Policy Title	Asset Management
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Policy Owner	Technical Services
Approval by	Council
Effective date	
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1. STRATEGIC PURPOSE

This Asset Management Policy and the Asset Management Plan contained within the resourcing strategy 2019-2020 establish the principles and direction for managing Councils 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.

- Are sustainable in that the provision of the services that meet financial, environmental, economic and social sustainability objectives

- Have an acceptable level of risk and resilience attached that balances expectation with available resources

2. POLICY STATEMENT

This policy confirms Council's commitment to develop an asset management system to;

- manage its assets and
- establish the framework and a means of monitoring performance and driving continuous improvement.
- focus on maintaining the current asset base with target to meet a renewal ratio of 1:1

This policy applies to all buildings and infrastructure assets either owned by or under Council's control (e.g. where Council is trustee), grouped into the following classes:

- Transport
- Water supply
- Waste and sewerage
- Stormwater
- Information Technology

- Buildings and facilities
- Open space and Recreation
- Waste management services
- Plant, vehicle and equipment fleet
- Public Art

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Council will realise benefits from these asset classes through the adoption of asset management fundamentals as outlined in ISO 55000:2014 - *Overview, principles and terminology*:

Value: Assets exist to provide value to the organisation and its stakeholders

Alignment: Asset management translates the organisational objectives into technical and financial decisions, plans and activities

Leadership: Leadership and workplace culture are determinants of realisation of value

Assurance: Asset management gives assurance that assets will fulfil their required purpose

Council will take a systematic approach to managing its infrastructure assets that is based on best practice as defined in ISO 55001:2014–Asset management–Management systems–Requirements; and legislative requirements for Integrated Planning and Reporting by councils.

3. DEFINITIONS

Asset - A physical item or facility that enables Council to provide a service to the community and has an economic life of greater than 12 months. For the purpose of this policy, financial and intangible assets are excluded.

Asset Management - The process applied to assets from their planning, acquisition, operation, maintenance, renewal and disposal, to ensure that the assets meet Council's and the communities' priorities for service delivery in the most cost effective manner.

Asset Management System - interrelated elements of an organisation (stakeholder engagement, leadership, organisational structure, planning, resourcing, process control, performance review and improvement) to establish policies and objectives and processes to achieve those objectives.

Asset Management Strategy - The development and implementation of plans and programmes for asset creation, operation, maintenance, rehabilitation/replacement, disposal and performance monitoring to ensure the desired level of service is accomplished in the most cost effective manner.

Asset Register - a record of asset information considered worthy of separate identification including inventory, historical, financial, condition, and construction, technical and financial information about each.

Lifecycle - stages involved in managing an asset through planning, design, construction, operation, maintenance, rehabilitation and disposal.

Service Management Plan - a document equivalent to a conventional 'Asset Management Plan', but applied to all Council services

4. CONTENT

4.1 Value

- Council will continue community engagement to understand the needs and aspirations of our community
- All infrastructure will be regularly reviewed to ascertain its compliance with the community's needs and aspirations and provide a measure for service delivery performance

- Council will utilise life cycle cost analysis for the management of infrastructure assets

- Proposals for new capital infrastructure, including upgrades, will be considered against community need, technical need and lifecycle costing

- Maintenance and operations plans will be developed to ensure assets are maintained to a level of service that meets the community's needs, within the resources available and priority of service against other service areas

- Council will review its assets every two years and identify opportunities for asset rationalisation, considered against criteria of community need, technical need and lifecycle costing

4.2 Alignment

- Council will maintain asset management plans developed for each asset class

- Asset management plans and associated procedures will be reviewed every two years to reflect best practice

- Council will prepare a strategic asset management plan to assist in the continuous improvement of its services to the community and the linking document into the Integrated Planning and Reporting framework for infrastructure services

- Council will develop its asset systems to maintain detailed asset registers of all owned assets

- Financial management of all assets will be undertaken in accordance with applicable accounting standards, legislative reporting requirements and best practice asset financial management

4.3 Leadership

- Council will promote the process of sound asset management practices in the provision of infrastructure services

- Council will prepare and set benchmarks to continually report on the success of the organisation in delivery of asset related services to the community, in particular the areas of performance, sustainability and risk/resilience.

