

10.3 OUTCOME OF ADVERTISING AND ADOPTION OF AMENDMENTS TO ASSET MANAGEMENT POLICY

- Attachments:**
1. **DRAFT - Asset Management Policy review 2023**
 2. **Policy 2.2.12 - Asset Management**

RECOMMENDATION:**That Council**

1. **NOTES that at the conclusion of the local public notice period, no public submissions were received in relation to the Asset Management Policy, at Attachment 1;**
2. **ADOPTS the Asset Management Policy at Attachment 1; and**
3. **REPEALS Policy 2.2.12 Asset Management Policy at Attachment 2.**

PURPOSE OF REPORT:

To present the outcome of community consultation and seek approval of the proposed Asset Management Policy at **Attachment 1** and repeal of Policy 2.2.12 'Asset Management Policy' at **Attachment 2**.

BACKGROUND:

At its 22nd August 2023 Meeting, Council approved conducting community consultation of its intention to amend the Asset Management Policy.

In accordance with the City's Community and Stakeholder Engagement Policy, community consultation was undertaken between 31st August 2023 to Friday 22nd September 2023, which is in excess of the 21 days required.

The policy was advertised on the City of Vincent website, social media and through the following public notices:

- Perth Now Central – 31st August 2023; and
- notice exhibited on the notice board at the City's Administration and Library and Local History Centre.

No public submissions were received.

DETAILS:

The amended policy aims to have clear objectives guiding the development of an Asset Management Framework for the City to apply its management of infrastructure assets, to ensure:

- Infrastructure asset management practices and decisions align with the outcomes of the Strategic Community Plan.
- Community infrastructure assets are maintained and are performing at a service level that meets the needs of our community.
- Infrastructure assets are appropriately planned, acquired and managed considering whole of life costs.

CONSULTATION/ADVERTISING:

No further consultation is required.

LEGAL/POLICY:

Section 2.7(2)(b) of the Act provides Council with the power to determine policies.

The City's Policy Development and Review Policy sets out the process for repealing and adopting policies.

RISK MANAGEMENT IMPLICATIONS

Low: Adopting the proposed policy is low risk

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2022-2032*:

Enhanced Environment

Our parks and reserves are maintained, enhanced and accessible for all members of the community.

Accessible City

Our pedestrian and cyclist networks are well designed, connected, accessible and encourage increased use.

Connected and Healthy Community

Our community facilities and spaces are well known and well used.

Thriving Places

Efficiently managed and maintained City assets in the public realm.

Sensitive Design

Our built form is attractive and diverse, in line with our growing and changing community.

Innovative and Accountable

We deliver our services, projects and programs in the most inclusive, efficient, effective and sustainable way possible

SUSTAINABILITY IMPLICATIONS:

This is in keeping with the following key sustainability outcomes of the *City's Sustainable Environment Strategy 2019-2024*.

Sustainable Energy Use/Greenhouse Gas Emission Reduction

PUBLIC HEALTH IMPLICATIONS:

This is in keeping with the following priority health outcomes of the City's *Public Health Plan 2020-2025*:

Reduced injuries and a safer community

FINANCIAL/BUDGET IMPLICATIONS:

The policy ensures asset investment decisions are based on an evaluation of alternatives that consider the "whole of life" of an asset through acquisition, operations, maintenance, renewal and disposal. All long-term asset maintenance and renewal costs will be detailed in the asset management plans and projected in the long term financial plan.

COMMENTS:

The revised policy follows the same principles of the original policy, however further aligns to the outcomes of the Strategic Community Plan, and includes policy definitions and guidance on asset capital planning processes.

The City is committed to making informed decisions in relation to its assets. The revised policy initiates the development of an Asset Management Framework that guides the implementation of asset management business processes and principles within the organisation.

The core intent of the Asset Management Policy is to implement a life-cycle approach to the management of infrastructure assets by evaluating asset planning decisions considering not only the whole of life costs but also current and future environmental, economic and social outcomes.



