CASE STUDY

From reactive to strategic: East Gippsland Shire Council's asset management journey

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East Gippsland Shire Council, one of the largest local government areas in Victoria, manages a diverse asset portfolio that supports more than 100 essential community services across a vast and geographically dispersed region.

CHALLENGE

In recent years, rapid population growth following the pandemic, increased development activity and the ongoing recovery from the 2019–2020 bushfires placed significant pressure on the council's asset management practices.

One of the biggest issues for the Council was getting good, accurate and up-to-date data. For several years, the asset management team was under-resourced and information about new assets wasn't always flowing through to the asset management team.

Combined with East Gippsland's large geographic footprint and connectivity challenges across remote locations, the council's asset register no longer accurately reflected the assets it managed.

"It's hard to manage and fund assets that you don't know exist," said East Gippsland Shire Councils Asset Management team.

The council recognized that improving data quality alone would not be enough. It also needed a more strategic, evidence-based approach to renewal planning and long-term investment decision-making.

Much of the asset investment and renewal planning was reactive, such as responding to service issues or community complaints. The Council did some modelling, but it was largely based on assumptions due to data limitations. Grant funding often influenced which projects were prioritized, rather than factoring in whole-of-life costs.

EAST GIPPSLAND SHIRE COUNCIL

Customer: East Gippsland Shire Council

Location: East Gippsland, Victoria, Australia

Industry Sector: Government

Vitals:

- Population: 51,200+
- Asset portfolio: $1.5B+

Challenges:

- Managing a large asset portfolio across one of Victoria's largest local government areas, East Gippsland Shire Council needed a more strategic approach to renewal planning and long-term investment decision-making.

Results:

East Gippsland Shire Council have advanced their asset management maturity and:

- **Improved decision-making and planning** by moving from reactive asset planning to strategic forecasts.
- **Gained greater visibility of whole-of-life asset costs** by modelling multiple funding scenarios and understanding the long-term impacts of investment choices.
- **Captured local operational knowledge** and embedded it into asset lifecycle models.
- **Strengthened stakeholder engagement** through clear reports, visualizations and data-driven insights.

SOLUTION

To support the next stage of its asset management maturity journey, the council implemented the Siemens Strategic Asset Management (SAM) and predictive modelling software, Predictor. The council started by focusing on just five asset classes: buildings, footpaths, playgrounds, drainage assets and foreshore structures.

The Council knew they still had work to do around their data, so rather than trying to tackle everything at once, they focused on asset classes where they could start building confidence in the modelling and get value early.

The implementation combined available asset data with the knowledge and experience of the council's subject matter experts. Existing asset information, plans, policies and condition data were reviewed to establish a foundation for modelling and identify gaps in the register. Then, lifecycle models were configured and refined through a series of workshops with operational teams and stakeholders.

A big part of the process was bringing the right people into the room and asking targeted questions. The teams have decades of experience managing the assets, so there is a huge amount of knowledge that sits with staff. Predictor gave them a way to capture that knowledge and build it into the models.

A key benefit was the ability to account for local environmental conditions that influence asset performance across East Gippsland's diverse landscape.

Because East Gippsland covers such a large area, there are assets operating in very different environments. The workshops enabled the Council to identify gaps between early models and real-world conditions, then refine the models to better reflect reality.

For example, the council identified that playgrounds in alpine areas deteriorate more rapidly due to harsher weather conditions. Similar insights were uncovered for drainage assets in coastal areas, where sulphide soils were contributing to accelerated deterioration.

Being able to capture local knowledge and reflect it in the model was incredibly valuable.

The final stage focused on documenting the models and training council staff so they could independently maintain and refine them as asset information continues to improve.

RESULTS

With Predictor in place, East Gippsland Shire Council has gained a more strategic understanding of its asset portfolio to support renewal and investment decisions.

One of the most significant benefits has been the ability to model multiple funding scenarios and understand the long-term consequences of different investment approaches.

Predictor has taken a lot of the guesswork out of the equation. It takes into account a wide range of parameters and factors that would have been extremely difficult, time-consuming or even impossible to work through manually. By adopting a SAM approach, the Council now has a much more robust and considered renewal plan.

The software's web-based reporting and visualization capabilities have also strengthened communication with managers and other stakeholders. Having the information presented visually makes it much more tangible and real. Instead of talking about concepts or assumptions, stakeholders can see the impacts and trends through the graphs, while the reports back it up with data-based evidence.

Another benefit has been a greater understanding of whole-of-life asset costs. In the past, the Council tended to focus on whether they could afford to build something. They didn't always have the tools to clearly demonstrate whether they could afford to maintain it over the long term. Predictor has given them the ability to show the funding levels that will be needed in the future if they are going to sustainably maintain their existing assets.

