

## Asset Management Policy

<b>Responsible Directorate:</b>	<i>Assets</i>
<b>Responsible Service Unit:</b>	<i>Asset Planning</i>
<b>Contact Person:</b>	<i>Manager Asset Planning</i>
<b>Date of Approval:</b>	<i>12 June 2023</i>
<b>Council Resolution No:</b>	<i>CE03-06/23</i>

### 1. POLICY STATEMENT

This policy ensures that assets are provided to service the needs of current and future communities in the most economical manner, optimising their long term return on investment.

This will be achieved by ensuring that assets are of appropriate quality, are fit for purpose and long lasting, and managing these effectively over their complete lifecycle. As a growth Council, the City will balance the need to provide for new services and assets to meet demands while maintaining and optimising the use of its existing asset portfolio.

### 2. OBJECTIVE AND PURPOSE

#### Objective

This policy defines the key principles and requirements which the City will apply to its planning and management, including long term financial sustainability, of assets to ensure that these are effective and safe to meet the needs of its community, customers and stakeholders.

The City shall ensure that it has the systems, people, resources, capability, knowledge and understanding of its assets to effectively provide the intended services to meet the objectives of the Strategic Community Plan (SCP) and Corporate Business Plan (CBP).

#### Purpose

This policy guides the strategic asset management planning process and provides for specifics around the planning, acquisition, operation, maintenance, renewal and disposal of assets with the following objectives:

1. Ensure that service delivery needs form the basis of asset provision and management for current and future communities, planning on a medium and long term basis. This shall be achieved by critically reviewing asset acquisition, upgrade, renewal, maintenance or disposal initiatives with consideration to:
  - a. Demonstrated need;
  - b. Taking a lifecycle approach;

- c. Innovative and alternative modes of delivering services including non-asset based solutions;
  - d. Future proofing and adaptability of facilities to changing needs including multi-purpose/shared use opportunities;
  - e. Sustainable outcomes that are future proofed where possible;
  - f. High standard and quality of asset acquisition and construction inclusive of assets acquired or inherited through the land development process; and,
  - g. Appropriate levels of service and affordability for the management of assets.
2. Ensure that planning, acquisition, management and maintenance of assets are undertaken to complement and support the economic and social wellbeing of our community with due consideration to sustainable development practices. This shall include achieving the Access and Inclusion Plan outcomes; Place development and management to create dynamic and sustainable places; long-term financial affordability; and, minimising environmental impacts.
  3. Optimise performance of assets in delivering effective, efficient and sustainable services at a level of service and risk the community is willing to support and meet corporate and organisational objectives.
  4. Foster strong leadership and accountability, good governance and management systems for assets by:
    - a. Developing effective management systems, resources, people, accountability, capability and culture for assets.
    - b. Demonstrating transparent and responsible asset management processes that embrace informed decision making.
    - c. Maintaining an effective core asset management information and decision support systems with accurate, reliable, appropriate and up to date asset information.
    - d. Ensuring asset management practices comply with all relevant legal, regulatory, safety and environmental requirements, and reflect best practice.
    - e. Proactively seek continual improvement in asset management capabilities, processes and practices to advance our asset management maturity journey to achieve core alignment with AS/ISO 55001 (Asset Management, Management Systems – Requirements).

### 3. KEY DEFINITIONS

<b>Asset</b>	Includes all infrastructure assets; plant; machinery; land; buildings; furniture, fixtures and fittings; vehicles, and other items that have a distinct value to the organisation which enables a service to be provided and has an economic life of greater than 12 months.
<b>Asset class</b>	Groupings of assets of similar nature and use in a local government's operations
<b>Asset management</b>	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.

<b>Asset Management Improvement Plan</b>	The Asset Management Improvement Plan is a high level plan that sets out how the asset management intent will be achieved and how objectives will be delivered on. It sets out the key focus areas and within these, the priority areas of work.
<b>Asset management information</b>	Meaningful data relating to assets and asset management. NOTE: Examples of asset management information include asset registers, drawings, contracts, licences, legal, regulatory and statutory documents, policies, standards, guidance notes, technical instructions, procedures, operating criteria, asset performance and condition data, or all asset management records.
<b>Asset management plan</b>	A “whole of life” plan for the appropriate acquisition, maintenance, renewal, replacement and disposal of assets that balances aspirations with affordability. A document specifying activities and resources, responsibilities and timescales for implementing the asset management strategy and delivering the asset management objectives. Applicable as either a network wide plan (referred to as Asset Class Plans) or a facility specific management plan referred to as a Facility Asset Management Plan.
<b>Asset management strategy</b>	A document that outlines how the City’s asset portfolio will meet the service delivery needs of its communities into the future, enabling the local government’s asset management policies to be achieved and ensuring that asset management is established as part of the Integrated Planning Framework.
<b>Asset management system</b>	An organisation’s Asset Management Policy, Asset Management Strategy, Asset Management Objectives, Asset Management Plan(s) and the activities, processes and organisational structures necessary for their development, effective communication, implementation and continual improvement.
<b>Level of service</b>	The defined service quality for a particular activity (i.e. road maintenance) or service area (i.e. street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental considerations, acceptability and cost.
<b>Lifecycle of an asset</b>	The cycle of activities that an asset (or facility) goes through commencing with the identification of the need for an asset and terminates with the decommissioning of the asset or any associated liabilities. This will include planning, design, construction, acquisition, operation, maintenance, renewal, upgrade and disposal of assets.
<b>Service Plans (Annual)</b>	The annual Service Plans incorporates actions arising from the corresponding year of the Implementation Plan and are designed to capture the body of work that will contribute to the delivery of asset management objectives.
<b>Sustainable</b>	Achieving or retaining an optimum compromise between performance, costs and risks over the lifecycle, whilst avoiding adverse long-term impacts to the organisation from short-term decisions. Development outcomes which meet the needs of the present without compromising the ability of future generations to meet their own needs.
<b>Whole of Life Cost</b>	The total cost of an asset throughout its life cycle inclusive of costs associated with planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal.

