



# ASSET MANAGEMENT POLICY

## **PURPOSE**

The purpose of this policy is to outline what is required at the City of Whitehorse (Council) to ensure comprehensive and effective asset management practices are developed and utilised across all asset classes. This policy is linked with the Asset Management Strategy.

## **BACKGROUND AND ORGANISATIONAL CONTEXT**

Council's asset network represents a significant investment, made over many generations and provides the foundation for the social, environmental and economic values of the community. Management of these assets is a core Council function. Millions of dollars are spent annually managing and maintaining infrastructure and it is important that Council employs high-level management skills and practices to ensure that services are delivered economically and sustainably.

## **SCOPE**

This Policy applies to all assets owned, controlled, managed and/or maintained by Council.

## **POLICY**

### ***Vision***

As custodians of community assets, Council will provide assets to enable a healthy, vibrant, prosperous and sustainable community.

A key strategic direction of the Council Vision 2013-2023 is to 'maintain and enhance our built environment to ensure a livable and sustainable city'.

The Council Plan also identifies the following strategies which relate to this policy:

- 2.1.4 Maintain, renew and sustainably invest in our community infrastructure that is relevant, modern and accessible, and can accommodate multi-purpose usage
- 2.1.5 Maintain, enhance and create shared community spaces that promote the neighbourhood character and provide a safe and enjoyable meeting place for everyone
- 2.1.6 Provide and maintain an infrastructure network that meets the needs of development growth whilst supporting residents, businesses and visitors in their daily activities
- 4.1.1 Continue to ensure financial sustainability and continue business improvement programs

### ***Objectives***

- To ensure sustainable management of assets by applying Best Appropriate Practice in Asset Management including the use of suitable asset management systems as applied to the different asset classes.
- To share the responsibility for asset management across all Divisions of Council and to use a coordinated approach for the management of all assets.
- To give priority to asset renewal (including upgrade as appropriate) when making capital investment decisions thereby ensuring Council's existing assets are properly managed to provide acceptable levels of service.
- To adopt a life-cycle asset management approach, incorporating life cycle costing into capital investment decisions.

- To maintain and regularly update Asset Management Plans for each asset class to inform long term financial planning, and reflect community expected levels of service standards.
- To report Council asset expenditure in a manner that identifies operational, maintenance, renewal, upgrade, expansion and new expenditure
- To ensure adjustments to operational budgets are considered at the time decisions are taken to acquire, create, expand or upgrade of an asset. To ensure that adequate funding adjustments are identified and implemented when changes are made to level of service standards.
- To develop effective and affordable preventative maintenance programs aimed at minimising life cycle costs and maximising the service potential of assets.
- To apply appropriate risk management principles and practices to protect employees, contractors, property and the community.
- To continue to maintain an integrated Asset Management System to ensure a common asset data set is available for strategic, operational and financial reporting purposes.
- To progressively align Council's Asset Management Practices with the International Asset Management Standards; ISO55000, ISO55001, ISO55002, the National Asset Management Assessment Framework and the Municipal Association of Victoria's STEP Program.
- To provide an asset performance reporting process for the executive and the community.

### ***Organisational Commitment***

This policy does not exist in isolation and is set within the context provided by the Council Vision 2013-2023, the Council Plan, the Strategic Resource Plan and other Plans, Policies and Strategies. Council has made a commitment to support and achieve sustainable asset management practices in its Council Plan. This Policy supports Council's commitment towards a Total Asset Management philosophy having regard to competing demands from the community.

### **DEFINITIONS**

**ASSET** – A physical asset, with a lifespan of 12 months or more, that is owned or managed by Council, enables services to be provided, and/or enables Council to meet its corporate objectives.

**ASSET MANAGEMENT** – Council's asset management at the City of Whitehorse is the combination of management, financial, economic and technical practices applied to physical assets. The goal of asset management is to continually meet the prescribed levels of service in the most cost effective and sustainable manner through the management of assets for the benefit of current and future generations.

