

STRATEGIC ASSET MANAGEMENT PLAN

2022 - 2025

SWAN HILL
Rural City Council

DOCUMENT HISTORY AND VERSION CONTROL

DOCUMENT TYPE:	Operational plan
DOCUMENT STATUS:	DRAFT
RESPONSIBLE OFFICER:	Enterprise Assets Manager
APPROVED BY:	Council resolution
DATE ADOPTED:	TBC
LAST REVIEW:	TBC
NEXT REVIEW:	TBC
VERSION NUMBER:	0.1 DRAFT
RELATED POLICIES/ PROCEDURES/ DOCUMENTS:	Annual Report 2020/21 Asset Management Policy CPOL/INFRA516 Asset Recognition and Valuation Procedure PRO/CORP240 Community Engagement Policy CPOL/GOV025 Community Engagement Guidelines PRO/GOV025 Community Vision and Council Plan 2021-2025 Financial Plan 2021/22 to 2030/31 Long Term Financial Plan – 2020/21 to 2029/30 Risk Management Framework

Version	Date	Reviewed
0.1 DRAFT	LOD	Initial Draft and format using 2017-21 Council Plan
0.2 DRAFT	LOD	2021-2025 Council Plan incorporated and formatting
0.3 DRAFT	SP	Director review
0.4 DRAFT	RB	Media review and formatting

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1 EXECUTIVE SUMMARY

Swan Hill Rural City Council (Council) has a responsibility to efficiently manage the services and assets it provides to the community. This Strategic Asset Management Plan (SAMP) articulates the systems, framework, processes and drivers for decisions regarding the construction, upgrade, renewal, maintenance and disposal of assets.

Council assets are grouped into the following portfolios:



This SAMP focuses on the high-level management of the above portfolios and how our asset portfolio will meet the service delivery needs of the community in the future. One key element of the SAMP is the linkage of Council strategic objectives, as identified in the Council Plan, with asset management objectives. Another key element is to provide a framework for the planning, prioritising and decision making of all other asset management activities.

The current level of asset management practice, shows that there are opportunities for improvement. Accordingly, the current level of practice is considered operational, whereas the aspiration of Council is to optimise the asset management practice by ensuring alignment with the International Standard ISO 55000, being an organisationally integrated Asset Management System.

2 INTRODUCTION

2.1 PURPOSE

The purpose of this Strategic Asset Management Plan is to:

- Apply the Asset Management Policy (AM Policy) as determined and approved by Council.
- Link Council objectives as defined in the Council Plan to achievable strategic asset management objectives.
- Detail the role of the assets, assets management and the Asset Management System (AMS) in supporting the achievement of the Council objectives.
- Provide clarity and direction for everyone within Council from Councilors and Executive, Senior Council Officers, and delivery teams.
- Guide the approach for developing Asset Management Plans (AMP's) and how all components of the AMS interact.
- Present a consolidated plan at the asset portfolio level for achieving the strategic asset management objectives and linking these to Council's long term financial plan.
- Build strong stakeholder engagement and leadership for informed and robust asset management decision making processes that support the functionality and the sustainability of the AMS.
- Present the plan for creating or improving the asset management system to ensure the required capabilities and resources are available to achieve the asset management objectives.

The SAMP underpins a business process vital to the achievement of the strategic objectives, much in the same way as a financial strategy.

Section 92 of the Local Government Act 2020 highlights the requirement for good asset management practices across the local government sector in Victoria. Under the Act, councils must adopt an Asset Plan by 31 October following each election.

2.2 SCOPE

The SAMP applies to all Council owned assets as defined by the Asset Recognition and Valuation Procedure PRO/CORP240 including:

- Buildings
- Sealed roads
- Unsealed roads
- Footpaths and cycleways
- Stormwater
- Fleet
- Recreational, leisure and community facilities
- Parks, open spaces and streetscapes
- Waste management

All Assets must meet the capitalisation threshold of $10,000, with the exception of Fleet at $2,500 and Pioneer Settlement assets at $5,000[1]. The processes defined within the SAMP apply to all Council departments, officers, employees and contractors.

[1] PRO/CORP240 Asset Recognition and Valuation Procedure

3 ASSET PORTFOLIO

3.1 WHAT DO WE HAVE?

Council manages a variety of assets enabling us to provide services to our customers - from roads, buildings, heavy machinery, sporting facilities and storm water to street furniture. Council assets provide a foundation for community livability and allow Council to carry out everyday activities delivering respective services.

Table 1 Asset Portfolio[2]

Asset Class	Sub-class	Replacement value $'000	Depreciated Value $'000	Annual Depreciation $'000
Buildings	Specialised	104,136	44,796	722
	Non-Specialised	4,436	4,278	78
	Total	108,572	49,074	800
Plant and equipment	Plant machinery and equipment	12,383	4,197	398
	Total	12,383	4,197	398
Infrastructure	Sealed Roads	259,995	175,610	3,546
	Unsealed Roads	104,350	92,410	1,358
	Footpaths and cycleways	31,103	20,794	388
	Stormwater	56,348	35,868	594
	Recreation, leisure, and community	18,493	12,541	279
	Waste Management	6,819	291	231
	Parks, open spaces, and streetscapes	12,629	7,047	328
	Other Infrastructure (includes saleyards)	13,786	10,061	213
	Total	503,523	354,622	6,937
Culture and Heritage assets	Pioneer Settlement vehicles and vessels[2]	5,730	5,730	49
	Pioneer Settlement site exhibits[3]	2,607	2,607	21
	Pioneer Settlement Buildings[1]	7,814	644	11
	Total	16,151	8,981	81
	Total Asset cost	640,629	416,874	8,216

The calculated replacement value of the assets considered within this strategy is $640.6 Million, with a depreciated replacement cost of $416.8M and an annual depreciation expense of $8.2M.

Council also own or manage $70.7M of land (including land under road reserves, crownland and freehold). Ongoing maintenance and operational requirements of this land, such as mowing and weed spraying etc., will be considered through the individual asset management plans (Transport, Stormwater, Buildings, and Open Space etc.).

All Council's assets are individually stored in Council's asset register. Assets fixed in place such as buildings and roads are recorded in Council's financial management system. Fleet assets are managed separately in Council's vehicle management program.

In addition to this, but not included in the SAMP as they do not require lifecycle management, Council also own;

- $1.78M of Artworks
- $2.1M of Library books
- $4.4M of Fixtures and fittings
- $1.2M of Computers and Telecoms

These assets have separate strategies and management plans.

[2] 2020-2021 Annual Report

[3] Market Value. Revalued 20/21 so no depreciation/appreciation applied

3.2 ASSET REGISTER

Council has an established corporate asset data management system utilising Civica Authority. Council currently has road, building, stormwater, bridges and open space assets recorded in this system.

Council also maintains spatial information for our assets. Master data is stored in MapInfo format and then linked to the aspatial data within Authority. Council's corporate GIS system is Spectrum Spatial Administrator.

