

Trim Container:	FOL/17/1665
Trim Document Number:	DOC/20/46105
First Issued / Approved:	22/08/2017
Last Reviewed:	11/08/2020 C110820/1997
Next Review:	10/08/2023
Responsible Officer:	Manager Engineering
Date Placed on Webpage/ Intranet:	13/08/2020

1. PREAMBLE

The City of Holdfast Bay is committed to implementing a best practice approach to its asset management, ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with the Council's priorities for service delivery as defined in its Strategic Plan.

Implementing consistent asset management processes throughout the City recognises the importance of the asset management plans to guide the management of the significant portfolio of assets within the city.

1.1 Background

- 1.1.1 The *Local Government Act 1999* requires councils to establish a strategic plan, a long term financial plan, an infrastructure asset management plan and asset management policies.
- 1.1.2 The Council owns and uses approximately \$844 million of assets (Financial Statements 18/19) to support its core business of delivering services to the community and are categorised into five groups of assets covered by individual Asset Management Plans being:
- Transport
 - Stormwater
 - Plant and Equipment
 - Buildings
 - Open Space and Coastal.

1.2 Purpose

- 1.2.1 To set the guidelines for implementing consistent asset management practices and procedures throughout the City of Holdfast Bay.
- 1.2.2 To prioritise new, upgrade and renewal works based on asset condition, whole of life cost, and meeting agreed service standards.
- 1.2.3 To ensure adequate provision is made for the long-term management of Council infrastructure and assets by:

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- Ensuring that the Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment
- Safeguarding Council assets by implementing appropriate asset management strategies and providing appropriate financial resources for those assets
- Creating awareness amongst employees and Elected Members of their responsibilities for the creation and management of sustainable assets.
- Meeting legislative requirements for asset management
- Ensuring resources and operational capabilities are identified and funded and responsibility for asset management is allocated
- Demonstrating transparent and responsible asset management processes that align with best practice guidelines
- Ensuring an integrated approach across all Business Units in asset management service delivery.

1.3 Scope

This policy applies to all Council assets within the City of Holdfast Bay that are owned, managed, or under the care and control of Council.

This policy is supported by Council's Asset Management documentation, including Asset Management Plans and Strategic Plan.

1.4 Definitions

Asset: A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. This typically includes infrastructure, property, buildings, plant and equipment.

Infrastructure assets: Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, e.g. roads, drainage, footpaths, cycle-ways, stormwater drainage, footpaths and buildings.

Level of service: The defined service quality for a particular service/activity against which service performance may be measured.

1.5 Strategic Reference

Culture: Being financially accountable

Culture: Supporting excellent, efficient operations

Environment: Building an environmentally resilient city

Economy: Harnessing emerging technology

Placemaking: Creating lively and safe places

Placemaking: Developing walkable, connected neighbourhoods

2. ASSET MANAGEMENT VISION

The City of Holdfast Bay is committed to implementing a best practice approach to its asset management, ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with the Council and Community's priorities for service delivery. The approach to asset management will balance environmental, cultural, place making and economic needs for the benefit of current and future generations.

3. PRINCIPLES

- 3.1 The primary intent of asset management is to meet a required level of service in the most cost effective way, through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets to provide for present and future community needs.
- 3.2 Council is committed to:
 - 3.2.1 Appropriate asset management practices to achieve Council's strategic service delivery objectives.
 - 3.2.2 Preparing an asset management strategy to facilitate integration of asset management principles into existing planning and operational processes. This will be in accordance with Section 122 of the Local Government Act 1999, as well as the International Infrastructure Management Manual and International Standard of Asset Management ISO 55000 best practice guidelines.
 - 3.2.3 A systematic asset management methodology to apply appropriate asset management best practices across all areas of Council. This includes assets that are planned, created, maintained renewed, and disposed of in accordance with Council's priorities for service delivery.
 - 3.2.4 Preparing and adopting new Infrastructure Asset Management Plans for asset classes in accordance with legislative requirements, and defined Council and Community needs.
 - 3.2.5 Asset Management Plans informed by community consultation, financial planning and operational reporting.
 - 3.2.6 Asset Management Plan that will consider all legislative requirements together with political, social and economic environments.
 - 3.2.7 Methodical cyclic reviews and condition assessments will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
 - 3.2.8 Asset renewals required to meet agreed service levels as identified in infrastructure and asset management plans and long term financial plans will be prioritised and funded in the annual budget estimates.
 - 3.2.9 Asset information that is created or changes as a result of creating, upgrading, renewing, receiving and disposing of assets owned by or in

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the custody of Council will flow in a timely fashion to the appropriate asset management systems.

