

SERVICE REVIEW OUTCOMES – 2004/05

ASSET MANAGEMENT

DETAILS OF SERVICE

Asset Management is a unit within the Engineering and Infrastructure Services Service Area as part of the Major Projects and Infrastructure Directorate.

SCOPE OF SERVICES

The Asset Management team consists of 3 EFT's (Equivalent full time), located at Council's Ringwood City Offices and undertakes a range of tasks to enable appropriate management of Council's large portfolio of infrastructure assets that assist efficient, effective and continuous services delivery. The Asset Management section also reports on various analytical outcomes associated with the economic and functional viability of the assets.

The major activities of Asset Management include:

- Data capture, management and presentation
- Financial reporting
- Strategic development and the implementation of Total Life Cycle Asset Management strategies
- Implementation and guidance, in Asset Management best practice techniques
- Asset performance monitoring
- Asset condition assessments
- Capital renewal programming and implementation
- Capital works monitoring

SERVICE STANDARDS

Note: The following is a summary of the activity and outcomes of the Best Value Service Review

Best Value Principle	Key Performance Indicator	Performance Result 2004-05	Target 2005-06	Target 2006-07
Cost Standard	Operate within Annual Budget 2005 - 06 Target: \$372,677 (net)	Expenditure 2% over budget *	Performance to +/- 3% of budget	Performance to +/- 3% of budget
Quality Standard	Compliance with the MAV STEP program for Asset Management best practice	Asset Management; Policy Review A - 100% Strategy Review B - 82% Plans Review B ⁺ - 67% Operations Review A - 92.5%	Asset Management; Policy Review A - 100% Strategy Review B - 100% Plans Review B ⁺ - 90% Operations Review A - 95%	Plans Review B ⁺ - 95% Operations Review A - 100%
	Development of Asset Management Plans	90% completed Level 1 Plans by March 2005	90% Level 2 plans developed by December 2005	95% Level 2 plans developed by June 2006
	Survey, Improvement in all assets 'Sustainability Index' (SI) (Department for Victorian Communities Performance Measure)	Demonstrated SI of >1.05 in 60% of service delivery assets	To demonstrate a SI of > 1.05 for 70% of service assets	To demonstrate a SI of > 1.05 for 80% of service assets

* Due to a reduction in projected income from the sale/trade in of retired computer equipment including PC's and servers.

Consideration of Best Value Factors in setting Cost and Quality standards

Factors

**Best on offer
208C(a)**

Consideration Comments

The Asset Management unit provides Council with asset management and support services in accordance with the legal and statutory obligations contained in the Local Government Act 1989 and the Audit Act of 1994. Council is required under these legislations to submit annual statements relating to the management of assets to the State Auditor General's office for assessment of compliance against the standards set out in these acts.

All Council's are required by legislation to commit to an asset management improvement program with the vast majority (90%) including Maroondah adopting the Municipal Association of Victoria's (MAV) STEP program. This program sets auditable standards for managing continuous improvement in asset management in the key areas of:

- Policy
- Strategy
- Planning
- Operations

The MAV STEP Program provides a sector recognised performance standard for Asset Management Best Practice against which all Council's benchmark themselves. Maroondah is compliant in the application of the STEP program.

The sustainability index is a government measurement and serves as a target for a comparative asset sustainability performance measurement for Local Government.

An additional benchmarking exercise was attempted through 2004/05 with ten council's invited to participate, however, the wide disparity in organisational structures and approaches to asset management resulted in insufficient responses to enable an effective comparison.

Consideration of Best Value Factors in setting Cost and Quality standards cont.

Factors

Consideration Comments

**Value for money
208C(b)**

While there is no direct cost to the service users for the individual services provided by Asset Management, a significant part of their responsibility is to ensure Council's legislative compliance. The value for money offered by the service unit can therefore be examined in terms of the level of resources devoted to activities to achieve these key outcomes.

The Maroondah Asset Management unit has 5 key areas of responsibility and activity being,

- Database Management – Data sourcing and recording, (valuations, condition assessment, asset profiling),
- Finance Reporting – Valuations and re-valuations, reconciliation, auditor's sign-off,
- Asset Reporting –Life cycle reporting, long term financial trends and requirements in asset management,
- AM Plans – Service areas asset management plan, road management plan, Total Life Cycle analysis,
- Works Programs – Capital Works program evaluation, Roads to Recovery program, Road Rehabilitation Program.

A review of the units performance identified that 78% of resources and activity are attributed to the first three responsibilities listed above, these responsibilities relate directly to the legislative compliance responsibilities of Council and support the development of Asset Management Plans while indicating value for money in terms of the focus and delivery of services to ensure compliance with established legislative requirements and service quality standards.

