



LONG-TERM STRATEGIC ASSET MANAGEMENT PLAN

2021-2031



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1 Executive Summary

On behalf of our community, The Devonport City Council owns and operates a large portfolio of assets that underpin our unique character as a City, and our quality of life.

While asset management practice often deals with the physical infrastructure characteristics (age, condition, value etc.) of our asset portfolio, it is the affordable delivery of the services these assets underpin that is critical to successful asset management practice over time.

The Long-Term Strategic Asset Management Plan (the Strategy) provides a link between the strategic objectives of Council, asset management practices within the organisation, and the financial resources attributed to asset management activities within our Financial Management Strategy.

The Strategy includes an overview of current management practices within our organisation, an assessment of our current maturity against established benchmarks, and an improvement plan identifying prioritised actions to be undertaken to further enhance asset management practices within the Devonport City Council. The Strategy also includes an overview of the condition of our assets from a renewal funding perspective, at a whole-of-portfolio level.

Council's asset register contains more than 31,000 items, with a replacement value of \$674.6m.

For planning and management purposes, these assets are grouped into a series of asset classes, being:

- Transport Assets \$315.3m – Public roads, footpaths, bridges.
- Stormwater Assets \$157.1m – Pipes, open drains, pits, and manholes.
- Building Assets \$141.6m – Community facilities, operational facilities, and structures.
- Parks & Open Space Assets \$41.8m – Parks, playgrounds, sports fields.
- Plant & Fleet Assets \$8.1m – Vehicles, construction plant, and equipment.
- Office & Equipment Assets \$7.4m – Specialist equipment and furniture.
- Heritage Assets \$3m – Historically significant objects, artworks and cultural assets.

The Strategy summarises the activities and expenditures proposed for the next 10-years at a whole-of-portfolio level. The 10-year expenditure forecasts contained in the Plan identify:

- Asset renewal activity totalling \$86.6m
- New and upgraded asset investment of \$42.2m
- Depreciation expense of \$106.3m

Over the life of the Strategy, analysis of asset renewal and lifecycle funding requirements as allocated in the Financial Management Strategy, demonstrate acceptable and sustainable outcomes. Beyond the detailed 5-year capital works planning period, the Strategy identifies additional capacity to increase renewal or new asset investment activity. However, additional asset investment analysis will be required to ensure these future investment decisions maintain appropriate levels of affordability for the community over the whole asset lifecycle.

2 Purpose & Objectives

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with their capacity to fund the renewal and investment in assets that underpins these services.

Maintenance of service levels for assets requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, the purpose and objectives of asset management practice within Council were established in earlier versions of this Strategy. These remain relevant within the current operating context, and have been carried forward in this version of the Strategy.

The Purpose of this Strategy is:

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

The objectives of the Strategy are to:

Objective 1:

Ensure that the Council's services are provided in a financially optimal way, delivering the appropriate level of service to residents, visitors, and the environment.

Objective 2:

Safeguard the long-term value of Council's assets by implementing appropriate asset management strategies and allocation of necessary financial resources over the long-term.

Objective 3:

Ensure integration between long-term financial and asset management planning to inform service delivery and asset investment decision making.

Objective 4:

Ensure legislative requirements, standards, technical levels of service, and customer satisfaction measures are defined and inform asset management planning.

Objective 5:

Ensure the appropriate resources and operational capabilities are maintained, and responsibility for asset management activities are effectively allocated.

Objective 6:

Maintain oversight of financial and asset management activities via appropriate governance arrangements and routine reporting to Council on improvement actions over time.

The Improvement Plan, included as an appendix to this Strategy, outlines the actions proposed to be progressed by Council over the near term, as they relate to the stated objective identified above, and the broader strategic objectives of Council as discussed in the follow section of this Strategy.

3 Organisational Planning

Asset management practice within the Devonport City Council is not a discreet activity, unrelated to the day-to-day business of the organisation. In the context of asset ownership being one of the primary vehicles of service delivery to our community, asset management is intrinsically linked across the spectrum of long-term strategic planning to daily operational activities. A clear understanding of the respective roles and function of stakeholders across the organisation is required to support effective asset management practice. The Table below provides an overview of these roles.

Key Stakeholder	Role in Asset Management Plan
Devonport City Councillors (elected members)	Represent needs of community/shareholders, Allocate resources to meet planning objectives in providing services while managing risks, Ensure service sustainable.
Executive Team	Ensure that Asset Management Plans are developed and provide the resources to do so. Ensure that the high-level priorities of asset management are undertaken. Support the review and implementation of the actions contained within the Asset Management Plan. Ensure that information about long-term financial requirements to sustain the assets for service delivery are advised to the Councillors for strategic and financial planning purposes.
Council Staff	Maintain the asset register and ensure the data it contains is accurate both financially and physically. Manage the design and construction of new assets. Manage operational and maintenance tasks across the asset portfolio in accordance with established management plans and service level agreements.
Contractors / Service Providers	Maintain the assets to meet service delivery requirements.
User Groups	Users of Council's asset portfolio Identification of maintenance and renewal needs across asset classes Provide feedback to Council on adequacy and satisfaction levels in relation to asset function or condition

TABLE 1: Key Stakeholder Roles & Responsibilities

3.1 Strategic Context

The Devonport City Council has an established and robust planning framework which aligns short to mid-term objectives to deliver the priorities outlined in Council's *Strategic Plan 2009-*

2030. As outlined in the 2021/22 Annual Plan, the activities of Council can be grouped into three primary areas, being: Business as Usual; Annual Plan Actions; and our Capital Works Program.

Figure 1 below illustrates this structure.

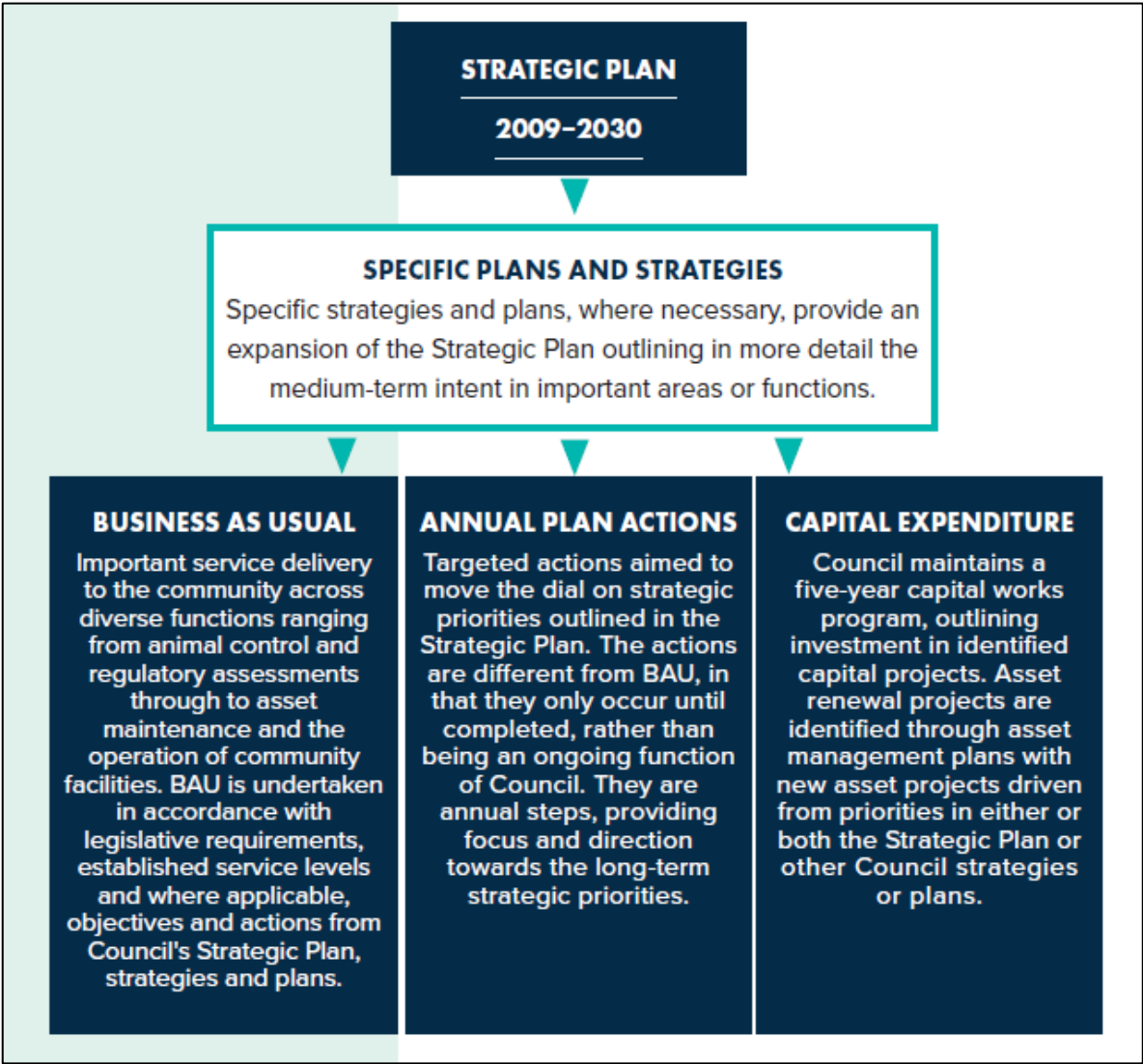


FIGURE 1: Devonport City Council Planning Framework

At a strategic level, the activity Council plans to undertake related to asset management practice covers all three primary areas of activity:

- Business as Usual activities – the operation and maintenance of Council infrastructure
- Annual Plan Actions – specific initiatives to be progressed at a point in time
- Capital Expenditure – asset renewal activities, and new asset investment

Table 1 identifies the specific Outcomes and Actions identified in our Strategic Plan that relate to asset management practice within the Council.

