of rates and the cost of other essential services

Investing in strategic partnerships to deliver innovative solutions.

## Objective

Asset management decisions and practices ensure the Council has the funds to look after, improve and grow its assets for current and future generations.

We are operating in a constrained financial environment. Over the next 10 years, we will face many challenges that require strong financial leadership and creative solution to overcome them. Key among these challenges will be rates capping. Without action, our Long Term Financial Plan forecasts a cumulative \$35M funding gap due to rate capping.

We plan to balance the budget and close the rates cap gap by:

- Delivering efficiency and cost savings
- Appropriate use of borrowings and reserves
- Careful management and prioritisation of expenditure
- Monitoring our financial sustainability.

MEASURE	BASELINE 2016/17	RESULT 2017/18	TARGET 2018/19	TARGET 2019/20	TARGET 2020/21
<b>Asset renewal as a percentage of depreciation*</b>	92%	78%	<b>80%</b>	82%	84%
<b>Infrastructure renewal gap</b> (capital renewal and upgrade as a percentage of depreciation)	127%	122%	<b>120%</b>	120%	126%
<b>Overall financial sustainability risk</b>	Low	Low	<b>Low</b>	Low	Low

\* Improvement in asset data is driving Council's decisions in relation to asset renewal programs. Depreciation and revaluation of the asset portfolios will impact renewal ratios until data confidence is high.

# Environmental sustainability

Priorities from the Council Plan which will help us achieve our asset management environment goals:

Energy Efficiency and Solar Program (\$2 M)

Water Sensitive Urban Design Program (\$1.8 M)

Alma Park Stormwater Harvesting development (\$1.2 M)

Albert Park Stormwater Harvesting development (\$3.3 M)

Waste and Resource Recovery Strategy Development

Develop and implement a framework to increase Council asset resilience to the impacts of climate change. (\$4 M)

## Objective

Assets are planned and developed to incorporate climate resiliency and mitigate our environmental impact.

Our aim is to create a city which will significantly reduce its environmental footprint impact and respond to the affects of climate change, through pursuing the following outcomes:

- A greener, cooler and more liveable City
- A City with lower carbon emissions
- A City that is adapting and resilient to climate change
- A water sensitive City
- A sustained reduction in waste.

Sustainability and climate resiliency will be key considerations when planning and development our infrastructure. We will seek to reduce our environmental impact and increase resilience of our assets through innovation and by embracing technology.

MEASURE	BASELINE 2016/17	RESULT 2017/18	TARGET 2018/19	TARGET 2019/20	TARGET 2020/21
<b>Carbon emissions from Council fleet and assets</b> (average Kg Co <sup>2</sup> e/litre)	2.57	2.55	<b>2.30</b>	2.25	2.0
<b>Megalitres of water use from alternative sources</b>	10.51	15	<b>15</b>	150	15
<b>Total suspended solids removed from stormwater</b> (tonnes)	44.1	47.3	<b>47.3</b>	120	109.43
<b>Council waste production</b> (tonnes)	50.4	50	<b>50</b>	10	10.64

# Advanced practice

Initiatives and actions that will allow us to continue to improve our asset management capability:

Adoption of the Asset Management Strategy

Implementation of the Asset Management Improvement Roadmap (Section 4.1)

Replacement of our existing asset and finance systems to enhance capability (\$11.6 M)

Ongoing review and refinement of our Asset Management Plans

## Objective

Council is committed to advanced asset management practice including the use of smart technology to optimise decisions and performance.

This strategy is designed to initially achieve core asset management maturity in all areas, with the ultimate aim to achieve advanced asset management maturity in all areas once core has been achieved.

MEASURE	BASELINE 2016/17	RESULT 2017/18	TARGET 2018/19	TARGET 2020/19	TARGET 2020/21
<b>Asset management maturity - core</b> (1100 core maturity)	815	900	<b>952</b>	1,020	1,100
<b>Asset management maturity - advanced</b> (1100 advanced maturity)	358	480	<b>823</b>	900	1,100
<b>Per cent of confidence in asset data</b>	60%	70%	<b>80%</b>	90%	95%

# IMPLEMENTING THIS STRATEGY

## Asset management improvement roadmap

Our improvement roadmap (Appendix 1) describes how Council will continue to improve its asset maturity for each of the eleven core elements of the National Asset Maturity Framework to reach a score of 1100 by 2020/21.

