



# Asset Management Policy

## Policy - CP031

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Manager Asset Services	Strategic Asset Systems Coordinator	Council	June 2023	2023/0101
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### 1. The purpose of this policy is

To provide clear direction for implementing consistent organisational wide asset management processes for Mildura Rural City Council.

### 2. Policy Statement

Asset investment, made over generations, represents the need for prudent organisational awareness to asset management. Management of assets is a core Council function. The *Local Government Act 2020* requires the integration of strategic management, financial, economic, and technical practices. This policy sets out Councils' commitment to manage assets as an integral element of service to the community.

This policy applies to:

- All assets owned, controlled, managed and/or maintained by Council.
- All Council staff, Councillors, contractors, volunteers or any persons involved in the planning, acquisition, operation, maintenance, renewal, and disposal of Council assets.

### 3. Principles

Councils' Asset Management principles are as follows:

- **Principle 1-** Implement an Asset Management Framework comprising of Asset Policy, Asset Management Strategy, and Strategic Asset Management Plans for each major infrastructure portfolio.
- **Principle 2-** The Asset Management Framework aligns with ISO 55001, the IPWEA International Infrastructure Management Manual (IIMM), and the *Local Government Act 2020*.
- **Principle 3-** A risk-based approach to achieve a balance of cost, risk, and performance.

- **Principle 4-** Continuous improvement in Asset Management maturity in alignment with the National Asset Management Assessment Framework (NAMAF).
- **Principle 5-** Integrated asset management information system as a single source of truth for the management of asset data.
- **Principle 6-** Asset Management supports the delivery of the Council Plan and Community Vision.
- **Principle 7-** Asset management training and skills development is provided to staff, and when applicable, Councillors and contractors.
- **Principle 8-** Asset management roles, responsibilities, and accountabilities are clearly defined and understood.
- **Principle 9-** Asset management and long-term financial planning will be integrated with the service and risk implications of any divergence between asset and financial plans considered as part of the planning process.
- **Principle 10-** Lifecycle asset activities (acquisitions, operations, maintenance, renewal, and disposal) are to minimise cost and environmental impact.
- **Principle 11-** Renewal of existing assets will be based on service need, functionality, asset condition, compliance, and risk considerations.
- **Principle 12-** New assets, asset upgrades and expansions are in alignment with the Council Plan, Council strategies, service plans and demand forecasts.
- **Principle 13-** Engage and consult with the community in consideration to community assets.

#### **Roles:**

The following roles have been defined to clarify how Council will ensure it implements Asset Management best practices across all areas of the organisation:

- **Management of the Service**  
Those responsible for a service being delivered to the community and the interface between Council and the community.
- **Management of the Asset**  
Those responsible for how assets are managed, including overall capital works planning through the engagement of service providers, maintenance managers and other stakeholders.
- **Management of Maintenance**  
Those responsible for ensuring that assets function as designed to meet defined levels of service and industry standards.

- **Governance of the Asset Management System**  
Those responsible for setting up frameworks, systems and processes that can be used across the organisation for Asset Management related activities.

#### 4. Who is responsible for implementing this policy?

Party or Parties responsible for the implementation, communication, and compliance of the policy:

- **Council**
  - Responsible for adopting the policy.
  - Act as steward for community assets.
  - Approve resources to maintain community assets on agreed level of service.
  - Approve medium and Long-Term Asset Plans, Budgets, and Long Term Financial Plans relating to asset management.
  - Approve the funding of asset lifecycle costs changes in the financial year after the completion of capital works via the adopted budget process.
- **Executive Leadership Team**
  - Foster a consistent and compliant asset management culture across the organisation.
  - Foster and support guidance to the multi-disciplinary Asset Management Steering Group.
  - Integrate the Asset Management Policies, Asset management Strategies and Asset Management Plans into the Corporate Governance Framework.
  - Implement lifecycle cost changes approved by Council.
  - Ensure staff are appropriately trained and skilled to perform required asset management functions.
  - Promote development of sustainable long-term financial plans that reflect the state of the assets and agreed levels of service.
  - Enable appropriate management arrangements, ownership, control, accountability, and reporting requirements for all asset classes under Council management.
  - Support the reporting and presentation of reliable information to Council regarding asset management.
- **Asset Management Steering Group**
  - Responsible for high level implementation and monitoring of Asset Management practices within Council.
  - Develop corporate policies, strategies, and guidelines with respect to best appropriate asset management practice.
  - To review and monitor the preparation and implementation of the Asset Management Policy, Asset Management Strategy, and individual Asset Management Plans for the major asset classes.
  - Promote good asset management practices throughout Council.
  - Oversee, review, and monitor the implementation and utilisation of Councils' asset management system.