3.2 Alignment with Strategic Plan

In addition to the Purpose and Objectives specific to this Strategy, Table 1 below identifies the Goals, Outcomes, and Actions from Council's Strategic Plan, that are of direct relevance to this Strategy.

Goal	Outcome	Relevant Actions aligned to Strategic Asset Management Planning
1. Living Lightly on our Environment	1.1. Devonport is an energy efficient City	1.1.1 Lead and actively promote the adoption of practices that support the sustainable use of energy.
	1.5 Water is actively conserved and well managed	1.5.1 Promote sustainable water usage and quality management
2. Building a unique City	2.3 The infrastructure priorities to support the development of our unique City are planned and appropriately funded and maintained	2.3.1 Develop and maintain long term Strategic Asset Management plans and Capital Improvement Program
		2.3.2 Provide and maintain roads, bridges, footpaths, bike paths and car parks to appropriate standards
		2.3.3 Provide and maintain stormwater infrastructure to appropriate standards
		2.3.4 Provide and maintain Council buildings, facilities, and amenities to appropriate standards
		2.3.5 Provide and maintain parks, gardens, and open spaces to appropriate standards
	2.4 Promote the development of the CBD in a manner which achieves the LIVING CITY Principles Plan	2.4.1 Implement initiatives from the LIVING CITY Master Plan
3. Growing a vibrant community	3.3 Access into, out of, and around the City is well planned and managed	3.3.1 Improve the City's physical access and connectivity
4. Building a quality of life	4.1 Sport and recreation facilities and programs are well planned with strong participation	4.1.1 Provide and manage accessible sport, recreation and leisure facilities and programs
	4.2 A vibrant culture is created through the provision of cultural activities, events and facilities	4.2.2 Cultural facilities and programs are well planned and promoted to increase accessibility and sustainability
	4.3 Heritage is valued	4.3.1 Develop and implement initiatives to preserve and maintain heritage buildings, items and places of interest
5. Practicing excellence in governance	5.5 Council's services are financially sustainable	5.5.1 Provide financial services to support Council's operations and meet reporting and accountability requirements
		5.5.2 Ensure comprehensive financial planning and reporting to guarantee sustainability and meet or exceed financial targets

TABLE 2: Strategic Plan activities related to Asset Management Practice at DCC.

In addition to this longer-term planning horizon, and for the first year of this Strategy, the Annual Plan Actions adopted by Council for the 2021/22 planning year are identified in Table 2 below. Specific actions are captured in each subsequent Annual Plan on a prioritised basis. The Improvement Plan included in this Strategy will be a primary source of annual action planning across the life of the Strategy.

Goal	Action	Strategic Plan Reference
2. Building a unique City	Extend Council's forward Capital Works Program from 5 years to 10 years	2.3.1
	Review and update Council's 2015–2020 Bike Riding Strategy and the 2016–2021 Pedestrian Strategy and incorporate into a single Active Transport Strategy	2.3.2
	Develop a Public Open Space Strategy	2.3.5
	Review and update Council's 2017–2022 Signage Strategy	2.3.4
	Review and update Council's Road Network Strategy	2.3.2
4. Building a quality of life	Undertake precinct planning and feasibility studies for identified areas in the Sports Infrastructure Master Plan	4.1.1
	Undertake a feasibility study into the likely usage and return of a Black Box Theatre at the paranple arts centre	4.2.2

TABLE 3: 2021/22 Annual Plan Actions aligned with this Strategy

A detailed summary of the forward Capital Works Program is included in a later section of this report, covering the three primary areas of Council's operations.

3.3 Strategic Challenges & Risks

The Table below captures the strategic challenges and risks faced by long-term asset management within our Council and community. The table also identifies the key issues under each thematic area that must be considered as a part of asset renewal and investment planning into the future.

Strategic Challenge	Relevant Asset Management Consideration
Population growth & demographics	<p>Following a period of decline during the early 2000's, Devonport's estimated resident population has now returned to a growth trajectory.</p> <p>Demographically, Devonport (and Tasmania) is an aging population.</p> <p>Challenge: AM Planning will need to provide the infrastructure to support population growth, while also providing for infrastructure that meets the needs of an ageing population.</p>

Climate Change	<p>As a community with both coastal and riverine environments within our municipality, the impacts of increased severity in weather events caused by accelerated climate change will directly impact asset planning and renewal requirements.</p> <p>Challenge: To recognise and incorporate additional capacity and resilience in our asset portfolio to manage the effect of a changing climate and severe weather events, including during routine renewal activities and during the recovery from emergency response incidents.</p>
Responding to Community needs	<p>The Local Government sector has historically been known for the traditional "Roads, Rates, and Rubbish" mantra. As communities and their Councils have evolved, the responsibility for the social, cultural, economic and environment wellbeing of our communities has grown.</p> <p>As the "closest level of Government to the community" other tiers of Government have also grown their utilisation of the sector to delivery services (either partially or wholly).</p> <p>Challenge: To clearly identify the core service delivery obligations and responsibilities of Council, while also accommodating community demand for service growth, while also managing financial sustainability in the long-term.</p>
Equitable funding of service provision	<p>Council's primary source of revenue is derived from residential ratepayers within the municipality. As additional and diverse services (and assets) are provided to our community, ensuring an appropriate revenue base to fund these services is necessary.</p> <p>Challenge: Ensure Council is providing effective value for money in service (and asset) provision, but is also striking an appropriate balance between rate-based funding, and fee-for-service provision that aligns with the beneficiaries of those services.</p>
Customer expectation & satisfaction	<p>Asset Management Plans include defined Technical Levels of Service to Community need. However, community needs and wants change over time, and so must our service levels and the assets that support these activities.</p> <p>Challenge: Establish a more robust methodology to monitor community needs and satisfaction levels to inform asset management planning and as an indicator of performance.</p>
Being a City supporting a broader region	<p>The City of Devonport (and its ratepayers) support a much larger regional population. This position within the region underpins the economy of our city, but also poses some strategic challenges to service delivery.</p> <p>Challenge: Acknowledge the advantages of being the city at the centre of our region, but also establish mechanisms to balance the cost of providing regionally used assets and services.</p>
Managing the cumulative impact of asset growth	<p>As our city grows, and the infrastructure to support this growth is also developed, the cumulative impact of gifted, donated and grant-funded assets could have a detrimental impact on the Council's financial sustainability. Careful consideration</p>

	<p>of new asset creation, taking into account whole-of-life asset costs is critical – even for wholly grant-funding projects.</p> <p>Challenge: To ensure lifecycle costs are closely considered when reviewing new asset creation opportunities, and to establish a consistent mechanism to do inform these decision-making processes.</p>
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TABLE 4: Strategic Challenges

3.4 Risk Management

Council's *Risk Management Framework (2021)* articulates the approach for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. Providing direct guidance to asset management practice within the organisation, The Framework outlines Council's risk appetite, being:

Council has a low appetite for risks which may:

- *Have a negative impact on Council's long-term sustainability;*
- *Compromise the safety and wellbeing of staff, Councillors, contractors and members of the community.*

Council has a medium appetite for risks that:

- *Maintain and improve levels of service to the community;*
- *Improve efficiency, reduce costs and/or generate additional sources of income.*

Utilising the Framework, and guided by Council's risk appetite, future asset renewal planning activities will incorporate consideration of the strategic challenges and risks identified above. This is in addition to risk management actions identified in class-level Asset Management Plans.

In addition to the typical “new” and “renewal” project identification, the current 5-year capital works program also identifies “safety” projects. In future versions of the program and additional “risk” category is proposed to be included. Identifying projects across these two additional classes will enable Council to clearly identify asset management activities prioritised by the risk Framework considerations.

3.5 Legislative Context

Council operates within a broad framework of Acts, Regulations, and Orders.

The principal legislation the prescribes the powers, functions, and obligations of Council is the *Local Government Act 1993 (Tas)*. The requirements for a strategic asset management plan, an asset management policy and an asset management strategy are prescribed in Sections 70B, 70C and 70D of this Act.

The minimum content of these documents is detailed in the *Local Government (Content of Plans and Strategies) Order 2014*. This order sets out the specific matters to be addressed by Council, and this Strategy has been development in accordance with these requirements.

Along with our Asset Management Policy (2021), this Long-term Strategic Asset Management Plan (incorporating our Asset Management Strategy) satisfies these legislative requirements.



4 Current Context

This section of the Strategy outlines the relevant details of Council's current asset portfolio.

4.1 Asset inventory

Council's asset portfolio is grouped into 8 functional classes. Table 3 below summarises these classes:

Asset Class	Description	Services Provided
Open Space and Recreation	Parks, playgrounds, cemeteries, sports fields	Provides recreational, leisure and sporting opportunities for the community
Buildings and facilities	Buildings housing public facilities, clubs and commercial operations	Supports the delivery of a variety of services by the public and private sectors
Transport	Public road, footpaths and bridges	Provides access for various modes of transport into and around the Devonport
Stormwater	Underground pipes, open drains, pits, manholes and detention basins	Collection of stormwater from private systems and public land, transfer and discharge to rivers and Bass Strait
Plant and Fleet	Trucks, construction equipment, mowers, light vehicles	Facilitates the delivery of services on the above asset classes as well as other services.
Office and equipment	IT equipment, furniture, minor equipment	Facilitates the delivery of services on the above asset classes as well as other services.
Heritage and Culture	Public art, historically significant	Preserve and promotes Devonport's art and cultural heritage
Land	Land under roads and general land	Provide a space for other assets to exist and function

TABLE 5: Asset Classes and Service Alignment.

It is noted that the for the purposes of asset renewal and depreciation, both the Heritage & Culture and Land asset classes are managed differently to the other classes. This recognises the unique characteristic and purpose of these classes and accords with adopted financial management practice. The balance of this Strategy focusses on the 6 primary infrastructure and facility asset classes.

