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28 August 2017

## NAF Assessment – Shire of Shark Bay

### Administration

A National Assessment Framework for Asset Management (NAF) Workshop was conducted at the Shire of Shark Bay on the 28<sup>th</sup> and 29<sup>th</sup> August 2017. Key people who attended both the presentation and the assessment were:

- Paul Anderson (CEO)
- Andrea Pears (Executive Manager Finance and Administration)
- Brian Galvin (Works Manager)

The presentation covered principles of Asset Management and the purpose of the NAF and then completed the NAF online assessment.

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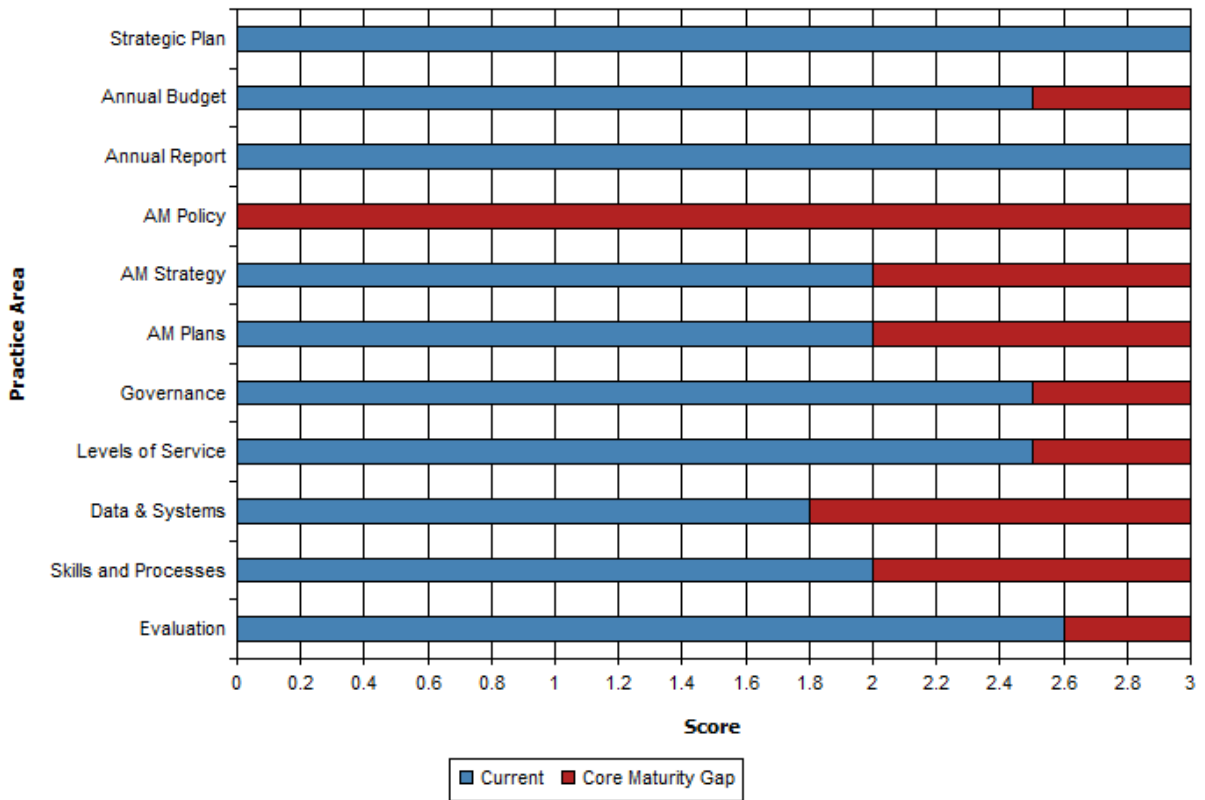
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# NAF Assessment