**Community
expectation and
values 208C(c)**

Responsibility for the use and utilisation of assets for the delivery and provision of services is not a direct role of the Asset Management unit but rests with specific service areas. Each of these service providers consult with their communities as part of their on-going best value initiatives to identify the expectations and needs of their customers and considers these needs in their service planning process. These activities form part of the Asset Management plans that are co-ordinated and supported by the Asset Management unit.

Community expectations and values are also reflected in the range of legislative standards and regulations, which govern how assets are to be maintained and to ensure the safety of the community in relation to the assets. These include Occupational Health and Safety, Building Regulations, Austroad guidelines for road maintenance and seals and the MAV Step program, which provides a sector recognised quality standard, whose compliance is monitored by the Department for Victorian Communities.

Consideration of Best Value Factors in setting Cost and Quality standards cont.

Factors	Consideration Comments
Affordability and Accessibility 208C(d)	There is no direct charge to service areas or the community for the services of the Asset Management unit. There are no direct charges or costs to the community for the utilisation of council assets as a result of role or activity of the Asset Management unit.
Local Employment 208C(e)	Maroondah’s Best Value Supporting Local Suppliers policy is a demonstration by Council of its commitment to supporting and promoting local businesses as a means of sponsoring local employment opportunities. A Council wide KPI relating to the policy is the target of 25% of purchasing activity to be directed to local suppliers of goods and services. The initiative also extends to the local advertisement of vacant positions and appropriate tenders.

Best Value Principle

Actions Taken

Responsive to Community Needs	<p>The Asset Management function at Maroondah Council acts in an “internal consultancy” role to Service Areas who deliver services to the community through a network of infrastructure assets. Therefore community involvement, in this regard, would be undertaken as part of the Best Value Review of the various Service Areas responsible for service delivery that would then feed those results to the Asset Management Section as part of their “consultation” review.</p> <p>The Asset Management unit demonstrates its responsiveness to community needs by participating in the co-ordinated, prioritisation and planning of asset maintenance and response programs based on consultation with these internal service areas and the provision of assistance and support during their service planning processes.</p>
Accessible	<p>Access to the service and related information is achieved between normal business hours, Monday to Friday from 8.30 am to 5.00 pm via telephone on 1300 882 233, via email: Maroondah@maroondah.com.au or in person at one of Council’s three Customer Service outlets. Council information is available 24 hours, seven days a week from Council’s Web site, http://www.maroondah.vic.gov.au</p>

Best Value Principle

Actions Taken

Continuous Improvement

The MAV Step program is a continuous improvement initiative for the management of council assets. Maroondah is committed to the program and the development of Asset Management Plans in compliance with the Step program.

Consultation

Maroondah City Council has an endorsed policy that addresses the level of community participation and consultation in relation to its service areas and service issues. This policy is promulgated to standardize and enhance the service levels and procedures for areas that have consistent and regular interface with the community and the public at large.

The Asset Management services is predominantly an internally focused service unit supporting the asset maintenance and planning process of other service areas who use these assets in the delivery of products and services to the community. Each of these service providers consult with their communities as part of their on-going best value initiatives on all aspect of service provision including the service suitability and quality of the service outlet. The results of these consultations are considered in their planning process which includes maintenance and capital works submissions for the maintaining of the assets. These activities form part of the Asset Management plans that are co-ordinated and supported by the Asset management unit.

The Asset Management function undertakes to increase best practice asset management processes within those Service Areas responsible for delivering services using infrastructure assets. Consultation for this review therefore was with the following Service Areas and working groups:

- Major Leisure Facilities
- Leisure Culture & Youth Services
- Parks and Works
- Community Services
- Finance & Governance
- Rates & Revenue
- Engineering Services
- Capital Works Implementation Group
- Asset Management Steering Committee
- Road Management Plan Steering Group

Best Value Principle

Actions Taken

Reporting

A copy Maroondah’s Best Value Annual Community Report of key findings and key performance target and results will be available to the community via the following methods and access points;

- Council’s community web page for public access,
- At each of our three Customer Service Centres for public viewing,
- At each of Council’s Public Libraries for public viewing.

Performance reporting against key service indicators is undertaken on a monthly basis and the results documented in Council’s service performance report. This report is tabled before Council on a quarterly basis and is a publicly available document. Each service area has an annual business plan, which is strategically aligned with Maroondah’s Council Plan, and our overarching strategic community plan Maroondah 2025. Annual performance and key achievements of the strategies in these plans is reported in Council’s Annual Report.

Council’s compliance and commitment to the Municipal Association of Victoria’s STEP program and audited performance statements are reported on an annual basis in Maroondah’s Annual Report.