4.2 Asset value

The chart below provides a proportional overview of each functional asset class.

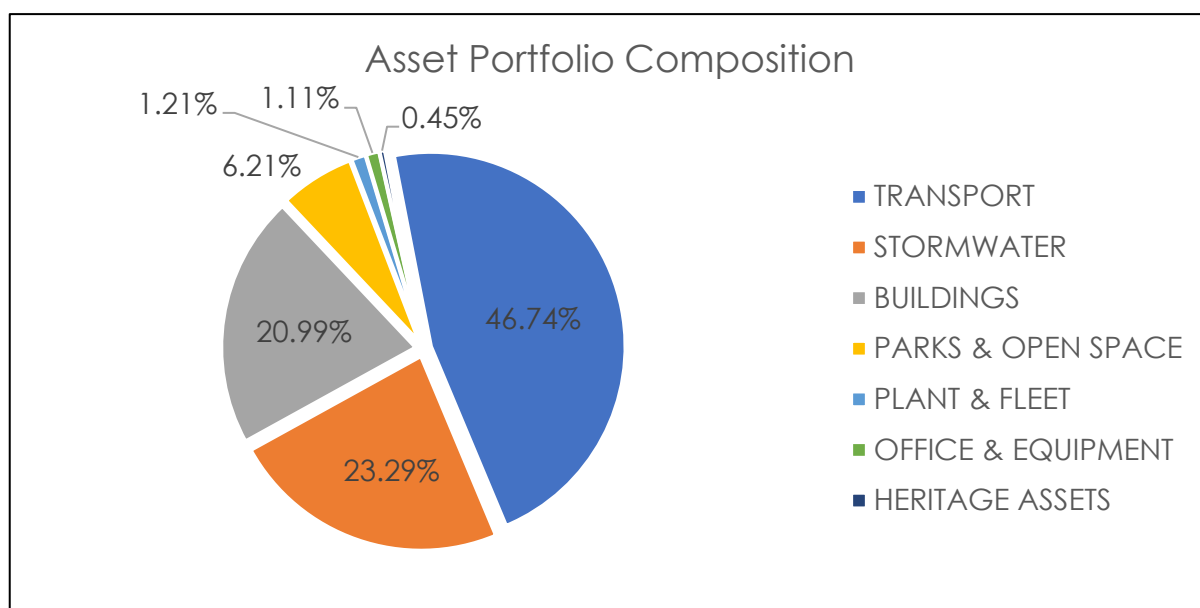


CHART 1: Asset Portfolio Composition by Percentage of Total Value

Table 5 below summarises the detailed financial attributes of each of the major asset classes.

Asset Class	Number Of Assets	Replacement Cost	Accumulated Depreciation	Written Down Value	Annual Depreciation
Transport	8,716	\$315,378,937	\$178,546,472	\$136,832,465	\$3,974,290
Stormwater	19,404	\$157,143,974	\$70,443,203	\$86,700,771	\$1,509,951
Buildings	518	\$141,610,163	\$50,733,984	\$90,876,178	\$2,732,904
Parks & open space	2,141	\$41,888,865	\$17,828,191	\$24,060,674	\$710,649
Plant & fleet	290	\$8,155,612	\$4,861,178	\$3,294,434	\$691,730
Office & equipment	548	\$7,459,932	\$3,958,402	\$3,501,530	\$439,415
Heritage assets	12	\$3,047,875	\$10,560	\$3,037,315	\$8,132
TOTAL:	31,629	\$674,685,358	\$326,381,990	\$348,303,368	\$10,067,071

TABLE 6: Financial Detail by Asset Class (Post-revaluation 2021/22)

4.3 Asset condition

At a whole-of-portfolio level, the asset consumption ratio (ACR) is the best available proxy for condition of an asset class. The ACR provides an indication of the “new” condition remaining in the asset classes. In general, the asset class condition is acceptable, and being adequately maintained via current asset renewal and maintenance activities.

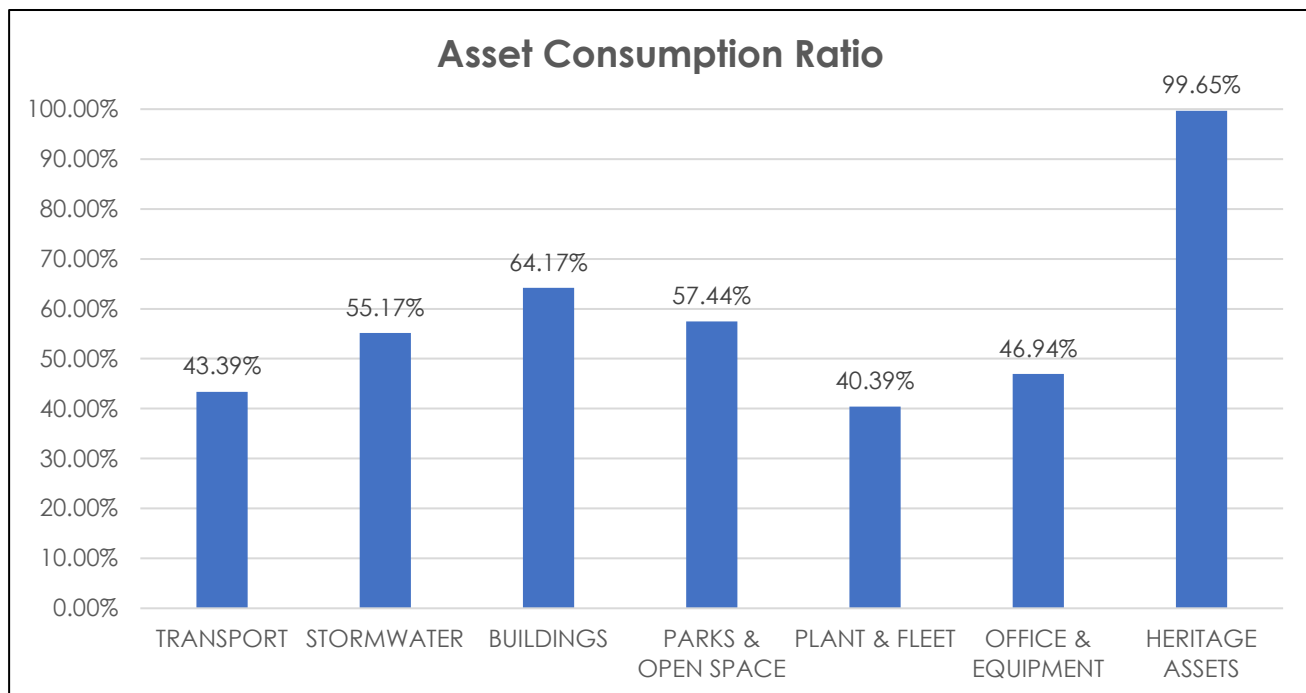


TABLE 7: Consumption Ratio by Asset Class

In addition to the consumption ratio data outlined above, asset class condition and age profile data (where currently available at a detailed level), and asset consumption ratios for sub-classification and components within each class is included in the appendix to this Strategy.

As at the time of this Strategy development, Devonport City Council has commenced a process to transition to condition-based renewal planning across the major asset classes. While the near-term Capex program is currently directly influenced by asset condition in prioritising expenditure, a transition to condition-based planning will deliver enhanced mid to long-term modelling of asset renewal requirements.

Following the completion of this process, and update of the asset-class plans, it is likely that this will necessitate the significant revision of this Strategy.

5 Asset Renewal & Investment Planning

The following section of this Strategy outlines Council's planned renewal and new asset activities over the forward 10 years. This information is integrated with Council's Long-term Financial Plan, and identifies the financial resources attributed to these activities over the equivalent planning period.

During each annual planning cycle, a 5-year rolling Capital Works Program is developed, and forms part of Council's consideration in formulating its annual budget each year. The projections included in the information below represent the current 5-year program, and also incorporate forecast requirements for the years beyond the current 5-year program.

The data demonstrates that Council is meeting its stated performance measures with regard to sustainable asset renewal funding, and has access to sufficient financial resources to undertake the program as planned. In the out years of the plan, additional capacity exists to consider accelerated asset renewal, upgrade or new asset investment. However, as identified in the Improvement Plan included in this Strategy, Council should implement enhanced asset lifecycle cost analysis to closely scrutinise any major new asset investment considerations. It is also noted that assumed grant-funding included in the plan is not guaranteed to be realised.

