

COUNCIL POLICY

Asset Management	Adopted By Council:	06/04/04	
	Date/s Revised:	18/10/11, 23/07/14, 01/03/18, 28/07/21, <u>04/2025</u>	
	Next Review Date:	<u>07/2404/2029</u>	
	Document No:	CP001	
	Directorate:	<u>Planning & Infrastructure & Environment</u>	

CONTEXT

The Borough of Queenscliffe is responsible for over \$4037 million ~~(excluding the value of land)~~of infrastructure assets (excluding the value of land) that support the delivery of services to the community. The role of asset management is to optimise the management of physical assets and their associated performance, risks and expenditure over the total lifecycle of the asset.

PURPOSE

The purpose of this policy is to outline Council's commitment to manage and care for its assets through the development and implementation of a corporate asset management framework. The framework is designed to facilitate the appropriate management of Council's assets in a way that assists its vision and, supports the delivery of services that ~~and meets~~addresses the needs of the community, both now and in the future.

DEFINITIONS

Asset A physical item of infrastructure or plant that is owned or controlled by Council, and provides or contributes to the provision of services to the community.

Assets include:

Property – includes land and buildings;

Infrastructure – includes roads, footpaths, cycle paths, kerb and channel, street furniture, signage, drains, playgrounds, park furniture;

Plant and Equipment – includes vehicles, equipment and office equipment such as desks, computers.

Asset Management
(AM)

Systematic, coordinated activities and practices through which an organisation optimally manages its physical assets, including associated performance, risks and expenditure over the assets' lifecycle for the purpose of achieving the organisation's strategic plan.

Asset MManagement
-Strategy

A plan to achieve ongoing improvement in Asset Management activities and practices by establishing:

- clear objectives;

- a framework within Council to achieve those objectives;
- a system for measuring performance; and
- a detailed improvement program.

Asset Plan A community facing document that shows in an accessible manner how the council's portfolio of assets will be managed and maintained, while meeting the community's needs and interests over a 10 year period.

Asset Management

-Plan

A ~~tactical~~ plan developed for the management of a class of assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of an asset in the most cost-effective manner, to provide a specific level of service. A significant component of the plan is the development of long-term expenditure forecasts for the activities required to manage the assets.

Long Term Strategic Financial Plan

The Financial plan is a strategic document that outlines the financial direction and priorities of the council over a long-term period. The Financial Plan is a rolling plan with a scope of at least the next 10 financial years. A 10-year financial plan which enables Council to better plan and understand
Financial Plan—their long-term financial requirements, including consideration of:

- sustainability;
- service provision levels;
- the creation of new assets; and
- upgrade, expansion and renewal of existing assets.

POLICY

1. Policy Principles

1.1 Goals and Objectives

The Council's goals for asset management are:

- Integrate Council's financial and asset management practices with its community vision and corporate objectives;
- Manage Council assets associated with the social, environmental and economic development within our community over their life cycle in a sustainable way;
- including eEnsure ing funding of the renewal of existing assets is achieved before the funding of discretionary new and upgrade works;
- Manage risk;
- Develop and maintain asset management plans for all asset classes that cCouncil is responsible for;
- Collect and maintain the correct data to support asset management including the monitoring and reporting on council asset management expenditure in terms of operational, maintenance, renewal, new and upgrade costs; and
- Maximise the use of data held by Council to improve efficiency in all processes.

The Council's objectives are:

- Develop and maintain asset management plans for all asset classes that Council is responsible for;

- Complete life cycle analysis for the organisation's infrastructure;
- Collect and maintain the correct data to support asset management including the monitoring and reporting on council asset management expenditure in terms of operational, maintenance, renewal, new and upgrade costs;
- Provide a sustainable level of service in accordance with the objectives set out in the Council Plan;
- Meet compliance requirements efficiently and effectively.

1.2 Scope

The policy applies to all Councillors, Council officers and consultants responsible for asset management undertaken for or on behalf of Council. This includes all involved in the creation, operation, maintenance, renewal, upgrade and disposal of Council assets.

This policy applies to the management of community assets that are recognised within Council's asset register.

~~Council must ensure that its assets are properly managed to continue to provide asset based services to current standards and to:~~

- ~~▪ improve the quality of life of the community;~~
- ~~▪ maximise community benefit;~~
- ~~▪ minimise risk;~~
- ~~▪ ensure long term financial sustainability; and~~
- ~~▪ make them accessible to the community.~~

Council will report to the community on its service performance through the Annual Report.

1.3 The Process

A robust asset management framework is designed to inform the Asset Plan which is a vital component of the Integrated Strategic Planning and Reporting Framework. Council requires an Asset Management Policy and Strategy to provide direction and guidance for asset management planning. Asset Management Plans (produced for specific infrastructure asset classes) provide more detail and long term projections. Asset Management Plans are a tool for combining management, financial, engineering and technical practices to ensure that the level of service required by customers is provided at the lowest long-term cost to the community.