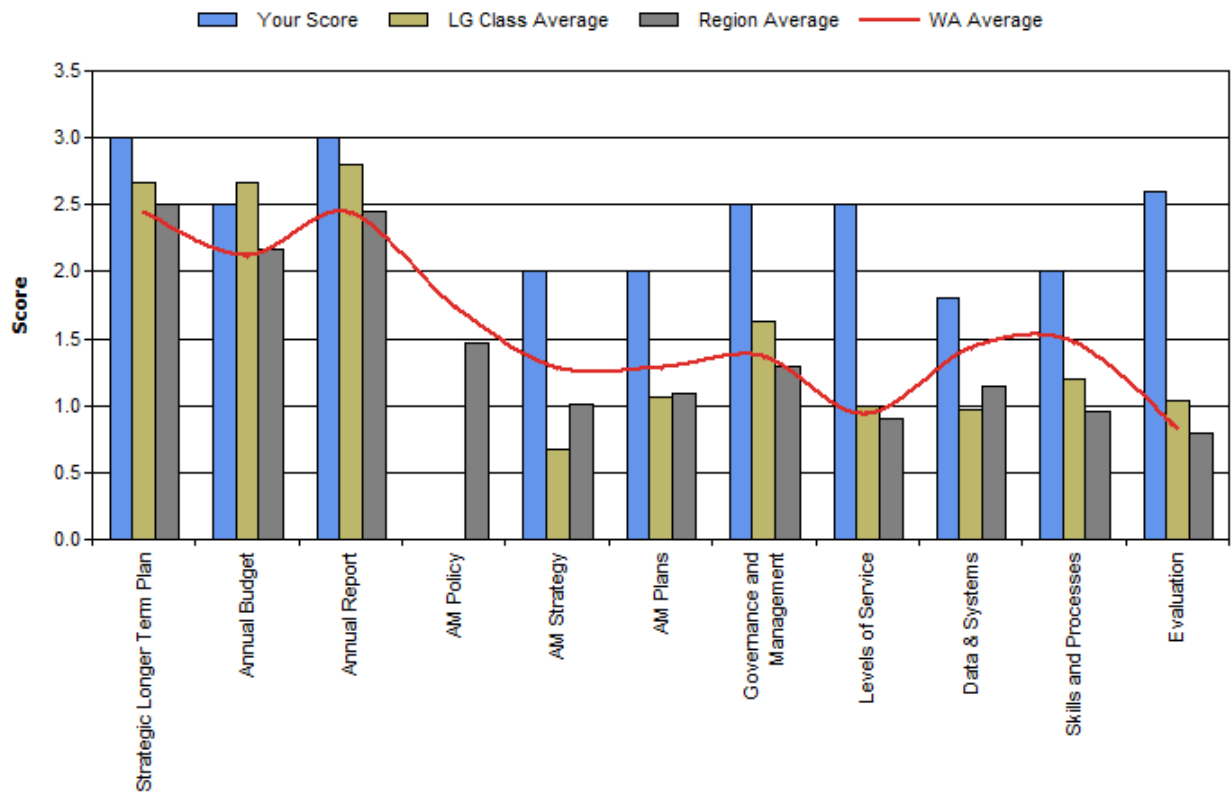
## Maturity Graph

2017 NAMAFA Maturity Assessment



## Comparison Graph

2017 Comparison Graph





## Summary

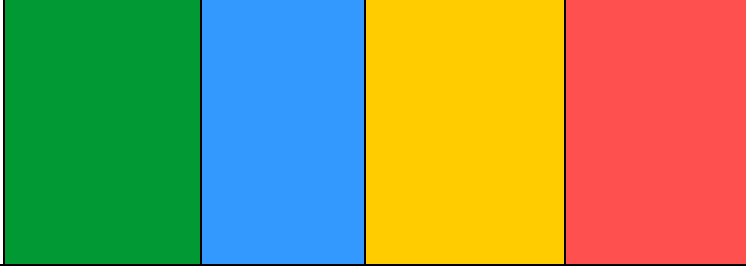
Framework / Element	Evaluation Opinion				Observations
	Meets	Well	Partially	Not	
	Requirements	Progressed	Meets Requirements	Substantially Progressed	
Strategic Longer Term Plan	X				Plan looks at 15 year period 2016 - 2031. Plan is well developed and has community consultation and well developed Levels of Service. LTFP also fully completed and in line with the Strategic Plan. Covers the same period and will be reviewed annually in line with statutory obligations. The decisions made in the LTFP are made on the assets and contained in the Asset Management Plans. All plans are reviewed annually in line with the budget.
Annual Budget	X				No clear or distinct mention of the Asset Management Plan, but all other plans are mentioned. Throughout the documentation, assets are covered mostly in regards to Fair Value. The Financial Management Plan is closely based on the current assets performance and subsequently closely linked to the Asset Management Plans. The LTFP provides clear links to the Annual Budget which links directly to



