



Policy: Council

ASSET MANAGEMENT POLICY



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Policy Statement

Council commits to:

1. Implement a lifecycle approach to asset management;
2. Apply Council's adopted Best Value decision making framework;
3. Ensure risks associated with Council owned or managed assets are known and managed appropriately;
4. Manage assets with current and future users in mind;
5. Ensure compliance with regulatory requirements;
6. Continuously improve asset management planning, processes, practices and systems; and
7. Promote sustainable environmental, cultural, economic and social performance.

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Next review:	31 January 2021	Contact Position:	Program Leader Strategic Asset Management

Version History

Version	Adoption Date	Reason for Change
2017	28 February 2017	Review prior to Resourcing Strategy update.
2014	9 December 2014	Resourcing Strategy update
2013	25 June 2013	Resourcing Strategy update

Definitions

Term	Definition
Asset	An item, thing or entity that has potential or actual value to an organisation
Asset Management	The systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through cost-effective lifecycle management of assets
Asset Management Plan or AMP	Documented information that specifies the activities, resources or timescales required for an individual asset or grouping of assets, to achieve the organisation's asset management objectives.
Asset Management Strategy	A high-level action plan that gives effect to this Policy
Asset Management System	A set of interrelated or interacting elements of an organisation, including the Asset Management Policy, Objectives, Strategy and Plans and the processes to achieve these objectives
Asset Management Improvement Program	A structured program to improve asset management maturity documented within the Asset Management Strategy
Council	Blue Mountains City Council
IP&R	Integrated Planning and Reporting
Life Cycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs

Related Documents

This document should be read in conjunction with Council's other Integrated Planning and Reporting documents as follows:

- Community Strategic Plan
- Resourcing Strategy
- Delivery Program
- Operational Plan

Related Legislation:

- *Local Government Act 1993* (NSW)

Specific legislation and standards as relate to each asset class are listed in the relevant Asset Management Plan.

This Policy follows the requirements of NSW Integrated Planning and Reporting Guidelines, the International Infrastructure Management Manual 2015 and ISO55000, ISO55001 and ISO55002.

Policy details and information

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1. Policy Context

The Resourcing Strategy consists of three inter-related elements:

- Long-Term Financial Planning
- Asset Management Planning
- Workforce Planning

Council's Asset Management Planning is supported by three key documents:

- an Asset Management Policy (this Policy);
- an Asset Management Strategy
- Asset Management Plans – for all assets under Council's control, which identify asset service standards and contain long-term (at least 10 years) projections of asset maintenance, rehabilitation and replacement costs. These costs should then be reflected in the Long-Term Financial Plan

This Policy sets the broad framework for undertaking asset management in a structured and coordinated way. It outlines why and how asset management will be undertaken. It provides a clear direction for asset management and defines key principles that underpin asset management for the Council. The Policy sets the framework for the preparation of the council's Asset Management Strategy and Asset Management Plans, while the Strategy supports and implements the Policy.

This Policy applies to all community asset classes owned and managed by Council.

2. Policy Objectives

The Council is committed to implementing an Asset Management System that ensures assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery and risk management. In particular, Council will:

A. Implement a lifecycle approach to asset management

- Consider full lifecycle costs of managing our assets, from planning an asset through to asset disposal;
- Understand the long-term costs of service provision;
- Develop clear financial policies for asset operations, maintenance, acquisition, renewal, upgrade and disposal; and

- Review financial policies to ensure that the treatment of assets aligns with affordable best value service delivery outcomes including basing valuations on a lifecycle approach.

B. Apply Council's adopted best value decision making framework

- Apply adopted Best Value decision-making criteria; and
- Apply documented Best Value governance processes to asset management decision-making.

C. Ensure that risks associated with Council owned or managed assets are known and managed appropriately

- Consider the risks and consequences of actions and inaction when prioritising asset works or allocating funding;
- Prioritise renewal and maintenance strategies that reduce lifecycle costs and minimise risks while maintaining asset function; and
- Minimise shocks by proactively implementing the Long-Term Financial Plan.

D. Manage assets with current and future users in mind

- Assess demand drivers to plan for future asset requirements;
- Align asset service provision to adopted Council policies, strategies and planning documents;
- Review and update all Asset Management Plans annually to maintain currency;
- Ensure projects support the financial sustainability of Council in the long term; and
- Focus on innovation.

E. Ensure compliance with regulatory requirements

- Demonstrate transparent and responsible asset management processes that align with best practice, statutory requirements and relevant Standards.

F. Continuously improve asset management planning, processes, practices and systems

- Continue to develop an integrated Asset Management System that operates across Council and aligns with the Long-Term Financial Plan;
- Ensure the Asset Management System supports achievement of Fit for the Future Benchmarks for Sustainability, Infrastructure and Service Management, and Efficiency;
- Further develop in-house asset management capability and competency to ensure employees are aware, competent and empowered; and
- Use transparent and responsible asset management practices that align with best practice principles.

G. Promote sustainable environmental, cultural, economic and social performance

- Align asset management planning to adopted strategies of the Council; and

- Protect significant values, reduce threatening process and rehabilitate assets in line with adopted strategies of Council.

3. Responsibilities

Role	Responsibility
Council	<ul style="list-style-type: none"> • Policy, priorities and allocation of resources.
General Manager	<ul style="list-style-type: none"> • Maintains overall responsibility for the development and implementation of this Policy and associated systems. • Reports on the status and effectiveness of asset management to Council.

4. Evaluation

We will measure our performance by:

- Assessing whether Council meets Fit for the Future benchmarks for asset management:
 - Building and Infrastructure Renewal Ratio
 - Infrastructure Backlog Ratio
 - Asset Maintenance Ratio
- Assessing whether agreed service levels for asset related Services as documented in the Asset Management Strategy and Plans and agreed with the Community are met
