

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

1. Perform in a way that meets the needs and aspirations of the community as expressed in the Community Strategic Plan and enacted through the Delivery Program to grow, maintain and improve local infrastructure
2. Provide assurance that Council assets are managed sustainably through effective governance and from a cultural, social, environmental and economic perspective.
3. Provide confidence in Council's capacity to make informed decisions and provide for community needs

This policy applies to all infrastructure related service provision listed below:

- a) Transport
- b) Drainage
- c) Buildings and Facilities
- d) Open Space and Recreation
- e) Sewerage
- f) Water Supply
- g) Waste Management Services
- h) Fibre Network

## 2 Policy

Council will:

1. Take a systematic approach to managing its infrastructure assets based on good industry practice (as defined in within the document listed in Section 5 References), and legislative requirements for Integrated Planning and Reporting (IP&R) by Councils.
2. The Asset Management System will comprise of the Asset Management Framework which will include the following documents:
  - a) Asset Management Policy
  - b) Asset Management Strategy
  - c) Asset Management Plans
  - d) Asset Management Steering Group terms of reference
3. Follow the Institute of Public Works Engineering Australasia (IPWEA) International Infrastructure Management Manual (IIMM) and other accredited planning templates, with the objective of aligning with the ISO 55000 suite of standards, noting that certification to ISO standards is not mandated by NSW Government and is not a current objective of Council.
4. Apply a minimum ten year timeframe for the Asset Management Strategy (AMS) and the Asset Management Plans (AMP).

5. Establish priorities for service delivery via the strategic planning process and Council endorsed Community Strategic Plan - MyCoffs 2030
6. Apply the principles of the NSW Government's Fit for Future program to ensure the financial sustainability of Asset Management Plans, delivering value for money to ratepayers and taxpayers
7. Apply a "life cycle" asset management approach whilst aligning with standards listed in Section 5 References and their updates, and evolving community expectations. Future life cycle costs will be calculated and considered in all decisions relating to new services and assets as well as upgrading of existing services.
8. Plan, create, operate, maintain, renew and dispose of assets in accordance with Council's service delivery outlined in Council's Delivery Program.
9. Comply with relevant legislative requirements and apply environmental, social, economic and governance principles.
10. Base funding decisions for new asset purchases, and maintenance, renewal and upgrade of existing assets, on Council's Asset Management Plans.
11. Include an Asset Management Plan Overview will be included in the Integrated Planning & Reporting framework consisting of the annual Operational Plan, the 4 Year Delivery Program and 10 Year Long Term Financial Plan (LTFP).
12. Assign asset responsibility and accountability to specific positions in accordance with this Policy, the Asset Management Strategy and Asset Management Plans and aligned with service delivery.
13. Establish and maintain an Asset Management Steering Committee to co-ordinate and implement specific asset management improvement initiatives, ensuring alignment with overall service delivery.
14. Integrate the asset management system with finance and service management systems to ensure alignment with the Council's corporate objectives.
15. Manage asset-related information in accordance with corporate data and information policies
16. Endorse the AMS as part of the IP&R's Resourcing Strategy.

### 3 Definitions

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

**Asset Management:** the combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.

**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.

**Long Term Financial Plan (LTFP):** The Long Term Financial Plan projects financial forecasts for the Council for at least ten years, and is updated annually as part of the development of the Operational Plan. The LTFP is used by Council to inform decision-making during the finalisation of the Community Strategic Plan and the development of the Delivery Program.

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

## 5 Key Responsibilities

Position	Directorate	Responsibility
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.
Councillors	Council	The Councillors are custodians of community assets, acting on behalf of the community. They are responsible for adopting this policy and ensuring that sufficient resources are made available to effectively manage Council's assets.
General Manager	Executive	To lead staff in their understanding of this policy, and to report on the status and effectiveness of asset management within Council.
Executive Leadership Team (ELT)	All Directorates	To provide cross-divisional support for the implementation of the policy. ELT provides integration between asset management, service management and financial management.
Group and Section Leaders	All Directorates	People Leaders are accountable for the implementation of this policy and related procedures. The Director SI has accountability for the development of the asset management policy, strategy and plans, and ensuring their fitness of purpose. All Directorates are responsible for the optimisation of capital investment and the sustainability of the asset portfolio.
Asset Strategists	Council	Asset Strategists are responsible for life cycle planning and management of assets. They convert customer service levels developed in collaboration with service managers into technical levels of service. They manage the asset strategies, define scope and budget for capital works as well as defining specification and budget for planned maintenance.
Asset Owners	Council	Asset Owners are the authorised representatives of the Council to acquire, dispose, lease, license or hire assets in accordance with applicable council resolutions and delegations
All Council officers	Council	All Council staff will comply with this policy and consider its implications for related services, projects and programs.

## 4 References (laws, standards and other Council documents)

- Coffs Harbour City Council Asset Accounting Policy (POL-030)
- Coffs Harbour City Council Disposal of Assets Policy (POL-021)
- Coffs Harbour City Council Risk Management Policy (POL-058)
- IPWEA Australian Infrastructure Financial Management Manual Australian Edition 2020
- IPWEA International Infrastructure Management Manual International Edition 2020
- ISO 55000:2014 Asset Management – Overview, principles and terminology
- ISO 55001:2014 Asset Management – Management systems – Requirements
- ISO 55002:2019 Asset Management – Management systems – Guidelines for the application of ISO 55001.
- NSW Local Government Act, 1993 No 30 (especially Chapters 3, 9 and Section 403)
- Office of Local Government Integrated Planning and Reporting Guidelines and Manual

## 5 Details of Approval and revision

- **Approval date:** 9/06/2022
- **Responsible Group:** Strategic Asset Management Group
- **Responsible Section:** Asset Strategies
- **Superseded policies/procedures:**
- **Next review date:** 28/08/2025

### Table of amendments

Amendment	Authoriser	Approval ref	Date
Updated policy to align with IP&R guidelines, current Council and industry best practice, and added new ISO 55002	Council	2022/125	09/06/2022