					the Asset Management Plans. Page 16 of the document shows a link to the Strategic LTP. All links to strategies are covered in the Annual Budget document.
Annual Report		X			The 2015/16 Plan was provided by the shire for review. The 2017/18 current plan is being developed. The compliance due date is the end of December 2017 and the provision of this document will meet all statutory obligations.
Asset Management Policy				X	The Asset Management Policy has not been developed. This has been identified as an Improvement Action and is mentioned in the Asset Management Policy documentation and the Strategic Resources Plan.
Asset Management Strategy		X			Asset Management Plans and Strategy are contained in the same document. This was on the advice on the consultant who put the documents together. There are actions listed within the plan which have owners, but no timescales. These will be reviewed on an annual basis, but they are not directly listed in the Policy as there is no current Policy in place. They just sit



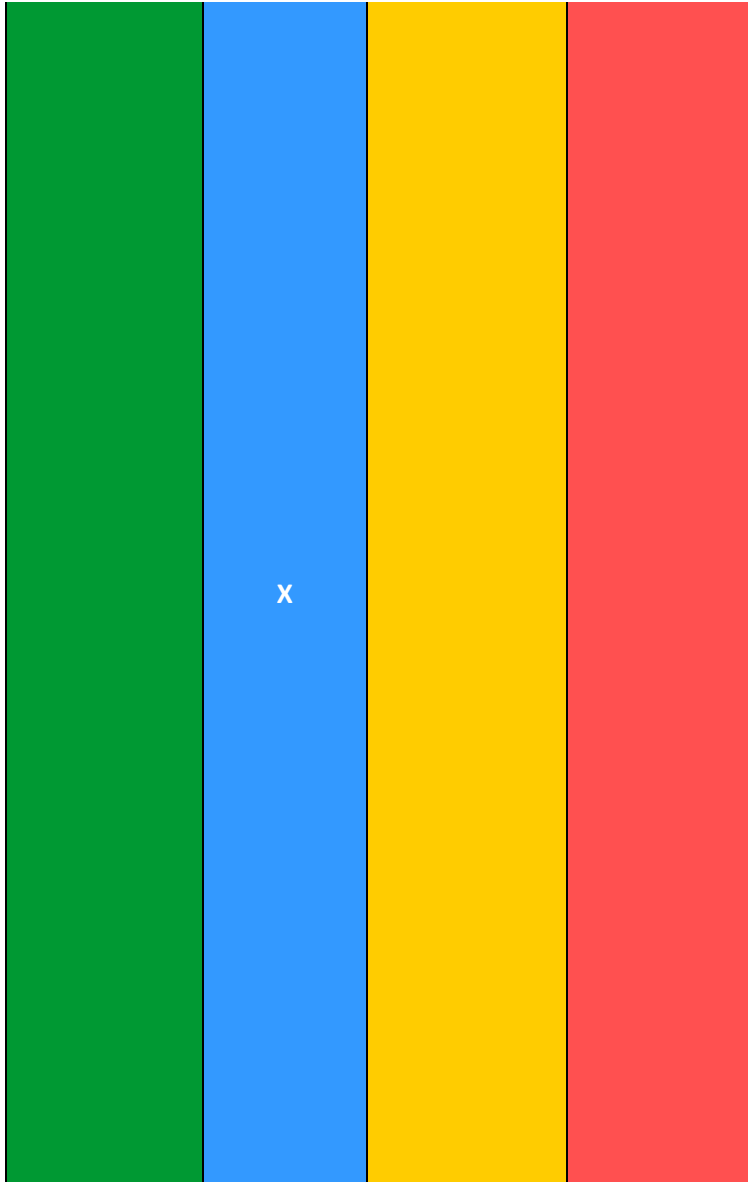
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as Improvement Actions and are listed as both System Improvements and Data Improvements.