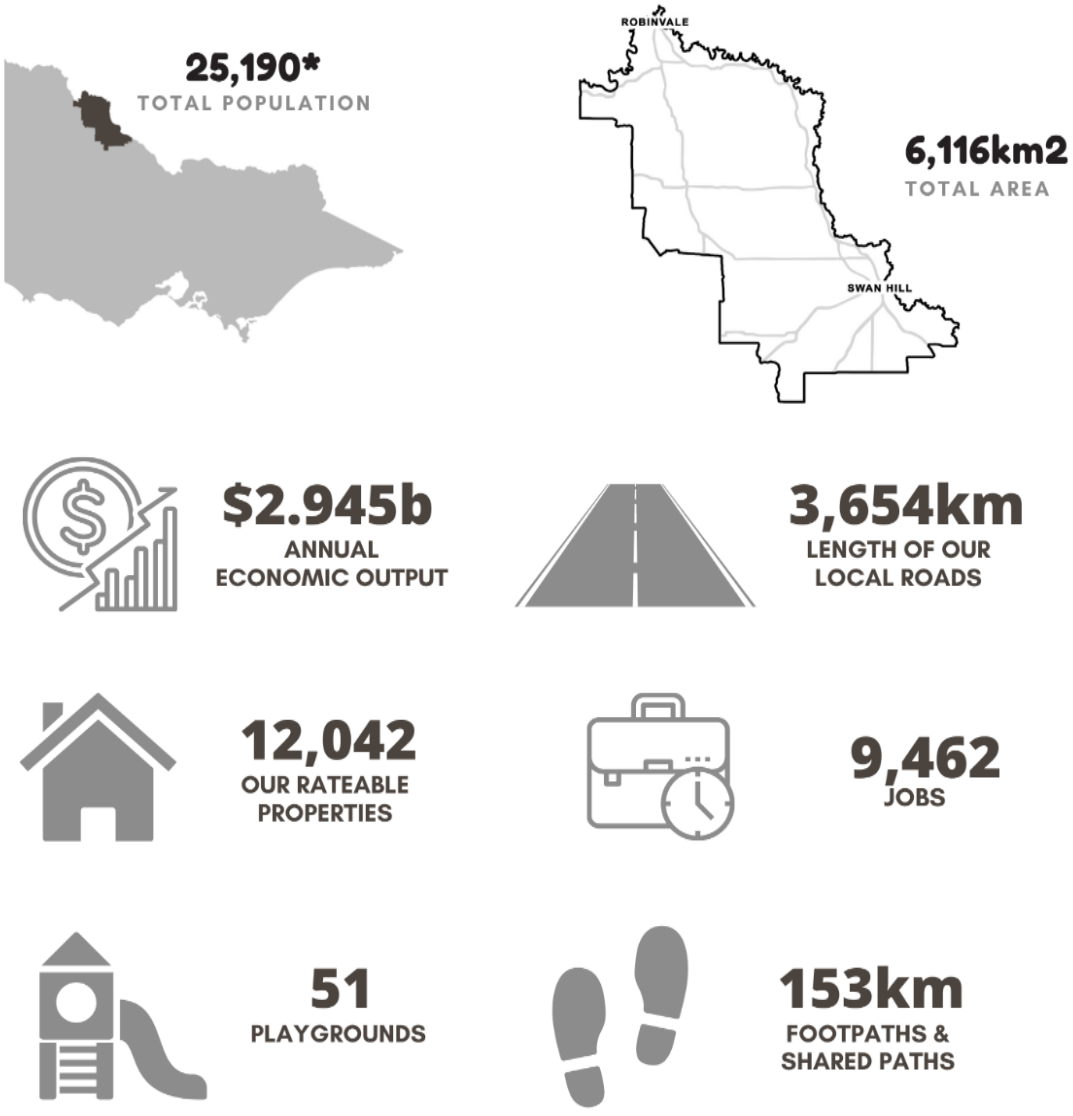


4 ORGANISATIONAL CONTEXT

The Swan Hill municipality covers 6,116 square kilometres, that over 40 nationalities call home, creating a community that is diverse, welcoming and resilient.

Our region has experienced significant economic growth over the past decade, led by the expansion of horticultural/agricultural practices and supported by an innovative manufacturing sector. With more than 40 commercially grown products – including almonds, olives, stone fruit, grapes, vegetables, cereals, legumes, lucerne, sheep, beef and dairy – it is easy to see why our municipality is an important part of Victoria's food bowl.

The beautiful Murray River winds through much of the municipality, offering a major draw card for visitors and those who call the region home.



*2019 ABS data estimates the Swan Hill Rural Council residential population to be 20,649, however, due to ongoing concern that the ABS consistently underestimates the population of Robinvale, Council commissioned Geografia to undertake a population determination study. The ABS census figure of 2016 show the Robinvale population as 3359 people. The work of Geografia has reliably demonstrated that the true Robinvale population sits at approximately 7900 people; making the total residential population 25,190.

4.1 STRATEGIC AND CORPORATE GOALS

Community Vision

Built on strong foundations that embrace our rich history and natural environment, our region will be a place of progression and possibility, we are a community that is happy, healthy & harmonious - we are empowered, we are respectful and we are proud.

Our Mission

We will lead, advocate, partner and provide efficient services and opportunities for growth and the wellbeing of our community, environment and economy.

Our Values

Council values our residents and community and will be responsive to their needs. In pursuing our objectives, we believe in, and are committed to the following values:

- **Community engagement:** We will ensure that our communities are consulted, listened to and informed.
- **Leadership:** We will be at the centre of our community and by actively engaging our community we will form the collective view on strategic issues and will then express our views through strong advocacy and action.
- **Fairness:** We will value and embrace the diversity of our community and ensure that all people are treated equally.
- **Accountability:** We will be transparent and efficient in our activities and we will always value feedback.
- **Trust:** We will act with integrity and earn the community's trust by being a reliable partner in delivering services, projects and providing facilities

Strategic Pillars have been set by Council within the Council Plan[5]. Council has identified four key result areas.



Refer to Section 5. Asset Management Objectives and Requirements for initiatives and actions within the Council Plan and how they relate directly to Asset Management objectives.

[5] Council Plan 2021-2025

4.2 STAKEHOLDERS

This section describes the internal and external stakeholders who have a direct interface on the strategic asset planning, management and service delivery.

4.2.1 Internal Stakeholders

Internal Stakeholders are either roles or functional groups that have a direct interface with strategic asset management. Engagement with internal stakeholders is achieved through a variety of formal and informal communication channels comprising of Corporate Software suites (including email, SysAids), meetings, performance appraisals and workshops.

Table 2 - Internal Stakeholders Roles and Responsibilities

Key Stakeholder	Role and Responsibility in Asset Management
Councillors	• Act as stewards for infrastructure assets. • Create the vision, culture and values that guide the asset management policy and proactively promote these values inside and outside of the organization. • Set Levels of Service, risk, and cost standards. • Approve and review Asset Management Plans and Improvement Strategies and monitor the outcomes. • Ensure appropriate resources and funding for AM activities are made available to integrate AM policies and AMP's into the corporate governance framework.
Executive Leadership Team (ELT)	• Establish an "overarching" AM Policy and an AM Strategy with linkage to the Council Plan and the Long-Term Financial Plan for consideration by council. • Implement and continuously review the corporate AM Policy and Strategy with agreed resources. • Ensure that internal stakeholders, at all levels, are appropriately engaged in the planning, development, implementation, and operation of the asset management system. • Ensure the community and key stakeholder inputs are integrated into the plan. • Ensure that accurate and reliable information is presented to council for decision-making. • Support integration of asset management systems into business processes creating vertical and horizontal alignment of the asset management system.
Operations Manager	• Manage routine maintenance programs on roads, parks and open spaces • Manage Fleet and Plant • Manage annual renewal program of works.
Enterprise Asset Manager	• Collate asset information, prepare AMP's, policy, and strategies. • Manage and maintain up to date asset data within the asset system to assist with decision making for financial plans.
Manager – Engineering and Strategic Projects	• Management of engineering design of construction projects. • Manage standards for design of assets. • Manager of Waste Services
Project Management Office	• Project Manage project and programs over an agreed criteria. • Contract management.

Key Stakeholder	Role and Responsibility in Asset Management
Finance Manager and Financial Accountant	• Management of accounting system used to track expenditure on assets and develop term financial plan. • Financial reporting and auditing.
Internal Auditors	• Monitor the performance and compliance of Council officers regarding policies, processes, and obligations.
Works Technical Officers	• Ensure that we are meeting the Levels of Service defined under the Road Management Plan and identify potential remedial action required.
Asset Owners and All Other Staff	• Ensuring Assets are fit for purpose and meet specified Levels of Service. • Development of Business cases for new/upgraded assets as required. • Contribute to asset management strategies and consider future costs of assets prior to renewal, upgrade, or construction. • Be innovative in asset management by identifying and communicating opportunities for improvement or changes in asset status to the EAM. • Ensure external stakeholder are aware of Council Asset Management obligations and that the community, developers and contractors understand our processes and policies (for example that new and gifted assets align with Council's vision and strategies and are built to a standard that will ensure longevity).

4.2.2 External Stakeholders

External stakeholders are entities or bodies that are not employed or engaged directly by Council but have an interest or contribute to asset management.

The community are the primary external stakeholders within the Asset Management System and are the main beneficiaries of the services. They also contribute to operating funds through rates, charges and fees.

Table 3 - External Stakeholders Roles and Responsibilities

Key Stakeholder	Role and Responsibility in Asset Management
Community	• Residents, ratepayers, and visitors are the ultimate beneficiaries of the asset management planning process. Their feedback is collected throughout the year as well as a yearly satisfaction survey.
State/Federal Government Authorities and Agencies and External funding bodies	• Providing input regarding overall infrastructure performance in conjunction with infrastructure under their jurisdiction. • Provision of grants/funding.
External Auditors	• Independently monitor the performance and compliance of Council officers regarding policies, processes, and obligations.
Developers	• Providing input regarding their interests in future investment in the infrastructure. • Provision of as constructed plans for updating of asset registers.

Key Stakeholder	Role and Responsibility in Asset Management
Contractors and goods and service providers	• Provision and maintenance of our Assets to specified standards within procurement guidelines. • Provision of as constructed plans/operating manuals for updating of asset registers.

The Local Government Act 2020 stipulates various Council obligations, duties and administrative requirements for Community Engagement. Council has developed a Community Engagement Framework to ensure that the community have input and are consulted about decisions made. For further information refer to the Community Engagement Policy [6]and the Community Engagement Guidelines[7].

Developers/goods and service providers rely on Council to provide guidance and/or conditions to ensure that the desired level of service is delivered. Planning permit conditions developed through engineering referrals and detailed schedules of works for contractors, help to ensure that Council maintains an asset portfolio that will meet the specified Levels of Service and are fit for purpose.