4.4 Assurance

- Council will routinely schedule inspections of assets under its control to minimise risk to the community

- Council will maintain a workplace health and safety system for its employees and contractors working on and with Council assets

- Assessment of risk associated with assets will be undertaken in accordance with Councils risk management policy and associated framework

Group/Officer	Responsibility/Accountability
Mayor	To lead councillors in the understanding of this policy and the overall asset management framework To communicate the policy to the community To receive regular updates on its implementation
CEO	To lead staff in their understanding of this policy and to monitor its relationships with other areas of council activity
Executive Directors	To communicate, implements and comply with this policy and the overall asset management framework
Managers	To implement this policy and related procedures
All Council Officials	To comply with this policy and consider its implications for related projects and programs

4.5 Council Resourcing Strategy

Council will implement a systematic approach to managing its assets based on best practice as defined ISO 55001:2014 (international standard for asset management systems), the *Integrated Planning and Reporting* (IP&R) *Framework* and other relevant requirements.

Council's approach will be applied consistently across all its services/functions as far as possible, even though it is focused on 'asset intensive' services like transport and water supply.

The Executive Director Infrastructure will ensure a *Strategic Asset Management Plan* is prepared as part of Council's *Resourcing Strategy* and reviewed as required to explain how Council:

- establishes objectives for its services / functional areas
- prepares *Service Management Plans* that specify the activities, resources and timescales required to achieve those objectives
- utilises its asset management system to support the achievement of those objectives.

An *Asset Management Steering Group*, comprising employees across Council with a lead role in asset management, will be established to:

- ensure that Council's asset management system supports the achievement of its objectives, particularly in relation to 'asset intensive' service areas
- identify improvement projects, coordinate actions across functional areas and monitor and review progress
- report on Council's asset management performance to the Executive Leadership Team and also to Council as part of the IP&R process.

Service Management Plans will be prepared for all Council services that detail the activities, resources and timescales to achieve Council's objectives. Key asset management principles applied via these Plans include:

- assets exist only to provide value to stakeholders (primarily, services to the community): the justification for Council to build and maintain assets is driven by Council's service priorities determined via community engagement
- objectives are set having regard to the strategic objectives in the Community Strategic Plan, legislation/regulations, industry standards, community engagement about the services Council provides and an

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analysis of what is achievable within the financial resources available and defined in a way that is SMART (specific, measurable, achievable, realistic and time-based)

- a lifecycle approach: asset management activities are planned having regard to the stage of the asset in its lifecycle (e.g. increasing maintenance costs as it ages); costs of an asset over its entire lifecycle are considered in capital decisions (renewal, new assets and/or disposal)

- a risk-based approach: while Council's focus is providing assets that meet its performance objectives ('levels of service'), Council underpins this by identifying and assessing risks associated with assets in poor condition and/or in need of additional maintenance; where such issues give rise to an unacceptable level of risk, the cost to address this risk is reported in an annual 'state of the assets' reports in terms of 'backlog' and 'required maintenance'

- renewals over new assets: while Council acknowledges that new or upgraded assets are sometimes warranted to meet community needs and expectations, it is committed to prioritising the appropriate management of its existing assets over building new ones if there are insufficient resources to do both

5. ASSOCIATED LEGISLATION

Local Government Act 1993

Civil Liability Act 2002

Australian Accounting Standards

6. ASSOCIATED COUNCIL DOCUMENTS

Asset Management Strategy – CorpPlan .06

Service Management Plan

Council Risk Framework

7. HISTORY

Date	Action	Name	Policy Number	Resolution Date	Resolution Number
	Supersede	Asset Management Policy (Former Tumut Policy)	Info.02		
	Supersede	Asset Management Policy (former Tumbarumba Policy)	TSC-ENG-PO-113		

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11.2   Attachment 1

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