

Asset Management Policy

A policy is the guiding principle that helps the organisation to take logical decisions. It is a set of common rules to inform decisions and behaviours and commonly has supporting procedures and guidelines.

<p>Purpose</p>	<p>This policy outlines Darebin City Council's commitment and approach to sustainably managing our assets for the benefit of current and future generations and to ensure that our asset management practices are from the start, focused on our community and its betterment.</p> <p>We will ensure that our asset management activities are integrated across our organisation for the lifecycle of the assets, as we continue to place our community's wellbeing and quality of life at the heart of what we do.</p>
<p>Scope</p>	<p>This policy applies to the planning, funding, creation, acquisition, operation, maintenance, renewal and disposal of all Council asset's lifecycle and includes:</p> <ol style="list-style-type: none"> 1. All Council owned physical assets; and 2. All physical assets that Council does not own but has direct responsibility for, or control over through a legal mechanism or formal arrangements. <p>Council and all Council employees are responsible for adherence to this policy in their day to day activities, operational and strategic planning.</p>
<p>Definitions and Abbreviations</p>	<p>Level of Service – the standard to which the service should operate.</p> <p>Lifecycle Cost - The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.</p> <p>Long Term Financial Plan - A summary of the financial projections and impact of Council's strategic and operational activities including proposed operating and capital investment for a period of 10 years or more.</p> <p>Assets - Physical assets owned or under the care, control and management of Council that contribute to the community's needs for access to major economic and social facilities – examples include roads, drainage, transport, buildings, lighting, cultural and heritage, open space, street trees and information technology.</p> <p>Asset lifecycle – the period from asset concept to asset disposal.</p> <p>Asset Management - is the systematic approach to the governance and management of assets whilst maximising service delivery potential and managing related risks and costs over the assets' life and maximising the financial and economic benefits of the assets.</p> <p>Asset Management Plan - Long term plans (usually 5 to 10 years) for specific asset classes that outline the asset activities, level of service, costings and programs for each class.</p> <p>Asset Management Strategy - An AM Strategy is a strategic document that guides and informs the management of assets (physical objects). It outlines the direction Council will take with its assets and the activities needed to improve its asset management capability to optimise the service delivery for the community.</p>

Policy Statement(s)

Asset management is the systematic approach to the governance and management of assets whilst optimizing service delivery potential and managing related risks and costs over the assets' life. It enables Council to provide services in the most cost-effective manner for the present and future generation whilst managing the asset holistically and cost effectively.

Council owns and maintains assets such as roads, drainage, pathways, buildings, parklands, cultural collections, libraries and vehicles to support service provision to the community it serves.

The long-lived nature of many assets and the need for their ongoing renewal means that asset planning must consider the thorough understanding of the full costs throughout each asset's lifecycle, and address both short and long-term financial requirements including depreciation, asset investment and planning needs.

Well maintained infrastructure (such as footpaths, buildings and street trees) play an important role in forming the look and feel of an area as well as contributing to the health and wellbeing of the community, So asset management must also recognise the impact that Council's assets have on the wellbeing of the community along with the presentation of the assets in public realms of Council control.

Community infrastructure contributes to achieving other important social policy outcomes, including preventative health, social inclusion and tolerance, stronger social capital and community resilience, Stronger economical investments in region and better access to broad-based education and learning.

Asset management is the practical vehicle for:

1. Improving the well-being of people in our community by providing opportunities for them to live their lives well; and
2. Ensuring that our services, programs and facilities benefit all including our most vulnerable.
3. Improving the community infrastructure with optimum service delivery contributing to environmental, sustainable, economical and viable outcomes

It is important that Council understands all the steps in the lifecycle of an asset and who is responsible for each step. Holistic lifecycle asset management involves all activities associated with managing our community assets including:

- Planning
- Creating / acquiring
- Operating
- Maintaining
- Renewing
- Replacing; and
- Disposing /retiring of assets.

Lifecycle asset management



Our approach to asset management will ensure we will implement smart investment decisions that are planned and programmed to enable the best value outcomes for our community.

This commitment will be achieved by adhering to the following principles and objectives:

Our approach to asset management will be based on the following principles:

- **Community-centric** services with relevant and clear community benefit and value
- **Financially sustainable** investment decisions that optimise asset performance, return on investment and affordability
- **Responsive** to the needs of our diverse community, improving health outcomes and social inclusion
- **Climate change** and adaptation responsibilities underpinning our approach to asset management
- **Continuous improvement** in governance, developing integrated systems, improving quality, compliance and reporting

Our asset management objectives for 2020-2025:

- Centralised and integrated platform for service delivery through assets supported by robust Asset Management System capable to handle processes of the lifecycle of the assets;
- Creation of robust and informed Asset Management Plans considering the lifecycle costings based on service levels, community needs, population/growth demands, financial affordability, compliance to legislations and standards.
- Ensure community services are supported by service levels and standards that demonstrate an appropriate balance of expectation through consultation, with the objectives and requirements of Council.
- Drive prudent investment decisions throughout the asset lifecycle – from acquisition to disposal, to ensure adequate funding in the short and long term (acknowledging inter-generational impact), whilst delivering robust financial performance.
- Reduce discrimination, disadvantage, lack of community participation and the unequal distribution and inappropriate resources that hinders diversity, access and inclusion.