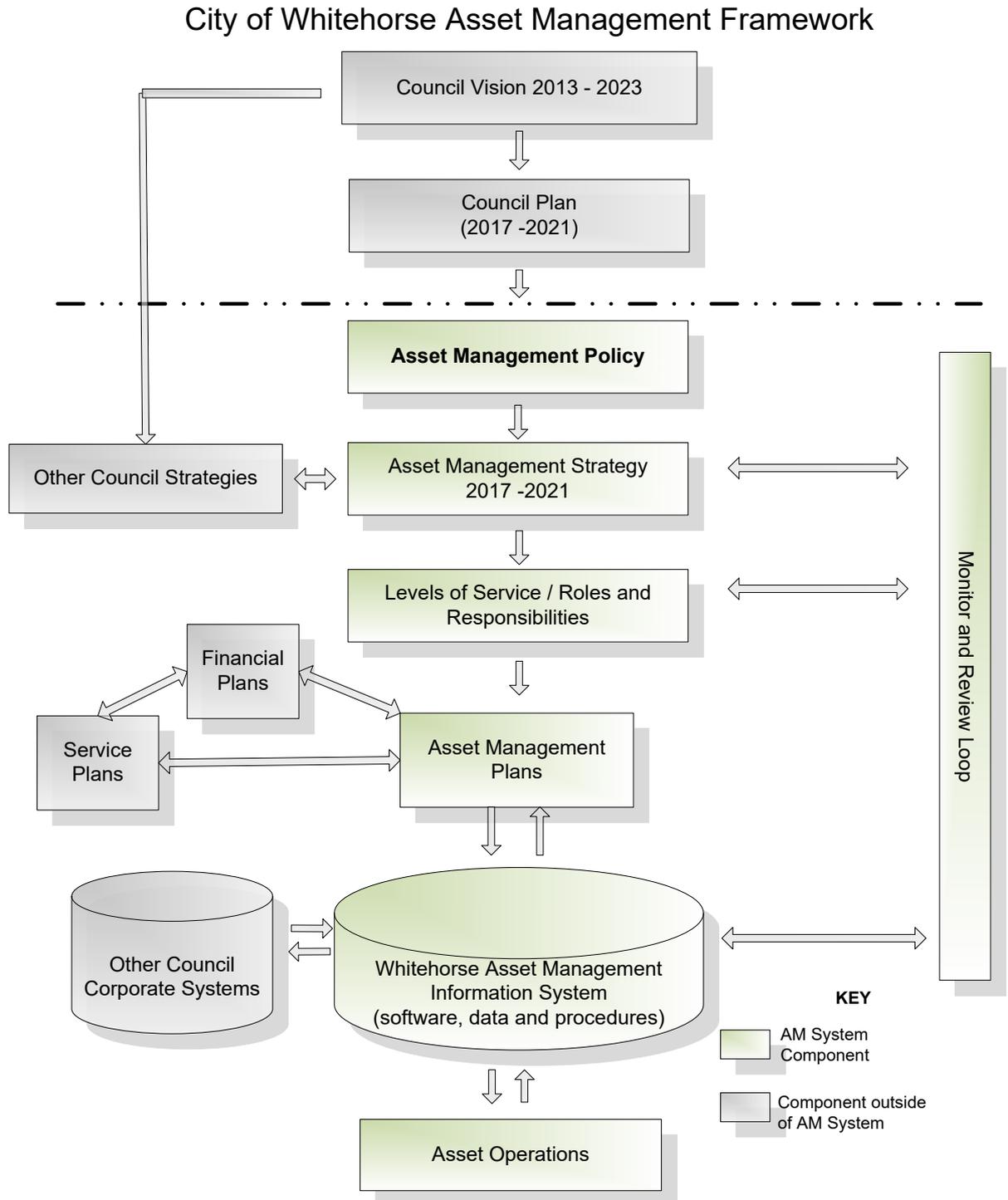
**LEVEL OF SERVICE** – The defined service quality for a particular activity or service area against which service performance may be measured. Community and technical service levels can relate to quality, quantity, reliability, responsiveness, environmental acceptability and costs of providing the service.

**ASSET MANAGEMENT FRAMEWORK** – The overarching asset management framework which comprises the Asset Management Policy, Asset Management Strategy, Asset Management Plans and Asset Management Information System.

**ASSET MANAGEMENT STRATEGY** – An Asset Management Strategy is a short to medium term strategy for the implementation and documentation of improved asset management practices, plans, processes and procedures within an organisation.

**POLICY IMPLEMENTATION**

Council's vision and goals for Asset Management are to be achieved through the continued implementation of Council's Asset Management Framework (shown as figure 1). The Asset Management Steering Committee is responsible for the implementation, monitoring and review of the Asset Management Framework.



