



WARRNAMBOOL
CITY COUNCIL

Asset Management Policy

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1. INTRODUCTION

1.1. Purpose

This Asset Management Policy defines the key principles that underpin asset management and supports Council's strategic objectives through the development and implementation of a corporate asset management framework. The framework is designed to ensure appropriate management of Council's assets to support the delivery of services that meet current and future community needs.

1.2. Scope

This policy applies to all Councillors, Council officers, Committees of Management, consultants responsible for asset management undertaken for or on behalf of Council. This can and will include persons involved in the creation, operation, maintenance, renewal, upgrade, expansion and disposal of Council assets.

Council recognises that the very nature of asset management required input and interaction between all facets of the organisation, including units that do not have specific responsibility for managing assets but require Council assets in the delivery of services.

With a whole of Council approach to asset management, Council will establish the platform required for the sustainable and responsible management of Council's assets, based on services provided.

For the purpose of this Policy, an asset is defined as any physical item which has value, enables services to be provided and has an economic life of greater than 12 months. Items considered assets include Plant, Equipment, Property, Buildings, Facilities, Infrastructure, Commercial Investments, Natural and Heritage items owned or controlled by Council.

1.3. Intended Outcomes

This policy and the documents that support it will ensure;

- Understanding of the services Council delivers and the assets required to meet these services.
- All Council assets are adequately documented.
- Service and asset related risks are identified and managed appropriately.
- Sustainable management of assets.
- Roles and responsibilities of Council and its staff are defined.
- Compliance with legislation and regulatory requirements.
- Consideration is given to environmental impacts including climate change.

2. POLICY

Council is committed to meeting the expectations of present and future residents for the delivery of quality services that are reliant on assets, at the lowest long-term economic and environmental cost, through the development and implementation of best appropriate asset management practices.

It is recognised that the key principles and requirements of Council meeting its commitment to Asset Management include a range of commitments and goals which are outlined as follows:

- Asset management will be service driven and will align with the strategic priorities and directions of the Council.
- To achieve and sustain a high level of asset management maturity.
- To achieve certification with ISO 55000, International Standards for Asset Management.
- Asset management will be integrated into corporate governance including enterprise planning, reporting and risk management frameworks and practices.
- In accordance with the Council Plan, Long Term Financial Plan, Strategic Resource Plan and Annual Budgets, provide quality infrastructure assets that support services that are appropriate, accessible, responsive, affordable and sustainable to the community.
- Manage the performance, risk and expenditure on infrastructure assets in an optimal and sustainable manner throughout their lifecycle, covering planning, design, development, operation, maintenance and disposal.
- Through sustainable asset management, Council will ensure that its infrastructure assets are fit for purpose, safe, reliable, and sustainable and remain available for the benefit of current and future generations.
- Maximise the value of Council's capital, operations and maintenance expenditures within current revenues, to optimise agreed levels of service, service delivery potential and manage related risks and costs over the entire life of infrastructure assets.
- Commit to undertake effective preventive maintenance programs and maintaining infrastructure assets in good condition as identified by the agreed level of service.
- Decommission and dispose of assets that are under-utilised and no longer economically, socially or sustainably viable.
- Involve and consult with the community and key stakeholders on determining service standards
- Service delivery assets will be created, acquired, maintained and rehabilitated to enable the organisation to meet its strategic service delivery goals efficiently and effectively.
- Service/Asset Management Strategies and Plans will include processes which provide accountability to the community
- Infrastructure investment decisions shall be made using a structured, transparent and consistent approach.
- Allocate appropriate resources to ensure Asset Management practices can be undertaken and the timely maintenance and renewal of those assets so that 'life cycle' costs are optimised.
- Continue to seek opportunities for multiple use infrastructure assets.
- Continue to pursue external funding to support and maintain infrastructure assets to minimise the financial impact to the community.
- Accurately report on all aspects of Councils assets in terms of Operations, Maintenance, Renewal, Upgrade, Expansion and New.
- Ensure that the roles and responsibilities of all asset owners, managers and users are well defined and understood. Reinforce and support asset management roles and responsibilities across the organisation at a functional level. The various key roles, responsibilities and

delegations associated with service delivery and asset management is documented in the Asset Management Strategy.

- Invest in appropriate and timely asset management training and development program for staff and Councillors as required.
- Council will support the implementation of the Asset Management Strategy and foster a strong asset management culture across Council through a cross functional Asset Management Steering Committee.

3. GOVERNANCE

3.1. Review

The Policy shall be formally reviewed and adopted by Council when developing its Council Plan, and within 12 months following Council elections.

