

	<h2 style="text-align: center;">Asset Management Policy</h2>
<p style="text-align: center;"><b>ENGINEERING AND INFRASTRUCTURE SERVICES</b></p>	<p style="text-align: center;"><b>POLICY NUMBER: AM 03-01</b></p>
<p><b>Asset Management:</b> Asset Management is a combination of management functions, which include financial, economic, technical, social and environmental, together with maintenance and renewal practices applied to all physical assets with the objective of providing an agreed level of service in the most cost effective manner whilst maximising the useful life of the assets.</p>	
<p><b>Purpose of the Policy:</b> The purpose of the policy is to formalise Council’s functions, practices and responsibilities, associated with the management of all Council’s service delivery assets, under an umbrella of Total Life Cycle Asset Management.</p>	
<p><b>Policy Aim:</b></p> <ul style="list-style-type: none"> <li>• To outline how Asset Management will be undertaken across Maroondah City Council</li> <li>• To determine community agreed service standards required from service delivery assets</li> <li>• To set the broad framework for undertaking asset management in a structured and coordinated way</li> <li>• To ensure that asset management throughout the organisation is undertaken using a Total Life Cycle strategy</li> </ul>	
<p><b>Organisational Context:</b> The stewardship of Council and community assets, used for delivering its services, is a core Council function. Therefore, Council’s management responsibilities for these service delivery assets include the following:</p> <ul style="list-style-type: none"> <li>○ Determination of agreed levels of services between Council and the community</li> <li>○ Life cycle management of Council and community assets for current and future generations</li> <li>○ Development of efficient and effective asset management practices</li> <li>○ Undertaking of appropriate financial management of assets</li> </ul> <p>Core services that rely on sound asset management practices include:</p> <ul style="list-style-type: none"> <li>○ Transport - roads, footpaths and bicycle path provision</li> <li>○ Recreation and Leisure – parks, sporting facilities, leisure facilities, passive recreational reserves</li> <li>○ Storm water and flood mitigation – drains, structures, litter traps</li> <li>○ Community services - health and welfare services, library facilities, children’s services, elderly citizens services</li> <li>○ Cultural facilities – arts centres, theatres, convention centres, entertainment facilities</li> <li>○ Financial reporting</li> </ul>	
<p><b>Organisation’s Vision and Goals:</b> Council’s Vision states: <i>Maroondah will be a vibrant city. It will have an active community, a strong local economy and a diverse cultural life in a prosperous and sustainable environment.</i></p>	

Council has developed a specific mission to achieve the vision:

***Maroondah City Council will be an efficient and dynamic leader in partnership with the community to foster quality, sustainable lifestyles for the community.***

This is supported by the Asset Management Vision

***To use a Total Life Cycle approach to plan for, create or acquire, maintain, operate, rehabilitate, replace or dispose of physical assets to ensure a required service delivery in the most cost effective manner and at the optimum level, for present and future generations.***

#### **Links to the Council Plan:**

The following are Asset Management links to the strategies and key actions under Community Themes that are contained within the Council Plan (2006 – 2010).

#### Community

- Ensure service planning and provision reflects best practice and responds to community needs through consultation and advocacy.
  - *Undertake community consultation to understand service level requirements for infrastructure assets.*

#### Leisure and Culture

- Provide and promote accessible, affordable, flexible, and where appropriate, integrated multipurpose facilities and services, catering for the current and changing needs of the community.
  - Apply responsible user-pays service fee structure to increase accessibility to services and facilities.
  - Undertake an infrastructure assessment of the Croydon Memorial Pool

#### Transport

- Identify and implement initiatives to improve community safety in all modes of transport in Maroondah.
  - Continue to develop and improve the safety and condition of the Maroondah road network.
  - Implement condition monitoring of all transport infrastructure, categorise and affect repairs within an agreed timeframe in accordance with the Road Management Plan.
  - Further develop and implement Council's Asset Management Strategy with particular focus on road infrastructure to achieve optimal outcomes relating to the overall management of the road network.

#### Urban Design and Development

- Utilise good design principles including community safety and sustainability to enhance the development of a sense of community through the integration of the built and natural environment.
  - Develop a Maroondah Drainage Strategy

#### Governance and Corporate Support

- Plan and manage Council's operations through sound policies, practices and systems that ensure financial and operational sustainability
  - Further develop and refine the lifecycle asset management plans with

particular emphasis on long lived assets including an asbestos audit and management plan.

- Implement Council's Capital Works program

**Asset Management Policy Statement:**

Council is committed to providing reliable, safe, quality services, to an agreed service standard, through an efficient and effective network of service delivery assets.