**Figure 1. City of Whitehorse Corporate Asset Management Framework**

The integration of Council's Asset Management Policy, Strategy, AM Plans and Integrated Asset Information System

## **RESPONSIBILITIES AND RELATIONSHIPS**

Council's commitment to asset management will be demonstrated by the provision of appropriate employee, executive and Councillor resources, training and awareness programs as identified within Council's Performance Appraisal and Development Program (PADP) and executive training initiatives. A session on Asset Management will also be held for Councillors following the start of every Council Election cycle.

Employees that are assigned asset management responsibilities will be required to demonstrate a clear understanding and commitment to asset management principles via the Performance Appraisal and Development Program. Employee position descriptions should incorporate asset management responsibilities.

Asset management responsibilities for key stakeholders are summarised below:

### ***Council***

- To act as custodians for community assets and set corporate asset management vision and policy
- To provide sufficient resources to maintain community assets in the municipal district
- To approve Council Plans Annual Budgets and Strategic Resource Plans
- To set levels of service, risk and cost standards
- To approve the funding of asset lifecycle costs changes in the financial year after the completion of capital works via the adopted budget process.

### ***Chief Executive Officer / Executive Management Team***

- Lead responsible asset management practices to the organisation, Councillors and the community
- To implement the improvements identified in Council's Asset Management Strategy with the agreed resources and to review performance
- To foster and support a multi-disciplinary Asset Management Steering Committee
- To ensure that accurate and reliable information is presented to Council for optimal decision-making purposes
- To integrate Asset Management Policies, Asset Management Strategies & Asset Management Plans into the corporate governance framework
- To implement lifecycle cost changes as approved by Council
- To ensure employees are appropriately trained and skilled to perform the required asset management functions

### ***Asset Management Steering Committee***

- To develop corporate policies, strategies and guidelines with respect to best appropriate asset management practice
- To review and monitor the preparation and implementation of the Asset Management Policy, Asset Management Strategy and individual Asset Management Plans for the major asset classes
- To promote good asset management practices throughout Council
- To monitor and report on the performance of the annual Capital Works Program
- To ensure the integration of asset management documents and data management practices within the corporate governance framework.
- To ensure that Council's asset management improvement program is developed, implemented and monitored in accordance with the MAV STEP Program and the National Asset Management Framework
- To oversee, review and monitor the implementation of Council's Asset Management System (IPS)
- To increase awareness of life cycle asset management within the organisation and the benefits of adopting a formal approach to asset management.
- To monitor and evaluate asset management practice and the implementation of the asset management strategy

- To review and endorse the long term renewal demand forecasts for consideration by the Capital Works Steering Committee
- To review the Asset Management Roles and Responsibilities Matrix and its implications on the Strategic Resource Plan
- To advise Council and the Executive Management Team on asset management issues, performance, improvements actions and priorities

### ***Departmental Asset Management Roles and Responsibilities***

This Policy identifies that every Asset Type must have the necessary asset accountability roles associated with its management. These roles are included in Council's Asset Management Roles and Responsibilities Matrix.

The roles are the Service Manager, Operations Manager, Design Manager, Construction/ Acquisition Manager, Maintenance Manager, Renewal Manager, Disposal Manager and Asset Data Manager.

The following guiding principles apply to departmental asset management roles and responsibilities:

1. Every asset is to be actively managed in accordance with the Asset Management Roles and Responsibilities Matrix
2. Roles and responsibilities will be clearly defined with no duplication or ambiguity
3. Once built or acquired a consistent approach will be used for the management of like assets irrespective of location
4. Asset renewal/disposal decisions will involve those who manage, use and maintain the asset
5. Ongoing maintenance responsibility will be clearly identified at asset handover (completion/purchase)
6. Provide advice on appropriate lifecycle cost changes for consideration as part of the capital works budget approval process.

### **RELATED LEGISLATION, POLICY AND PLANS**

- Local Government Act 1989
- Local Government (Planning and Reporting) Regulations 2014
- Road Management Act 2004
- Victorian Charter of Human Rights and Responsibilities Act 2006
- Whitehorse Council Vision 2013-2023
- Council Plan 2017-2021
- Risk Management Policy
- Accounting for Property, Infrastructure, Plant and Equipment Policy
- Major Community Infrastructure Projects Policy
- Asset Management Roles and Responsibilities Matrix

### **MONITORING AND REVIEW PROCEDURES**

The Asset Management Steering Committee will monitor this Policy in terms of operational and service needs, along with expectations, corporate goals and targets. Compliance with this Policy will also be reviewed on an ongoing basis and the Policy shall be amended if it is no longer deemed relevant. The Policy formalises the framework of asset management practices which have been implemented over the past decade and clarifies the roles and responsibilities.