~~There are some basic steps for the successful implementation of an Asset Management (AM) policy:~~





Source: ISO55000 Asset Management System documents: International Infrastructure Management Manual (Institute of Public Works Engineering Australasia (IPWEA), 2020, Section 1.3.3)

As a minimum, Council needs to have an Asset Management Policy and Strategy to provide direction and guidance for asset management planning. The Asset Management Plan provides more detail and long term projections. The Asset Management Plan is the tool for combining management, financial, engineering and technical practices to ensure that the level of service required by customers is provided at the lowest long term cost to the community.

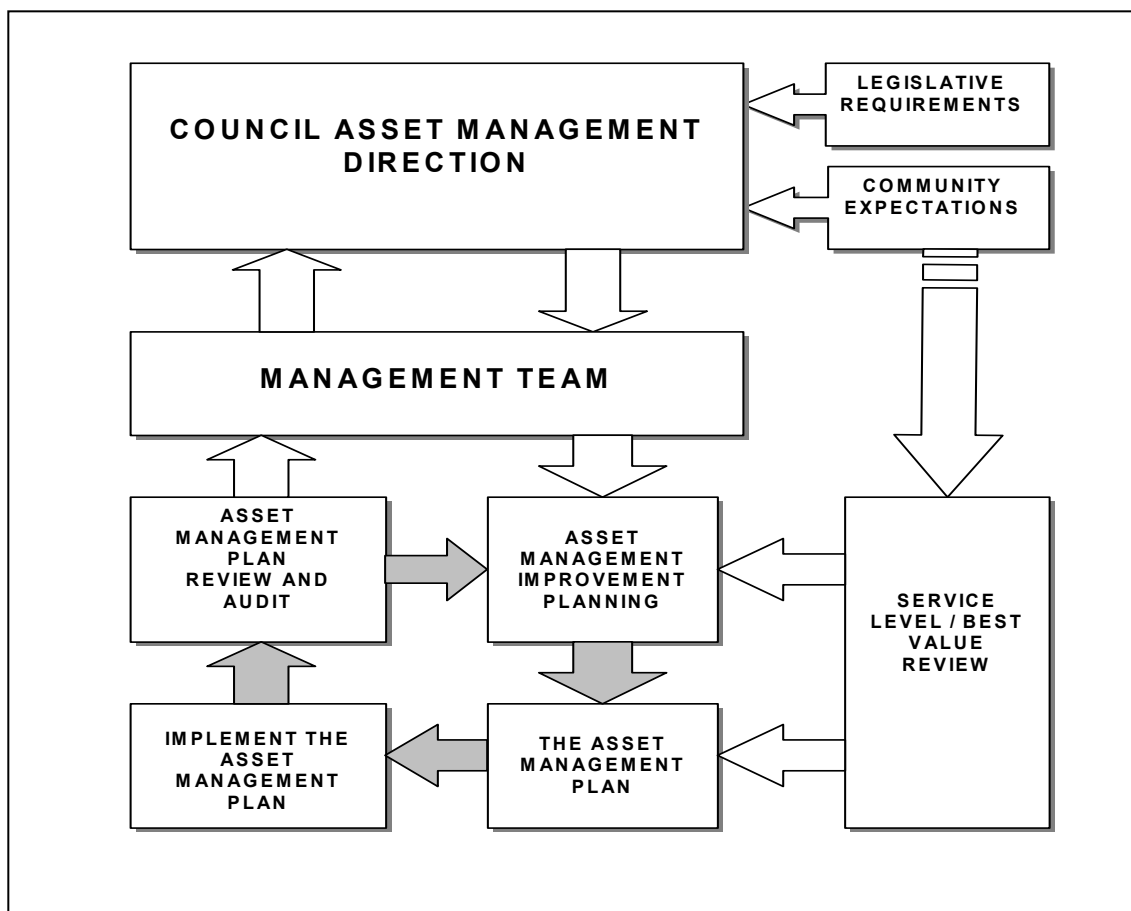
The Asset Management Plans ~~isare~~ intended to demonstrate that Council is managing the assets responsibly and that customers will be regularly consulted over the price/quality trade-offs resulting from alternative levels of service. In developing asset management service levels Council shall consult and involve the community where appropriate. Council will report on the cost to manage assets in accordance with relevant local government frameworks.

Council's Integrated Strategic Planning and Reporting Framework long term Strategic Financial Plan and Adopted Budget (including Strategic Resource Plan) including the adopted annual budget and the Financial Plan will take into account the Asset Management Plans and financial forecasts.

~~The~~ Operational Plans cater for the delivery of the specific asset management initiative.

2. Organisational Context Andand Importance Of Asset Management

The process of implementing asset management planning within Council is illustrated below:



Sound asset management is necessary to enable Council to meet its responsibilities to:

- Provide services to current and future generations by ensuring 'whole of life' planning;
- Provide and maintain community infrastructure within the Borough with regards to community expectations; and
- Encourage and support the economic and social development of the Borough.