Asset Management Policy

Legislation / local law requirements	Local Government Act 1995 - Section 5.56 (1) and (2) Local Government (Administration) Regulations 1996 - Regulation 19DA(3)(c) Local Government (Financial Management) Regulation 1996 - Regulation 17A
Relevant delegations	2.2.15 Tenders for goods and services 2.2.17 Disposing of property
Related policies, procedures and supporting documentation	City of Vincent Strategic Community Plan City of Vincent Corporate Business Plan City of Vincent Asset Management Sustainability Strategy ISO 55000, 55001 & 55002 Integrated Planning & Reporting Framework IPWEA Asset Management guidelines International Infrastructure Management Manual (IIMM)

PRELIMINARY

INTRODUCTION

The City of Vincent is custodian of infrastructure assets that provide services to a growing and diverse community. The challenge for the City is to appropriately manage its assets so they provide a level of service that meets the community's needs and expectations, in a financially sustainable manner.

PURPOSE

The purpose of this policy is to ensure the City has an effective framework in place to sustainably manage the City's assets and deliver services to the community for current and future generations.

OBJECTIVE

The objective of the Asset Management Policy is to ensure that services delivered by the City are provided in a sustainable manner through the appropriate management of its infrastructure assets. The policy guides the Infrastructure Asset Management principles and framework that the City will apply to ensure:

- Infrastructure asset management practices and decisions align with the outcomes of the Strategic Community Plan.
- Community Infrastructure assets are maintained and are performing at a service level that meets the needs of our community.
- Infrastructure assets are appropriately planned, acquired and managed considering whole of life costs.

Asset Management Policy



SCOPE

This Policy applies to Council, City employees, relevant contractors and other stakeholders involved in development of new City owned and controlled infrastructure assets and operation, maintenance, refurbishment, renewal, upgrading and disposal of existing City infrastructure assets.

POLICY PROVISIONS

DEFINITIONS

Asset - an item, thing or entity that has potential or actual value to the organisation (International Infrastructure Management Manual 2015 (IIMM)).

Asset Management - the systematic and coordinated activities and practices to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets (IIMM).

Asset Management System - the set of inter-acting elements of an organisation to establish asset management policies and objectives and the processes to achieve those objectives (ISO 55000).

Infrastructure – the physical structures and facilities needed for the operations or to service community needs

Infrastructure Asset Management - the integrated, multidisciplinary set of strategies in sustaining public infrastructure assets. A systematic approach to managing assets over entire life cycles and within a broad asset portfolio.

Level of Service - The parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the City delivers. Levels of service statements describe the outputs or objectives the City or activity intends to deliver to customers (IIMM).

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 (IIMM).

Renewal - works to replace existing assets or facilities with assets of facilities of equivalent capacity or performance capability (IIMM).

Sustainability - the capacity to endure; in the context of asset management, it is about meeting the needs of the future by balancing social, economic, cultural and environmental outcomes or needs when making decisions today (IIMM).

Upgrade - Enhancements to an existing asset to provide higher levels of service, e.g. widen a sealed road (Australian Infrastructure Financial Management Manual).

POLICY

The City is committed to implementing an effective asset management system in line with the ISO55000 suite of standards and the International Infrastructure Management Manual (IIMM) which will result in strong governance and accountability; effective and sustainable decision making; enhanced customer service and the effective management of risk. Asset Management is an organisation wide responsibility ensuring the sustainable delivery of services to current and future generations.

Asset Management Policy



Infrastructure Asset Management Framework

The City's Infrastructure Asset Management Framework consists of the following key outputs:

- Council Policy - reviewed every four years.
- Asset Management Sustainability Strategy - aligned with this Policy specifying the long-term objectives and implementation plan for managing the City's assets, adopted by Council and reviewed every four years.
- Asset Management Plan/s – for each Asset Category describing how assets will be managed to meet defined levels of service. Reviewed annually and updated with asset condition rating information, deterioration modelling, financial projections and performance indicators.
- Informing Strategies – Infrastructure related planning strategies that address future community needs for services provided by infrastructure assets. These strategies address the standard of infrastructure provision and future decisions on asset expansion, upgrade, new or asset rationalisation or disposal.
- Four Year Capital Works Programs - Prioritised capital renewal and expansion requirements meeting agreed levels of services and ranking criteria for inclusion and annual review through the City's Corporate Business Plan
- Long Term Financial Plan – The Asset Management Policy supports the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plan and Capital Works Program. The Capital Works Program (4 years) and Long Term Financial Plan are updated annually and integrated with the Corporate Business Plan and Budget Process.