The 10-year forward Capital Works program is summarised in the table below:

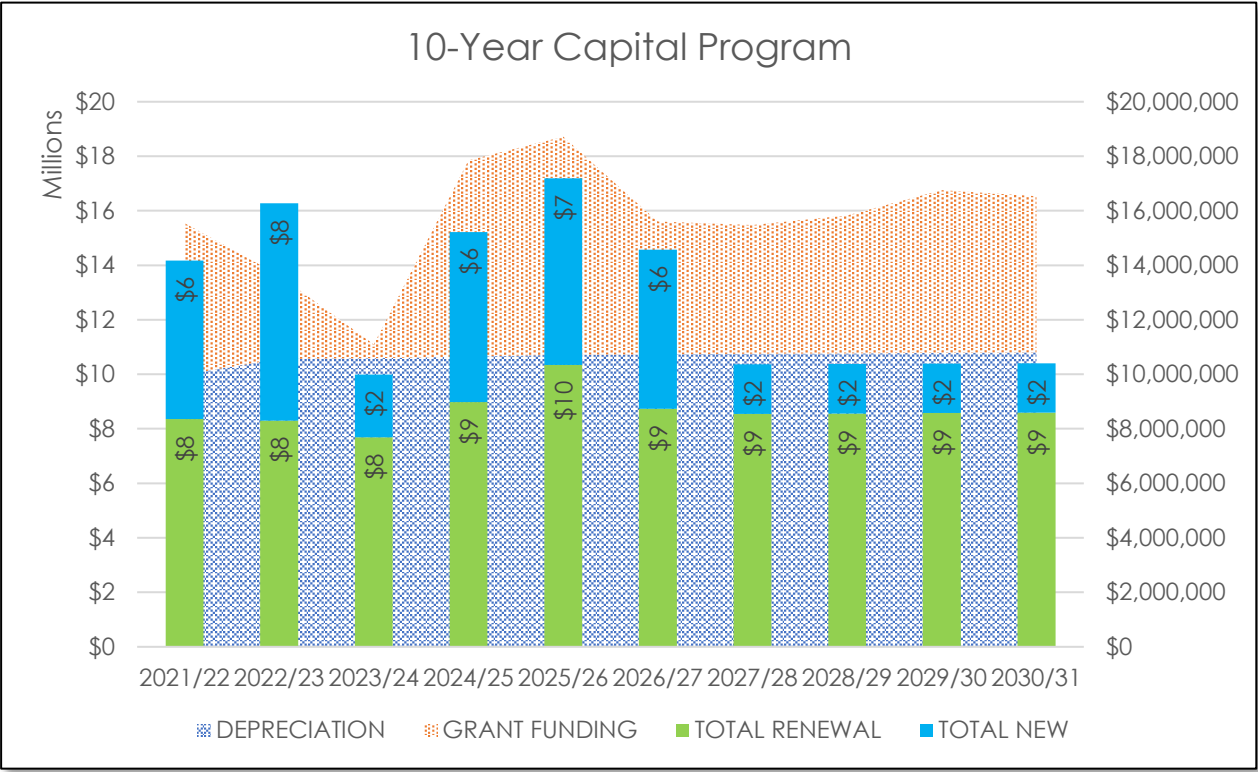


TABLE 8: 10-year Capital Program.

5.1 Asset Sustainability Ratio

The asset sustainability ratio, compares the rate of capital spending through renewing, restoring and replacing existing assets in each year, with the annualised depreciation expense.

In the commentary included in the Financial Management Strategy, Council has set a target range between 60-100% which (at the lower end) is below that recommended by

the Auditor-General. Asset Management Planning indicate that there is no requirement to renew stormwater assets at this stage, however the asset class carries an annual depreciation expense of approximately \$1,500,000. This has a significant impact on the calculation of this ratio. The other influence is the increased expenditure on new assets in recent years with the Mersey Bluff redevelopment, the Aquatic Centre and the new buildings as part of the LIVING CITY project. This expenditure results in additional depreciation expense but does not necessarily translate into an increased renewal requirement in the near term, given the relatively new condition of these high-value assets.

As discussed earlier in the Strategy, the current work to transition to condition-based renewal planning across the major asset classes will require Council to revisit asset renewal sustainability benchmarks and funding.

The table below summarises the current sustainability ratio.

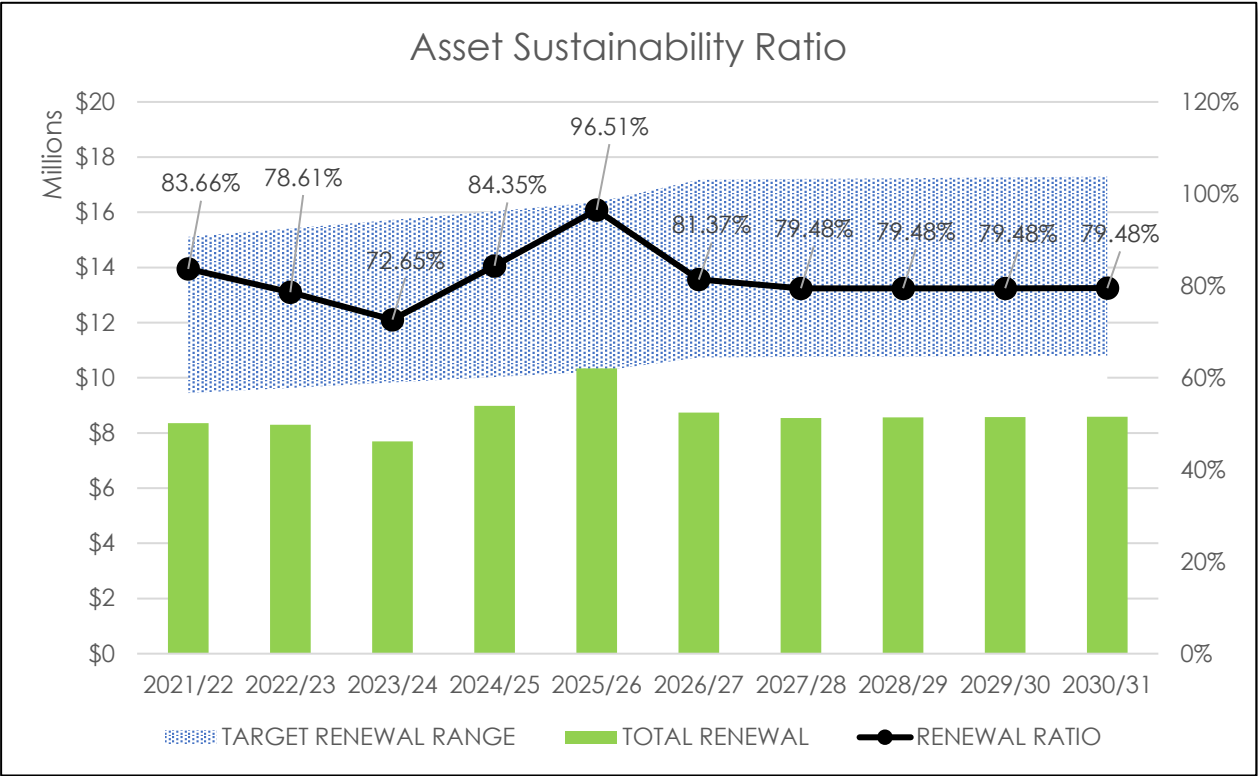


TABLE 9: Asset Sustainability Ratio

5.2 Asset Lifecycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain current service levels over the whole asset life. Life cycle costs include operating and maintenance expenditure and asset consumption cost (depreciation expense). The life cycle cost for the major asset classes covered in Year 1 of this Strategy are shown as follows:

Asset Class	O & M Expenditure (\$/Yr)	Depreciation Expense	Lifecycle Cost (\$/Yr)
Transport	\$4,159,802	\$3,974,290	\$8,134,092
Stormwater	\$797,749	\$1,509,951	\$2,307,700
Buildings	\$2,100,000	\$2,732,904	\$4,832,904
Parks & open space	\$3,983,008	\$710,649	\$4,693,657
Plant & fleet	\$825,000	\$691,730	\$1,516,730

5.3 Asset Lifecycle Expenditure

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operating, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure for the major asset classes in Year 1 of this Strategy are shown as follows:

Asset Class	O & M Expenditure (\$/Yr)	Renewal Expenditure	Lifecycle Expenditure (\$/Yr)
Transport	\$4,159,802	\$4,013,250	\$8,173,052
Stormwater	\$797,749	\$698,750	\$1,496,499
Buildings	\$2,100,000	\$633,000	\$3,816,507
Parks & open space	\$3,983,008	\$1,803,000	\$5,786,008
Plant & fleet	\$825,000	\$598,600	\$1,423,600

5.4 Lifecycle Indicator

Comparing the life cycle costs and life cycle expenditure derived via the process outlined above identifies any difference between present outlays and the average cost of providing the service over the long term.

If life cycle expenditure is less than the life cycle cost across an extended duration, it is most likely that financial outlays will need to be increased (asset reinvestment) or cuts in services made in the future (reduction in assets). Changes in this ratio can be influenced by spikes in renewal expenditure in any one year, for example when significant assets are redeveloped or large one-off investments made.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist Council in providing service to the community in a financially sustainable manner.

The life cycle indicator for the major asset classes (where detailed renewal planning is available) is outlined in the table below for the forward 5-year planning horizon. It is noted that forecast O&M expenditure has been projected forward from current levels, however actual future operational expenditure will be influenced by external cost drivers (such as utility costs):

Asset Class	2021/22 Indicator	2022/23 Indicator	2023/24 Indicator	2024/25 Indicator	2025/26 Indicator
Transport	100%	105%	102%	101%	88%
Stormwater	65%	77%	67%	37%	37%
Buildings	65%	68%	60%	110%	100%
Parks & open space	123%	98%	100%	89%	160%
Plant & fleet	94%	92%	92%	92%	64%

Some trends of note from the above table include:

- The sustained low ratio in the stormwater class is due to the long-lived assets in this class currently requiring lower levels of renewal investment compared to the annual depreciation expense (as also discussed in Council's Financial Management Strategy).
- The peak in the Building & POS classes in the later years of the plan, are driven by the spikes in renewal activities forecast in this asset class in response to the Sports Infrastructure Masterplan expenditure.

In general terms, the current level of funding indicates acceptable capacity to support existing service levels, with some variations across each year of the program primarily driven by the timing of asset renewal activities. However, as some long-life/high-value assets continue to age, some re-balancing of renewal funding across asset classes may be required, or additional funding may be necessary to adequately maintain service levels.

As Council transition to condition-based renewal programming, asset funding indicators will need to be reassessed and incorporated into future version of this plan.

6 Asset Management Practice

The Devonport City Council's asset management practice has been developing for many years, and as with many Local Government organisations has been historically focussed on infrastructure assets, and the technical and financial management of these major classes.

