

Asset Management Policy

1 Purpose

This Policy confirms Council's commitment to providing the best possible value from activities related to infrastructure assets and continually improving its asset management practices.

The Asset Management Policy and accompanying Asset Management Strategy establish the principles and direction for managing Council's infrastructure assets to ensure that they:

- Perform in a way that meets the needs and aspirations of the community as expressed in the Community Strategic Plan (as far as possible within the resources Council has available to provide them, considering competing priorities)
- Are sustainable (in that the social, environmental and economic costs of providing them over the long term are minimised)
- Have an acceptable level of risk (as defined in Council's Risk Management Policy) and are resilient (wherever possible, increasing the capacity of the community to withstand external shocks and adapt to changing circumstances)

2 Policy

Council will take a systematic approach to managing its infrastructure assets that is based on good industry practice as defined in ISO 55001:2014 (international standard for asset management systems) and legislative requirements for Integrated Planning and Reporting (IP&R) by councils.

The Asset Management Strategy (AMS) will describe the application of the asset management system. Service Dashboards, included in the AMS, and Asset Management Plans will seek to:

- analyse the value realised by Council's principal activities both now and in 10 years (from the perspectives of performance, sustainability and risk/resilience) based on funds available in the Long Term Financial Plan (LTFP) to undertake each activity
- identify the condition and serviceability of the infrastructure assets that supports these activities and the proposed investment in renewal of these assets, as well identifying investment in new and upgraded assets
- outline the activities that Council intends to undertake to realise value from its assets, the resources, timeframes and responsibilities for doing so along with SMART objectives that will be used to measure, evaluate and report on performance

The purpose of the AMS is to ensure that the management of Council's asset are being planned, delivered and operated in a way that aligns to the objectives in the Community Strategic Plan and ensures best possible value for the community from its assets.

The backlog for renewal and shortfall in maintenance of assets will be reported based on the risk of any asset (assessed under Council's Risk Management Policy) being deemed unacceptable (requiring immediate action rather than inclusion in future works programs), in which case it will be reported as the cost of undertaking this renewal or maintenance work.

The AMS will include terms of reference for an Asset Management Steering Group whose role is to monitor and review the implementation and improvement of the asset management system to ensure Council’s asset management objectives are met.

3 Definitions

Asset: an item of physical infrastructure under the control of Council that has actual or potential value to Council and its stakeholders.

SMART objective: specific, measureable, achievable, realistic and time-bound.

Backlog for renewal and maintenance of assets: the shortfall in funding for renewal and maintenance of assets as defined in the Local Government Code of Accounting Practice and Financial Reporting. Council has consulted the community and established the current level of service as the alternative benchmark for ‘satisfactory’ instead of that prescribed by the Code.

4 Key Responsibilities

<i>Position</i>	<i>Directorate</i>	<i>Responsibility</i>
Mayor	Council	To lead councillors in their understanding of this policy and the Strategic Asset Management Plan. To communicate the policy to the community. To receive regular updates on its implementation.
General Manager	Executive	To lead staff in their understanding of this policy and to monitor its relationships with other areas of council activity.
Executive Leadership – Directors	All Directorates	To communicate, implement and comply with this policy and related guidelines including the Strategic Asset Management Plan.
Group and Section Leaders	All Directorates	To implement this policy and related procedures.
All Council officials	Council	To comply with this policy and consider its implications for related projects and programs.

5 References (laws, standards and other Council documents)

- NSW Local Government Act, 1993 (especially sections 8 and 403)
- Office of Local Government Integrated Planning and Reporting Guidelines and Manual
- ISO 55000:2014 Asset Management – Overview, principles and terminology
- ISO 55001:2014 Asset Management – Management systems – Requirements

6 Details of Approval and revision

- **Approval date:** 8/06/2017
- **Responsible Section:** Asset Strategies
- **Superseded policies/procedures:**
- **Next review date:** 8/06/2021

Table of amendments

Amendment	Authoriser	Approval ref	Date