

**CITY OF
BALLARAT**



Asset Management Policy 2015

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BALLARAT CITY COUNCIL

Town Hall

Sturt St

Ballarat VIC 3350

Tel. 5320 5500

1 DOCUMENT CONTROL INFORMATION

Document Control

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2 POLICY STATEMENT

2.1 INTENT

The purpose of this Asset Management Policy is to set out Council's approach to the sustainable management of its assets, while providing ongoing support to community services through balanced consideration of technical standards, levels of service, whole of life costs and available resources.

Asset Management is required to effectively and efficiently manage Council's asset portfolio in the delivery of services to the community. Asset Management is a corporate function that enables Council to:

- Deliver services for current and future generations;
- Respond to community needs;
- Support economic and social development; and
- Demonstrate resilience in response to external effects.

2.2 OBJECTIVES

The objectives of this Asset Management Policy are:

- To demonstrate effective leadership in the sustainable management of the natural and built environments by:
 - Delivering financial sustainability through making decisions that lead to a cost effective asset base, by focussing on asset renewal, rationalising under-utilised assets and limiting asset expansion unless justified;
 - Identifying funding to support and maintain our infrastructure;
 - Managing locally, while planning regionally;
 - Providing a framework for transparent and responsible asset management processes that align with demonstrated best practice; and
 - Identifying responsibilities and accountabilities for asset management.
- To work with our community by:
 - Involving the community in determining appropriate Levels of Service;
 - Providing services and infrastructure that supports the agreed Levels of Service; and
 - Ensuring that appropriate services are provided in a sustainable manner for future generations.

2.3 STATEMENT

Asset management and related financial planning will be a 'whole of organisation' function. To achieve this Council will:

- Establish and operate an Asset Management Steering Committee to oversee and promote the ongoing improvement of the asset management function throughout Council;
- Develop an Asset Management Strategy for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council;
- Develop Asset Management Plans for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting;
- Use asset management data, systems, processes and outputs to inform long term financial planning;
- Seek to understand the implications any funding gaps will have on the delivery of sustainable services to future generations;

- Review internal asset management skills, identify gaps in capability needs and develop and implement a training program that enables officers to meet their asset management responsibilities;
- Develop and implement a program to raise Council's awareness and understanding of asset management principles and the inherent link of the asset management function to long term financial planning and the sustainable delivery of services to the community;
- Link the responsibility of service provision with the broader organisational asset management function; and
- Monitor, measure and report on progress towards implementing asset management across the organisation.

Council will manage its assets in a manner which will:

- Ensure that when considering the social, environmental, financial and organisational impacts of any decision they will also properly consider the impact on Council's services and the assets that support them;
- Include the preparation of an Asset Management Strategy which details how this Asset Management Policy is to be implemented;
- Maintain and renew existing assets in a timely fashion and in a manner which is fit and safe for the purpose for which they have been provided; Record and categorise data for reporting against operations, maintenance, renewal upgrade and new expenditure classifications.
- Include systematic condition assessment of major asset classes to assist in prioritising works;
- Establish asset management systems and processes that support and enable Council's core asset management functions;
- Define and agree on appropriate Levels of Service in consultation with the community that will drive asset management planning;
- Inform the review and update of Council's Long Term Financial Plan; and
- Involve community engagement to determine whether its needs are being satisfied when assessed against agreed and sustainable Levels of Service.
- Achieve financial sustainability over a period of time through:
 - Adopting a funding strategy in Council's Long Term Financial Plan, informed by agreed Levels of Service and Asset Management Plans;
 - Incorporating whole of life cycle costing principles in decision making processes;
 - Considering the ability to fund future operations, maintenance and renewal as part of the decision making process for capital projects which expand the asset base (upgrade and new assets);
 - Evaluate all potential methods to meet service delivery demands, including non-asset solutions and demand management strategies where appropriate; and
 - Rationalising service delivery and the asset base, including changes to Levels of Service and disposal of assets which are surplus to requirements. This would be subject to consultation with relevant stakeholders and determining the impact of non-replacement.

2.4 LINKAGE TO COUNCIL PLAN

The 2013-2017 Council Plan identifies the vision for the City of Ballarat as:

“Leading sustainable growth, strengthening our community and respecting our heritage”

Delivery of the 2009-2013 Council Plan and Vision objectives requires a coordinated approach from multiple departments within Council. Delivery of services is critical to delivering the Council Plan and Vision. Council will utilise its \$1.5 billion (value 2014) asset portfolio to achieve the outcomes identified in the Council Plan.

2.5 ASSET MANAGEMENT VISION

The asset management vision for the City of Ballarat is:

“To continuously improve Council’s Asset Management function, ensuring the protection of community assets and the long term financial sustainability of Council through structured, socially responsible and transparent decision making”.

3 OWNER

The owner of this policy is the Chief Executive Officer.

Responsibility for implementation of this Asset Management Policy sits with the Asset Management Steering Committee.

All enquiries regarding this policy should be directed to the Coordinator Asset Management.

4 APPLICABILITY

Asset Management involves all areas of Council including those that plan services, provide services, manage assets and manage financial functions. Asset Management is a key element of Council’s integrated planning. Council will ensure that, when considering the social, environmental, financial and organisational impacts of any decision, it will also properly consider the impact on Council’s services and the assets that support them.