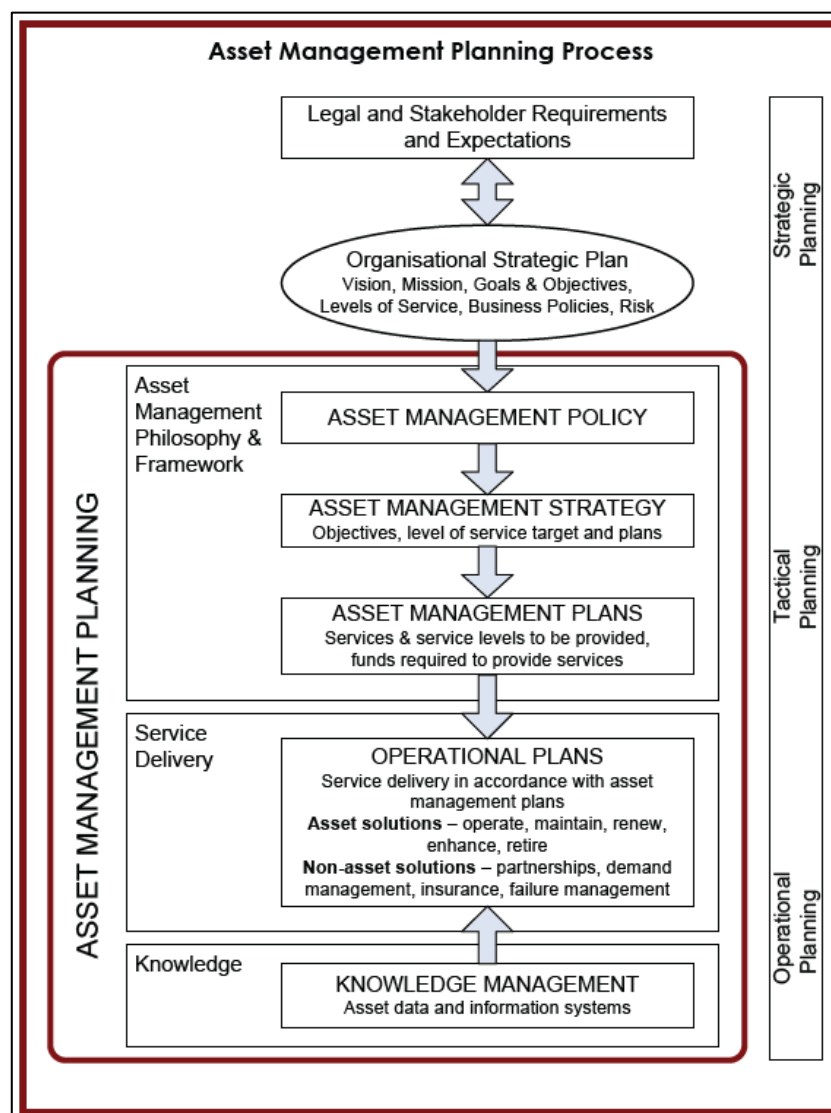
The organisation is now progressing to a more competent, foundational level of practice and a more structured approach to improvement actions is now required to deliver consistent practices across all of Council's asset management activities.

This plan outlines the current asset management systems in place, Asset Management Strategy over the next 10-year planning horizon and the Asset Management Improvement Plan, as aligned with our organisation's strategic objectives.

The IPWEA's NAMS.Plus system, tools, and templates will continue to be used as a foundation resource for the asset management system.

Council will continue to primarily use in-house resources and develop the skills of staff to implement the asset management improvement actions identified in this plan.

At a high-level, the diagram below outlines the Asset Management Planning Processes adopted by the Devonport City Council.



The key elements of our asset management planning framework, at individual asset class levels are:

- Levels of service – specifies the services and levels of service to be provided
- Risk Management
- Future demand – how this will impact on future service delivery and how this is to be met
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service
- Financial summary – what funds are required to provide the defined services
- Asset management practices – how we manage provision of the services
- Monitoring – how the plan will be monitored to ensure objectives are met

6.1 Maturity assessment

In preparation for the development of this Strategy, Council completed an assessment of its asset management maturity using the NAMS.PLUS assessment tool. This is a self-assessment that examines 11 elements of asset management practice, with weighted scoring of the attributes to determine an overall evaluation. This process maps the current maturity level, also identifies areas for improvement.

Council's current asset management maturity is approaching the “core maturity” classification in the majority of categories. The “Evaluation” category has been identified as an area of relative weakness, and will be included as an area of focus for improvement over the life of this Strategy.

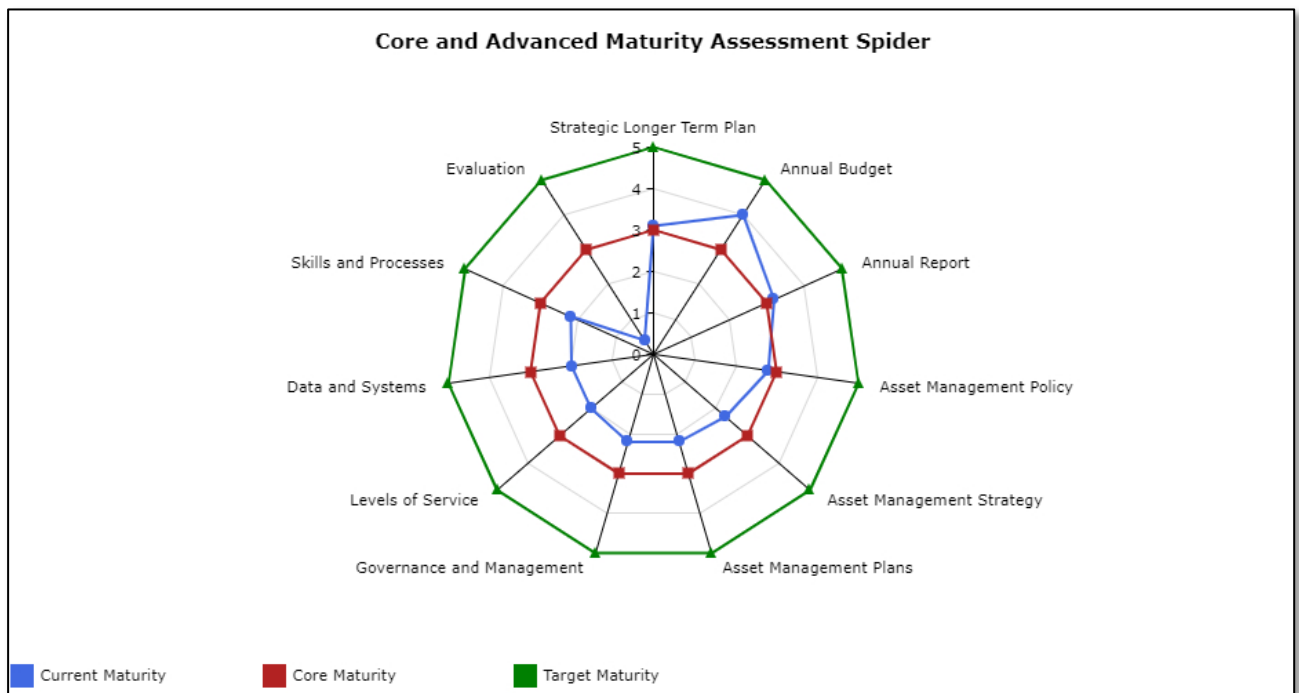


CHART 2: Asset Management Maturity Assessment.

6.2 Continuous Improvement, Monitoring, and Review

The Improvement Action Plan included as an appendix to this Strategy outlines the prioritised actions to enhance asset management practices within the organisation over the near term.

6.3 Strategy Status Updates

Council will be provided with annual updates of progress on the Strategy Action Plan. The Action Plan consists of discrete, measurable activities, allowing progress to be clearly demonstrated over the life of the Strategy.

6.4 Strategy Review

A review of this Strategy is required four years from the date of adoption. The review will be led by the Infrastructure and Works Manager and supported by Council's Asset Management Team.

As discussed in earlier sections of this report, the works currently underway to develop condition-based renewal plans for the major asset classes, and the change in operational and maintenance cost allocations following Project Transform, it is anticipated that an update of this Strategy will be necessary prior to the typical review cycle of four years.

These changes will provide Council with a revised suite of data to interrogate asset management performance and funding requirements across the organisation and would also inform updates to Council's Long-term Financial Plan.



7 Appendices:

7.1 Legislative Context

In addition to the principle legislative requirements outlined in the Strategy, the table below sets out other Acts with impact on asset management practice:

Legislation	Overview (per the long title where available)
Archives Act 1983 (Tas)	An Act to provide for the custody of State and other records
Building Act 2016 (Tas)	An Act to regulate the construction, maintenance and demolition of buildings and other building and plumbing matters
Burial and Cremation Act 2002 (Tas)	An Act to make provision for the establishment and management of crematoria and cemeteries, to provide for, and regulate, the handling and storage of human remains, to amend certain Acts and to repeal the Cremation Act 1934
Disability Discrimination Act 1992 (Cth)	Acts to prevent discrimination on the ground of disability
Dog Control Act 2000 (Tas)	An Act to provide for the control and management of dogs
Environmental Management and Pollution Control Act 1994 (Tas)	An Act to provide for the management of the environment and the control of pollution in the State
Food Act 2003 (Tas)	An Act to ensure the provision of food that is safe and fit for human consumption and to promote good nutrition and for related matters
Heavy Vehicle National Law (Tasmania) Act 2013	An Act to apply as a law of this State a national law relating to the regulation of the use of heavy vehicles, and to repeal certain Acts, and for related and consequential purposes
Land Use Planning and Approvals Act 1993 (Tas)	An Act to make provision for land use planning and approvals
Local Government (Building and Miscellaneous Provisions) Act 1993 (Tas)	An Act to provide for matters relating to building and for miscellaneous matters relating to local government
Local Government (Highways) Act 1982 (Tas)	An Act to consolidate with amendments certain enactments concerning the functions of the corporations of municipalities with respect to highways and certain other ways and places open to the public
Monetary Penalties Enforcement Act 2005 (Tas)	An Act to provide for the appointment of the Director of the Monetary Penalties Enforcement Service and the collection and enforcement of payment of monetary penalties
Personal Information Protection Act 2004 (Tas)	An Act to regulate the collection, maintenance, use, correction and disclosure of personal information relating to individuals