4.3 ASSET MANAGEMENT POLICY

The Asset Management Policy[8] recognises the importance of assets to the community and provides a commitment of sustainable service delivery and a framework of how to achieve the strategic long-term plan and long term financial objectives of Council.

The Asset Management Policy provides guidelines for implementing consistent asset management process throughout Swan Hill Rural City Council (Council) to ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring that services and infrastructure are provided in a financially sustainable manner, with the appropriate Levels of Service to community and the environment.
- Safeguarding infrastructure assets, including physical assets and employees, by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all employees take an integral part in overall management of infrastructure assets by creating and sustaining asset management awareness throughout the organisation by training and development.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

[6] Community Engagement Policy CPOL/GOV025

[7] Community Engagement Guidelines PRO/GOV025

[8] Asset Management Policy CPOL/INFRA516

5 ASSET MANAGEMENT OBJECTIVES AND REQUIREMENTS

The Asset Management Objectives (AM Objectives) outline the results Council is seeking to achieve in order to realise value from community assets. This realisation of value depends on balancing costs, risks, opportunities and performance. These objectives have been aligned with the Asset Management Policy principles.

A. Plan for, encourage and support the development of high quality, flexible, accessible and future focused Community spaces and infrastructure that meets the needs of communities now and into the long-term future.

B. Inform, consult, and involve stakeholders in decisions that affect them and their communities.

C. Asset management decisions are evidence based using an integrated process, which includes community participation, has a long-term focus, and balances competing social, financial and environmental priorities.

D. Asset sustainability is built into business cases for proposed future funding requirements prior to the introduction of new assets or services to ensure the whole of life cost of the assets or services are fully understood.

E. Asset portfolios are monitored for potential deficiencies or underuse and drivers that may impact asset needs or operations in the region are identified.

F. Council will manage its asset portfolio in a manner that ensures its compliance to the relevant legislation and regulations.

G. Non-discretionary funding for the maintenance, operation and renewal of existing assets is prioritised ahead of discretionary funding of new assets.

H. Develop Asset Management Plans for all Asset Portfolios and incorporate into long term financial plans.

I. Maintaining quality asset data in accordance with corporate asset data requirements to help Council make informed decisions.

J. We will incorporate consideration of changing climate and resilience into our asset management thinking.

The objectives link directly to the Council Plan Pillars, via the associated actions. This alignment ensures the overall focus of Council is consistent across all its strategic documents and provides a common platform to develop an asset management system that is harmonious with the Council's strategic themes. The strategic themes are the Council's intended method to achieve the overall goals. The asset management objectives demonstrate how the assets can positively contribute to delivering the strategic themes and in turn the strategic goals of Council. These links are shown in the following table.

LIVEABILITY			
We will be a healthy, connected and growing community supported by a range of infrastructure and services.			
1.1. A modern municipality: Vibrant, connected and resilient			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
1.1.1. Attractive urban areas and regional townships	Develop/Finalise a number of strategies such as Riverfront Masterplans, rural living strategies, small town strategies	A,B,C,D,E,F,G,H,I	
1.1.2. Ensure adequate provision of a variety of safe and secure housing	Continuing to develop and build on Council owned property and Assist South West Developers	A,C,D,E,F,G,H	
1.1.3. Excellent transport links to allow ease of movement	Advocate for improvement of externally provided transport options (bus, train and rail) and implement relevant actions from the Central Murray Regional Transport Strategy	A,B,C	
1.2. Careful and responsible management of our Environment for a sustainable future			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
1.2.1. Engage, empower and mobilise communities to prepare for, adapt to and mitigate the effects of a changing climate	1.2.1.1. Support initiatives that align with policy such as the Circular Economy and provide tangible outcomes for the community.	A,B,C,E,H,J	
	1.2.1.2. Prepare an advocacy document for renewable energy resources in the municipality	B,I,J	
	1.2.1.3. Develop drainage strategies for key urban areas in the municipality	A,B,C,D,E,F,G,H,I,J	
	1.2.1.4. Implement effective diversion and reuse of waste resources	B,C,D,F,H,I,J	
	1.2.1.5. Develop irrigation strategies for key urban areas in the municipality	A,B,C,D,E,F,G,I,J	

1.2.2. Accessible open spaces and healthy rivers and lakes	1.2.2.1. Improve the presentation of the Lake Boga foreshore and its environs in collaboration with the community	A,B,C,D,E,G,I,J	
	1.2.2.2. Prepare a Murray River and lakes access strategy for the municipality incorporating - camping / walking and bike tracks	A,B,C,D,E,F,G,H,I,J	
	1.2.2.3.Plan and construct open space development of the decommissioned Number 9 Channel	A,B,C,D,F,I,J	
1.3. Building Healthy Communities			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
1.3.1. Encourage active and healthy lifestyles for people of all ages, abilities and interests	1.3.1.1. Continue to implement master plans for all recreation facilities	A,B,C,D,E,F,G,H,I,J	
	1.3.1.2. Develop detailed plans for the Lake Boga - Swan Hill trail	A,B,C,D	
	1.3.1.3. Support initiatives leading to better outcomes for children and families	A,B,E, F	
	1.3.1.4. Partner with agencies to address preventable illnesses and active lifestyles	Not asset dependent	
1.3.2. Spaces where people of all ages, abilities and backgrounds can flourish	1.3.2.1. Reinvigorate performance spaces across the area, including Robinvale Community Art Centre	A,B,C,D,E,F,G,H,I,J	
	1.3.2.2. Incorporate child and family-friendly principles into development of outdoor spaces	A,B,C,D,E,F,G,H,I,J	
	1.3.2.3. Review and implement the public art policy	A,BF.H,J	
1.4. Foster Creative and Cultural opportunities			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
1.4.1. Promote and celebrate the creative and cultural pursuits within the region	1.4.1.1 Deliver creative industries projects across the region	Not asset dependent	
	1.4.1.2. Support local creatives in developing their businesses (Arts Action)	Not asset dependent	
	1.4.1.3. Enhance artistic outreach programs in smaller towns and communities, including Fairfax Youth Initiative and ACRE programs	A,B,C	

PROSPERITY			
2.1. Effective partnerships for prosperity			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
2.1.1. Support diverse educational opportunities that fosters life-long learning	2.1.1.1. Establish an effective relationship with the education sector through regular engagement	Not asset dependent	
	2.1.1.2. Advocate for the establishment of an education hub in Swan Hill	Not asset dependent	
	2.1.1.3. Support effective and responsive early years education opportunities in Manangatang, Woorinen South and Swan Hill	A.B,C,D,E,F,H.J	
	2.1.1.4. Assist youth with diverse employment pathways through the Empower and Engage! Programs	Not asset dependent	
2.1.2. Support our key industries	2.1.2.1. Establish a Terms of Reference and develop an Annual Plan with the AgriBusiness Committee	Not asset dependent	
	2.1.2.2. Consider the establishment of an Industry Support Committee (Manufacturing and other)	Not asset dependent	
	2.1.2.3. Review the Economic Development Strategy to ensure a targeted focus on key outcomes	Not asset dependent	
	2.1.2.4. Develop a strategic plan for future success of the Pioneer Settlement	A,B,C,D,E,F,G,H,I,J	
	2.1.2.5. Develop an Economic recovery plan in response to Covid-19	Not asset dependent	
	2.1.2.6. Establish a Livestock Exchange Stakeholder committee to improve stakeholder engagement and to better meet the needs of Livestock Exchange users	Not asset dependent	

2.2. A thriving diverse economy			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
2.2.1. Encourage the growth and development of our economy	2.2.1.1. Develop a new planning scheme that is clear in its intention, supports growth and builds confidence and certainty in land use	Not asset dependent	
	2.2.1.2. Continue to support existing businesses to grow through the implementation of the Better Approvals process	Not asset dependent	
	2.2.1.3. Actively pursue the establishment of a designated area migration agreement (DAMA)	Not asset dependent	
2.3. Infrastructure that enables prosperity			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
2.3.1. Digital connectivity that allows people to live, work and play across our region	2.3.1.1. Advocate for high speed broadband access to all businesses and residents	Not asset dependent	
	2.3.1.2. Seek innovative solutions for broadband and mobile connectivity	Not asset dependent	
2.3.2. Assets for our current and future needs	2.3.2.1. Complete road network services review, identify and pursue funding opportunities, focusing on the agricultural sector and industry	A,B,C,D,E,F,G,H,I,J	
	2.3.2.2. Deliver and review Councils capital works program and Major Projects Plan each year	A,B,C,D,E,F,G,H,I,J	
	2.3.2.3. Review current assets and identify future needs - create a program to bridge the gap and identify funding requirements.	A,B,C,D,E,F,G,H,I,J	
	2.3.2.4. Continue to plan and seek funding to implement the development of community infrastructure	A,B,C,D,E,F,G,H,I,J	