The Policy will otherwise be monitored regularly to ensure its relevance in terms of community needs and expectations, Council goals and targets and statutory requirements. The Chief Executive Officer and Executive Management Team shall review compliance with this policy on a regular basis and report to Council accordingly.

The policy and associated asset management processes and systems will be independently audited at intervals not greater than 4 years.

3.2. Reporting

The Asset Management Steering Committee will report to Council annually through the State of the Assets Report, the report will include the following;

- Current status of assets across the organisation.
- Status of the renewal gap, and trend analysis.
- Summary of asset condition change over previous 12 month period.
- Recommended expenditure and works program for next 12 month period.
- Summary of progress with Asset Management maturity and progression of certification with ISO 55000.

The Asset Management Steering Committee will report to EMT quarterly. The report will include the following;

- Minutes of the Asset Management Steering Committee meeting held since previous report.
- Current status of actions from the Asset Management Strategy.
- Summary of each of the Asset Plans, including trends, opportunities and risks.
- List any Council controlled infrastructure assets that are not identified as directly supporting an adopted Council Service Plan.

3.3. Compliance Responsibility

Council recognises that the nature of asset management requires input from, and interaction between, all facets of the organisation including areas that do not have specific responsibility

for asset management but make use of Council owned or managed assets in the delivery of services.

The responsibilities and relationships associated with Asset Management within Council are:

3.3.1. Council

- To act as overall stewards for infrastructure assets that are owned or controlled by Council.
- To provide sustainable assets for the community by recognising and considering the full cost of Council acquiring, maintaining, renewing and operating assets throughout their lifecycle.
- To provide assets that deliver sustainable services to benefit the community to a level of service that justifies the costs of owning and operating these assets.
- To make decisions regarding assets that are made in accordance with the Council Plan 2017-2021 (revised 2019).
- To review and adopt the Asset Management Policy.
- To review and adopt the Asset Management Strategy.
- To approve appropriate resources for asset management activities in the Long Term Financial Plan and the annual budget.

3.3.2. Executive Management Team (Chief Executive and Directors)

- To foster and support the cross-functional Asset Management Steering Committee.
- To ensure that accurate and reliable information is presented to Council for decision-making.
- To ensure that adequate resources are provided to implement the approved Asset Management Strategy and Asset Plans.
- To continually promote Asset Management across the organisation and Council.
- To ensure that Asset Management Strategies and Asset Plans align and support the Council Plan objectives.
- To ensure alignment/compliance with Council's legislative responsibilities.

3.3.3. Asset Management Steering Committee

- To represent the key asset management functions e.g. Infrastructure Planning, Maintenance and Delivery, Finance, Community Engagement and direct service provision such as Recreation & Culture, Aged & Disability and Community Services.
- To monitor the development, implementation and review of the Asset Management Policy, Asset Management Strategy and Asset Plans.

- Ensure efficient and effective use of Council funds and optimising “life cycle” cost of all assets.
- Promote and raise awareness of asset management to the Council, staff, key stakeholders and the community.
- Provide feedback on draft recommendations and actions that are identified in various reviews including but not limited to internal and external audit reports.
- Implement adopted recommendations and actions that are identified in various reviews including but not limited to internal and external audit reports.

3.3.4. *All Employees*

- Council staff who are responsible for the management, acquisition (including gifted assets), upgrade or disposal of any asset must perform their duties in accordance with the principles and values of this Asset Management Policy.
- Undertake actions as assigned and provide progress reporting to the Asset Management Steering Committee.

4. CHARTER OF HUMAN RIGHTS COMPLIANCE

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act (2007).

Warrnambool City Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee health and safety representatives in any workplace change that may affect the health and safety of any of its employees.

5. REFERENCES AND RELATED DOCUMENTS

- ISO 55000 – International ISO standards for Asset Management.
- Department of Environment, Land, Water and Planning- Better Practice Guide and Asset Planning and Accountability Framework for Local Government.
- Asset Genetics and Unlocking Hidden Capital – McKinsey Report Global Infrastructure Initiative 2016.
- Council Plan 2017-2021 (revised 2019)
- Road Management Act 2004
- Local Government Act 1989
- Asset Management Strategy
- Asset Management Plans (various)
- Risk Management Policy, Plans and Strategy
- Long Term Financial Plan
- Asset Accounting Policy
- Strategic Resource Plan
- Municipal Road Management Plan
- Annual Budgets and Business Plans
- Service Plans including Levels of Service