

Asset Management Policy

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Service Unit	Asset Management
Directorate:	Community Assets & Infrastructure
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1. Purpose

The purpose of this policy is to acknowledge Council's commitment to asset management and provide a consistent asset management approach with clear principles and guidelines in order to manage Council's assets for the current and future community. The policy establishes a framework to ensure a structured, coordinated, cost effective and financially sustainable approach to asset management across the organisation.

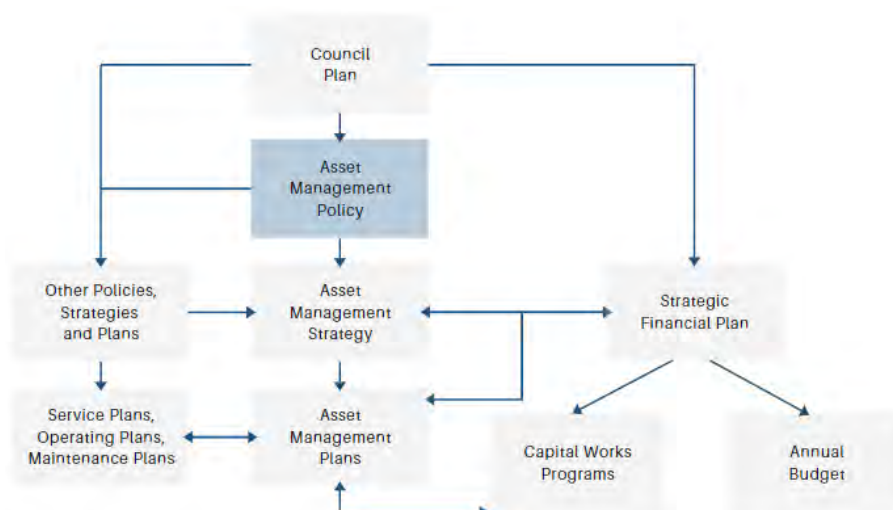
2. Context

Moorabool Shire Council is responsible for the management of almost \$0.7B of infrastructure assets that support the delivery of services to the local community. As custodian of these assets, Council ensures that they are effectively managed and fit for purpose, so they continue to meet the needs to the growing community whilst achieving best value, sustainable outcomes.

Asset management is a core service and is at the centre of Council's financial and strategic planning decision making. The Local Government Act 2020 requires that Councils have adequate control over their assets and mandates the development and adoption of a ten-year Asset Plan to guide the management of Council assets throughout the asset lifecycle.

Together with the Asset Management Strategy and Asset Plans, it provides a framework for comprehensive, accountable, and transparent asset management practices.

Image 1: Relationship with other strategic asset management documentation



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3. Definitions

Asset	A physical asset constructed to provide a service to the community, and which requires management by Council.
Asset Management	The systematic and coordinated activities and practices through which Council optimally manages its physical assets and their associated performance, risks, and expenditure over the assets' lifecycle.
Asset Management Plans	A tactical plan developed for the management of a class of assets over the lifecycle of that asset in the most cost-effective manner to provide a specified level of service.
Asset Management Strategy	A strategic plan that documents the relationship between organisational objectives and asset management objectives, and defines the framework and actions required to achieve those asset management objectives.
Level of Service	An attribute of service (quantity, quality, availability etc) against which service performance can be measured.
Lifecycle	The cycle of activities that an asset goes through over its life (planning, construction/acquisition, operation, maintenance, renewal, upgrade and/or disposal).
Strategic Financial Plan	The key financial planning document of Council which establishes the financial framework upon which sound financial decisions are made.

4. Scope

This policy relates to all physical infrastructure assets owned and/or managed by Council and contained within its formal asset registers, such as the assets identified below. The policy will also provide high level guidance to Council and its officers in the development and implementation of the Asset Management Strategy and Asset Management Plans.

5. Policy

To ensure that infrastructure assets are fit for purpose and support services that are appropriate, accessible, responsive, timely and sustainable to the community, in accordance with responsible asset management that will preserve the life of the asset and ensure that the community is receiving the best value for money.

5.1. Policy Principles

Council is committed to the following key principles:

- Appropriate investment in the creation and renewal of Council owned assets.
- Assets are fit for purpose, of sufficient capacity and functionality, and meets the utilisation requirement of the services it provides.
- Long term financial planning will be guided by asset creation and renewal demand.