HARMONY			
3.1. Communities that are safe, welcoming, and inclusive			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
3.1.1. The diversity of our communities is celebrated	3.1.1.1. Engage with LGBTIQ+ community members to improve inclusion and community awareness through leadership of the Inclusion Network.	Not asset dependent	
	3.1.1.2. Support co-designed development of multicultural events and activities	Not asset dependent	
	3.1.1.3. All-abilities events and activities are well-planned and promoted	A,E,F	
	3.1.1.4. Continue to develop the annual Harmony Day and Lantern Festival events.	Not asset dependent	
3.1.2. Encourage the growth and positive development of our youth	3.1.2.1. Improve Youth Support Services outreach to young people in Manangatang and Robinvale	Not asset dependent	
	3.1.2.2. Ensure young people are involved in co-design of annual events	Not asset dependent	
	3.1.2.3. Support and redevelop the Fairfax Youth Initiative to enhance leadership outcomes for rural and remote youth involved in creative pursuits	Not asset dependent	
	3.1.2.4. Undertake the youth wellbeing actions from the Youth Strategy, specifically mental and sexual health.	Not asset dependent	
3.1.3. Flourishing community organisations	3.1.3.1. Actively promote the benefits of Volunteering in all our communities, streamline the process to facilitate volunteering in Council activities and programs	Not asset dependent	
	3.1.3.2. Provide support and training (Governance, Leadership and Strategic Planning) for our small town progress/improvement groups	Not asset dependent	
	3.1.3.3. Improve engagement with community based special interest groups	A,B	

3.1.4. Our elderly and vulnerable are cared for	3.1.4.1. Support the development of Residential Aged Care services	N/A	
	3.1.4.2. Determine Council's role in aged care services	N/A	
	3.1.4.3. Undertake actions in the Municipal Early to Middle Years Plan associated with improving services to greater assist vulnerable families	N/A	
	3.1.4.4. Actively engage with local support networks to assist with accessibility and inclusion initiatives	N/A	
	3.1.4.5. Review Community Access and Inclusion Strategy (CAIS).	A,B,C,E,F,H,I	
3.1.5. All members of our Communities are supported	3.1.5.1. Work in partnership with local agencies to prevent all forms of Family Violence.	N/A	
	3.1.5.2. Develop and implement a Gender Equality Action Plan (GEAP)	A,B,F,H	
	3.1.5.3. Ensure that we consider people of all abilities in the development of infrastructure and events	A,B,C,D,E,F,G,H,I.J	
	3.1.5.4. Develop a Building Safer Communities program	A,B,F	
3.2. An engaged and respected Aboriginal community			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
3.2.1. Strengthening our trust, relationships and partnerships with Traditional Owners and the Aboriginal and Torres Strait Islander community	3.2.1.1. Develop a Reconciliation Action Plan	N/A	
	3.2.1.2. Adequately resource Aboriginal Engagement	N/A	
	3.2.1.3. Support our Aboriginal community to work towards a treaty or treaties	N/A	

3.2.2. Encourage and support community leadership	3.2.2.1. Continue to offer Aboriginal scholarships and leadership opportunities	N/A	
	3.2.2.2. Continue to assist to develop Our Place identifying an Aboriginal language name and business model	B	
	3.2.2.3. Proactively support leadership within our Aboriginal community	N/A	
3.2.3. Celebration and recognition of Aboriginal and Torres Strait history and culture	3.2.3.1. Investigate and seek funding for Aboriginal tourism opportunities	N/A	
	3.2.3.2. Formal inclusion of Aboriginal and Torres Strait Islander input in Art Gallery programming and cultural activities	N/A	
	3.2.3.3. Support Aboriginal and Torres Strait Islander days of significance	N/A	
LEADERSHIP			
4.1. Excellent management and administration			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
4.1.1. Well managed resources for a sustainable future	4.1.1.1. Invest in the development of employees to enable a highly skilled and engaged workforce	N/A	
	4.1.1.2. Promote a culture of continuous improvement with a focus on efficiency and customer service	I	
	4.1.1.3. Embed rigor in our planning process to ensure long-term sustainability and continuity of Council's services	A,B,C,D,E,F,G,H,I,J	
	4.1.1.4. Develop and implement a Workforce Development Plan	N/A	
4.1.2. Provide robust governance and effective leadership	4.1.2.1. Implement a Project Management Framework and system	D,F,G,I	
	4.1.2.2. Develop and implement a Strategic Asset Management plan and supporting Asset Management plans	A,B,C,D,E,F,G,H,I,J	
	4.1.2.3. Provide Councillors with professional development and support to ensure effective governance	N/A	

	4.1.2.4. Work with Town Representative groups to better plan and deliver projects	A,B,C,D,E,F,J	
4.1.3. Sound, sustainable: o Financial management o Excellence in service delivery o Strategic planning	4.1.3.1 Deliver projects on time, on budget and within scope	N/A	
	4.1.3.2. Working to budget and ensure future planning to meet financial needs	D,E,G,H	
	4.1.3.3. Review two service delivery areas in years 2 (Parks and Gardens / Library) and 4 (Economic and Community development / Circular economy) of this Council Plan to improve and ensure accessibility and consistency of our customer experience	A,B,C,D,E,F,G,H,I,J	
4.2. Transparent communication and engagement			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
4.2.1. Effective and authentic engagement with our community	4.2.1.1. Review our Community Engagement Strategy to ensure our engagement is meeting the needs of the community	N/A	
	4.2.1.2. Embed the Community Engagement principles and practices across the organisation	A,B,C	
	4.2.1.3. Build constructive relationships with special interest groups in our community	A,B,C	
	4.2.1.4. Review our use of social media platforms across Council with a view of increasing Councils exposure and ensuring consistent moderation	N/A	
4.2.2. Visible presence in our community	4.2.2.1. Maximising the opportunities for Councillors and senior staff to represent Council at relevant community meetings, functions and events	A,B,C	
	4.2.2.2. Continue quarterly Coffee with a Councillor around the municipality	N/A	
	4.2.2.3. Arrange structured tours of the municipality where Councillors and senior staff meet with key community groups	A,B,C	

	4.2.2.4. Create a culture where staff are ambassadors for the Council	A,B,C	
4.3. Bold leadership, strong partnerships and effective advocacy			
Initiative	**Actions**	**Contributing AM Objectives**	**Contributing Asset Portfolio**
4.3.1. Create meaningful partnerships across our communities	4.3.1.1. Continue involvement in community groups	N/A	
	4.3.1.2. Support Robinvale with its Committee for Robinvale Euston (C4RE)	N/A	
	4.3.1.3. Support the health and wellbeing partnerships that address preventable illnesses.	A,B,C	
	4.3.1.4. Continue to support and work with Swan Hill Incorporated	N/A	
4.3.2. Strong relationship with State and Federal governments to influence advocacy and funding opportunities	4.3.2.1. Continue to advocate on the following issues: • Improved Healthcare for our people, including a new hospital for Swan Hill • A new Murray River Bridge at Swan Hill • Complete the Murray Basin Rail Project • Housing and enabling infrastructure • Better use of environmental water and the development of a plan specific to the Murray River between Swan Hill and Robinvale.	N/A	
	4.3.2.2. Review Council's advocacy strategy on an annual basis	N/A	
4.3.3. Working together in promotion of the municipality	4.3.3.1. Positively promote our region as a great place	N/A	
	4.3.3.1. Continue to work with Murray River Tourism and Swan Hill Incorporated to promote the municipality	N/A	

6 THE ASSET MANAGEMENT SYSTEM AND ASSET PLANNING

6.1 THE ASSET MANAGEMENT SYSTEM

The objective of this System is to describe how Council will meet its commitments to asset management as documented in its Council Plan and Asset Management Policy.

Using the framework below, Council will ensure ongoing enhancement of AM practices, meeting community needs and assisting Council to maximise the return on investment in asset maintenance, asset renewal and other capital expenditure and to provide the community with safe infrastructure.

