

Asset Management Policy

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1. Purpose

The purpose of this policy is to outline what strategies and processes are employed at the City of Greater Dandenong (Council) to ensure comprehensive and effective asset management practices are developed and utilised for all assets owned or controlled by Council. This policy is to be read in conjunction with the Asset Management Strategy.

2. Background

The City of Greater Dandenong is responsible for management of physical infrastructure with a replacement value of more than \$2 billion. Council's infrastructure network represents an immense investment, made over many generations and provides the foundation for the social, environmental and economic values of the community. This infrastructure plays an integral part in delivering the services provided by Council and achieving its vision of '*Greater Dandenong is a safe, vibrant city of opportunity for all – to visit, work, live and play.*'

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

1. *Effective planning and management of Council's infrastructure to ensure it is responsive to contemporary environmental conditions*
2. *Implement the City Improvement Program*
3. *Sound financial management for a sustainable Council.*

Stewardship of infrastructure is a core Council function. Millions of dollars are spent annually managing and maintaining infrastructure. It is important that Council employs high-level management skills and practices to ensure that services are delivered economically and sustainably.

Council is developing a best practice asset management framework to enhance Council's asset management practices. This framework extends from this Asset

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Management Policy to asset operations and information systems. The framework enables and encourages Council to implement a coordinated approach to the management of all assets under its stewardship.

3. Scope

This policy applies to Council, Executive Management, officers and interested members of the community involved in the acquisition, operations, maintenance, renewal, upgrading and disposal of the City's existing and new assets. It encompasses all asset classes essential for service delivery. They include assets such as Roads, Buildings & Facilities, Stormwater Drainage, Open Space, Plant Fleet and Equipment.

4. Human Rights and Responsibilities Charter – Compatibility Statement

The Victorian Charter of Human Rights and Responsibilities has been considered in the preparation of this Policy but is not relevant to the content of the Policy.

5. References

- Local Government Act 1989
- Local Government (Planning and Reporting) Regulations 2014
- Road Management Act 2004
- Victorian Charter of Human Rights and Responsibilities Act 2006

6. Definitions

Asset: A physical component of a facility which has value, enables services to be provided and has an economic life of greater than 12 months.

Asset Management: The systematic and co-ordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets.

Infrastructure Assets: Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components. The network may include normally recognised ordinary assets as components.

Lifecycle: The time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.

7. Council Policy

Vision

As custodians of community assets, the City of Greater Dandenong will provide assets that are accessible, safe, sustainable and responsive to the needs of the community and the contemporary environment.