Asset Management Plans

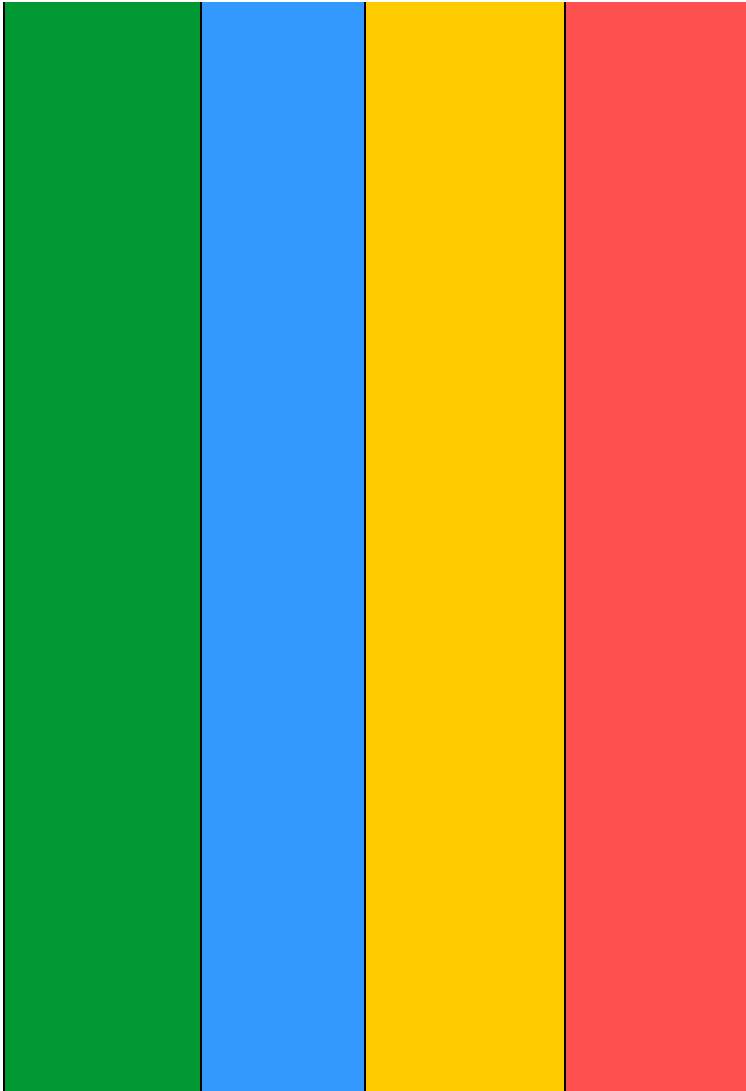


There is an Asset Management Plan which is also inclusive of the Asset Management Strategy, although this is not clearly stated. It covers all assets and can be somewhat confusing to read. It could perhaps be separated into individual asset groups, each with individual Asset Management Plans.

Asset hierarchies are mentioned, but not entirely clearly set out. Assets are broken into transport, buildings and other infrastructure inclusive of plant and equipment.

The Asset Register is kept within the council's financial management system (Synergy).

There are a number of assets which have been leased but in the most cases the risks are shifted over to the leasee. There are some responsibilities still accountable for the Shire but in general the leasee will be responsible for the upkeep and maintenance. The Monkey Mia resort is an example of a private lease. This information is currently not captured within the plans and this should be something that should be added in in the plans. Notations should be made to indicate the assets which are leased out and not being



maintained by the Shire.

The depreciation of new assets is recognised in the LTFP and this is monitored regularly. Information feeds into the LTFP and Annual Plan. The Fair Value reports provide details on the assets and re-evaluation takes place where required.

A Flooding Inundation study has taken place and this has come through the town planning scheme. This has influenced the Shire works program. There are clear links identified between the program of the Asset Management Policy and the Flooding Inundation study.

A Coastal Hazards and Assets plan will be developed in 2017 and this will be incorporated into the AMP. This plan needs to be fully developed and approved before any funding can be applied for.





Governance and Management		X			<p>All job positions and roles are all in place and the Shire feels that this is fit for purpose (with the restrictions they have) although at the same time recognizing that there is still a resourcing shortage in relation to Asset Management . There is overlap as a number of different people fulfil a number of different roles and due to the size of the council need to understand each other's duties.</p> <p>The Executive team fulfil the roles that an Asset Management steering committee would carry out and discuss Asset Management and any related issues. These are run within the Executive management team meetings, which are carried out on a monthly basis and report on capital asset progress, expenditure, and progress for the year on major projects.</p>
Levels of Service		X			<p>Service plans have been developed with the community in line with the Strategic Plan. The service provisions have then been provided. Not sure that costs of Levels of Service have been documented. This is open for discussion. Technical levels of service? Not sure that these have been incorporated into other agreements. These need further discussion. Technical contracts with the private</p>