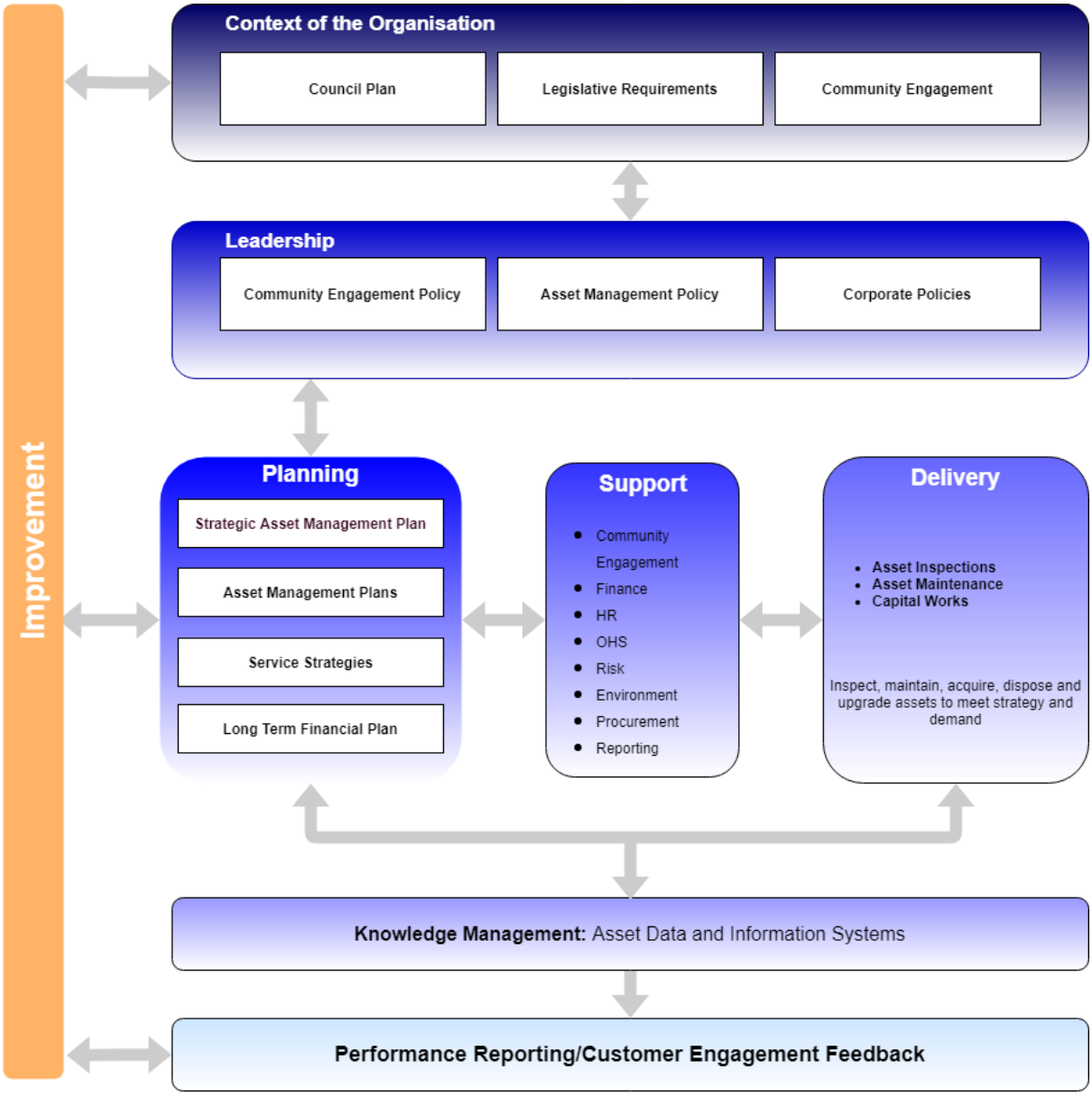


Figure 1- Asset Management System Framework

The Asset Management System is a combination of People, Process and Information Systems that work collectively to deliver good asset management for Council. Regular reviews, performance reporting and stakeholder engagement with all elements interacting will ensure continuous system improvement.

6.2 ACCOUNTABILITY ACROSS THE ASSET MANAGEMENT SYSTEM

The allocation of accountability and responsibility, from a management system perspective, is critical to the effective management of assets and the delivery of services.

Table 4 - Responsibility/Accountability Matrix

Element	Component	Accountable	Responsible	Informed/Consulted
Context of the Organisation	Council Plan	Councillors	CEO, ELT, Managers	C
	Legislative requirements	CEO	ELT, Managers	I
	Community Engagement	Councillors	CEO, ELT, Managers	C
Leadership	Community Engagement Policy	Council	CEO, ELT, Managers	C
	Asset Management Policy	Council	CEO, ELT, Managers	C
	Corporate Policies	Council	CEO, ELT, Managers	C
Planning	Strategic Asset Management Plan	Council	CEO, ELT, Enterprise Asset Manager, Managers	C
	Asset Management Plans	CEO	ELT, Enterprise Asset Manager, Managers	C
	Service Strategies	CEO	ELT, Managers	C
	Long Term Financial Plan	Council	CEO, ELT, Finance Manager	I
Support	• Community Engagement • Finance • HR • OHS • Risk • Environment • Procurement • Reporting	All Council staff		C
Delivery	Asset Inspections	Director Infrastructure	Operations Manager, Enterprise Assets Manager	I
	Asset Maintenance	Director Infrastructure	Operations Manager, Enterprise Assets Manager	I
	Capital Works	CEO	PMO, ELT, Managers	I
Knowledge Management	Asset data and information systems	CEO	CEO, ELT, Enterprise Asset Manager, IT Manager, Managers	I
Performance Reporting/Community Feedback		Councillors, CEO	ELT, Managers	C
Improvement		CEO	ELT, Managers	C
The Asset Management System		Council	CEO, ELT	C

6.3 PROCESSES

The general processes for administering the Asset Management System are both top-down and bottom-up, and incorporate the internal policies and procedures which apply to the various departments within Council. These include the procurement, human resources, financial management, occupational health and safety policies as well as accounting standards.

7 ASSET MANAGEMENT PLANNING

The asset management planning approach provides direction for asset plans and asset specific strategies to achieve the organisational objectives. This includes documentation of decision-making criteria, processes for managing the complete life cycle of assets, demand drivers, risks and opportunities, resources, responsibilities and financial implications.

The following section outlines considerations that must be made for each asset class when developing an asset plan or asset specific strategy.

7.1 ASSET MANAGEMENT PLAN REVIEWS

Asset Management Plans should be reviewed in line with the revaluation schedule (refer to Table 7). This will ensure that asset plans, capital works plans and long-term financial plans align with the actual asset condition and current replacement costs. It will also confirm that Levels of Service are meeting the expectations of the community.

7.2 LEVELS OF SERVICE

Levels of Service can be defined in terms of Community Expectations and Technical requirements that may impact on the desired community outcome.

It is important to monitor the provided service levels as they will regularly change. Customer priorities and community expectations will change over time, and in addition to this current performance is influenced by work efficiencies and technology.

7.2.1 Customer Values and Levels of Service (LoS)

Customer Values indicate which aspects of a service are important to a customer and if the customer recognises value in what they are currently being provided.

The Customer Levels of Service measure how the customer receives the service and whether Council is providing value from the customers' viewpoint. They are considered in terms of:

Quality – How good is the service? What is the condition or quality of the service?

Function – Is it suitable for its intended purpose? Is it the right service?

Capacity/Use – Is the service over or under utilised? Do we need more/less of these assets?

The development and measurement of Customer Values and expected Levels of Service could include consideration or feedback from a combination of sources including, but not limited to:

- Legislative Requirements relating to the management of the assets. What is required and are we compliant?
- Community Satisfaction Surveys/other feedback.
- Deliberative consultation through user groups, workshops, surveys or invitations to make submissions etc.
- Statistics obtained through collection of customer complaints/enquiries, usage statistics, asset inspections, financial and capital expenditure, response times and State or Federal government data such as VicRoads accident statistics.
- Community or Gender Impact Assessment

The community Level of Service measures obtained through the annual Community Satisfaction Survey, provide information on our performance or service delivery. They can indicate areas of possible over or under servicing and potential reallocation of resources to maximise community value.

7.2.2 Technical Levels of Service

Technical Levels of Service are operational and technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to activities and annual budgets covering:

Acquisition/Upgrade – Activities that provide a higher level of service (e.g. widening a road, construction of a new service such as a playground that didn't exist before).

Maintenance/Operation – The activities necessary to retain an asset as near as practicable to an appropriate service (e.g. road patching, building repairs) and the regular activities to provide a service (cleaning, mowing, inspections etc.)

Renewal – The activities that return the service capability of an asset up to that which it had originally provided.

Together the community and technical Levels of Service provide details on service performance, cost and predict whether the service levels are likely to stay the same, get better or worse.

7.3 FUTURE DEMAND

Demand drivers and impacts must be considered as part of the asset planning process to ensure assets perform the appropriate role to satisfy future needs.

7.3.1 Demand Drivers

Drivers affecting demand include: population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, risk and safety etc.

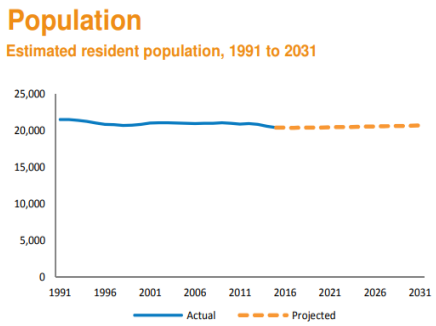
7.3.2 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 5 - Demand Management Plan.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 5 - Demand Management Plan. Further opportunities will be developed in future revisions of this Strategic Asset Management Plan.