#### 4. SCOPE

This policy applies at all levels of the organisation and all asset related activity ranging across planning, acquisition, operation, maintenance, renewal, upgrade and disposal of assets.

Assets considered in this policy that are necessary for the provision of services to the community and stakeholders, are detailed below:-

Asset Class	Assets included in the Asset Class
Infrastructure	<p><b>Transport:</b> Including roads, carparks, pathways, kerbs, bridges, bus shelters, roadside furniture, signage, street lighting, traffic management devices, streetscapes, bridges.</p> <p><b>Stormwater Drainage:</b> Including stormwater drains, pits and pipe network, flood mitigation systems, gross pollutant traps, drainage sumps and outlets, underground infiltration chambers.</p> <p><b>Coastal Areas:</b> Including coastal protection infrastructure (groynes, breakwaters, sea walls), swimming enclosures.</p> <p><b>Natural Areas:</b> Including conservation and foreshore area fencing, beach access ways, signage, limestone tracks, heritage trails.</p> <p><b>Parks Recreation, Public Open Space and Streetscapes:</b> Including parks, reserves and gardens, sports ovals, play equipment, irrigation systems, wheeled sport facilities, tennis courts, golf courses, park furniture, sports field lighting, landscaping, boardwalks, trees, retaining walls.</p>
Buildings and Building Facilities	Including civic centre building, council administration and depot buildings, workshops, animal shelters, aquatic centres, leisure centres, community and recreation centres, multi-purpose community facilities, libraries, museums, public toilets, public halls, heritage listed buildings, amenity and storage buildings.
Information Technology (IT)	Including computer systems and networks (computers, monitors, servers, network hubs), digital technology and assets, software, communications systems, CCTV cameras and systems, and associated equipment.
Land, Property, Plant and Equipment, Furniture and Fittings.	Including freehold, crown, investment, leased land; corporate fleet vehicles, servicing vehicles, rubbish collection vehicles, ranger vehicles, construction and maintenance plant and vehicles; furniture, fixtures and fittings, library book collections, museum and art collections.

The asset management approach for each asset class shall be appropriate to the scale and relative importance of the assets and asset systems to achieving the overall organisational objectives.

### **5. IMPLICATIONS**

This policy supports the following goals of the Strategic Community Plan:

- Priority 1.3 : Facilities and activities for all
- Priority 4.2 : Manage and protect local Biodiversity
- Priority 5.1 : Develop to meet current need and future growth
- Priority 5.2 : Plan for and manage land use
- Priority 5.3 : Manage and maintain assets
- Priority 5.4 : People can move around easily
- Priority 7.2 : Responsibly and ethically managed

Adoption of this policy will have implications with respect to the following:

- Increase in investment towards technology advancements, resourcing capacity and capabilities to affect the improvements in the asset management system.
- Better integration between asset management and long term financial planning to facilitate informed long term strategic decisions on assets.

### **6. IMPLEMENTATION**

This policy aligns with the City's Integrated Planning Framework and supports the Long Term Financial and Workforce Planning processes.

This Policy shall be supported by an Asset Management Strategy, Asset Management Implementation Plan and the corresponding Asset Management Plans and Annual Service Plans that will guide the City's direction to initially meet strategic and legislative asset management requirements and to further develop to align with AS/ISO 55001 Asset Management System standards. The following guidelines will form the basis of asset management improvements within the City:

- Australian Business Excellence Framework;
- The AS/ISO55000 series of Asset Management System Standards;
- The Western Australian Department of Local Government, Sport and Cultural Industries, "Integrated Planning and Reporting Framework and Guidelines";
- The International Infrastructure Management Manual (IIMM) 2015, IPWEA; and,
- The National Asset Management Strategy of Australia (NAMS.AU).

### **7. AUTHORITIES AND ACCOUNTABILITIES**

There are no delegations matters associated with this policy.

### **8. ROLES AND RESPONSIBILITIES**

This policy is to be used as a guide to Council and City staff in setting the strategic direction for asset management.

The Chief Executive Officer (CEO) and the Executive Leadership Team shall have overall responsibility for developing the asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within the City ensuring that outcomes support the SCP and CBP.

### **9. DISPUTE RESOLUTION (if applicable)**

All disputes in regard to this policy will be referred to the Director Assets in the first instance. In the event that an agreement cannot be reached, the matter will be submitted to the CEO for a ruling.

### **10. EVALUATION AND REVIEW**

This policy will be evaluated and reviewed every four years to determine its effectiveness in achieving its objectives.

### **11. RELATED DOCUMENTS**

- Strategic Community Plan and Corporate Business Plan
- Strategic Budget Policy
- Strategic Land Policy
- Asset Management Strategy
- Purchasing Policy
- Leasing Policy
- Light Vehicle Fleet Policy
- Long Term Financial Plan
- Enterprise Risk Management Policy
- Various Asset Management Plans and Facility Management Plans
- WA Local Government Act 1995

### **12. REFERENCES**

- Integrated Planning and Reporting Framework and Guidelines – WA Department of Local Government, Sport and Cultural Industries.

### **13. RESPONSIBILITY FOR IMPLEMENTATION**

- Director Assets

**REVISION HISTORY**

<b>Version</b>	<b>Next Review</b>	<b>Record No.</b>
4 July 2006		516924
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5 February 2013 – CS06-02/13	December 2015	TRIM: 12/154740
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