The first phase will lay the foundation by committing us to achieving our desired target state. Phase two will focus on improving systems and processes to support decision-making and enhanced capability. The final phase will embed service excellence and sustainability of practice.

## Implementing the improvement roadmap

The Improvement Roadmap provides what is required over the next four years to ensure the success of this strategy. Actions will be delivered either through Business as Usual improvements or project resources where cost estimate and benefits to achieve these improvements will be developed through Councils Project Identification Process.

Effective asset management requires a whole of organisation approach. This strategy and improvement roadmap will be driven by a Services and Assets steering Committee (see appendix 3).

## Progress reporting

We will publish a State of Our Assets report every year that documents movement in asset function, condition and capacity.

The progress of implementing the improvement roadmap will be monitored and reported to Council on a regular basis.

## Review period

This strategy will be reviewed and refreshed by July 2019.

## APPENDIX 1

There are 11 core elements of asset management under the National Asset Management Assessment Framework (NAMAF). This table provides a description of each element, identifies Council's current core maturity level and advanced asset management practice score, the actions required to reach Core maturity where still required and to progress towards advanced practice maturity.

Asset management maturity element	Current NAMAF score		Improvements	Timeline
	Core	Advanced		
<b>1. Strategic Planning</b>				
Council Plan 2017-27 sets out the key objectives that Council wants to achieve by 2027. This single, integrated plan delivers our council plan, municipal public health and wellbeing plan, strategic resource plan, 10-year financial outlook, and annual budget.	100/100 Completed	80/100	<p><b>Advanced assessment</b></p> <p>Optimum life cycle costs are known and supported by high levels of data, performance and knowledge in all key areas. Political decisions are informed by multiple service level/cost/funding model data, information and knowledge trade-offs for economic, social, cultural and environmental consequences.</p>	30 June 2021
<b>2. Annual Budget</b>				
The Annual Budget contains estimates of revenue and expenditure with an explanation of the assumptions and methodologies underpinning the estimates, an explanation of the financial performance and position of the Council. It has been prepared based on the resource requirements and strategic objectives detailed in Council's Strategic Long Term Financial Plan.	100/100 Completed	80/100	<p><b>Advanced assessment</b></p> <p>The Annual Budget is prepared based on 'Service levels' as reflected in the Strategic Longer Term Plan and contains indicators and measures to assess the performance against achieving Council's strategic objectives.</p> <p>Service levels need to be defined in service plans to achieve advanced asset management.</p>	June 2020

Asset management maturity element	Current NAMA score		Improvements	Timeline
	Core	Advanced		
<b>3. Annual Report</b>				
A comprehensive report on Council's activities throughout the preceding year. Local Government annual reports are intended to give rate payers and other interested parties information about the Council's activities and financial performance.	100/100 Completed	75/100	<p><b>Advanced assessment</b></p> <p>The Annual Report includes a statement on "State of the Assets" and the financial sustainability of services provided by its infrastructure assets including and proposed adjustment to services/assets to address issues as they arise.</p>	September 2019
<b>4. Asset Management Policy</b>				
A high-level document that describes how Council intends to approach asset management within the organisation.	100/100 Completed	100/100 Completed	Council adopted a new Asset Management Policy which meets all legislative requirements in June 2017. The policy will be reviewed in 2021 or prior if significant changes in legislation occur (Local Government Act)	June 2021
<b>5. Asset Management Strategy</b>				
A strategy for the implementation and documentation of asset management practices, plans, processes and procedures within an organisation.	95/100	95/100	<p><b>Advanced assessment</b></p> <p>Asset Management Strategy is required to be adopted by ELT to achieve 100 score for both core and advanced assessments.</p>	August 2018
<b>6. Asset Management Plans</b>				
Plans developed for the management of one or more infrastructure asset classes with a view to operating, maintaining and renewing the class in most cost-effective manner possible, whilst providing a specific level of service.	95/100	95/100	<p><b>Advanced assessment</b></p> <p>The Asset Management Plans have all been prepared in the association with community consultation.</p>	June 2020