Council services to the community that rely on sound asset management include:

- Traffic, road and cycle/footpath;
- Recreation and leisure services;
- Community parks, reserves and sports grounds;
- Stormwater services;
- Community services; and
- Buildings and cultural facilities.

2.1 The Importance of Asset Management

The main benefits derived from asset management planning are:

- Improved understanding of service level options and standards;
- Minimum life cycle (long term) costs are identified for an agreed level of service;
- Better understanding and forecasting of asset related management options and costs;
- Managed risk of asset failure;
- Improved decision making based on costs and benefits of alternatives;
- Clear justification of forward works programmes and funding requirements;
- Improved accountability over the use of public resources
- Satisfying future eligibility criteria for State and Federal grant funding; and
- Improved customer satisfaction and Council performance.

3. Council's Vision ~~A~~and Goals ~~F~~for Asset Management

3.1 Council Vision

The Council Vision taken from the ~~–2017 – 2021 Council Plan~~Community Vision 2021–2031 is that:

~~“The Borough remains a safe haven defined by its unique heritage, rich culture and significant natural environment. It is a special and restorative place, renowned for its distinctive coast, rich living heritage and vibrant culture.~~

~~Our for an involved and caring community~~ is caring, and welcoming to ~~and our~~ visitors.

~~We have a deep respect for the Wadawurrung People and are taking action to protect Country.”~~

The Council Plan details the strategic objectives of responsibly managing financial, human and physical resources, improving the development of infrastructure and maintaining community assets to continue to provide and support high quality health, learning and aged care services.

~~Council Plan Strategic Objective 5: Governance and Performance includes the strategy: “Maximise the return on Council assets and leverage external funding opportunities.”~~

3.2 ~~Goals~~

~~The Council’s goals for asset management are:~~

- ~~■ Meet compliance requirements efficiently and effectively;~~
- ~~■ Manage risk;~~
- ~~■ Provide a sustainable level of service in accordance with the objectives set out in the Council Plan;~~
- ~~■ Manage the infrastructure associated with the social, environmental and economic development within our community;~~
- ~~■ Complete life cycle analysis for the organisation’s infrastructure; and~~
- ~~■ Develop a broad capital evaluation framework that takes into account life cycle costs.~~

4. Broad Asset Management Responsibilities And Relationships

Within the scope of asset management the following three tiers of the organisation have various key responsibilities:

4.1 Council

- To act as stewards for infrastructure assets.
- To develop the Council Plan and monitor its outcomes.
- To set corporate asset management policy and vision.
- To set levels of service, risk and cost standards.
- To ensure appropriate resources for asset management activities are made available.
- To integrate asset management policies, asset management strategies and asset management plans into the Council governance framework.

4.2 Chief Executive Officer

- To achieve Council's agreement to the asset management policy.
- To implement the Council's asset management strategy with agreed resources.
- ~~To deliver Council's Best Value Program.~~
- To monitor and review performance of council staff in achieving the asset management strategy.
- To ensure that accurate and reliable information is presented to Council for decision-making.
- To promote and inform asset management awareness of the Councillors.

4.3 Management Team (includes Asset Manager)

- To develop asset management plans for individual asset groups, using the principles of life cycle analysis.
- To implement plans for individual asset groups.
- To implement ~~operational~~tactical plans (such as maintenance programs, capital works programs) in accordance with the Asset Management Plans, Asset ~~Management~~ Plan and Council plan.
- To deliver levels of service to agreed risk and cost standards.
- To present information to the Council and Chief Executive in terms of life cycle risks and costs.
- To ensure that asset management skills and training are identified as part of the staff performance appraisal process.
- To ensure all position descriptions for asset management roles define asset management responsibilities.

5. Audit and Review Procedures

~~The Council's~~ Audit and Risk Committee will provide feedback as necessary in relation to the processes outlined in review this policy (and relevant procedures) and ensure asset management is regularly included in Council's internal audit program, and such review will involve:

- ~~Review of the Asset Management policy;~~
- ~~Review of the Asset Plan~~Management strategies;
- ~~Audit and review of the Asset Management plans as set out in the AM Strategies; and~~
- ~~On-going audit of the compliance with the policy, such audits are to be included in the annual report to Council.~~

CONTINUOUS IMPROVEMENT

This policy will be reviewed as a minimum every ~~three~~four years from the date of adoption, and as necessary.

OTHER REFERENCES

Borough of Queenscliffe Council Plan ~~–2017–2021~~

Borough of Queenscliffe ~~Strategic~~ Risk Register

Borough of Queenscliffe Adopted Budget (including ~~Financial Plan~~Strategic Resource Plan)
~~Standard Operating Procedure ‘Accounting Policy and Procedure Manual’.~~

[Asset Plan 2022-2032](#)

[Buildings Asset Management Plan](#)

[Roads Footpath and Kerb Asset Management Plan](#)

[Urban Stormwater Asset Management Plan](#)

[Open Space Asset Management Plan](#)

Local Government Asset Management – Better Practice Guide, Local Government Victoria, 2015

END