NEXT STEPS

To further advance its asset management maturity journey, East Gippsland Shire Council is now focusing on strengthening the data and processes that support its predictive modelling capability.

Using Predictor, the council is identifying opportunities to improve data governance to ensure asset information is captured, maintained and updated more consistently.

One area of focus is building assets, where condition scores and useful life data were at a component level, while the asset register records information at an overall asset level. There was a bit of a mismatch there, as renewals and maintenance are generally done at a component level. So, the Council is now reworking how buildings are recorded in their asset register to improve decision-making.

The council is also developing a new project management framework to strengthen the connection between planning, project delivery and asset information handover, helping ensure that assets identified through renewal planning are effectively transitioned into completed projects and accurately recorded at the handover stage.

"Asset management isn't a one-size-fits-all approach," said East Gippsland Shire Councils Asset Management team. "Different areas of asset management will always be at different levels of maturity, and that's okay. What matters is that it supports what we're trying to achieve and helps us make better decisions for our community."

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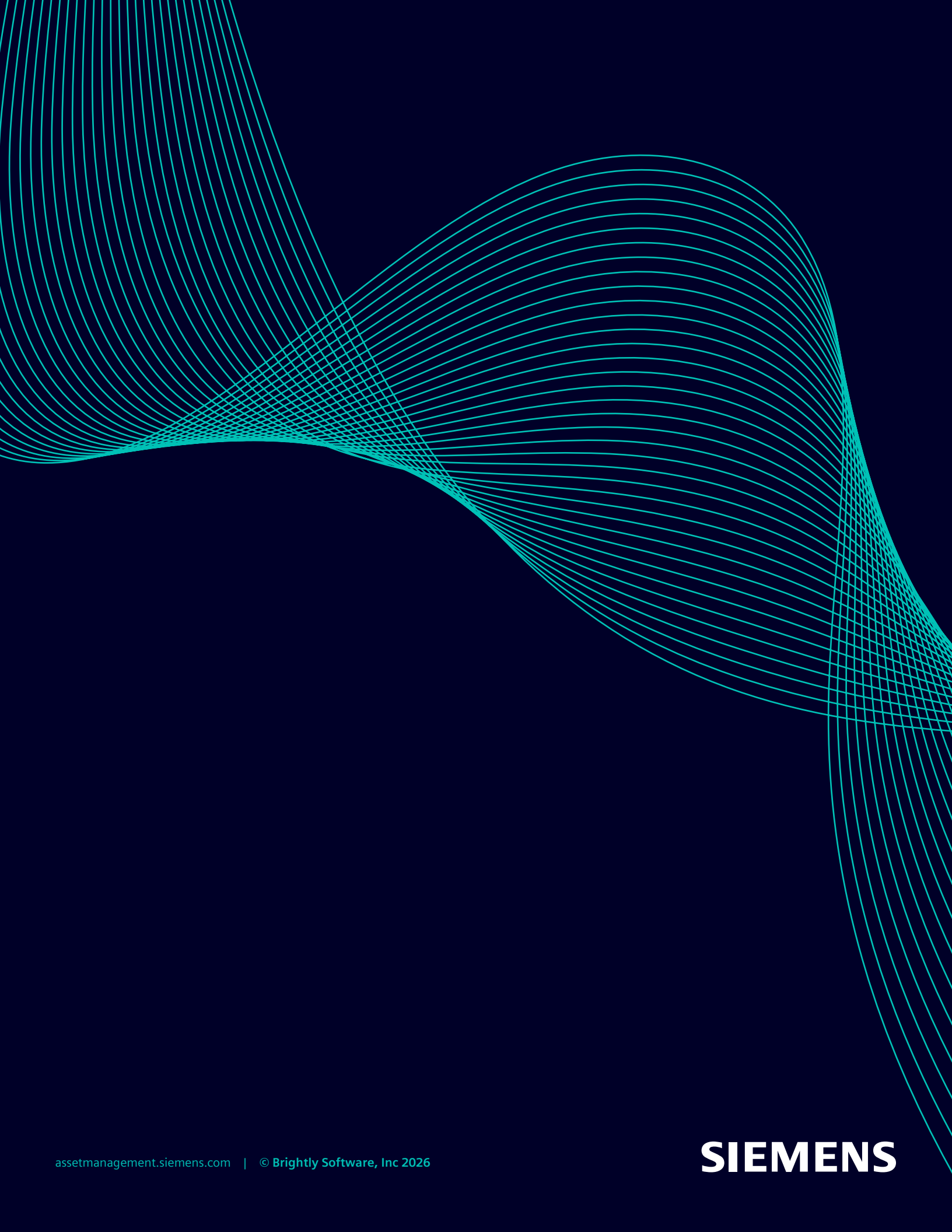
— **Asset Management Team,** East Gippsland Shire Council



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