- 3.2.10 Improving its reporting on future life cycle costs and considering the results in all decisions relating to new services and assets and upgrading of existing services and assets
- 3.2.11 Regularly review and update asset useful lives and unit rates, in accordance with community expectations, current practice and Australian standards.
- 3.2.12 Regularly review maintenance and renewal practices to provide best value to the organisations.

3.3 Service Levels

- 3.3.1 The setting of service levels will be undertaken by council staff in consultation with the community and elected members, considering the available resources and long term financial planning.
- 3.3.2 Council acknowledges that service levels adopted in the Asset Management plans will inform the annual budget.
- 3.3.3 Future life cycle costs will be reported and considered in all Council decisions relating to new services and assets and upgrading of existing assets. If actual costs are not known an estimate will be applied to the upgrade portion of the project, based upon the Asset Management Plan's life cycle forecast (%).
- 3.3.4 Regularly review asset condition, function and capacity to ensure agreed service levels are maintained, to identify asset renewal priorities, and to optimise whole of life costs.
- 3.3.5 Key performance measures for service levels will be determined and used in understanding outcomes.

3.4 Roles and Responsibilities

- 3.4.1 To achieve this policy the following key roles and responsibilities are identified:

Council

- To act as custodians of community assets
- To set asset management policy and vision
- Allocate resources to meet Council objectives in providing services while managing risks

Chief Executive Officer/ Senior Leadership Team

- To provide leadership and strategic direction
- Review Asset Management Policy and Asset Management Strategies

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- To ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and Long Term Financial Plan
- To ensure that training of Councillors and staff in financial and asset management practices is provided
- To ensure that accurate and reliable information is presented to Council
- To ensure appropriate delegations and approval processes are followed

Asset Management Leadership Team (*Manager Engineering, Team Leader Asset Management, Manager Field Services, Manager Strategy & Governance, Manager Financial Services*)

- Facilitate development of Asset Management Plans
- To oversee the implementation of the Asset Management Policy and Asset Management Strategies
- To oversee the ongoing development and review of service plans and asset management plans
- To ensure that community needs and the outcomes of service reviews are incorporated into asset management plans
- To promote and raise awareness of asset management within the organisation
- To ensure relevant health and wellbeing, human rights and equity principles and strategies are taken into consideration
- To develop and implement asset management improvement plan
- To provide and manage the asset management information system(s)

Asset Managers (*Team Leader Asset Management, Buildings Asset Manager, Transport Asset Manager, Stormwater Asset Manager, Plant and Equipment Asset Manager, Open Space Asset Manager, Coastal Asset Manager*)

- To lead the development of the Asset Management Plans
- To develop and implement maintenance, renewal and capital works programs in accordance with the Asset Management Policy, Strategy, Plans, as well as budget allocations.
- Develop Specific Management Plans (upgrade, renewal, maintenance, operations, disposal)
- To deliver levels of service to agreed risk and cost standards and expectations
- To report asset related risk and damage
- To establish and monitor asset compliance and risk inspection regimes
- To manage asset condition assessments
- To provide technical expertise to Asset Management Leadership Team

4. REVIEW

This Asset Management Policy supersedes the previous version adopted by Council at its meeting on the 22 August 2017.

This policy will be reviewed and updated within 3 years or 2 years of a General Council Election. The next review of this policy will be in 2023.

5. REFERENCES

5.1 Legislation

- *Development Act 1993*
- *Disability Discrimination Act 1992*
- *Environmental Protection Act 1993*
- *Local Government Act 1999*
- *Planning Development and Infrastructure Act 2016*
- *Work Health and Safety Act 2012*

5.2 Other References

- Council By-Laws and Policies;
- City of Holdfast Bay Development Plan;
- Building Code of Australia;
- AAS – Australian Accounting Standards;
- Asset management plans
- Asset Management Roles and Responsibilities
- Asset System Project Plans
- Procurement Policy
- Disposal of Asset Policy
- The International Infrastructure Management Manual published by the Institute of Municipal Engineers Australia (IIMM).
- ISO 55000 International Standards for Asset Management Practice