

## ASSET MANAGEMENT POLICY



Responsible Division	Works and Infrastructure
Responsible Business Unit/s	Assets and Mapping Services
Responsible Officer	Director of Works and Infrastructure
Affected Business Unit/s	Engineering Services, Engineering Works, Building Services, Parks and Gardens, Project Services, Sustainability and Environment
ECM Document No.	3372088

### PURPOSE:

The key objective of this Asset Management (AM) policy is to ensure that services delivered by the City continue to be sustainably delivered by ensuring that the assets are managed in a systematic approach that optimises their performance and expenditures over their life cycle for the purpose of achieving the City's Strategic Community Plan.

It will also provide clear direction as to how the City, as custodians of community assets, will manage those assets within an Asset Management Framework.

### POLICY STATEMENT:

To achieve the policy objective, the City is committed to ensuring that asset management is recognised as a major corporate function within the City and staff are committed to supporting the function in line with this policy.

The City is committed to making informed decisions in relation to its assets. To achieve this, the City will prepare an Asset Management Strategy that will guide the implementation of asset management practices across the organisation with the major outcome being the adoption by Council of an Asset Management Plan for the following classes of assets;

- Property;
- Transport;
- Recreation;
- Plant and Equipment; and
- Information and Communication Technology (ICT).

Asset management plans will form part of the City's day-to-day business practices and will be used to make informed decisions in relation to service delivery when it comes to considering the need to acquire new assets, renew existing assets, upgrade existing asset or dispose of existing assets to support service delivery.

Asset management plans will be prepared in accordance with the International Infrastructure Management Manual recommended format and will include long term financial modelling of the renewal profile of each asset class and will be underpinned by long term financial plans in accordance with industry standards and the Integrated Planning Framework.

The City has limited resources and is custodian of a large number of assets, some of which have reached or gone beyond their economic life. It is therefore, imperative that informed decisions be made in relation to asset expenditure.

In making informed decisions in relation to assets, the City will consider the following key principles:

- Philosophy of renewing assets before acquiring new assets and where possible, rationalising assets that are no longer used or do not provide the necessary level of service required to sustainably deliver the intended service for which the asset was originally acquired; and
- In consideration of any major renewal, acquisition and/or upgrade to an asset, the Asset Management Plan will identify and evaluate the following critical areas:
  - Need for facility (short and long term);
  - Legislative requirements;
  - Opportunities for rationalisation;
  - Future liability including ultimate retention/disposal;
  - Opportunities for multiple use; and
  - Risk management.
- All capital projects will be evaluated in accordance with a “whole of life” cost assessment and take into account capital cost, ongoing cost of maintenance, refurbishment, replacement and operating cost.

### *Financial Planning*

Developing and implementing a 10 year “rolling” financial plan (Long Term Financial Plan) that incorporates the asset renewal requirements as identified within various Service & Asset Management Plans.

### *Sustainability*

The City is committed to determining the level of service required for assets in a collaborative manner with asset stakeholders, community and user groups in a sustainable manner.

### Linkage to Strategic Community Plan

This policy links to the Strategic Community Plan (particularly with the following outcomes C1, C1.1, C2, C2.1, , N1.1, , B1.1, B2, B2.1, B3, B3.2, E2, E2.1, L1, L1.1, L1.3, L3, L3.2, L3.3 and Long Term Financial Plan.)

### Responsibility and Reporting

**Council** is responsible for approving, including amendments to, the AM Policy.

Council is also responsible for ensuring that resources are allocated to achieve the objectives of the above documents.

In adopting asset management plans, Council is also determining the level of service for each asset class.

**Chief Executive Officer (CEO)** - is responsible for ensuring that systems are in place to ensure that the City's AM Policy, AM Strategy, AM Plans are prepared and kept up to date, reviewed at least every 3-4 years and that recommendations are put to Council (at least annually) in relation to appropriate resource allocation to fulfil the objectives of the above documents. The CEO reports to Council on all matters relating to asset management.

**Executive Leadership Team (ELT)** – is responsible for monitoring the implementation of asset management across the organisation. ELT will ensure that strategies are put in place to remove barriers to the successful implementation of asset management. The ELT reports to the CEO on all matters relating to asset management.

## **DEFINITIONS:**

- “Asset” means a physical item that is owned or controlled by the City of Bayswater, and provides or contributes to the provision of service to the community (in this context excluding financial, intellectual, and non-tangible assets).
- “Asset Management” means the processes applied to assets from their planning, acquisition, operation, maintenance, replacement and disposal, to ensure that the assets meet Council’s priorities for service delivery.
- “Asset Management Plan” means a plan developed for the management of an asset or asset category that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset.
- “Council” means the elected council (comprising Councillors) of the City of Bayswater.
- “Level of Service” means the combination Function, Design and Presentation of an asset. The higher the Level of Service, the greater the cost to deliver the service. The aim of asset management is to match the asset and level of service of the asset to the community expectation, need and level of affordability.
- “Life Cycle” means the cycle of activities that an asset goes through while it retains an identity as a particular asset.
- “Whole of life cost(s)” means the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.
- “Maintenance” means regular ongoing day-to-day work necessary to keep asset operating and to achieve its optimum life expectancy.
- “Operations” – means the regular activities to provide public health, safety and amenity and to enable the assets to function e.g. road sweeping, grass mowing, cleaning, street lighting and graffiti removal.
- “New” means creation of a new asset to meet additional service level requirements.
- “Resources” means the combination of plant, labour and materials, whether they be external (contractors/consultants) or internal (staff/day labour).
- “Renewal” means restores, rehabilitates, replaces existing asset to its original capacity. This may include the fitment of new components necessary to meet new legislative requirements in order that the asset may achieve compliance and remain in use.
- “Risk” means probability and consequence of an event that could impact on the Council’s ability to meet its corporate objectives.
- “Stakeholders” are those people/sectors of the community that have an interest or reliance upon an asset and who may be affected by changes in the level of service of an asset.
- “Upgrade” means enhances existing asset to provide higher level of service.

**RELATED LEGISLATION:***Nil***RELATED DOCUMENTATION:***Nil*

Relevant Delegations		
Risk Evaluation		
Council Adoption	Date	26 February 2013
Reviewed / Modified	Date	9 April 2019
Reviewed / Modified	Date	
Reviewed / Modified	Date	