	<ul style="list-style-type: none"> ▪ Mitigate environmental impact, improve the resilience of our infrastructure and align our asset management activities with climate adaptation responsibilities and preparing our community for change. ▪ Implement data-driven, evidence-based decision-making that is derived from risk (including safety), compliance and performance standards, supported by the use of smart technology and a sound governance framework. ▪ Ensure asset-related transactions including procurement are conducted in line with the Social and Sustainable Procurement Policy and Fraud and Corruption Guidelines.
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<p>Responsibilities</p>	<p>To achieve our purpose, the following key roles and responsibilities are identified:</p> <p><u>Council</u></p> <ul style="list-style-type: none"> ▪ Act as custodians of community assets ▪ Adopt the Asset Management Policy (AM Policy) and Asset Management Strategy (AM Strategy including AM Improvement Plan) and Asset Management Plans ▪ Ensure that asset management requirements, as outlined in the AM Strategy are appropriately considered in decision making; and responded to in the Council planning and financial management. ▪ Adopt the Community Infrastructure Plan and The Asset Plan. <p><u>Chief Executive Officer/Executive Management Team</u></p> <ul style="list-style-type: none"> ▪ To provide leadership and direction in the development and implementation of the AM Policy and AM Strategy and Asset Management Improvement Plan (AMI Plan). ▪ Responsible for the allocation of resources and development of sound asset management practice across the organisation as well as ensuring that all asset management activities are consistent with the objectives of Council Plan, Integrated Business Planning, Annual Budget and Reporting Process and the Long-Term Financial Plan. ▪ Approve and adopt the Financial management policies and procedures related to asset management and planning. <p><u>Asset Management Steering Committee</u></p> <ul style="list-style-type: none"> ▪ Support and contribute to Council's short and long term financial planning to ensure that Council operates within all fiscal guidelines and legislative requirements, and is financially sustainable. ▪ Facilitate a strategic approach to the delivery of the Asset Management Policy and Strategy and ensure all asset management activities are aligned to the AM Policy Principles and objectives. ▪ Facilitate a strategic approach to the delivery of Asset Management Plans considering the lifecycle costings based on service levels, community needs, population/growth demands, financial affordability, compliance to legislations and standards. ▪ Optimise decision-making and asset investments across the lifecycle of council's asset base. ▪ Lead, govern and monitor the implementation of asset management activities across the organisation as outlined in the AM Strategy and AM Improvement Plan, including the review of KPIs and timeframes. ▪ Ensure that \$30m per annum is dedicated to asset renewal which will ensure that service levels will be maintained to a satisfactory standard. ▪ Oversee the ongoing development and review and implementation of service plans and AM Plans and Community Infrastructure Plan ▪ Ensure the Darebin Priority Review Lens, human rights and equity principles and strategies are taken into consideration. ▪ Champion the AM Strategy across Council and drive behavioural change. ▪ Reduce organisational risk.
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	<p><u>Service Managers/ Asset Owners/ Asset Planning/ Responsible Officers/ AM-related Project Officers</u></p> <ul style="list-style-type: none"> ▪ Implement the suite of AM documentation ▪ Review and regularly update AM Plans ▪ Develop and implement maintenance, renewal and capital works programs in accordance with the AM Policy, AM Strategy, AM Plans and budget allocation ▪ Deliver services to agreed risk, budget and service level expectations ▪ Develop and implement business processes to support asset management ▪ Develop and implement individual asset class asset management plans ▪ To report asset related risk and damage ▪ Gather, analyse and respond to data and research including asset condition assessments and valuations ▪ Ensure appropriate delegations and approval processes are followed ▪ Monitor, review and report on asset management activities as required ▪ Use asset management information systems correctly to ensure data integrity ▪ Undertake all risk and compliance obligations ▪ Establish and monitor asset risk inspection regimes ▪ Provide accurate and reliable information to Council for decision making <p>Council uses the Service Manager / Asset Owner operational model to ensure accountability and role responsibilities are clearly defined and measurable. The Asset Management Responsibility matrix is developed to support the policy provisions.</p>		
<p>Organisational Values</p>	<p>Council’s organisational values enable and support the effective design and application of this policy by guiding staff in the course of their work.</p> <table border="1" data-bbox="399 1133 1522 1718"> <tr> <td data-bbox="399 1133 932 1718"> <p>We Make a Difference: We are driven by our desire to make a difference for the people we serve. Our work is purposeful and creates a positive impact for the community. We are proud to work here. Our work matters.</p> <p>We are Accountable: We are empowered to own and take responsibility for our actions. We follow through on our commitments and deliver on our promises. We make it happen.</p> <p>We are Collaborative: We are united by a common purpose to serve the community. We work together, connecting within our teams and across the organisation. We are inclusive and collaborative. We are one.</p> </td> <td data-bbox="932 1133 1522 1718"> <p>We have Integrity: We act with integrity and transparency in conversations and decision-making. Through open and clear communication, we build trust. We’re honest. We walk the talk.</p> <p>We show Respect: We are diverse, inclusive, respectful and caring. We encourage everyone to have a voice and we listen to each other. We recognise one another’s contributions and treat people fairly. We look after each other.</p> <p>We are Creative: We are bold, courageous and innovative. We try new things, experiment and continuously improve. We are open-minded, creative and forward-thinking. We are leaders.</p> </td> </tr> </table>	<p>We Make a Difference: We are driven by our desire to make a difference for the people we serve. Our work is purposeful and creates a positive impact for the community. We are proud to work here. Our work matters.</p> <p>We are Accountable: We are empowered to own and take responsibility for our actions. We follow through on our commitments and deliver on our promises. We make it happen.</p> <p>We are Collaborative: We are united by a common purpose to serve the community. We work together, connecting within our teams and across the organisation. We are inclusive and collaborative. We are one.</p>	<p>We have Integrity: We act with integrity and transparency in conversations and decision-making. Through open and clear communication, we build trust. We’re honest. We walk the talk.</p> <p>We show Respect: We are diverse, inclusive, respectful and caring. We encourage everyone to have a voice and we listen to each other. We recognise one another’s contributions and treat people fairly. We look after each other.</p> <p>We are Creative: We are bold, courageous and innovative. We try new things, experiment and continuously improve. We are open-minded, creative and forward-thinking. We are leaders.</p>
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<p>Breach of Policy</p>	<p>Breaches of policy are to be corrected immediately. Any concerns about non-compliance should be reported immediately to the Policy owner.</p>		