Overall, the municipality's population is expected to remain relatively steady with only a slight increase expected in forecasts



The population growth is expected to be centralised around the Swan Hill and Robinvale urban areas, while the smaller townships are set to remain steady or decline in total numbers. There are currently two large subdivisions occurring in Swan Hill, and future development to occur in Robinvale designed to address a current housing shortage for workers in the region.

The demographics of the Swan Hill Rural City Council area are trending slightly towards an ageing population, with an increase in residents over 65 years.

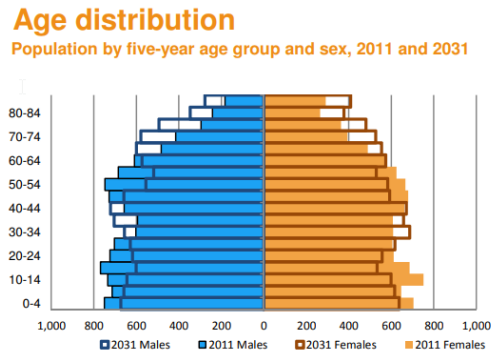


Table 5 - Demand Management Plan

Demand drivers	Present position (2016 census)	Projection 2031	Impact on services	Demand Management Plan
Population[9]	20,584 people	20,708 people	Negligible	Continue to investigate alternative renewal treatments to lower lifecycle costs (e.g., seal types, rejuvenation). Optimise maintenance, renewal, and upgrade practices against asset classifications based on usage
Demography	Age 0- 19 = 25% Age 20-65 = 56% Age 65+ = 19%	Age 0- 19 = 24% Age 20-65 = 53.6% Age 65+ = 22.4%	An ageing population will mean an increase in services for aged including assets that provide for greater access.	Continue to review and develop service levels and asset management plans to ensure accessibility to all community members in line with changing needs.

[9] 2019 ABS data estimates the Swan Hill Rural Council residential population to be 20,649, however, due to ongoing concern that the ABS consistently underestimates the population of Robinvale, Council commissioned Geografia to undertake a population determination study. The ABS census figure of 2016 show the Robinvale population as 3359 people. The work of Geografia has reliably demonstrated that the true Robinvale population sits at approximately 7900 people; making the total residential population 25,190.

Demand drivers	Present position (2016 census)	Projection 2031	Impact on services	Demand Management Plan
Tourism	656,000 people $95 million annually		The Our Rivers Our Region" project is expected to improve tourism infrastructure and result in an increase of tourism to the region. The project will include the installation of several new footpaths and walking trails along the Murray, linking to Swan Hill and throughout the Arts precinct development will increase our asset base.	Strategic and Masterplans are reviewed to ensure tourism impacts to infrastructure are addressed. The provision of long vehicle parking, traffic calming devices and signage are considered in future infrastructure renewals in tourist precincts and CBD areas.
Agriculture	$1.18 billion annually	Unpredictable as it is dependent on the availability of water.	Increase in Freight particularly from Robinvale region resulting in more heavy vehicles on our roads. We are already seeing a large increase in requests for road train access on our rural roads. Future considerations may be that we will need to upgrade our network to cater for this kind of vehicle.	Appropriate classification and prioritisation of the network to encourage freight movements are along arterial, link and collector roads to minimise damage to local roads. Where appropriate, institute load limits & traffic control devices to reduce the potential for unnecessary upgrade and/or rehabilitation of local road assets.

7.3.3 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed.

Acquiring new assets will commit the Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan.

Analysis of demand within the individual asset plans may also identify assets that may be consolidated or disposed of.

7.3.4 Climate Change and Adaptation

The impacts of climate change can have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process, climate change can be considered as both a future demand and a risk.

How climate change will impact on assets can vary significantly depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.

As a minimum we should consider both how to manage our existing assets given the potential climate change impacts, and how to create resilience to climate change in any new works or acquisitions.

Opportunities identified to date for management of climate change impacts on existing assets are shown in in below.

Table 6 - Managing the Impact of Climate Change on Assets

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Changing weather patterns	Trending towards increased season extremes	Increasing levels of reactive maintenance due to wash outs, scouring and damage to road pavements. Potential to affect ground movement in reactive soils and therefore potentially increase defects and reduce life of assets.	Schedule long-term capital works program to ensure infrastructure is in good condition and better able to withstand seasonal extremes. Ensure drainage can adequately remove water away from infrastructure. Utilise best practice for design and construction of transport infrastructure to ensure robust assets better able to withstand the impact of severe weather events. Monitor assets to ensure that life of assets is not being significant reduced and budget accordingly.
Higher temperatures	The Murray Basin area has warmed by around a degree since 1910 and will continue to warm (by 0.6–1.5 ºC in 2030 relative to 1995, and by 0.9–2.5 ºC in 2050 without mitigation), with more hot days and fewer cold days.[10]	Higher temperatures can increase flushing/bleeding on sealed roads. Urban areas with large areas of concrete and seal can exacerbate radiant heat affects.	Ensure sealing programs are using mixes that will withstand higher temperatures. Consider green spaces and shade to reduce ambient temperatures in urban areas particularly around carparks and CBD areas.

10 Timbal, B. et al. 2015, Murray Basin Cluster Report, Climate Change in Australia Projections for Australia's Natural Resource Management Regions: Cluster Reports, eds. Ekström, M. et al., CSIRO and Bureau of Meteorology, Australia

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Change in agricultural practices due to climate change	Climate change will impact on current farm practices through prolonged droughts or flooding.	Higher water availability through heavy rainfall and flooding could mean more intensive farming in irrigated areas with additional heavy vehicle impacting the network. Droughts would impact on dryland areas resulting in more amalgamations of farms with requirements for infrastructure to accommodate larger machinery.	Maintain a reactive network feeding smaller seasonal roads into a backbone of links and collectors. Regularly review road classifications so that our road network meets the needs of our ratepayers while remaining economically viable to maintain and respectful of the need to protect local flora and fauna.
Legislative requirements to reduce Carbon footprints	Expectations are that governments worldwide will push to be carbon neutral by 2050. The Victorian Government has set a long-term target of net zero emissions by 2050. Victoria's Climate Change Act 2017 establishes a long-term target of net zero greenhouse gas emissions by 2050.	Higher cost to provide services and potential change to standard lives of assets due to changes in material or construction methods. New types of infrastructure such as electric charging stations and solar roads.	Utilise sustainable materials such as recycled glass and tyres in construction to minimise our carbon footprint and landfill requirements. Continual research into industry trends, trials and studies on sustainable materials and practices.

The way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience will have benefits such as:

- Assets will withstand the impacts of climate change.
- Services can be sustained.
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

The impact of climate change on assets is a complex discussion and further opportunities will be developed in future revisions of this Asset Management Plan.

7.4 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed Level of Service (refer to section 7.1 above).

7.4.1 Background data

An Asset Management Plan (AMP) should detail the assets covered by the plan including the following:

Physical Parameters

Information on the size/dimensions and the replacement value of Council's asset base that will be included in the AMP. The provision of an age profile will give indication on the magnitude and timing of future renewals.

Asset Capacity and Performance

An analysis on the capacity of the asset base to meet customer expectations, usage and design standards. Locations or asset types where deficiencies in service performance are known will be detailed.

Asset Condition

Overall condition of the assets is currently monitored as per Asset Recognition and Valuation Procedure[11].

Table 7 - Revaluation Schedule

Asset Class	Asset types included	Responsible Provider	Reval Freq	Last year valued	Next Reval
Buildings	All lockable structures	External Valuer [12]	2 Years	2020	2022
Sealed Roads	Seals Sealed pavement Kerb and Channel Shoulders Bridges	Enterprise Asset Manager	3 Years	2019	2022
Unsealed Roads	Paved roads Earth Roads (portion only)		5 Years	2017	2022
Footpaths and Bike paths	Footpaths Shared footpaths		3 Years	2019	2022
Waste Management	Landfill		5 Years	2020	2025
Recreation, Leisure and Community Facilities	Sporting lights, Playing surfaces, Irrigation		5 Years	2020	2025

[11] PRO/CORP240 Asset Recognition and Valuation Procedure

[12] Value of assets only, condition of components not provided and will need to be done separately

Asset Class	Asset types included	Responsible Provider	Reval Freq	Last year valued	Next Reval
Parks, Open Spaces, and streetscapes	Playgrounds, BBQ shelters, shade sails, irrigation, fencing		5 Years	2020	2025
Other Infrastructure	Street lighting, saleyards etc		5 Years	2020	2025
Pioneer Settlement	Vehicles, vessels and exhibits	External Valuer[13]	5 Years	2021	2026
	PS Buildings		2 Years	2020	2022

Asset condition is measured using a 1 – 5 grading system[14] as detailed in Table 8 - Simple Condition Grading Model. It is important that consistent condition grades be used in reporting various assets across Council as this supports effective communication and comparison. At the detailed level assets may be measured utilising different condition scales, however, for reporting in the AMP they are all translated to the 1 – 5 grading scale.