Asset management maturity element	Current NAMA score		Improvements	Timeline
	Core	Advanced		
<b>7. Governance and Management</b>				
A set of rules and policies designed to ensure that responsibilities within an organisation are well defined , and that the business runs smoothly. While Management are the staff in charge of authorising and delivering such rules. It is very important that Asset Management is intertwined into this framework.	35/100	42/100	<b>Core assessment</b>	
			Roles and responsibilities are clearly defined in a matrix or policy, identifying positions responsible for determining the levels of service and positions responsible for managing the assets to meet service deliver needs.	June 2019
			Council is required to implement a Service and Asset Planning Steering Committee, with cross functional representation and clearly defined and documented terms of reference, focussed on coordinating the linkages between service delivery and asset management implementation.	August 2018
			<b>Advanced assessment</b>	
			Community levels of service and technical levels of service are monitored for all infrastructure asset groups and reported to the Executive Management Team and Council.	June 2020
Asset Management performance is integrated into the internal audit plan (needs to be further discussion with ELT and the audit committee regarding the precise nature of the audit committed involvement.).		30 June 2019		



Asset management maturity element	Current NAMA score		Improvements	Timeline
	Core	Advanced		
<b>8. Levels of Service</b>				
Defined as the service quality for a given activity. Levels of service are often documented as a commitment to carry out a given action or actions within a specified time, or the provision of infrastructure to meet a desired level.	43/100	41/100	<b>Core assessment</b>	
			Council has service plans for each of its services which have been developed in consultation with the community.	June 2020
			Technical levels of service are incorporated into service agreements and/or maintenance, operational and capital renewal procedures.	June 2020
			<b>Advanced assessment</b>	
			Council has undertaken the process of identifying the costs associated with each level of service, including the increased cost or decreased cost associated with increasing or decreasing each level of service respectively to assist in scenario modelling.	June 2021
Council, in conjunction with the community, regularly reviews its community levels of service and technical levels of service, to determine the financial impact of change in service levels. If a change occurs this is then reflected into the Asset Management Plan and Long Term Financial Plan.	June 2021			

Asset management maturity element	Current NAMA score		Improvements	Timeline
	Core	Advanced		
<b>9. Data and Systems</b>				
<p>Asset Data is qualitative and/or quantitative information used to identify and describe an asset or group of assets.</p> <p>The Systems are the framework in which the data is processed and stored.</p>	70/100	45/100	<b>Core assessment</b>	
			Council has consolidated, integrated, accurate, up to date and complete componentised asset register with the required functionality to ensure security and data integrity, which includes all information about each asset sorted by asset group.	June 2020
			Asset management systems have the functionality to generate maintenance and renewal programs and produce associated cash flow forecasts.	June 2020
			<b>Advanced assessment</b>	
			Council's Asset Management System can generate works orders based on intervention levels and customer requests which are also linked into the asset register. It has the capacity to monitor completion targets and perform facilities management functions.	June 2020
			Functionality of Council's Asset Management systems includes the ability to generate the maintenance and renewal programs based on available budget and future condition profiles, to generate scenario specific cash flow forecasts and to generate optimised programs.	June 2020
			Council has documented data standards for inclusion in Asset Management systems upon the commissioning of new (and/or modified) assets.	June 2020
			Councils Asset Management system used to operations and maintenance functionality is driven by and asset knowledge management strategy, with specialise functionality for each service area to monitor operations and maintenance costs and trends.	June 2020
			Data is available and accessible to enable performance measurement and reporting against Key Performance Indicators used to measure levels of service. Processes and information are driven by an asset knowledge management strategy linked to the Asset Management Plans and the Long Term Financial Plan.	June 2020
Data and systems allow projections which inform a range of service provision scenarios and costs. Adopted scenarios are incarnated into Asset Management Plans and the Long Term Financial Plan with an annual review in line with legislative requirements and policy papers issued by State Government.	June 2020			

Asset management maturity element	Current NAMAF score		Improvements	Timeline
	Core	Advanced		
<b>10. Skills and Processes</b>				
The level of skill and knowledge within the organisation in regards to Asset Management, along with a set of interrelated tasks that endeavour to increase awareness and learning.	95/100	75/100	<b>Core assessment</b>	
			Council has formal processes for the handover of assets to asset custodian/owner.	June 2019
			<b>Advanced assessment</b>	
			Council has a service rationalisation process linked to a Disposal Policy that identifies any services (and associated assets) that are surplus to community needs.	June 2019
			Council has a documented process that identifies the outcomes of service delivery reviews for input into Asset Management Plans and the Long Term Financial Plan.	June 2019