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					firms have the appropriate technical levels of service contained within them. All Levels of Service as set in the Strategic Plan need to be met to ensure consistency of management across all assets.
Data & Systems		X			A financial Asset Register is in place. They are currently developing as Asset Registers for buildings and are based in Excel. Financial systems don't have condition data and this is currently being reviewed by the council. An audit database has been developed which has developed a FWP for buildings. Tallis consultants come in every three years to look at updating the ROMAN II system and carry out condition surveys. There are a number of systems but not necessarily a common consistent framework but this may not be required for an organization of this size. Asset condition - Tallis carry out the road and footpath condition surveys and external auditors come in to do the buildings as well. Consistent methodologies are issued in line with best practice. Benchmarking - Asset replacement ratios in Annual reports. The NAF assessment will show some benchmarking also, which is something that the council is keen to do to gain an understanding of how they are



					performing. Renewal programs come from RII reviews and the results which come out of the condition audit. None of the maintenance is based on useful life and is based primarily on condition. Procedures are not defined but the unit rates have been and are regularly reviewed. Fair Value and annual review assessments help drive the depreciation rates and the Fair Value rates. The planned assets have a 15 year program for plant and a five year program for roads in line with capital funding. This is assessed on need. This is documented within the Asset Management Plan/Strategy.
Skills and Processes		X			Strategy is updated on an annual basis in line with all the documents. There is a Risk Management Plan in place but this is not fully up to date and requires reviewing. Where a lack of skills or knowledge is identified, contractors are brought in to do the work. All new assets are put into the relevant Asset Management System when they were created. There are no new custodians identified. Not applicable. Budget and annual reports communicate financial implications of Asset Management Plans to the public. No real specific training programs in place but information sessions do take place



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					especially with the councilors during the annual budget cycle.
Evaluation	X				For certain assets the documented process is in place, especially for those of higher value. For lesser value assets it is not deemed as high a priority.



## Asset Management Improvement Plan

Shire of Shark Bay Asset Management Improvement Plan - 2017				
FRAMEWORK/ELEMENT	OBSERVATION	RESPONSIBILITY	RESOURCES	TIMEFRAME
<i>1. Strategic Longer Term Plan</i>	No improvements identified. Solid established process and documentation in place.			
<i>2. Annual Budget</i>	More emphasis on links to Asset Management Plans could be considered and identified within the plan, even though it is implied throughout.	CEO	TBD	<b>Jun 2018</b>
<i>3. Annual Report</i>	Latest report currently being developed. Ensure that clear links are made to Asset Management planning and decisions.	CEO	TBD	<b>Oct 2017</b>
<i>4. Asset Management Policy</i>	Create an Asset Management Policy to align to Strategic Community Plan and financial plans.	CEO	TBD	<b>Feb 2018</b>



<b>5. Asset Management Strategy</b>	Asset Management strategy in place, but not clearly identified within the document as 'the strategy'. Consider (when developing future versions) keeping it as one document and clearly separating the strategy and individual plans within the document to assist with clarity.	CEO	TBD	<b>Jun 2018</b>
<b>6. Asset Management Plans</b>	Asset Management strategy in place, but not clearly identified within the document as 'the strategy'. Consider (when developing future versions) keeping it as one document and clearly separating the strategy and individual plans within the document to assist with clarity.	CEO	TBD	<b>Jun 2018</b>
<b>7. Governance and Management</b>	Consider the actions from the Asset Management elements of the Executive management team meeting. The outcomes need to be documented and produced as separate documents to sit alongside the Asset Management improvement plan and feed into strategy.	CEO	TBD	<b>TBD</b>
<b>8. Levels of Service</b>	Determine current service levels measures and update them where required.	CEO	TBD	<b>Feb 2018</b>
	Potentially determine costs in providing increased service levels to assist with funding strategies.	CEO	TBD	<b>Feb 2018</b>
<b>9. Data &amp; Systems</b>	Develop a consistent data framework across all asset groups and try and integrate systems and data where required.	CEO	TBD	<b>Jun 2018</b>
<b>10. Skills and Processes</b>	The Risk Register needs to be reviewed and updated and this needs to be carried out on a regular basis in order to ensure all current risks are being managed and any new risks are being identified and owned.	CEO	TBD	<b>Feb 2018</b>
<b>11. Evaluation</b>	Review Asset Management improvement plan monthly and report progress on Improvement actions.	CEO	TBD	<b>Oct 2017</b>