Public Health Act 1997 (Tas)	An Act to protect and promote the health of communities in the State and reduce the incidence of preventable illness
Resource Management and Planning Appeal Tribunal Act 1993 (Tas)	An Act to establish the Resource Management and Planning Appeal Tribunal and to provide for related matters
Right to Information Act 2009 (Tas)	An Act to give members of the public the right to obtain information contained in the records of the Government and public authorities and for related purposes
Roads and Jetties Act 1935 (Tas)	An Act to consolidate and amend certain enactments relating to roads and jetties and to make provision for the establishment and maintenance of aerodromes
Strata Titles Act 1998 (Tas)	An Act to provide for the development of land by strata and community title schemes and for related purposes
Traffic Act 1925 (Tas)	An Act to consolidate and amend the law relating to vehicular and other traffic
Urban Drainage Act 2013 (Tas)	An Act to provide for the management of urban drainage and stormwater systems and infrastructure
Water and Sewerage Corporation Act 2012 (Tas)	An Act to provide for the establishment of the Tasmanian Water and Sewerage Corporation, for the transfer to that Corporation of the assets and liabilities of the four corporations established under the Water and Sewerage Corporations Act 2008 (Tas)
Water Management Act 1999 (Tas)	An Act to provide for the management of Tasmania's water resources and for other purposes
Weed Management Act 1999 (Tas)	An Act to provide for the control and eradication of declared weeds and to promote a strategic and sustainable approach to weed management



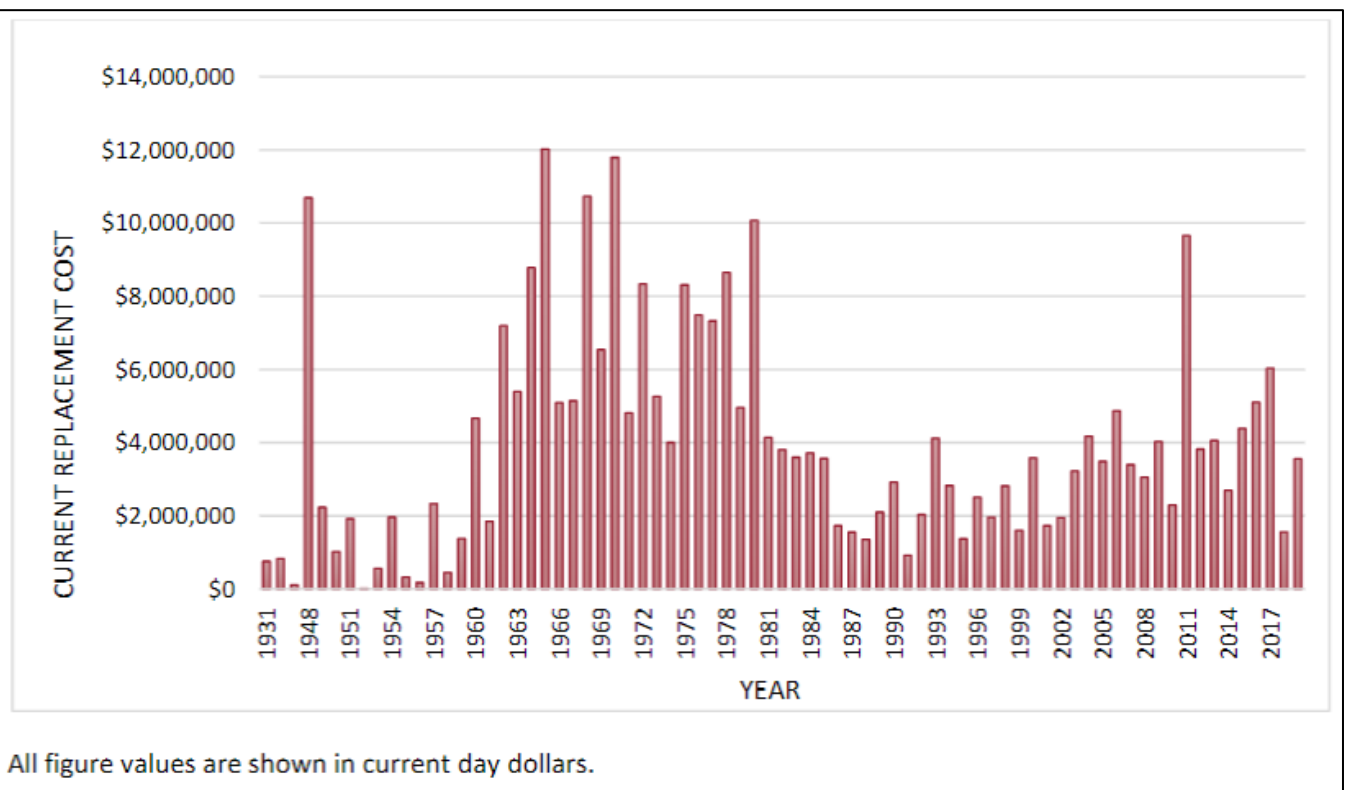
7.2 Detailed 5-year Capital Works Program

	2021/22	2022/23	2023/24	2024/25	2025/26
PUBLIC OPEN SPACE & RECREATION					
Safety Projects	\$275,000	\$966,000	\$258,000	\$300,000	\$1,006,000
Renewal Projects	\$278,000	\$391,000	\$580,000	\$66,000	\$3,580,000
Prioritisation Projects	\$560,000	\$515,000	\$460,000	\$250,000	\$250,000
Total	\$1,113,000	\$1,872,000	\$1,298,000	\$616,000	\$4,836,000
TRANSPORT					
Safety Projects	\$954,000	\$577,000	\$199,000	\$97,000	\$76,000
Renewal Projects	\$3,240,000	\$3,921,000	\$4,776,000	\$4,633,000	\$4,931,000
Prioritisation Projects	\$1,380,000	\$2,079,000	\$87,000	\$579,000	\$1,000,000
Total	\$5,574,000	\$6,577,000	\$5,062,000	\$5,309,000	\$6,007,000
STORMWATER					
Safety Projects	\$620,000	\$1,993,000	\$1,498,000	\$1,498,000	\$574,000
Renewal Projects	\$405,000	\$428,000	\$516,000	\$150,000	\$150,000
Prioritisation Projects	\$25,000	\$366,000	\$30,000	\$30,000	\$30,000
Total	\$1,050,000	\$2,787,000	\$2,044,000	\$1,678,000	\$754,000
BUILDINGS					
Safety Projects	\$65,000	\$54,000			
Renewal Projects	\$373,000	\$780,000	\$454,000	\$7,600,000	\$5,420,000
Prioritisation Projects	\$667,000	\$1,743,000		\$20,000	
Total	\$1,105,000	\$2,577,000	\$454,000	\$7,620,000	\$5,420,000
PLANT & FLEET					
Fleet Management	\$216,000	\$170,000	\$170,000	\$170,000	\$170,000
Hire Plant Management	\$274,000	\$385,000	\$385,000	\$385,000	
Non-Hire Plant Mngmt	\$108,600	\$50,000	\$50,000	\$50,000	
Total	\$598,600	\$605,000	\$605,000	\$605,000	\$170,000
OFFICE & EQUIPMENT					
Safety Projects		\$10,000	\$10,000	\$10,000	\$10,000
Renewal Projects	\$677,000	\$472,000	\$744,000	\$196,000	\$196,000
Prioritisation Projects	\$380,000	\$102,000	\$30,000	\$20,000	\$120,000
Total	\$1,057,000	\$584,000	\$784,000	\$226,000	\$326,000
LIVING CITY					
Total Funding					
Prioritisation Projects	\$3,680,000	\$1,300,000	\$0	\$0	\$0
Total	\$3,680,000	\$1,300,000	\$0	\$0	\$0
Total New	\$5,823,000	\$7,968,250	\$2,296,500	\$6,237,000	\$6,850,000
Total Renewal	\$8,354,600	\$8,303,750	\$7,690,500	\$8,982,000	\$10,343,000
Grand Total	\$14,177,600	\$16,272,000	\$9,987,000	\$15,219,000	\$17,193,000