- Drive skills development and training programmes that increase awareness and builds internal asset management capability.
  - Report to the Executive Leadership Team regarding organisational asset management performance.
- **Asset Manager and Service Manager**
    - Consult with stakeholders and deliver levels of service to agreed risk and cost standards.
    - Develop and implement asset management plans to deliver on agreed levels of service.
    - Implement asset maintenance, renewal, upgrade, expansion, and new works programmes in accordance with asset management plans and service delivery needs.
    - Utilise an integrated asset management information system for recording viewing and analysing asset management.
    - Monitor and report on asset performance in delivering the required services.
    - Report to asset management steering group regarding any asset management parameters within the policy deemed relevant or necessary.
  - **Staff and Contractors**
    - Apply agreed asset management practises in their area of work.
    - Develop and manage all service contracts that impact on the creation, upgrade, renewal, and maintenance of assets to support the outcome of this policy.
    - Report to team leaders, coordinators or managers regarding any asset management matters deemed relevant or necessary.

## 5. Definitions

Acquisition	The acquisition or creation of a new asset that provides a service that does not currently exist.
Asset	A physical item that is owned or legally controlled by Council and provides or contributes to the provision of service to the community (in this context excluding financial, intellectual, and non-tangible assets) and has an economic life of greater than 12 months.
Asset Management	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 manner.
Asset Management Framework	A set of documents, systems and processes that address an organisations asset management objectives, plans, strategies, and responsibilities
Asset Management Plan (AMP)	A plan developed for the management of one or more infrastructure asset groups that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide a specified level of service.
Asset Management Strategy	Long-term optimised approach to management of assets, derived from, and consistent with, the organisational strategic plan and the Asset Management Policy

Community	People who live within Mildura Rural City Council (MRCC). People and organisations who are rate payers in MRCC. People and organisations who conduct activities in MRCC.
Contractor	Person or company engaged to undertake works for Council.
Council	Mildura Rural City Council.
Councillor	Person who has been elected to the office of "Councillor" of Mildura Rural City Council.
Disposal	Works to remove an asset.
Expansion	Expenditure which extends an existing asset or a new asset at the same standard currently enjoyed by users to a new group of users.
Level of service	The defined service quality for a particular activity or service area against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability, and cost.
Lifecycle	The stages of an assets life including planning, acquisition operation, maintenance, renewal and disposal.
Maintenance	All actions necessary to allow the asset to achieve its expected life and service potential excluding renewal.
New	New work for acquisitions that create an asset that did not exist in any shape or form.
Operation	The active process of utilising an asset which will consume resources such as workforce, energy, and materials.
Planning	All actions necessary for the acquisition, operation maintenance, renewal and disposal of an asset including consultation design and construction.
Renewal	Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally, including replacement of an existing asset
Staff	All staffed engaged by Mildura Rural City Council, including all full-time, part time and casual employees, labour hire agency staff, contractors, and volunteers.
Upgrade	Expenditure which enhances an existing asset to provide a higher level of service or extends the life of the asset beyond its original life.
Volunteer	Formally recognised unpaid member of the public who assists with the provision of council services.

## 6. Legislation and other references

### 6.1 Legislation

For further information related to this policy see:

- Local Government Act 2020
- Local Government (Planning and Reporting Regulations) 2020
- Road Management Act 2004
- Building Act 1993

- Victorian Charter of Human Rights and Responsibilities Act 2006
- Disability Discrimination Act 1992

## 6.2 Documents

This Policy is implemented in conjunction with the following documents:

- Councils Asset Management Strategy 2020
- Councils Roles and Responsibilities Guidelines (under development)
- IPWEA International Infrastructure Management Manual, 2020
- IPWEA Australian Infrastructure Financial Management Manual, 2015

## 6.3 Risk Assessment Reference

*Please tick the corporate risk(s) that this policy is addressing.*

<b>Risk Category</b>		<b>Risk Category</b>	
Asset Management	✓	Financial Sustainability	✓
Committees		Human Resource Management	
Compliance – Legal & Regulatory	✓	Leadership & Organisational Culture	✓
Contract Management		Occupational Health & Safety	
Contract Tendering & Procurement		Organisational Risk Management	✓
Corporate Governance	✓	Project Management	
Environmental Sustainability	✓	Public Image and Reputation	✓