GOVERNANCE

<p>Parent Strategy/ Plan</p>	<p>Asset Management Strategy; Asset Management Improvement Plan</p>
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Related Documents	<p>This policy should be read in conjunction with Council's:</p> <ul style="list-style-type: none"> • Community Vision • Council Plan 2021-2025 • 2021-2025 Asset Management Strategy • 2020-2025 Asset Management Improvement Plan • Asset Management Plans • Asset Rationalisation Policy (under review) • Asset Disposal Policy (under review) • Financial Sustainability Guidelines (VAGO) • Property Management Framework • Property Management Policy • Fleet Policy • Darebin Climate Emergency Plan 2017-2022 • Waste and Recycling Strategy 2020 • Breathing Space 2019 • Community Engagement Strategy and Framework • Long Term Financial Plan, Annual Budget 2020/21 • Risk Management Policy and Framework • Community Infrastructure Plans/Frameworks and Reviews, Masterplans • Human Rights/Equality/Inclusion Frameworks and Plans • Darebin Policy Review Lens
Supporting Procedures and Guidelines	<p>National Asset Management Accountability Framework (NAMAF); VAGO AM Guidelines; 10 Year Capital Works Funding Strategy (adopted October 2019); ISO 55001; Essential Safety Measures Guidelines; International Infrastructure Management Manual; other applicable Financial Policies and State Government Guidelines</p>
Legislation/ Regulation	<p>LG Act 2020: Sec 92 Asset Plan LG Act 2020: Part 4 – Planning and Financial Management, Section 89 Strategic planning principles Road Management Act 2004</p>
Author	<p>Manager, Property and Business Improvement</p>
Policy Owner/ Sponsor	<p>General Manager, Governance and Engagement</p>
Date Effective	<p>XXX (Date adopted by Council)</p>
Review Date	<p>June 2023. This policy shall be reviewed every two (2) years to ensure alignment with other Council policies and the Council Plan.</p>
Version Number	<p>1.0</p>
Document ID	<p>XXX</p>
Content enquiries	<p>Manager, Property and Business Improvement</p>



All Darebin policies and procedures must be developed through the lens of key Darebin strategies, plans and related considerations. See the **Darebin Policy Review Lens** to inform and guide policy development and review.