

Asset Management Policy

As at September 2020



ASSET MANAGEMENT POLICY

RESPONSIBILITY	Office of the CEO		
DATE ADOPTED	3 April 2012	MINUTE	57/12
REVISED	September 2020	REVIEW	2022
ECM No	1352083		
ASSOCIATED POLICIES	<ul style="list-style-type: none"> Office of Local Government Planning and Reporting Manual and Guidelines (2013) International Infrastructure Management Manual Version 3.0 (2006) Strathfield Council Asset Management Strategy (2017) Strathfield Council Asset Management Plan (2017) 		
ASSOCIATED LEGISLATION	<ul style="list-style-type: none"> <i>Local Government Act 1993</i> <i>Local Government (General) Regulation 2005</i> 		

1.0 Introduction

1.1 Title and Commencement

This policy is titled *Asset Management Policy*. This policy was adopted on 3 April 2012 by Council resolution (minute 57/12). The following amendments have been made:

Date	Type	Minute
2 December 2014	Revision	320/14
September 2020	Review	CEO approval

1.2 Background and Purpose of Policy

The charter of local government established in the *Local Government Act 1993* provides a set of principles that guide councils in the carrying out of their functions. In connection with asset management, the charter states that Council must:

- provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- have regard to the long term and cumulative effects of its decisions
- bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible
- engage in long-term strategic planning on behalf of the local community.

The purpose of this policy is to guide the strategic management of Council's assets to ensure the sustainability, equity and affordability of Council's service delivery for present and future Strathfield communities.

In 2009, the *Local Government Act 1993* was amended to establish the integrated planning and reporting framework, which requires that council develops resourcing strategies, including asset management, to support strategies set out in the Community Strategic Plan and Delivery Program. Underpinning the planning and reporting framework is the need for council to take a long-term view when making decisions and the need to consider social, economic and environmental and civic leadership outcomes, also known as the 'quadruple bottom line (QBL)'. Asset Management Strategies must include an Asset Management Policy.

1.3 Objectives of the policy

The objectives of the policy is to set out a framework for implementing consistent asset management processes and ensure that adequate provision is made for long-term and sustainable asset management, which requires that:

- assets are managed in accordance with relevant legislation, best practice, appropriate accounting standards and reporting requirements
- assets management reflects the community's vision and priorities and is integrated with Council's Community Strategic Plan and Delivery Program.
- an asset 'whole of life cost' approach is taken to asset management in the development of operational, maintenance, renewal, augmentation and investment
- asset management is measured against defined levels of service
- "quadruple bottom line" (QBL) sustainability outcomes are considered in development of strategies and policies.

1.4 Coverage of the Policy

This policy applies to all assets owned or controlled by Council and forms part of the resourcing strategy which supports Council's Community Strategic Plan whilst meeting the outcomes of the integrated planning and reporting framework in accordance with the *Local Government Act 1993* and Office of Local Government's Integrated Planning and Reporting Guidelines and Manual.

1.5 Definitions

"Asset" is a physical component of a facility which has value and enables services to be providedⁱ. For the purposes of this policy Council 'assets' are infrastructure assets and include but are not limited to:

- buildings
- roads and associated infrastructure
- drainage and stormwater infrastructure
- public open space and facilities such as playgrounds and sportsfields

“Asset Management” is 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 mannerⁱⁱ.

“Asset Management Strategy” is a strategy for asset management covering the development and implementation of plans and programs for asset creation, operation, maintenance, rehabilitation/replacement, disposal, and performance monitoring to ensure that the desired level of service and other operational objectives are achieved at optimum costⁱⁱⁱ.

“Level of Service” is the defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, statutory functional requirements, environmental, acceptability and cost^{iv}.

“Life Cycle” is the cycle of activities that an asset (or facility) goes through while it retains an identity as a particular asset ie from planning and design through to decommissioning or disposal^v. It should be noted that infrastructure assets may have an indeterminate life and as such this definition may not apply.

The Community Strategic Plan is Council’s highest level plan that identifies the community’s priorities and aspirations for the future and the plan strategies for achieving these goals.

“Sustainability” for the purposes of this policy means Quadruple Bottom Line (QBL) - economic, environmental, social and civic leadership considerations that underpin Council’s strategic and resourcing strategies.

2.0 Policy Statement

Strathfield Council owns and/or operates a significant portfolio of assets. As custodian of the assets, Council is responsible for establishing and implementing optimal asset management strategies and practices that enable the assets to be sustained and related levels of service acceptable to the community to be provided at the minimal life cycle cost (LCC) whilst controlling exposure to risk and loss.

In order to achieve this, Council is committed to the following principles:

- Asset management strategy and planning will integrate with and support the vision, desired outcomes and objectives of the Community Strategic Plan “Strathfield 2025”, Delivery Program and Council policies and procedures.
- Development of asset management strategies will reflect the infrastructure requirements of present and future members of our community.
- ‘Whole of life’ costs will be used as basis for making decisions regarding asset acquisition, use, replacement, maintenance and disposal. Life cycle costs will be

considered in all decisions relating to new services and assets as well as upgrading existing services and assets.

- Council provided infrastructure will be planned, designed, constructed, costed and maintained to ensure that the management of the infrastructure is sustainable.
- That third party agreement for use of Council's infrastructure such as Council facilities will include provisions that recognise and support sustainable management of the relevant asset.
- That a strategic and systematic approach to asset management that meets legislative requirements, embraces industry standards and best practice will be applied throughout Council.
- Councillors are responsible for ensuring that sufficient resources are applied to manage Council's assets and the longer term and cumulative effect of decision making is considered when determining Council policy, plans and strategies.
- The General Manager and/or authorised officers are responsible for the managing the assets in accordance with this Policy, Council's adopted Asset Management Strategy, and related Asset Management Plans.
- Assets will be accounted for in accordance with the requirements of the appropriate accounting standards and reporting requirements
- Council will develop and review its Asset Management Plans on a minimum four year cycle.
- Council will maintain and update its asset management system with comprehensive information of all infrastructure assets.
- Council's asset management capabilities will be regularly reviewed and improved through necessary advances in technology, systems and processes and training

ⁱ *International Infrastructure Management Manual Version 3.0 (2006)*

ⁱⁱ , *iii, iv, v Manual (2006) as in n. 1 above*