Asset management maturity element	Current NAMA score		Improvements	Timeline
	Core	Advanced		
<b>11. Evaluation</b>				
How Council internally evaluates and monitors its performance in Asset Management.	75/100	43/100	<b>Core assessment</b>	
			Technical Levels of service are monitored and performance reported.	June 2020
			<b>Advanced assessment</b>	
			Qualitative Key Result Areas (KRA's) are set for community levels of service. KRA's are monitored, measured and reported to Council, against time based 'targets'.	June 2020
			Quantitative Key Performance Indicators (KPI's) are set for Technical levels of service. KPI's are monitored, measured and reported to council against time based 'targets'.	June 2020
Council undertakes an annual audit within the organisation to report on trends and Triple Bottom Line/Quadruple Bottom Line service delivery and accompanying financial sustainability compared to the Strategic Longer Term Plan.	2021			

## APPENDIX 2: COUNCIL PLAN PRIORITIES

There are a wide range of priorities aimed at improving our assets and the way we manage them are included in the Council 201–27 and include:

Direction	Outcomes by 2027	Strategic asset management initiatives by 2021	
<p><b>We embrace difference and people belong</b></p>	<ol style="list-style-type: none"> <li>1. A safe and active community with strong social connections</li> <li>2. An increase in affordable housing</li> <li>3. Access to services that support the health and wellbeing of our growing community</li> <li>4. Community diversity is valued and celebrated</li> </ol>	<ul style="list-style-type: none"> <li>• Grow the supply and diversity of affordable housing by implementing In Our Backyard - Growing Affordable Housing in Port Phillip 2015-2025</li> <li>• Progress development of 46-58 Marlborough Street, Balaclava to facilitate community housing</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in a program of community facility, children’s centres and adventure playground upgrades to ensure they are fit for purpose and meet current and future community needs</li> <li>• Invest in upgrades to key sporting facilities, recreation reserves and sports fields</li> </ul>
<p><b>We are connected and it’s easy to move around</b></p>	<ol style="list-style-type: none"> <li>1. An integrated transport network that connects people and places</li> <li>2. The demand for parking and car travel is moderated as our City grows</li> <li>3. Our streets and places are designed for people</li> </ol>	<ul style="list-style-type: none"> <li>• Implement walking projects that create safe, high amenity walking routes and reduce barriers to people walking across arterial roads.</li> <li>• Improve the attractiveness of bike riding as part of delivering Council’s bike network.</li> <li>• Work with Public Transport Victoria and Yarra Trams to deliver a pipeline of tram projects that will improve place and movement.</li> <li>• Ongoing program of renewals and improvements to laneways, roads, footpaths and street signage.</li> </ul>	<ul style="list-style-type: none"> <li>• Investigate Council’s car parks for future development opportunities that deliver increased community benefit.</li> <li>• Implement blackspot safety improvements at high collision locations (subject to external funding).</li> <li>• Progressively review and upgrade disabled parking spaces in commercial areas to meet updated Australian Standards.</li> <li>• Review Council’s design and technical standards for streets and public spaces.</li> </ul>

Direction	Outcomes by 2027	Strategic asset management initiatives by 2021	
<p>We have smart solutions for a sustainable future</p>	<ol style="list-style-type: none"> <li>1. A greener, cooler and more liveable City</li> <li>2. A City with lower carbon emissions</li> <li>3. A City that is adapting and resilient to climate change</li> <li>4. A water sensitive City</li> <li>5. A sustained reduction in waste</li> </ol>	<ul style="list-style-type: none"> <li>• Invest in renewable energy and energy efficiency measures in Council buildings</li> <li>• Embed sustainability into Council's procurement, fleet and investment policies and practices and investigate opportunities to install electric car charging stations</li> <li>• Develop and implement a framework to increase Council asset resilience to the impacts of climate change.</li> <li>• Plan and deliver water sensitive urban design interventions to reduce contaminants in water entering Port Phillip Bay.</li> <li>• Investigate and implement (subject to viability) stormwater harvesting and flood mitigation works at key locations.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement irrigation upgrades at key sports fields and parks to optimise water use.</li> <li>• Increase the permeability of ground surfaces across public streets and spaces, and work with the community to achieve greater permeability on private property.</li> <li>• Develop a Stormwater Asset Management Plan and continue to invest in drainage improvements.</li> <li>• Develop a Stormwater Management Policy and Guidelines to require onsite stormwater detention for new developments.</li> <li>• Develop and implement a new municipal Waste and Resource Recovery Strategy including an implementation plan to divert organic waste from landfill.</li> </ul>
<p>We are growing and keeping our character</p>	<ol style="list-style-type: none"> <li>1. Liveability in a high density City</li> <li>2. A City of diverse and distinctive neighbourhoods and places</li> </ol>	<ul style="list-style-type: none"> <li>• Implement improvements to our streets, open spaces, and facilities to make them safe and accessible for our growing community</li> <li>• Invest in improving the foreshore, parks, playgrounds and street and public space lighting</li> <li>• Develop design guidelines for key foreshore destinations including the St Kilda Triangle, St Kilda Marina and Port Melbourne Waterfront</li> </ul>	<ul style="list-style-type: none"> <li>• Effectively manage the St Kilda Marina lease process</li> <li>• Review design and technical standards for streets and public spaces</li> <li>• Engage with the community to develop service plans that clearly specify current and target levels of service</li> </ul>