7.3 Asset Class Component Detail & Condition (Consumption)

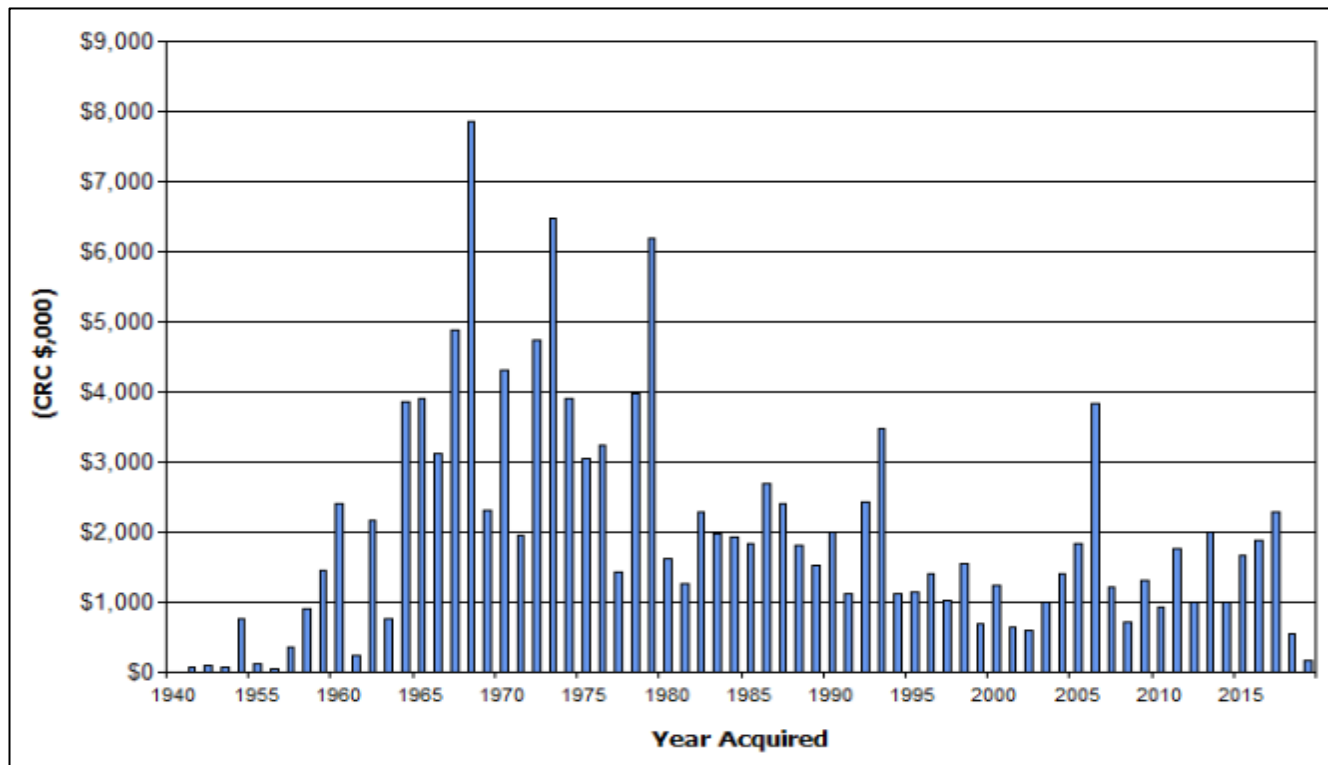
TRANSPORT	NUMBER	REPLACEMENT COST	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	ASSET CONSUMPTION RATIO
Bollards	44	\$340,361.79	\$177,468.79	\$162,893.00	47.86%
Bridges/Pontoons	17	\$4,103,875.41	\$2,359,562.32	\$1,744,313.09	42.50%
Electrical Equipment	14	\$172,411.76	\$19,831.70	\$152,580.06	88.50%
Fences/Handrails	30	\$1,104,922.94	\$612,369.71	\$492,553.23	44.58%
Footpaths	1944	\$78,481,431.55	\$51,620,405.82	\$26,861,025.73	34.23%
Formations	114	\$21,134,534.20	\$0.00	\$21,134,534.20	100.00%
Kerb & Channel	1999	\$47,185,014.29	\$28,650,834.81	\$18,534,179.48	39.28%
Other Structures	5	\$113,487.98	\$24,502.27	\$88,985.71	78.41%
Parking Assets	175	\$877,285.28	\$580,967.82	\$296,317.46	33.78%
Pavement Assets	1558	\$122,004,307.00	\$74,616,893.48	\$47,387,413.52	38.84%
Poles & Lights	493	\$3,117,418.73	\$1,613,765.05	\$1,503,653.68	48.23%
Retaining Walls	89	\$5,583,971.37	\$1,295,355.42	\$4,288,615.95	76.80%
Specialised Signage	18	\$1,016,530.62	\$661,286.74	\$355,243.88	34.95%
Traffic Control	546	\$7,353,350.88	\$3,925,697.62	\$3,427,653.26	46.61%
Wearing Surface	1670	\$22,790,033.25	\$12,387,530.41	\$10,402,502.84	45.64%
TOTAL:	8716	\$315,378,937.05	\$178,546,471.96	\$136,832,465.09	43.39%

Transport Asset Class Age Profile:



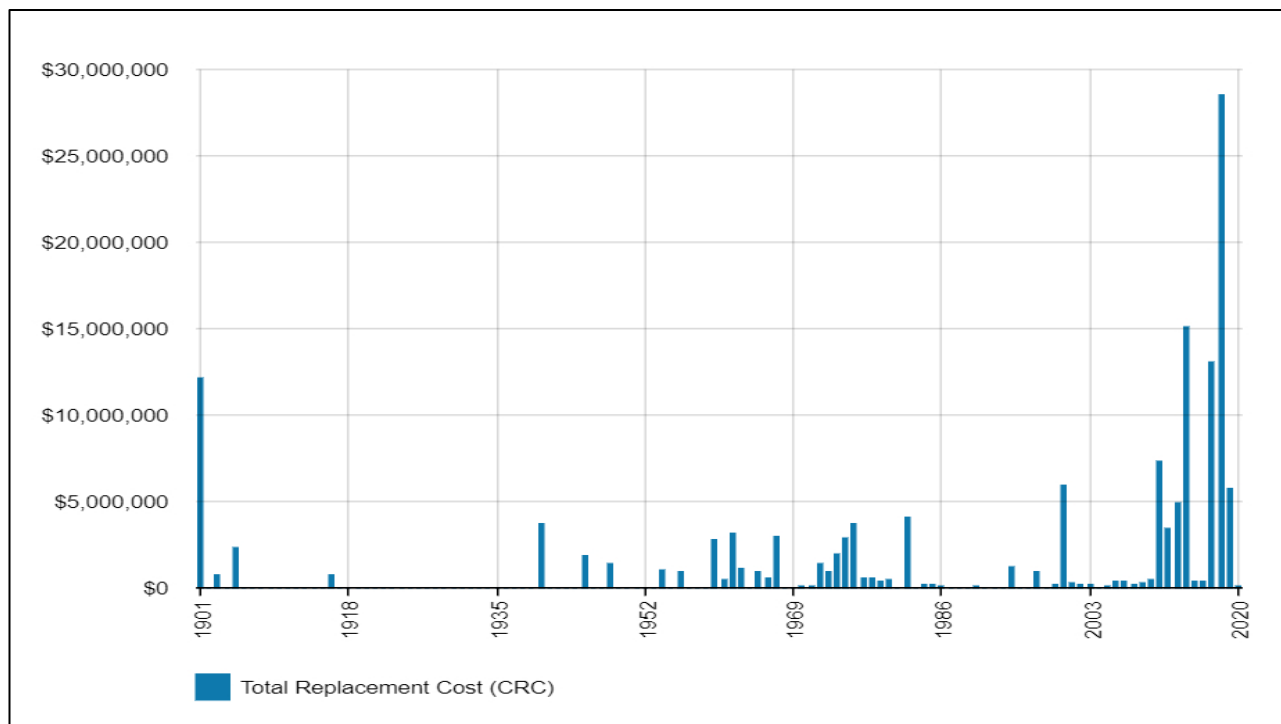
STORMWATER ASSETS	NUMBER	REPLACEMENT COST	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	ASSET CONSUMPTION RATIO
Headwalls	560	\$2,002,666.10	\$482,602.16	\$1,520,063.94	75.90%
Manholes	3848	\$17,197,152.21	\$7,376,922.53	\$9,820,229.68	57.10%
Open Drains	373	\$4,519,231.26	\$1,332,957.71	\$3,186,273.55	70.50%
Pipes	9773	\$112,619,702.52	\$53,405,313.67	\$59,214,388.85	52.58%
Pits	4061	\$14,839,957.60	\$6,180,605.52	\$8,659,352.08	58.35%
SQID's	21	\$389,506.06	\$77,162.56	\$312,343.50	80.19%
Subsoil Drains	728	\$4,985,130.39	\$1,476,429.58	\$3,508,700.81	70.38%
TOTAL:	19404	\$157,143,973.78	\$70,443,202.94	\$86,700,770.84	55.17%

Stormwater Class Age Profile:



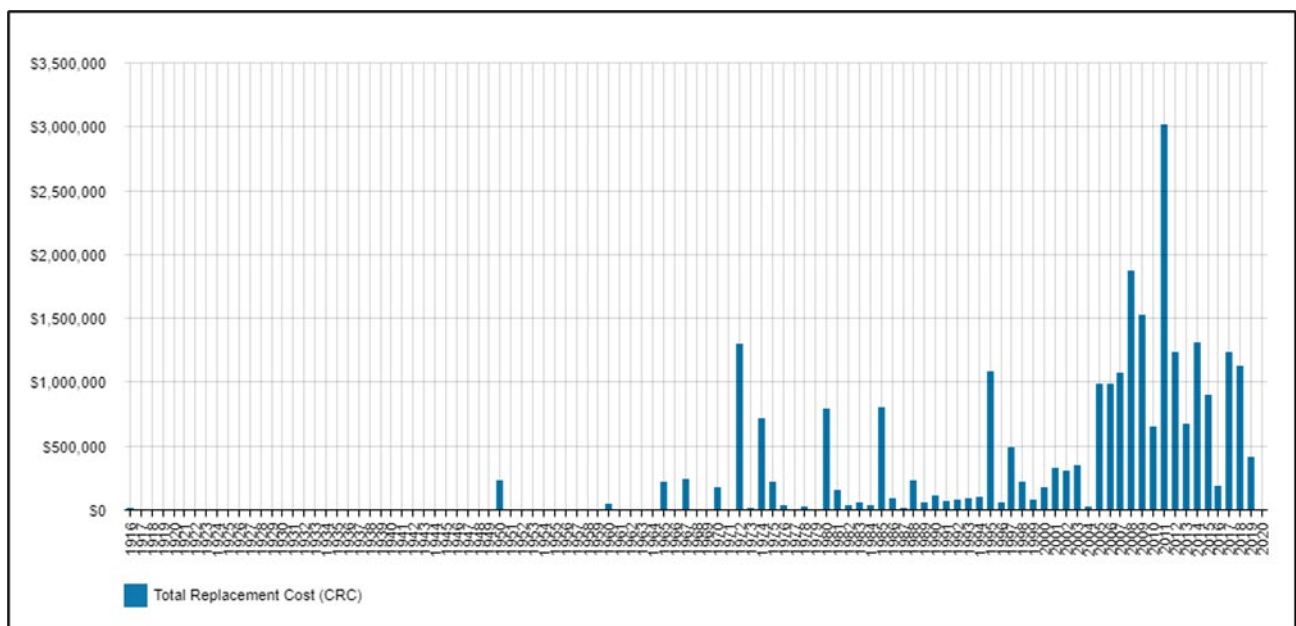
BUILDINGS	NUMBER	REPLACEMENT COST	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	ASSET CONSUMPTION RATIO
Buildings	128	\$54,980,874.04	\$26,315,013.29	\$28,665,860.75	52.14%
Buildings Fixtures	33	\$2,628,492.22	\$616,240.62	\$2,012,251.60	76.56%
Bus Shelters	30	\$5,294.40	\$4,235.76	\$1,058.64	20.00%
External Finishes	48	\$10,280,919.94	\$1,451,729.48	\$8,829,190.46	85.88%
Fences & Handrails	23	\$538,935.33	\$421,714.60	\$117,220.73	21.75%
Internal Finishes	45	\$11,413,814.89	\$4,072,350.82	\$7,341,464.07	64.32%
Other Structures	39	\$2,444,817.04	\$716,156.90	\$1,728,660.14	70.71%
Picnic Shelters	18	\$663,515.66	\$324,476.44	\$339,039.22	51.10%
Public Toilets	21	\$2,583,952.29	\$958,535.21	\$1,625,417.08	62.90%
Residual Structures	18	\$32,585,735.33	\$11,192,729.38	\$21,393,005.95	65.65%
Building Services	115	\$23,483,811.61	\$4,660,801.86	\$18,823,009.75	80.15%
TOTAL:	518	\$141,610,162.75	\$50,733,984.36	\$90,876,178.39	64.17%