**Asset Management Strategic Goals**

The following Policy goals link this Asset Management Policy to the Asset Management strategies contained within the document Asset Management Strategy (Strategy Number: AM03-01), which should be read in conjunction with this document

- Goal 1** To have a complete knowledge of all physical assets
- Goal 2** In consultation with our customers, determine an agreed service standard for service delivery assets
- Goal 3** To undertake asset management through a Total Life Cycle approach to the ownership and management of all service delivery assets
- Goal 4** To accurately report on all aspects of service delivery assets
- Goal 5** To complete performance reviews of service delivery assets to ensure provision of reliable, efficient and effective service delivery
- Goal 6** To incorporate asset lifecycle considerations into all capital investment decisions
- Goal 7** To adopt Risk Management and Demand Management as important tools in the ongoing usefulness of service delivery assets
- Goal 8** To strive for best practice in asset management
- Goal 9** To oversee the development and implementation of Asset Management Strategies through and Asset Management Steering Committee

**Asset Management Principles**

- All service delivery assets will exist to support service provision or to enhance the natural environment and/or living standards of the community
- All service delivery assets will be created, acquired, maintained and rehabilitated to enable the organisation to meet its strategic service delivery goals efficiently and effectively
- Service provision will be achieved via an appropriate quantity and quality of service delivery assets
- All organisational functions will undertake life cycle asset management activities within a strategic framework that is driven by service delivery needs
- All service delivery assets will be capable of demonstrating their consumption of serviceability
- Asset management throughout the organisation will meet Local Government Best Practice

**Scope of Policy:**

This policy will apply to all service delivery assets under the control of the Council and to all Service Areas responsible for the management of those assets. This includes the road and drainage networks, parks and garden's assets, major leisure facilities, and Council buildings.

**Asset Management Responsibilities:**

*Council*

- Stewards of all community service delivery assets
- Adopt Asset Management Plans and monitor their outcomes

- Adopt the corporate Asset Management Policy and Vision
- Adopt community agreed levels of service, risk and cost standards applicable to service delivery assets
- Adopt Asset Management Best Practice
- Approve Capital expenditure budgets with regard to service delivery assets in accordance with Council Policy
- Approve the corporate Asset Management Strategy

*Chief Executive Officer and Corporate Management Team*

- Approve developed Asset Management Plans
- Ensure appropriate resources for Best Practice Asset Management are provided
- Recommend on community agreed levels of service, risk and cost standards applicable to service delivery assets
- Deliver Council's Asset Management Best Practice program
- Review Service Area performance in delivering on the Asset Management Strategy
- Ensure that accurate and reliable information is presented to Council for decision-making
- Ensure the preparation and management of all service delivery assets expenditure programs and budgets
- Ensure that financial strategies from developed Asset Management Plans is considered within the Long Term Financial Strategy

*Asset Management Steering Committee*

- Ensure asset management is undertaken throughout the organisation in an environment of best practice
- Engender commitment throughout the organisation to Total Life Cycle Asset Management
- Oversee the development, implementation and operation of appropriate asset management strategies including determination of community agreed service levels, risk and cost standards applicable to service delivery assets.
- Provide a clearly communicated direction to the Corporate Management Team on asset management best practice

*Senior Staff & Asset Managers*

- Manage and record asset information and report on it under Council's statutory requirements and as directed by others
- Develop Asset Management Plans for individual asset groups, using the principles of total lifecycle asset management
- Develop and implement improvement plans for individual asset groups
- Implement tactical plans (such as maintenance programs, capital works programs) in accordance with developed Asset Management Plans
- Undertake asset management in line with industry best practice
- Undertake asset management in accordance with Council's Asset Management Best Value program
- Develop and recommend service delivery asset expenditure programs and budgets
- Deliver levels of service to agreed risk and cost standards
- Present information to the Council, Chief Executive Officer and Corporate Management Team on Asset Risk and Demand Management and costs

**Statement of Practice:**

<ul style="list-style-type: none"> <li>○ Council’s Asset Management section will recognise and record electronically, the existence of all Council and community owned assets.</li> <li>○ Asset Managers will manage the long-term viability of service delivery assets by developing Asset Management Plans to ensure that assets continue to meet their role in the provision of effective and efficient service delivery</li> <li>○ Asset Managers will manage the service delivery assets under their control to ensure continuous, efficient and effective service delivery to an agreed community standard</li> <li>○ The Asset Management section will regularly determine the operational condition of all service delivery assets to review their service delivery performance</li> <li>○ The Asset Management section will value initially, and revalue according to the developed strategy, all service delivery assets, to assist in verifying their remaining useful life and to report on the financial and risk implications under the accounting standards of the day</li> <li>○ The Asset Management section and Asset Managers generally, will report within Service Delivery Performance Reports on aspects pertaining to the management and ownership of all service delivery assets</li> </ul>	
<p><b>Broad Timeframes and Deadlines:</b></p> <ul style="list-style-type: none"> <li>○ Review, revise and have approved, the Asset Management Policy and Strategy by December each year</li> <li>○ Regularly update Asset Management Plans and develop inputs into the Long Term Financial Strategy</li> <li>○ Undertake continual improvement of Asset Management Plans for all individual groups of assets by December each year</li> <li>○ Continually link Asset Management Plans to the Capital Renewal component of the Capital Expenditure program each year</li> </ul>	
<p><b>Audit Review and Processes</b></p> <ul style="list-style-type: none"> <li>○ To have developed Asset Management Plans for each significant asset group to an appropriate degree of accuracy and reliability</li> <li>○ To review improvements to developed Asset Management Plans every 3 years</li> <li>○ To review community agreed service levels every 3 years</li> <li>○ To independently benchmark Asset Management across the Local Government environment every 3 years</li> </ul>	
<p><b>Other Relevant Documents</b></p> <ul style="list-style-type: none"> <li>○ Asset Management Strategy: AM 03-01</li> </ul>	
<p><b>Policy Authorised: COUNCIL</b></p>	<p><b>Date: Reviewed June 2006</b></p>
<p><b>Expiry Date (if any):</b></p>	