Direction	Outcomes by 2027	Strategic asset management initiatives by 2021	
<p><b>We thrive by harnessing creativity</b></p>	<ol style="list-style-type: none"> <li>1. A City of dynamic and distinctive retail precincts</li> <li>2. A prosperous City that connects and grows business</li> <li>3. A City where arts, culture and creative expression is part of everyday life</li> </ol>	<ul style="list-style-type: none"> <li>• Invest in upgrades and renewals of our arts venues, libraries and South Melbourne Market to ensure they are fit for purpose and meet current and future community needs</li> <li>• Reinvent a library space to support creatives and plan for redeveloping the St Kilda Library</li> </ul>	<ul style="list-style-type: none"> <li>• Pursue improvements to the Carlisle Street precinct, including planning for redevelopment of the supermarket precinct</li> </ul>
<p><b>Our commitment to you</b></p>	<ol style="list-style-type: none"> <li>1. A financially sustainable, high-performing, well-governed organisation that puts the community first</li> </ol>	<ul style="list-style-type: none"> <li>• Upgrade our financial and asset management systems, processes and practices</li> <li>• Invest in improving the condition, functionality, capacity and sustainability of council assets</li> <li>• Advocate for funding from other levels of Government to support our services, projects and programs</li> <li>• Build organisational maturity in asset management, and improve the accessibility,</li> </ul>	<p>safety, sustainability and overall performance of Council's assets.</p> <ul style="list-style-type: none"> <li>• Continue to collect data about asset performance to guide decision-making</li> </ul>

Asset management maturity element	Core 7	Advanced	Focus Area for improvement referenced to NAMA F	Time Line
<p><b>1. Strategic Planning</b> Council Plan 2017-27 sets out the key objectives that Council wants to achieve by 2027. This single, integrated plan delivers our council plan, municipal public health and wellbeing plan, strategic resource plan, 10-year financial outlook, and annual budget.</p>	100/100 completed	80/100	<p><b>Advanced Assessment Reference 12</b> <i>12) Optimum life cycle costs are known and supported by high levels of data, information and knowledge in all key areas. Political decisions are informed by multiple service level / cost / funding model data, information and knowledge on tradeoffs for economic, social, cultural and environmental consequences.</i></p>	
<p><b>2. Annual Budget</b> The Annual Budget contains estimates of revenue and expenditure with an explanation of the assumptions and methodologies underpinning the estimates, an explanation of the financial performance and position of the Council. It has been prepared based on the resource requirements and strategic objectives detailed in Council's Strategic Long Term Plan, Asset Management Plans and Long Term Financial Plan</p>	100/100 completed	78/100	<p><b>Advanced Assessment Reference 18</b> <i>18) The Annual Budget is prepared based on 'service levels' as reflected in the Strategic Longer Term Plan and contains indicators and measures to assess performance against achieving Council's strategic objectives.</i></p>	Completed



Asset management maturity element	Core 7	Advanced	Focus Area for improvement referenced to NAMAf	Time Line
<p><b>3. Annual report</b> A comprehensive report on Council's activities throughout the preceding year. Local Government annual reports are intended to give ratepayers and other interested parties information about the Council's activities and financial performance.</p>	100/100 completed	75/100	<p><b>Advanced Assessment Reference 29</b> <i>The Annual Report includes a statement on "State of the Assets" and the financial sustainability of services provided by its infrastructure assets including any proposed adjustment to services/assets to address issues as they arise.</i></p>	
<p><b>3. Asset Management Policy</b> A high-level document that describes how Council intends to approach asset management within the organisation.</p>	100/100 completed	100/100 completed	Council adopted a new Asset Management Policy which meets all legislative requirements in June 2017. The Policy will be reviewed in 2021 or prior if significant changes in legislation occur (Local Government Act)	Review 2021



For more information, please contact us via:

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