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- Asset planning and management has a direct link with Council's strategic documentation (including the Council Plan and Strategic Financial Plan), budgets and reporting processes.
- Service delivery guides asset management practices and decisions.
- Asset decisions are based on the benefits and risks of assets and the evaluation of alternative options that take into account full life cycle costs as well as impacts of those costs on the ability to fund future maintenance and renewal.
- Grant funded new or upgrade projects are reviewed for whole of life costs as part of the project development process.
- Asset Management Plans will communicate information about assets and the actions required to deliver a defined level of service within a best value for money framework.
- Asset Management Plans are to be informed by community consultation and integrate with financial reporting frameworks.
- Councillors and staff with asset and financial management responsibilities will be appropriately trained in relevant asset and financial management principles, practices, and processes.
- Financial and asset management reporting must be categorised in terms of operational, maintenance, renewal, upgrade, expansion, and new expenditure classifications to enable sound asset management decisions.

In order to achieve the above, Council will:

- Identify core asset and financial management functions.
- Identify gaps between asset management capability and needs.
- Through the development and implementation of strategic asset management documentation and ongoing reporting, raise the awareness and understanding of the importance of asset management principles and practices.
- Use asset management to ensure that assets support Council's delivery of service.
- Adopt and maintain an Asset Management Strategy and Asset Management Plans.
- Facilitate long term integrated decision making by the Council and participative decision making by the community, and subsequent accountability to the community about the asset management activities of the Council.
- Incorporate capital creation and renewal demands from the adopted Asset Management Plans into the long-term financial planning process.
- Implement asset reporting categorised in terms of operational, maintenance and capital works. Capital works will be further split into sub-categories (new, upgrade, renewal, or expansion) as required in the financial reporting regulations.
- Ensure whole of life costs (including operations and maintenance) of assets are accounted for in the creation of new assets.

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5.2. Key Responsibilities

To implement this policy the following key roles and responsibilities are identified:

Council

- Act as stewards for Council's assets.
- Adopt Council's Asset Management Policy, Asset Management Strategy and Asset Management Plans and monitor the outcomes of these.
- Adopt sustainable levels of service, budget, risk, and cost standards.
- Ensure adequate resources for asset management activities are made available and considered in Council's Strategic Resource Plan.
- Promote and raise awareness of asset management in the community.

Council's Executive Group

- Support and promote the principles of the Asset Management Policy to Council.
- Implement the Asset Management Strategy with adequate resources.
- Monitor and review the performance of Council staff in achieving the key objectives outlined within the Asset Management Strategy.
- Ensure that accurate and reliable information is presented to Council for decision making.
- Recommend to Council appropriate levels of service, budgets, risk, and cost standards.
- Report on a regular basis, the status of the implementation of the Asset Management Strategy, as required

Asset Management Service Unit

- Develop and implement Asset Management Plans for individual asset groups, using principles of lifecycle analysis.
- Liaise with Finance in the development of the Strategic Resource Plan.
- Coordinate the development of annual and long-term Capital Improvement Programs.
- Manage Council's asset information and report on it under Council's statutory requirements.
- Identify, recognise, and record electronically, the existence of all Council and community owned assets using the standardised asset attributes.
- Regularly determine the operational condition of all assets and undertake asset inspections as per service level agreements.
- Audit and maintain asset information to ensure statutory requirements are met.
- Assist in the determination of the value of assets to verify their remaining useful life and to report on the financial and risk implications under the accounting standards of the day.

Service Managers

- Consult with the community in the development of service delivery needs.
- Develop, review, and deliver levels of service, to agreed risk and cost standards.
- Assist in the development of Asset Management Plans relevant to their service, using the principles of lifecycle analysis.

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- Assist to develop and implement improvement plans (such as maintenance programs, capital works programs) in accordance with Asset Management Strategy and Asset Management Plan.
- Undertake a 'whole of life costing' for all capital projects.
- Ensure continuous, timely, efficient, and effective service delivery to an agreed community standard.
- Liaise with the asset managers.
- Development of business cases for new and upgrade projects.

Maintenance Service Providers

- Manage the maintenance of assets under their control to ensure continuous, timely, efficient, and effective service delivery to an agreed level of service.
- Undertake asset maintenance inspections and works as per service level agreements.
- Proactively identify and advise asset management of asset condition and risk issues as they arise.

Asset Management Steering Committee

- Develop a long-term plan for key asset management improvements and identify innovative methods to improve the management of Council's assets
- Monitor the planning and ongoing delivery of asset management improvement actions
- Monitor the delivery of asset management functions across Council
- Review and provide input into strategic and tactical asset management documentation (strategies, plans and policies)
- Review and provide input into asset management reporting (eg. cyclical reporting, Audit Committee and Council reporting)

6. Related Legislation

- Local Government Act 2020
- Road Management Act 2004
- MSC Council Plan
- International Infrastructure Management Manual (IIMM) 2015
- Australian Infrastructure Financial Management Manual (AIFM) 2015
- Applicable Australian Accounting Standards

7. Council Plan Reference

Objectives: Providing good governance and leadership
Context: Our assets and infrastructure

8. Review

This policy will be reviewed in 2024-25, or sooner if there is a requirement due to changes in related policies, procedures, or legislation.