

## Asset Management Policy

<b>Title</b>	Asset Management Policy
<b>Summary</b>	<p>The purpose of the Asset Management Policy is to ensure Council has information, knowledge, and understanding of the long-term and cumulative consequences of being the custodian of public infrastructure.</p> <p>The Asset Management Policy describes the principles that arise from <i>Our Inner West 2036</i> to guide infrastructure asset management.</p>
<b>Background</b>	Legislation requires that Councils must account for and plan for all of the existing assets under its ownership.
<b>Policy Type</b>	Council Policy
<b>Relevant Strategic Plan Objective</b>	Community Strategic Plan: <i>Our Inner West 2036</i>
<b>Relevant Council References</b>	<p>Asset Management Strategy 2018</p> <p>Asset Management Plans 2018</p> <p>Community Strategic Plan: <i>Our Inner West 2036</i></p> <p>Delivery Program 2018-2021</p>
<b>Main Legislative or Regulatory Reference</b>	<p>Local Government Amendment (Planning and Reporting) Act 2009</p> <p>Local Government (General) Regulation 2005</p>
<b>Applicable Delegation of Authority</b>	Deputy General Manager Assets & Environment
<b>Other External References</b>	<p>Local Government (General) Regulation 2005</p> <p>National Asset Management Framework</p> <p>International Infrastructure Management Manual</p> <p>Australian Infrastructure Financial Management Guidelines, 2009</p> <p>ISO 55001:2014 Requirements for Asset Management.</p>
<b>Attachments</b>	Nil
<b>Record Notes</b>	External available document
<b>Version Control</b>	Draft Version 2, June 2018

<b>Document:</b>	Council Policy	<i>Uncontrolled Copy When Printed</i>	
<b>Custodian:</b>	Deputy General Manager Assets & Environment, Infrastructure & Service Delivery	<b>Version #</b>	Version 2
<b>Approved By:</b>	Deputy General Manager Assets & Environment, Infrastructure & Service Delivery	<b>TRIM Ref #</b>	XXXXXX
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## 1. PURPOSE

The purpose of the Asset Management Policy is to set the management framework for Asset Management practice. Mature asset management practice will ensure that Council has information, knowledge and understanding of the long-term and the cumulative consequences of being the custodian of public infrastructure. Mature asset management practice will be achieved by ensuring systems and processes are in place to enable the most effective and efficient options for delivering the services provided by infrastructure to be determined, whilst controlling Inner West Council's exposure to risk and loss.

Asset Management is defined in the International Infrastructure Management Manual as: The systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through cost effective life cycle management of assets.

The former Ashfield, Leichhardt and Marrickville Council's had each adopted an Asset Management Policy prior to their amalgamation on 12 May 2016. Three international standards for asset management were published in 2014 setting the international benchmark for the management system for the management of assets. The Asset Management Policy is now updated for Inner West Council and amended to conform to the ISO standards.

## 2. OBJECTIVES

The following objectives guide Council to meet desired outcomes consistent with policy principles and strategic directions set in the Community Strategic Plan: *Our Inner West 2036*.

Asset management will be

- **Sustainable** through long term planning considering environmental, social, economic and governance implications in all asset management planning decisions;
- **Integrated** with strategic planning and management within Council for the community and organisation;
- **Informed** by periodic condition and need assessments undertaken for all assets, to ensure decisions are evidence based;
- **Continuously improved** by ensuring that knowledge, processes and systems are progressively enhanced and contemporary; and evaluated against industry maturity benchmarks;
- **Engaging** with the Community being consulted on the levels of service to be provided by all asset classes;
- **Systematic** with asset management plans prepared, and implemented;
- **Comprehensive** with whole of life costs being considered in asset management decisions;

- **Safe** with risks assessed and managed for all assets;
- **Clearly documented** in plain English; and
- **Accountable** through performance measurement and reporting in the Annual Report.

### 3. SCOPE

This policy applies to the management of all services provided by infrastructure assets grouped as: transport and related infrastructure, stormwater, buildings, and parks.

### 4. LINKS TO COMMUNITY STRATEGIC PLAN: OUR INNER WEST 2036

The strategic directions of the Community Strategic Plan: *Our Inner West 2036* are listed below with the strategies that influence Asset Management Policy:

#### 1. An ecologically sustainable Inner West

1.1	The people and infrastructure of the Inner West contribute positively to the environment and tackling climate change
1.3	The Community is water sensitive, with clean, swimmable waterways
1.4	Inner West is a zero-emissions community that generates and owns clean energy

#### 2. Unique, liveable, networked neighbourhoods

2.1	Development is designed for sustainability and makes life better
2.2	The unique character and heritage of neighbourhoods is retained and enhanced
2.3	Public spaces are high quality, welcoming and enjoyable places, seamlessly connected with their surroundings

#### 3. Creative communities and a strong economy

3.5	Urban hubs and main streets are distinct and enjoyable places to shop, eat, socialise and be entertained
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#### 4. Caring, happy, healthy communities

4.4	People have access to the services and facilities they need at all stages of life
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#### 5. Progressive local leadership

5.1	People are well informed and actively engaged in local decision-making and problem solving
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## 5. POLICY STATEMENT

The Local Government Amendment (Planning and Reporting) Act 2009 requires that Councils must account for and plan for all of the existing assets under its ownership, and any new assets proposed in its Community Strategic Plan and Delivery Program.