It is important to note that condition inspection is separate to defect inspection. Regular defect inspections are made on our infrastructure assets as per the Road Management Plan and as detailed in AMP's. Defect inspections are based on the asset class which is related to the usage of the asset. Higher use assets such as Link roads or CBD footpaths will get inspected at a higher frequency than lower use infrastructure.

Table 8 - Simple Condition Grading Model

Condition Grading	Description of Condition
1	**Very Good**: only planned maintenance required
2	**Good**: minor maintenance required plus planned maintenance
3	**Fair**: significant maintenance required
4	**Poor**: significant renewal/rehabilitation required
5	**Very Poor**: physically unsound and/or beyond rehabilitation

Asset Hierarchy

An asset hierarchy provides a framework for defining Levels of Service, intervention and response times based on a priority system. Assets with high use, high risk or high community importance can be assigned different standards and therefore Council may intervene earlier and respond quicker to some assets over others.

It is important to define a system of classifying assets into a hierarchy within an AMP to ensure consistency across Council and to assist with modeling potential treatment costs if Levels of Service are adjusted.

As part of the development of an AMP, the asset hierarchy should be reviewed to identify under-utilised assets to ensure we are not maintaining or replacing assets that could be retired. Conversely, reviews of over-utilised assets and customer demand management options are to be carried out regularly to ensure the appropriate level of service is being applied for maintenance or capital works.

[13] Value of assets only, condition of components not provided and will need to be done separately

[14] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

7.4.2 Operation and Maintenance Plan

Operation activities affect service levels including quality and function. This includes expenses such as cleaning, street sweeping, mowing, testing and tagging and essential services.

Maintenance relates to all actions that are necessary to retain an asset as near as practicable to an appropriate condition such as pothole patching, painting and footpath grinding.

Council will endeavour to operate and maintain assets to provide the defined Level of Service to approved budgets in the most cost-efficient manner. Proposed operations and maintenance strategies will be listed in each AMP with the following considerations:

- Review management of operations and maintenance activities to ensure Council obtain the best value.
- Operations and maintenance requirements to be determined at an asset class level to provide an agreed Level of Service to the community.
- Review the current and required skills base and implement workforce acquisition, training and development to meet required maintenance and operational needs.
- Afford provision to adjust Council maintenance budgets to reflect new or disposed assets in the long-term financial plan.

7.4.3 Capital Works Plan

We will plan capital projects to meet Levels of Service objectives by:

- Planning and scheduling capital projects to deliver the defined Levels of Service in the most efficient manner.
- Undertaking project scoping for all capital projects to identify:
    - Any service delivery deficiencies or risks,
    - Range of options to rectify deficiencies or manage risks,
    - Estimated capital and lifecycle costs for different options, and
    - Optimum time for replacement.
- Review current and required skill bases and implement training and development to meet required construction and project management needs.
- Review management of capital project activities to ensure we are obtaining best value for resources used.

There are three types of capital works that will be modelled within an AMP. These are detailed below.

Renewal/Replacement

Renewal and replacement is expenditure that does not increase the assets design capacity, but returns an asset to original service potential. Future maintenance costs will be comparable to existing. Work over and above the restoration of an asset is considered to be an acquisition/upgrade as it results in additional future operating and maintenance costs.

Renewal and replacement are identified through using one of two approaches in the lifecycle model:

- **Method 1:** Asset register data to project renewal costs and timing. This method uses the construction year of the asset and an updated useful life based on the condition of the asset. Assets that have a better condition than expected will have an extended life, whereas assets that are not performing as expected will have their life expectancy reduced to reflect faster degradation.
- **Method 2:** Alternative approach to estimate the timing of renewal based on staff judgement, historical data on previous network renewals, industry standards or other.

Council will endeavor to utilise Method 1, however, this is not always possible due to cost of condition inspections (particularly in the storm water network) and timing.

The typical useful life of asset categories as well as the method used will be detailed within the AMP.

Renewal ranking criteria will be detailed to ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate and that the infrastructure is of a sufficient condition.

Acquisitions

Upgrade/Expansion/New works over or above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operation and maintenance costs. Acquisitions may also be donated to Council, for example, by private developments.

Acquisitions are identified from various sources such as strategies, masterplans, housing developments or partnerships with other stakeholders.

Acquisitions will increase Council's maintenance obligations and future renewal costs.

Disposals

Disposal is the demolishment, scrapping or sale of an asset with no future maintenance or operational costs. Assets identified for possible decommissioning and disposal will be shown in the respective AMP's.

7.5 RISK MANAGEMENT

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[15].

An assessment of risks[16] associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

7.5.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets will be identified along with their typical failure mode and the impact on service. Failure modes may include physical failure, collapse or essential service interruption or delivery of service not fit for purpose.

By identifying critical assets and failure modes Council can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

7.5.2 Risk Assessment

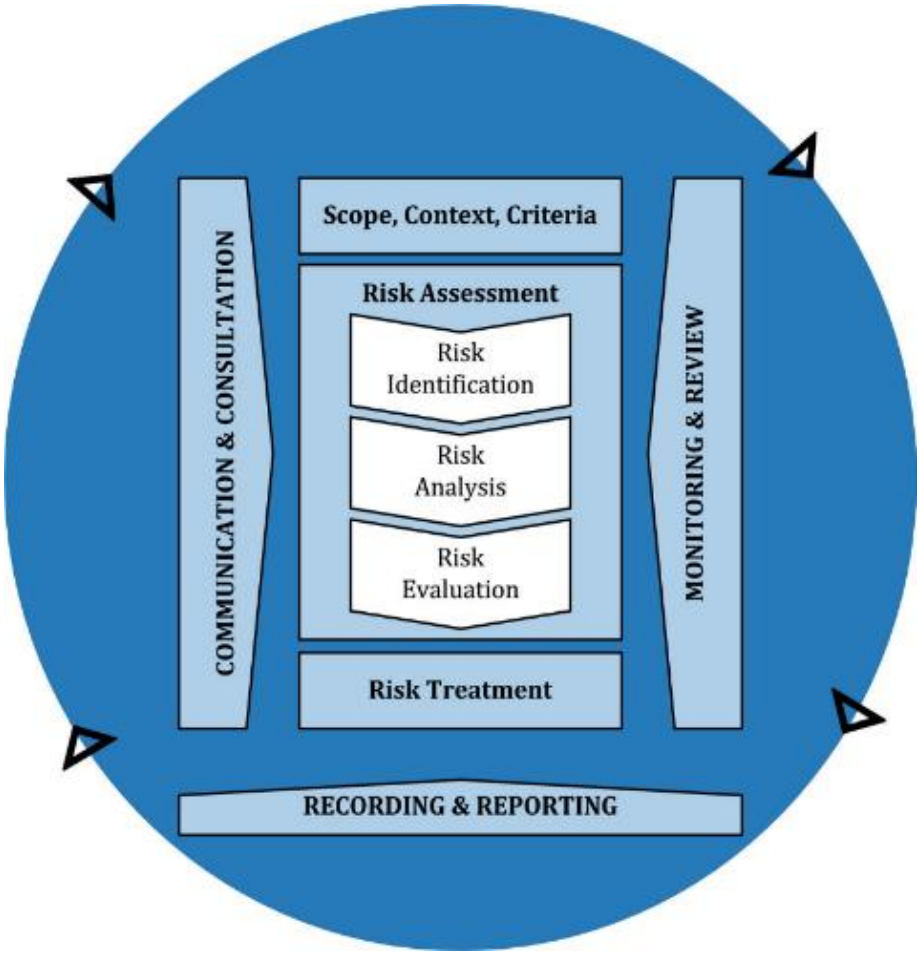
The risk management process used is shown in Figure 6.2 below.

The analysis and problem-solving technique is designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

Figure 2 Risk Management Process – Abridged (*Source: ISO 31000:2018, Figure 1, p9)*

[15] ISO 31000:2009, p 2

[16] Risk Management Framework



7.5.3 Infrastructure Resilience Approach

The resilience of our infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity, climate change and crisis leadership.

7.5.4 Service and Risk Trade-Offs

The decisions made in adopting AMP's will be based on the objectives to achieve the optimum benefits from the available resources. AMP's will detail what Council's service boundaries are, as well as the service and risk trade-offs that Council has identified and their consequences.

7.6 FINANCIAL SUMMARY

The financial summary will contain the financial requirements resulting from all of the information presented in the previous sections described and will include the following:

- Financial indicators and projections,
- Funding strategies,
- Valuation and depreciation forecasts,
- Key assumptions made in the financial forecasts, and
- Reliability and Confidence.