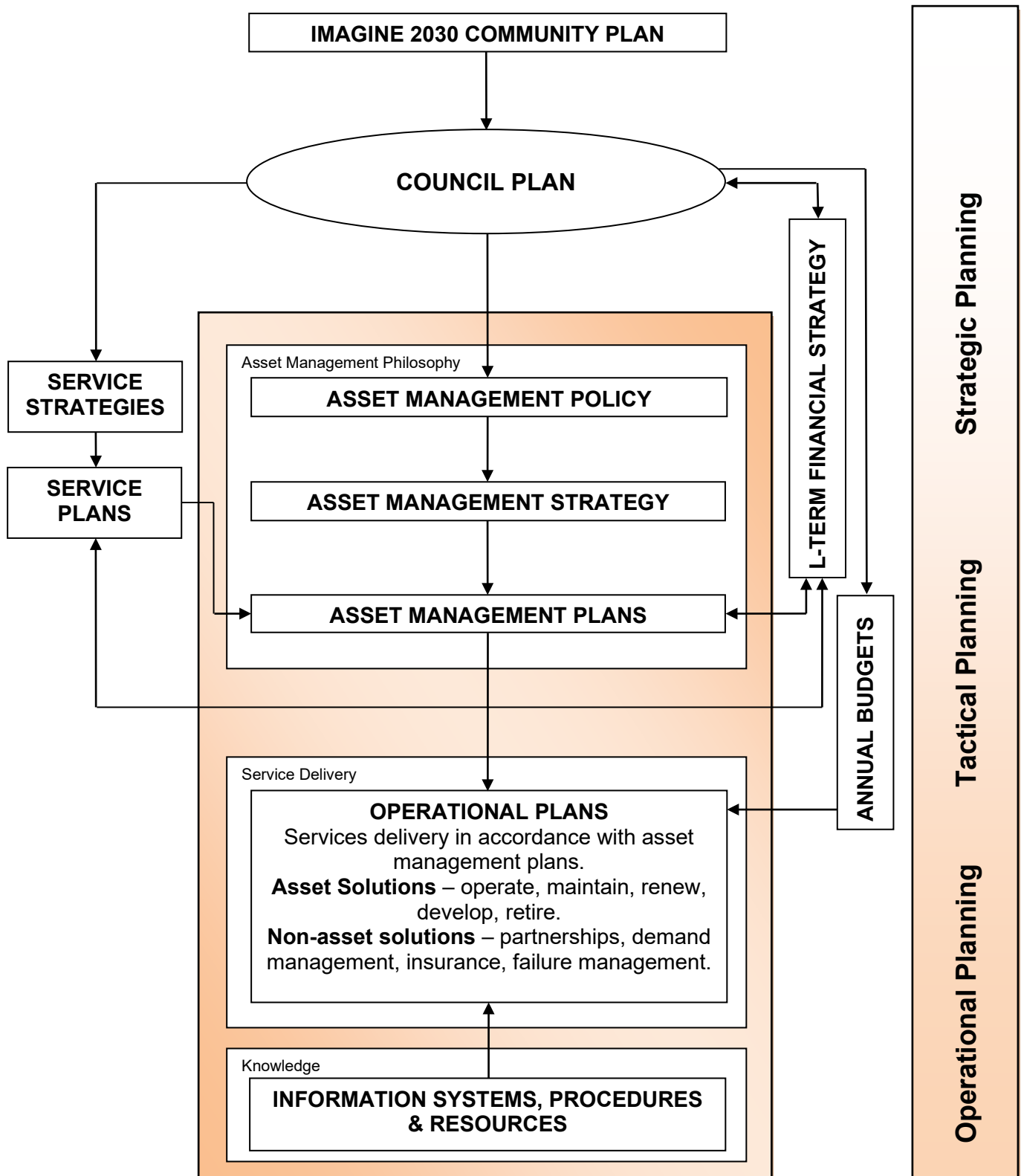
Objectives

- To achieve Best Appropriate Practice in Asset Management as it applies to the different asset groups.
- To adopt a long term sustainable asset management approach, incorporating life cycle costing into capital investment decisions, including new, expansion or upgrade projects funded by external grants.
- To develop and review Asset Management Plans for each infrastructure asset group, that link to the Long Term Financial Strategy and local government performance and financial reporting frameworks.
- To develop and review service targets and standards in consultation with the community, to ensure long term sustainability of the assets supporting service delivery.
- To give priority to asset renewal or refurbishment when making capital investment decisions thereby ensuring Council's existing assets are properly maintained for ongoing provision of acceptable levels of service.
- 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 for staff, contractors, property and the community.
- To implement and maintain an integrated Asset Management System to ensure a common asset data set is available for strategic, operational and financial reporting purposes.
- To be a progressive Council in Asset Management by incorporating cross collaboration and cultural change.

Policy Implementation

Council's vision and objectives for Asset Management are to be achieved through the continued implementation of Council's Asset Management Framework shown in Figure 1 below.

FIGURE 1: ASSET MANAGEMENT FRAMEWORK



Responsibilities and Relationships

Council does recognise that asset management requires a 'whole of organisation' approach. Therefore, the appropriate training programs will be initiated in order to increase awareness and build the required capacity for asset management delivery. Capacity building will include presentations for Councillors and training for Council personnel. A session on Asset Management will also be held for Councillors following the start of every Council Election cycle. Council also recognises the importance of establishing well defined roles and responsibilities for its staff and Council regarding asset management. The asset management responsibilities for key stakeholders are summarised below:

Council

- Act as stewards for infrastructure assets and set corporate asset management policy and vision.
- Approve Long Term Financial Plans and provide appropriate resources for asset management activities.
- Endorse Asset Management Plans and monitor their outcomes.

CEO & Executive

- Promote asset management to the organisation, councillors and the community.
- Ensure that asset management policies, strategies and plans are integrated into the corporate governance framework.
- Foster and support a multi-disciplinary Service and Asset Management Steering Group.
- Ensure that accurate and reliable asset information is presented to Council for decision-making.
- Ensure staff are appropriately trained and skilled to perform the required asset management functions.

Service & Asset Management Steering Group (SAS Group)

- Develop the strategic direction for asset management.
- Provide a coordinated, consistent and collaborative approach to asset management and asset management improvement across Council.
- Adopt a cross-functional view and resolve differences between business units when necessary and provide asset management leadership and support to achieve the benefits sought by Council.
- Monitor and review the Asset Management Policy, Asset Management Strategy and individual Asset Management Plans for major asset classes.
- Monitor and evaluate asset management practice and the implementation of the asset management strategy.
- Endorse the long term renewal and upgrade programs for consideration by the CIP Steering Group.
- Report to the Executive Management Team every 6 months and Council every 12 months on asset management performance and improvement actions.

Manager Infrastructure Planning and Asset Planning Staff

- Develop and review Council policy, strategy, objective, guidelines, practices and procedures for Asset Management.
- Oversee development and implementation of asset management plans for all key infrastructure assets, using principles of lifecycle analysis.
- Develop and implement improvement plans for management of infrastructure assets.
- Consult with stakeholders and deliver levels of service to agreed risk and cost standards.
- Manage infrastructure assets in consideration of long term sustainability
- Utilise an integrated Asset Management System appropriately for asset management tasks.
- Review and disseminate asset management information to interested stakeholders
- Raise awareness throughout the organisation of the benefits of sound asset management.
- Communicate Council's commitment to asset management externally through the use of documents such as the Council Plan.

Manager Financial Services

- Prepare financial reports on assets based on accounting standards and financial reporting regulations.

Roles and Responsibilities regarding Asset Classes

This Policy identifies that every Asset Type (e.g. Playgrounds) must have eight (8) accountability roles associated with its management. The roles are: service planning, operations, design, construction/acquisition, maintenance, renewal planning, disposal and asset data management.

Audit and Review

The SAS Group will monitor the relevance of 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. A formal review of this policy shall be undertaken as part of the Council Plan process in association with the new Council Terms and will be completed no later than 30 June 2017. There are no financial implications arising from this policy. The policy formalises the framework of asset management practices which have been implemented over the past decade and clarifies the roles and responsibilities.

8. Related Documents

- Council Plan 2013-2017 (revised 2015)
- International Infrastructure Management Manual
- Risk Management Policy



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- Fixed Asset Accounting Policy
- City Improvement Program