OFFICE USE ONLY	
Responsible Officer	Manager City Buildings & Asset Management
Initial Council Adoption	MARCH 2009
Previous Title	N/A
Reviewed / Amended	APRIL 2023
Next Review Date	APRIL 2027

POLICY NO: 2.2.12**ASSET MANAGEMENT****OBJECTIVES**

The purpose of this policy is to assist the Council in managing the infrastructure assets of the City to meet its vision of *a sustainable and caring community built with vibrancy and diversity* as outlined in its strategic plan. To achieve the vision the Council has 5 strategic objectives with key result areas for each outcome. This policy relates to all of the strategic outcomes and provides an integrated and multidisciplinary environment for undertaking infrastructure asset management in such a way as to:

- Ensure that assets service the community for current and future generations;
- Ensure that assets provide a level of service and risk the community is willing to support;
- Ensure the sustainable management of assets;
- Encourage and support the economic and social wellbeing of our community; and
- Allow informed decision making, incorporating life cycle costing principles.

POLICY STATEMENT

To appropriately manage its assets so they provide the desired level of service to meet the community's needs and expectations in a financially sustainable manner and to make the City of Vincent a *sustainable and caring community built with vibrancy and diversity*.

To achieve this the Council recognises that assets must be planned, provided, maintained and refurbished to ensure they continue to meet the service delivery needs of the community within the context of providing best value to the community

This policy aims to achieve the following:

- Support the City's vision and strategic objectives through a dynamic infrastructure asset management framework that will enable Infrastructure Asset Management (IAM) to be undertaken in a structured, integrated, coordinated, cost effective and financially sustainable manner with consideration to full lifecycle costing and assessment of the feasibility and cost of future replacement.
- To assess continued asset ownership, responsibility and management of risk.
- Provide an essential framework and rationale for best practice IAM decision making and informing the organisation on how it will maintain its infrastructure asset to meet service delivery requirements.
- Complement and build on the City's Plan for the Future - Strategic Plan, and provide a more formalised approach to IAM principles and methodologies.

- Provide the framework for the preparation of IAM strategies and plans for infrastructure assets.
- Identify and set levels of service to meet the needs and expectations of the community.

This policy also outlines the importance of IAM and what needs to be considered to ensure that:

- Financial, social and environmental sustainability issues are clearly understood and recognised by Council (i.e. the Council Members) and its community while providing for present needs and sustaining resources for future generations enabling consistency of decision making
- A Life Cycle approach is incorporated into IAM processes, enabling informed decision making to meet service needs over the life of an infrastructure asset from planning, creation, operations, maintenance, and renewal through to disposal.
- Level of service needs form the basis of the IAM.
- Management of infrastructure assets is undertaken in a structured and integrated way.
- Corporate responsibility and resources are identified and established for infrastructure assets inventory, condition, use and performance.
- Risk management is considered as part of IAM.
- Legislative and regulatory requirements are achieved.
- New innovative ways of meeting level of service requirements are sought through continuous improvement.
- All infrastructure asset registers are kept up to date and relevant to enable accurate reporting and effective decision-making.
- Compliance to the Asset Management Policy will be included in the Council adopted four year internal audit program

Date Adopted:	10 March 2009
Date Amended:	-
Date Reviewed:	-
Date of Next Review:	March 2014

GUIDELINES AND POLICY PROCEDURE FOR ASSET MANAGEMENT POLICY NO. 2.2.12

1. Infrastructure Asset Management

The City will, as part of its considerations of Infrastructure Asset Management utilise the following:

- Involve and consult with the community and key stakeholders on determining service standards when developing level of service for each infrastructure asset function;
- Act as custodians of infrastructure assets on behalf of the community and as a part of providing quality infrastructure and community facilities, undertake to develop industry standard, affordable and financially sustainable Infrastructure Asset Management plans that include defined level of service for each infrastructure asset function;
- In accordance with the City's Plan for the Future - Strategic Plan and associated Financial Management Plan, provide quality infrastructure assets that support services that are appropriate, accessible, responsive and sustainable in accordance with the defined needs of the community;
- Manage infrastructure assets in a systematic and sustainable manner;
- Ensure infrastructure asset information is accurate and up to date allowing for appropriate planning, both in the long and short term, and for informed decision making to occur;
- Allocate appropriate resources to ensure Infrastructure Asset Management practices are undertaken effectively, including timely maintenance and renewal to ensure that lifecycle costs are optimised for both existing and new infrastructure assets;
- Prior to the consideration of any major works/renewal or improvement to an Infrastructure Asset, undertake critical review of the need and whole life cost of that Infrastructure Asset, including capital, maintenance, operating, renewal, refurbishment, upgrade and disposal costs;
- Adopts with annual Infrastructure Works Budget that reflects the objectives of Infrastructure Asset Management, with adequate funding allocated for maintenance, Capital Renewal and Capital upgrade of existing infrastructure assets;
- Continually seek opportunities for multiple uses of infrastructure assets;
- Ensure that the roles and responsibilities for all infrastructure assets are well defined, understood and assigned appropriately;

- Develop and implement a framework for the evaluation and prioritisation of infrastructure related projects based on a demonstrated need for the infrastructure assets; and
- Develop and apply consistent construction and maintenance standards to infrastructure assets built by the City.

2. Custodianship

As custodians of the City's infrastructure assets, the Council is required to represent the community as the infrastructure asset owner to ensure that infrastructure assets and services are maintained for present and future generations at an equitable cost.

The Council:

- Be a steward of infrastructure assets
- Adopt Asset Management Policy and vision
- Adopt an appropriate level of service

3. Technical and Professional

Administration has a responsibility to provide technical and professional advice to Council so that it is in the position to make the best decisions on behalf of the community.

3.1 Chief Executive Officer, Directors, Managers:

- Implement the Asset Management Policy and Plans
- Implement the Asset Management Strategy
- Ensure appropriate staffing levels and resources are available
- Recommend to the Council appropriate level of service, risk, standards etc
- Ensure levels of service are met
- Monitor staff and recourses performance in achieving the required outcomes.

3.2 Asset Management Task Team

(Directorates– internal and external service delivery)

- Prepare Asset Management Plans
- Implement approved Asset Management Plans
- Ensure services are delivered to levels set
- Develop and implement procedures to ensure Asset Management Policy and Plans is being met
- Develop service level agreements.

3.4 Section (Operational) Managers

- Responsible for day to day delivery of service
- Ensure that service level agreements are met
- Ensure that assets are fit for purpose
- Carryout inspections undertake appropriate maintenance

3.5 Asset Management Officer

- Collate Asset information provided
- Monitor and update Asset Management Plans in liaison with Asset Management Task Team and Operational Managers/Service Providers
- Provide input and take ownership for updating asset registers.

4. POLICY APPLICATION

This policy applies to the Council, Executive Management, Staff, the Community and land developers involved in development of new infrastructure assets and operation, maintenance, refurbishment, renewal, upgrading and disposal of existing infrastructure assets.

4.1 Principles

- Asset Management Plans
Prepare review and audit Asset management Plans in accordance with best practice guidelines. The Asset Management Plan should be a simple, easily understood plan that is achievable and is consistent with normally available resources.
- Renew before New
Adopt a principle of "Renew before New" of City owned assets, with an emphasis on integrating services while maintaining/upgrading/replacing existing assets rather than adding new assets to the City's inventory, unless cost benefit analysis justifies otherwise.
- Allocation of Financial Resources
Develop and implement guidelines for the allocation of financial resources, both Capital and Operational to meet new development over short and long-term timelines.
- Ownership and User roles and Responsibilities
Roles and responsibilities for asset "ownership" and "user" to be in accordance with the following principles:
 - "Asset Management Task Team" - as a cross functional team with representation from all facets of the City's administration to coordinate the management of City owned assets (including maintenance standards and levels of service) in the most efficient and effective manner, using best practice Asset Management principles