8 PERFORMANCE EVALUATION AND IMPROVEMENT

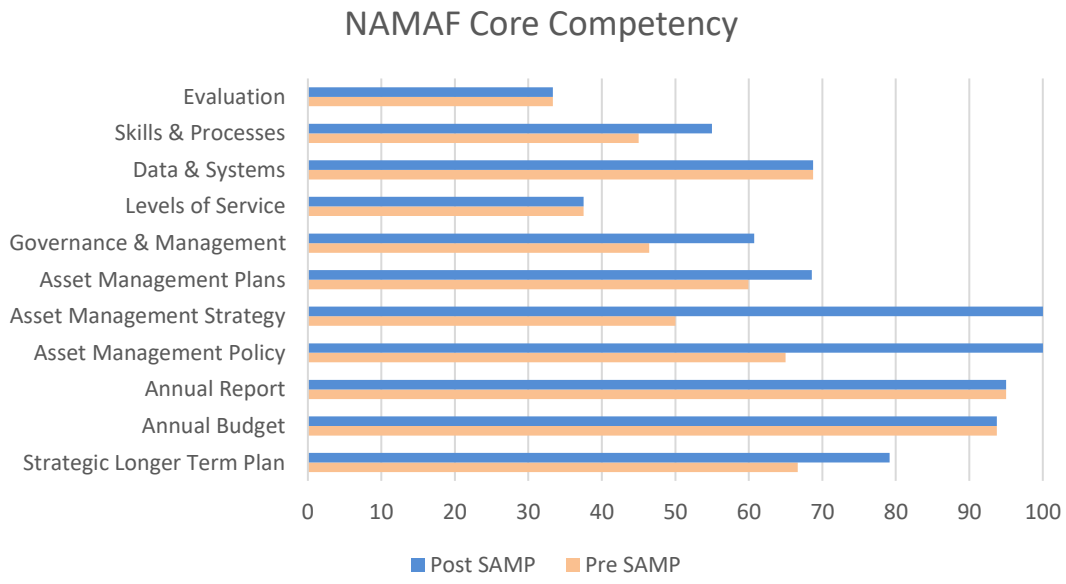
A key part of the Asset Management Strategy is an assessment of the organisation's maturity and capability to sustainably manage its community infrastructure through effective asset management and financial planning. The National Assessment Framework (NAF) developed for Australian Local Government by the Australian Centre of Excellence for Local Government (ACELG) and the Institute of Public Works Australasia (IPWEA) provides the core asset management competencies required for Council to determine progress in implementing the Local Government and Planning Ministers' Council (LGPMC) Financial Sustainability Nationally Consistent Frameworks otherwise known as the National Asset Management Framework (NAMF)[17].

The main objective is for Council to focus on achieving, maintaining at least 'Core' level asset management and financial planning maturity under the NAMF to ensure it can at the very least:

- Record and report on the state of all assets to the community;
- Meet current statutory reporting requirements;
- Ensure community safety; and
- Provide management information to guide decisions by Council on the cumulating impact of decisions.

Asset management improvement initiatives have been established to improve Council's Asset Management practices and to bring Council into alignment with the National Asset Management Assessment Framework (NAMAF) and ISO55000 standards. This will assist Council in delivering Levels of Service that meet legislative, governance and community requirements in the most cost-effective way.

Council will track and report on Asset Management performance against the NAMAF Criteria each year as part of the performance reporting process. Council has not yet reached core competency (100) in any of the categories analysed in the assessment, however on adoption of this SAMP Council aims to meet Core Competency in the Asset Management Strategy and Asset Management Policy Categories.



[17] Local Government Financial Sustainability Nationally Consistent Frameworks, Framework 2, ASSET PLANNING AND MANAGEMENT, May 2009

The Institute of Asset Management have developed a maturity scale[18] which has 6 maturity states as follows:

0 – Innocent: The organisation has not recognised the need for this requirement and/or there is no evidence of commitment to put it in place.

1 – Aware: The organisation has identified the need for this requirement, and there is evidence of intent to progress it.

2 – Developing: The organisation has identified the means of systematically and consistently achieving the requirements, and can demonstrate that these are being progressed with credible and resource plans in place.

3 – Competent: The organisation can demonstrate that it is systematically and consistently achieves the relevant requirements set out in ISO 55001.

4 – Optimising: The organisation can demonstrate that it is systematically and consistently optimising its Asset Management practice, in line with the organisation's objectives and operating context.

5 – Excellent: The organisation can demonstrate that it employs the leading practices, and achieves maximum value from the management of its assets, in line with the organisation's objectives and operating context.

Swan Hill Rural City Council is currently at state 2 of the asset maturity scale and aims to achieve core competency (state 3) in all categories by 2023/2024 utilising existing levels of resourcing. The following asset management improvement initiatives have been established to assist Council in meeting the target and continue to mature its practices.

NAMAF Category	Improvement Objective	Target
Evaluation	Community and Technical Levels of Service will be monitored and performance reported. Levels of Service will be developed through the AMP process.	To be reported annually on completion of AMP's
Skills and Processes	Council to assess the skills and knowledge required to perform asset data management activities, conduct financial reporting, valuations and develop Asset Management Plans by creating an asset management skills matrix. Staff training needs have been identified and training scheduled.	Dec 2022
	Council to initiate a process to communicate the financial implications of the Asset Management Plans to internal and external stakeholders.	Budget process and stakeholder engagement for each AMP
Data and Systems	Council to define a process for operations, maintenance, renewal and upgrade planning for its existing assets.	75% of assets 2022/2023 100% of assets 2023/2024
	Asset information systems should have the functionality to generate maintenance and renewal programs and produce associated cash flow forecasts. Perform an asset information system review.	Include in the ICT strategy
Levels of Service	Current and target Levels of Service (for both community Levels of Service and associated technical Levels of	75% of assets 2022/2023

[18] IAM Asset Management Maturity Scale and Guidance Version 1.1 14

NAMAF Category	Improvement Objective	Target
	Service) are clearly defined in each Asset Management Plan.	100% of assets 2023/2024
	Complete Service Plans for each of its services in consultation with the community. As per the Missing Links and Public Convenience Strategies	Ongoing as need identified.
Governance and Management	Develop internal processes to promote Asset Management across Council	Dec 2022
	Documented process to evaluate capital projects that includes how the evaluation relates to the LTFP	Dec 2022
	Re-convene the Asset Management Steering Committee, with cross functional representation and clearly defined and documented terms of reference, focused on coordinating the linkages between service delivery and asset management implementation.	June 2022
Asset management Plans	Develop Asset Management Plans for all Asset Portfolios as defined in the SAMP	75% of assets 2022/2023 100% of assets 2023/2024
Strategic Long Term Plan	Imbed connection of AMP's and LTFP plan and insure long term renewals are in place.	75% of assets 2022/2023 100% of assets 2023/2024

9 CONCLUSION

Council provides, maintains and is responsible for the replacement of $496 million of assets. The majority of these assets comprise infrastructure such as roads, drains, community buildings and recreation centres – all vital to the social wellbeing and economic development of the municipality and its people.

Council's asset management strategy includes the ongoing development and review of asset management plans for each infrastructure category. These plans include agreed service levels, replacement schedules, upgrade requirements, appropriate rationalisation, and a process for the development of new infrastructure, that balance community needs and financial capability.

As infrastructure ages, there will be an increasing need for greater funding to replace and maintain the assets we currently have. This will need to be considered in the context of infrastructure growth generated by the ongoing development along the Murray River corridor.

During the four years of the Council Plan, Council is committed to maintaining its existing infrastructure and allocating sufficient resources to ensure that existing infrastructure is maintained to an appropriate standard. Council allocates additional funds annually. Council will also continually review infrastructure assets to ensure the assets are still required to meet community needs, and if this is not the case, rationalise the infrastructure in an appropriate way. Incorporating multi-use or shared-use facilities will also be an ongoing focus over the years of this plan.




TRANSPORT
Sealed Roads, Unsealed Roads, Kerb and Channel, Road Shoulders, Footpaths, Cycle Paths and Bridges.
$395M
Buildings
Offices, Sheds, Community Centres, Club Houses, Public Conveniences, Commercial Buildings
$108M
Stormwater
Pits, Pipes, Stormwater Pumps, Retention Basins, Table Drains, Channels
$56M
Fleet
Cars, trucks and heavy machinery
$12M
Parks, Open Spaces and Streetscapes
Playgrounds, Skateparks BBQ Shelters, Street Furniture, Irrigation, Jetties and piers
$13m
Pioneer Settlement
Site Exhibits, Buildings, Vehicles and vessels, light show
$16M
Recreation, leisure and community facilities
Swimming Pools, Recreation Reserves, sporting fields and surfaces and associated infrastructure
$18m
Waste Management
Landfill and associated infrastructure
$7M