To facilitate delivery of the strategic directions and comply with regulations Council shall:

- Prepare an Asset Management Strategy and Asset Management Plans to support the Community Strategic Plan: *Our Inner West 2036* and the Delivery Program.
- Ensure the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy.
- Ensure the Asset Management Policy, Asset Management Strategy and Asset Management Plans integrate with the Community Strategic Plan: *Our Inner West 2036* and the Delivery Program.
- Ensure the Asset Management Strategy supports and implements the Asset Management Policy.
- Ensure the Asset Management Strategy and Plans cover a minimum timeframe of 10 years.
- Ensure the Asset Management Strategy identifies assets that are critical to Council operations and outlines risk management strategies for these assets.
- Ensure the Asset Management Strategy includes specific actions required to improve Council's asset management capability and projected resource requirements and timeframes.
- Define life cycle costs to include costs for operations, maintenance, and capital (renewal, upgrade, new creation, and disposal).
- Define and use intervention levels to prioritise works based upon risk, condition, function, utilisation and capacity. Application of these criteria will be further matured through improvement of the data and its analysis where available.
- The definition of an asset renewal backlog will be defined as the value of condition 4 and 5 assets.
- Unit service levels are defined through a community engagement process.

## 6. POLICY

Council's policy is based on principles that guide responsible asset custodianship and sustainable management of infrastructure assets in order to deliver the policy objectives. The policy is:

- 6.1 Council will apply asset management to inform, plan and guide decisions about infrastructure assets in order to deliver the optimum balance of services and risks within its fiscal capacity.
- 6.2 Council will ensure the asset management of existing assets will not be compromised by the creation of new assets.

- 6.3 The community and key stakeholders are involved and consulted when determining service and intervention levels.
- 6.4 Decisions on asset renewal, disposal, upgrade or new asset provision are carried out in accordance with asset management information that includes demonstrated need, life cycle costing, alternative modes of delivery, sustainability, equitable distribution of resources and social equity.
- 6.5 Council will allocate sufficient resources for the development of asset strategies, asset management plans and service level documents to achieve the maturity in asset management practice, and will be underpinned by performance measurement, audit and review at appropriate intervals.
- 6.6 The application of asset management will conform to legislative requirements and reflect best practice in the industry.
- 6.7 When an asset renewal backlog is identified, the asset renewal funding ratio is to be a minimum of 110%. If there is no asset renewal backlog the asset renewal funding ratio shall be not less than 100%.
- 6.8 The asset maintenance ratio shall be set at 1 or greater.
- 6.9 When new assets are considered or accepted to be acquired, the full life cycle costs (operation, maintenance and renewal funding) are to be sufficiently allocated.
- 6.10 Disposal of assets are to be actioned in accordance with the Asset Management Plans.

## **7. RESPONSIBILITIES**

The Mayor and Councilors adopt the policy objectives (this policy) and ensure sufficient resources are applied to manage the assets.

The General Manager has overall responsibility for developing infrastructure asset management systems, policies and procedures and financial models and reporting on the status and effectiveness of asset management within Council.

The Asset Management Steering Committee is responsible for ensuring that all asset management activities are consistent with the objectives of Council's Community Strategic Plan, and the Integrated Planning and Reporting Framework. The committee members are responsible for ensuring that people, processes and systems are in place and work together to deliver services and meet the corporate infrastructure asset management objectives. They will also oversee the development and implementation of asset and risk management plans for all asset classes.

Deputy General Managers and Group Managers are responsible for implementing infrastructure asset management plans, systems, policies and procedures.

Employees with management or supervisory responsibility are responsible for the management of assets within their area of responsibility. Employees are tasked under implementation plans, and will be responsible for the timely completion of those activities contained within those plans.

**Version Control - POLICY HISTORY:**

The former Ashfield, Leichhardt and Marrickville Council's had each adopted an Asset Management Policy prior to their amalgamation. Each policy provided for a review of the policy within 4 years.

*Governance Use only:*

<b>Version</b>	<b>Amended By</b>	<b>Changes Made</b>	<b>Date</b>	<b>TRIM #</b>
1	Asset Management Policy	New IWC Policy replacing pre-merger versions	Mar 2018	#
2	Asset Management Policy	New IWC Policy replacing pre-merger versions	June 2018	#