

# Asset Management Policy

<b>Adoption Date:</b>	28/07/2009
<b>Amendment Date:</b>	15/05/2012, 15/04/2014, 12/12/2017, 27/06/2022
<b>Minute Number:</b>	MIN09.977, MIN12.524, MIN14.266, MIN17.1057, MIN22.425
<b>Review Date:</b>	01/12/2024
<b>Directorate:</b>	City Services
<b>Record Number:</b>	POL22/146

**Disclaimer**

Every effort has been made to provide accurate and complete information. However, Shoalhaven City Council assumes no responsibility for any direct, indirect, incidental or consequential damages arising the use of information in this document.

**Copyright Notice**

No part of this publication may be reproduced in any form or stored in a database or retrieval system or transmitted or distributed in any form by any means, electronic, mechanical photocopying, recording, or otherwise without written permission from Shoalhaven City Council. All rights reserved. Copyright © 2021, Shoalhaven City Council.

# **CONTENTS**

<b>1. Purpose .....</b>	<b>1</b>
<b>2. Scope .....</b>	<b>1</b>
<b>3. Objectives.....</b>	<b>1</b>
<b>4. Asset Management Framework.....</b>	<b>2</b>
<b>5. Responsibilities .....</b>	<b>2</b>
<b>6. Relevant Legislation.....</b>	<b>3</b>
<b>7. Related Documents .....</b>	<b>3</b>
<b>8. Review .....</b>	<b>4</b>
<b>9. Glossary .....</b>	<b>4</b>

## 1. Purpose

This policy provides a framework and strategic guidance for the management of infrastructure and other associated assets within Shoalhaven City Council.

The Asset Management Policy provides guidance for the Asset Management Strategy and [Asset Management Plans](#).

## 2. Scope

The Asset Management Policy applies to all infrastructure asset related activities undertaken by Shoalhaven City Council. This includes activities associated with:

- Buildings
- Land
- Open Spaces
- Plant & Equipment
- Water & Sewerage
- Stormwater and water quality devices
- Transport
- Telecommunication Infrastructure
- Flood mitigation
- Maritime infrastructure
- Coastal and estuary assets

## 3. Objectives

The primary objective of this Policy is to underpin Council's responsibility to achieve sustainable asset outcomes for the community, with consideration of the long term and cumulative effects of decisions and their impact on current and future generations. The detail of this consideration is captured in our Asset Management Plans.

In support of the Shoalhaven community's vision to *"foster a safe and attractive community for people to live, work, stay and play; where sustainable growth, development and environmental protection are managed to provide a unique and relaxed lifestyle"*, the objective of this Policy is to align Council's asset management activities with the following asset management principles:

### **Community benefit**

- Continuously work toward an appropriate balance of community expectations and the resources of Council through the development and monitoring of agreed levels of service and appropriate community engagement;
- Improve the resilience of Council's infrastructure to support communities.
- Enhance the protection of the community against future natural hazards and climate change.

### **Financial Sustainability**

- Asset planning decisions for infrastructure will consider the "Life Cycle Cost" of an asset including costs of construction, operation, maintenance and disposal.
- Asset planning decisions will be made in the context of a sustainable Long Term Financial Plan.

- Adopt a 'Renewal before Upgrade or New' philosophy for asset planning as appropriate. The intent of this philosophy is to ensure priority is given to sustainable management of renewals to deliver optimal asset lifecycle before implementing asset upgrades or new assets.

### Environmental Sustainability

- Encourage the efficient use of resources in the planning and delivery of infrastructure activities.
- Embed protection of the natural environment into asset strategies and asset planning, utilising a risk-based approach in decision making.
- Acknowledge that climate adaptation and environmental protection considerations are fundamental to sustainable asset management.

### Continuous Improvement

- Support the continuous improvement of Council's asset management practices by providing and maintaining systems and data necessary to achieve Policy outcomes and facilitate informed asset planning decisions based on reliable data and consistent with an Intermediate maturity (as defined in IIMM 2020).
- Continually develop and maintain digital platforms that enable community access to data where appropriate.

## 4. Asset Management Framework

The Asset Management Framework includes an Asset Management Policy (AM Policy), Asset Management Strategy (AM Strategy) and Asset Management Plan(s). Together, these documents drive the implementation of asset management across Shoalhaven City Council.



Figure 1: The Asset Management Framework (IIMM 2015)

## 5. Responsibilities

### Council's Elected Representatives

- Adoption of the Policy and asset management principles.

- Ensure that asset management principles are appropriately considered in decision making and incorporated into Council's financial management.
- Allocation of resources to implement adopted plans.

### **Chief Executive Officer and Executive Team**

- Identification of resources and development of sound asset management practices across the organisation.
- Overall responsibility for developing systems, policies and procedures and financial models.

### **Asset Custodians**

- Management of assets within the area of responsibility.
- Ensure the principles and objectives outlined in the Policy guide the development and maintenance of Asset Management Plans.
- Implementation of asset management activities that align with agreed service levels.

### **Technical Services Department**

- To provide leadership and coordination for the implementation of asset management principles across the Asset Custodians.
- To raise awareness and provide education of asset management across Council.
- To review and update the Asset Management Policy & Asset Management Strategy.
- To overview corporately and peer review individual AMP's.

### **All Staff**

- Asset management requires a whole of organisation approach and involves the participation of all Council staff.

## **6. Relevant Legislation**

- [Local Government Act 1993](#)

## **7. Related Documents**

- [International Infrastructure Management Manual \(IIMM\) - IPWEA 2020](#)
- [Australian Infrastructure Financial Management Manual \(AIFMM\) –IPWEA 2015](#)
- [OLG Integrated Planning and reporting Framework and Guidelines](#)
- NAMS+ - IPWEA
- Community Strategic Plan
- Delivery Program Operational Plan
- Asset Management Strategy (AMS)

- Asset Management Plans (AMPs) for specific asset classes
- Asset Accounting Policy

## 8. Review

The policy will be reviewed:

- Within 12 months of the date of the election of a new Council. (Statutory requirement)
- When a change to legislation affects this policy.
- As directed by Council.

## 9. Glossary

### **Asset Management**

A systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of asset based on 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.

### **Asset Management Framework**

The overarching Asset Management Hierarchy and includes the Asset Management Policy, Strategy, Objectives, Plans.

### **Asset Management Strategy**

A document that specifies how the organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives.

### **Asset Management Plan (AMP)**

Long term plans for infrastructure assets that outline the asset activities for each service area and resources applied to provide a defined level of service in the most cost-effective way.

### **Infrastructure assets**

Physical assets that contribute to meeting the public's need for access to economic and social facilities and services, e.g. roads, drainage, footpaths and cycleways, and meet the "Recognition Thresholds" specified in Council's Asset Accounting Policy. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained.

### **Level of service**

The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).

### **Life Cycle Cost**

The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs. Alternatively referred to as “Whole of Life Cycle Cost”.

**Long Term Financial Plan (LTFP)**

A summary of the financial projections for the Council, including proposed operating and capital investment activities for a minimum of 10 years. The LTFP will be used to inform decision making during the development of the Delivery Program Operational Plan.