Buildings Class Age Profile:



PARKS & OPEN SPACE	NUMBER	REPLACEMENT COST	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	ASSET CONSUMPTION RATIO
Cemetery Assets	78	\$2,595,870.44	\$264,789.70	\$2,331,080.74	89.80%
Electrical Assets	161	\$998,489.43	\$338,178.18	\$660,311.25	66.13%
Exercise & Play Assets	71	\$1,319,817.35	\$820,421.63	\$499,395.72	37.84%
Fences & Handrails	97	\$1,413,805.04	\$1,139,936.36	\$273,868.68	19.37%
Irrigation Assets	234	\$1,197,279.76	\$435,552.00	\$761,727.76	63.62%
Mowing Strip/Barriers	10	\$112,131.08	\$21,999.22	\$90,131.86	80.38%
Other Structures	74	\$4,869,178.32	\$2,474,469.98	\$2,394,708.34	49.18%
Park Furniture	505	\$1,610,571.91	\$1,118,370.00	\$492,201.91	30.56%
Playing Surfaces	12	\$439,460.56	\$131,962.52	\$307,498.04	69.97%
Landscaping Assets	363	\$19,726,862.12	\$7,667,678.25	\$12,059,183.87	61.13%
Poles & Lights	232	\$2,202,582.15	\$1,190,213.58	\$1,012,368.57	45.96%
Retaining Walls	111	\$2,802,684.65	\$600,692.68	\$2,201,991.97	78.57%
Signage	23	\$338,729.24	\$235,263.67	\$103,465.57	30.55%
Sports Equipment	21	\$63,728.28	\$7,310.18	\$56,418.10	88.53%
Synthetic Playing Surface	40	\$1,372,686.93	\$868,207.60	\$504,479.33	36.75%
Guard/Structures	49	\$503,470.20	\$300,804.54	\$202,665.66	40.25%
Unpaved Tracks	31	\$74,476.87	\$28,878.53	\$45,598.34	61.22%
Waste Management	29	\$247,041.00	\$183,462.43	\$63,578.57	25.74%
TOTAL:	2141	\$41,888,865.33	\$17,828,191.05	\$24,060,674.28	57.44%

Parks & Open Space Class Age Profile:



OFFICE & EQUIPMENT	NUMBER	REPLACEMENT COST	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	ASSET CONSUMPTION RATIO
Audio Visual Assets	60	\$649,520.41	\$411,830.72	\$237,689.69	36.59%
Fixtures	2	\$73,748.12	\$10,237.36	\$63,510.76	86.12%
Cabinets	21	\$147,487.79	\$61,287.02	\$86,200.77	58.45%
Chairs (Convention Centre)	13	\$130,584.21	\$120,945.55	\$9,638.66	7.38%
Communications	10	\$185,352.42	\$93,623.06	\$91,729.36	49.49%
Print/Copy Equipment	17	\$111,643.42	\$71,109.90	\$40,533.52	36.31%
Desktop Equipment	12	\$60,832.34	\$51,710.25	\$9,122.09	15.00%
First Aid Equipment	12	\$33,637.75	\$29,447.49	\$4,190.26	12.46%
Kitchen (Commercial)	78	\$1,294,375.34	\$425,322.92	\$869,052.42	67.14%
Laptop/Tablet Devices	5	\$11,154.46	\$8,043.02	\$3,111.44	27.89%
Network Equipment	18	\$173,004.67	\$140,597.69	\$32,406.98	18.73%
Other Handheld Equipment	35	\$316,686.77	\$203,674.86	\$113,011.91	35.69%
Other Specialist Equipment	59	\$1,196,691.23	\$555,036.46	\$641,654.77	53.62%
Server Hardware	12	\$234,987.93	\$217,608.13	\$17,379.80	7.40%
Services	16	\$154,804.55	\$21,488.63	\$133,315.92	86.12%
Signage	2	\$8,022.42	\$3,333.01	\$4,689.41	58.45%
Software	36	\$1,485,258.60	\$789,997.73	\$695,260.87	46.81%
Sports Equipment	40	\$420,198.48	\$284,271.92	\$135,926.56	32.35%
CCTV Equipment	31	\$161,478.30	\$108,109.32	\$53,368.98	33.05%
Tables	11	\$35,502.54	\$20,584.19	\$14,918.35	42.02%
Digital Displays	39	\$385,975.27	\$194,299.94	\$191,675.33	49.66%
Theatre Equipment	19	\$188,984.73	\$135,842.90	\$53,141.83	28.12%
TOTAL:	548	\$7,459,931.75	\$3,958,402.07	\$3,501,529.68	46.94%

HERITAGE ASSETS	NUMBER	REPLACEMENT COST	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	ASSET CONSUMPTION RATIO
Artwork	1	\$2,529,325.00	\$0.00	\$2,529,325.00	100.00%
Bass Straight Maritime Centre	1	\$1,050.30	\$0.00	\$1,050.30	100.00%
Other Assets	2	\$25,000.00	\$0.00	\$25,000.00	100.00%
Sculptures	8	\$492,500.00	\$10,560.00	\$481,940.00	97.86%
TOTAL:	12	\$3,047,875.30	\$10,560.00	\$3,037,315.30	99.65%

PLANT & FLEET	NUMBER	REPLACEMENT COST	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	ASSET CONSUMPTION RATIO
Fleet	45	\$1,486,861.82	\$603,207.45	\$883,654.37	59.43%
Hire Plant	44	\$5,172,488.49	\$3,059,103.78	\$2,113,384.71	40.86%
Non-hire Plant	201	\$1,496,261.75	\$1,198,866.56	\$297,395.19	19.88%
TOTAL:	290	\$8,155,612.06	\$4,861,177.79	\$3,294,434.27	40.39%

7.4 Improvement Action Plan

No	Action:	Year Planned					Priority: H,M,L	Resources: A-OPEX F-OPEX F-CAPEX	Targets	Responsible Department
		2021-22	2022-23	2023-24	2024-25	2025-26				
1	Update all Asset Management Plans to include condition-based renewal programs across the forward 10-year planning timeframe.						H	A-Opex	Asset management plans for the major asset classes are adopted by Council and current.	Infrastructure and Works
2	Continue the implementation and use of Technology One platform in order to more accurately capture asset O&M Expenditure over time.						H	A-Opex	Accurate operations & maintenance data is available across the asset, and monitored over time.	Infrastructure and Works, Finance and IT
3	Update long-term asset renewal expenditure forecasts to inform Council's Financial Management Strategy						M	F-Opex	Up to date asset renewal forecasting is available to inform long-term financial planning.	Infrastructure and Works & Finance
4	Embed annual review of asset management plans into Council processes						M	A-Opex	Asset data in each AMP reviewed updated annually to inform capital works program.	Infrastructure and Works
5	Develop a framework to assess major new asset investment considerations that incorporates whole-of-life asset cost analysis.						M	F-Opex	Asset investment analysis framework is current, and representative of the lifecycle ownership costs of Council.	Infrastructure and Works & Finance
6	Develop cyclical asset condition data collection and inspection regimes that meets the needs of each asst class						M	A-Opex	Condition data collection increases year on year (# of assets). Data is managed within Technology One asset management system. Asset condition KPIs are reported to Council.	Infrastructure and Works
7	Develop robust and consistent method for measuring Community levels of service and satisfaction ratings across all major asset classes.						M	A-Opex	Customer Service Level definitions are included in Asset Management Plan, and routine satisfaction scoring is established.	Infrastructure and Works
8	Undertake targeted actions to improve Council's asset management practices, informed by the current Asset Management Maturity Assessment						M	A-Opex	IPWEA asset management maturity assessment rating improves year on year by targeting of prioritised deficiencies. Maturity assessments are reported to Council.	Infrastructure and Works
9	Maintenance Service Levels are developed and reviewed annually						L	A-Opex	Annual review of Service Levels to inform operational budget development. Service levels are publicly available	Infrastructure and Works