- Maintenance Standards and levels of service are detailed via a service level agreement developed in conjunction with the service area responsible for the service delivery (Operational Manager), the Asset Management Task Team and user stakeholders
- "Day to day" management or risk is the responsibility of the service area responsible for service delivery (Operational Manager) and as identified in any service level agreement
- Capital Works Evaluation Framework
 A Capital Works Evaluation framework to assist in prioritising projects for consideration within Council's long-term financial plan and annual budget process which takes into consideration:
 - Demonstrated need and asset function
 - Level of service
 - Community benefits
 - Community "goodwill"
 - Historical ownership and social fabric
 - "Overall community value" of asset ownership
 - Risk Assessments
 - Statutory Obligations
- "Whole of Life" Funding
 When considering assets "whole of life" funds are to be allocated for the complete lifecycle of the asset(s), including the operation, maintenance and replacement cost associated with the asset(s).
- Specified Maintenance Programs
 Proactive specified maintenance programs will be implemented, and included as part of any service agreement.
- Risk Management
 Manage assets in accordance with City's Risk Management of Occupational Safety and Health Policy.
- Levels of Service, Maintenance Standards and Asset Needs
 Where appropriate, the community and key stakeholders will be involved and consulted to determine levels of service, maintenance standards and asset needs.
- Delivery of Services and the Function and Ownership of Assets
 The Asset Management Task Team, Service Delivery Managers will continually review and consider alternative options for the delivery of services and the function and ownership of assets.
- Assets Funding
 Funding of infrastructure not owned or controlled by the City is to be external to Council's Capital Works and Asset Management funding. Funding for specified maintenance and capital works to be based on level of service.
- "Strategic Asset Management
 Strategic is to be adopted by directorates and sections and progressed by the Asset Management Task Team.

5. RESPONSIBILITY

5.1 Council Members

- To act as stewards for infrastructure assets
- Adopt the Asset Management Plan and monitor its outcomes
- To set corporate Asset Management policy and vision
- To adopt the annual plan and in accordance with Council policy
- Promote and raise awareness of Asset Management to the Community.

5.2 Chief Executive, Directors & Managers

- To set corporate Asset Management policy and vision
- To ensure appropriate resources and funding for Asset Management activities are made available to integrate Asset Management policies, strategies and Asset Management Plans into the corporate governance framework
- To continue to refine the "overarching" Asset Management Policy with linkage to the Asset Management Plan
- To implement the corporate Asset Management strategy within agreed resources
- To monitor and review performance of staff in achieving the Asset Management strategy
- To ensure that accurate and reliable information is presented to Council for decision-making
- To foster and support the multi discipline Asset Management Task Team
- To ensure the community and key stakeholders inputs are integrated into the Asset Management Plan
- Promote and raise awareness of asset management to the Council, staff, users and community
- Provide recommendation to Council on levels of service, risk and cost standards and to ensure assets are managed to the approved levels.

5.3 Asset Management Task Team

- To develop Asset Management plans for individual asset groups
- To implement improvement plans for individual asset groups as detailed in the Asset Management Plan
- To ensure appropriate community consultation is undertaken
- To deliver levels of service to agreed risk and cost standards and report to Council on service delivery versus service level standard
- To present information to the Council and Chief Executive in terms of lifecycle risks, costs and service levels
- To develop and implement (operational plans) maintenance refurbishment and capital works (refurbishment/renewal) programs in accordance with Asset Management Plans, Strategic Resource Plan and Annual Plan and reports to Chief Executive Officer, Directors and Managers

- To develop and implement procedures with a goal of ensuring that the asset database is maintained and updated and provide required reports to Council to meet their statutory and legal responsibilities
- Promote and raise awareness of asset management to the Council, staff, users and community.

5.4 Section (Operational) Managers

- To ensure day-to-day maintenance of the Assets they are responsible for, is delivered to service levels specified in the Service Agreement
- Meet requirements as specified in the Service Agreement
- Ensure assets are utilised to maximise community benefit and are fit for purpose
- Ensure assets are maintained, renewed and upgrade as and when required to meet the needs of the community
- To carry out routine inspections as specified in Service Agreement
- To report on maintenance actions versus levels of service as specified in the Service Agreement
- Promote and raise awareness of Asset Management to staff
- Provide recommendations to Asset Management Task Team on upgrades or renewals for assets they are responsible for
- Provide input into the Service Agreement
- Recommend any changes of service levels to Asset Management Task Team.

5.5 Asset Management Officer

- Liaise with the Asset Management Task Team
- Assist with the review the Asset Management Policy and Strategy implementation within agreed resources
- Provide accurate and reliable information.
- Ensure that the asset database is maintained and updated.