All Council policies and documents relating to asset management and service delivery should be read in conjunction with this policy. Key documents relating to this policy include:

- Council Plan
- Asset Management Strategy
- Asset Capitalisation Policy
- Asset Revaluation Policy
- Service and Asset Management Plans
- Long Term Financial Plan
- Road Management Plan

5 PROCEDURE AND GUIDANCE NOTES

5.1 KEY OUTPUTS

In line with this Asset Management Policy, the Asset Management Steering Committee will have responsibility for ensuring the production of the following key outputs:

- An adopted Asset Management Strategy including timelines, responsibilities and resources required for implementation;
- Sufficient resources to maintain asset management data and systems to the required quality standards;
- Documented business processes used to manage Council assets;
- Adopted supporting policies including Asset Capitalisation, Asset Valuation and Asset Disposal;
- Agreed Levels of Service, including time bound performance indicators.
- Completed Asset Management Plans for all major asset classes (and specific assets if appropriate); and
- Use of Asset Management Plans as a core input to review and update of Council’s Long Term Financial Plan.

5.2 INTEGRATED PLANNING FRAMEWORK

The Asset Management Policy is part of Council's integrated planning framework and its relationship to other documents is represented in *Figure 1*. Where a plan or document does not currently exist, it shall be developed to comply with this policy.

Each document has a specific purpose and represents a different level of detail relevant to asset management practices and processes within the City of Ballarat.

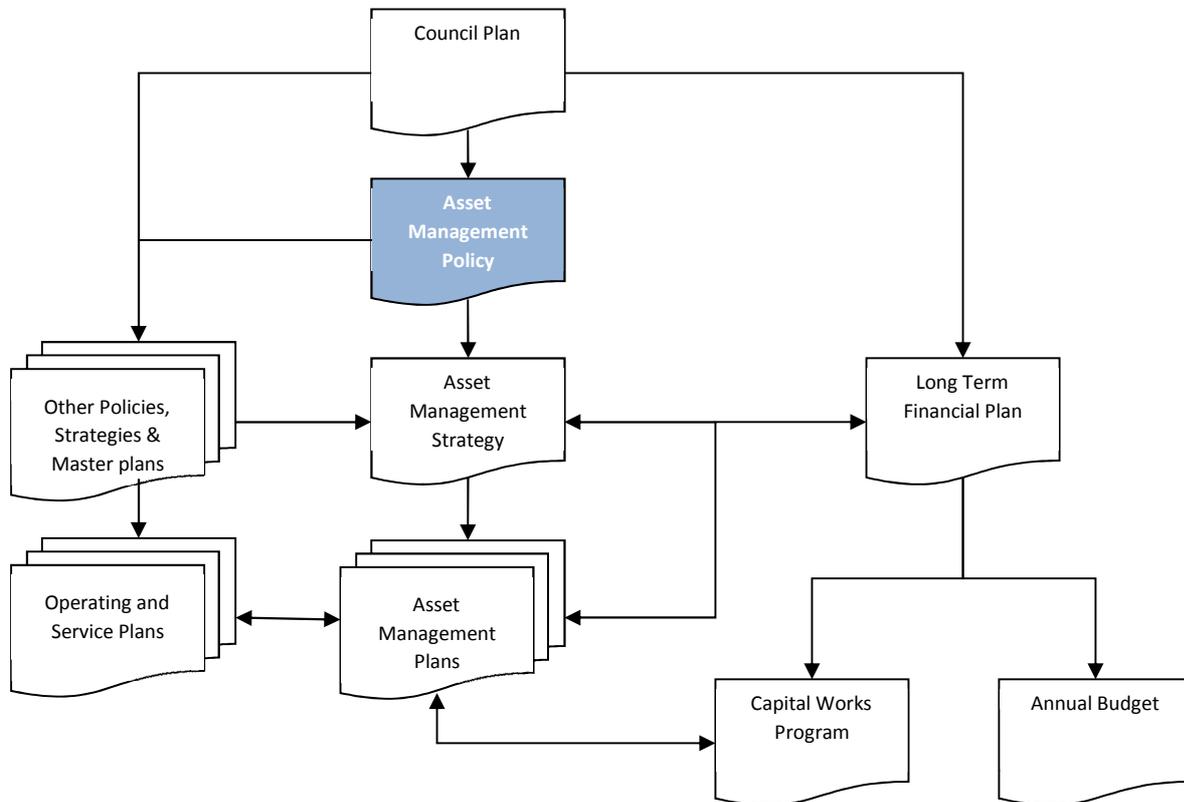


Figure 1: Integrated Planning Framework – Relationship between Corporate Planning Documents

6 COMPLIANCE RESPONSIBILITIES

Council Officers (see Asset Management Strategy - Responsibility Matrix for details)

- Develop and implement operational plans (e.g. asset management plans, maintenance programs, new capital works programs, etc).
- Implement improvements in conjunction with the Asset Management Group.
- Deliver Levels of Service to agreed risk and cost profiles.

Asset Management Group

- Responsible for coordinating the asset management function.
- Responsible for overseeing development of the Asset Management Plans.
- Responsibility for overall management of the asset management system.
- Ensure that timely, accurate and reliable information is available for decision making.

Asset Management Steering Committee (AMSC)

- Compliance with the AMSC Charter

- Responsible for overseeing development and implementation of the Asset Management Policy, Strategy and Asset Management Plans.
- Responsible for ensuring Asset Management Plans inform the Long Term Financial Plan and that asset related expenditure is underpinned by sound asset management principles.
- Responsible for identifying resources required to implement the asset management function.
- Monitor delivery of asset management across the organisation.
- Delegate responsibility for implementing asset management improvement programs.
- Report to the Council and Chief Executive Officer in terms of the asset management function.

Leadership Team

- Develop and approve Asset Management Steering Committee Charter.
- Review and approve asset management documents submitted by the AMSC.
- Responsible for providing sufficient resources required to implement the asset management function.

Chief Executive Officer

- Continually promote asset management to the organisation, to Councillors and to the community.
- To provide support to the Asset Management Steering Committee.
- Overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

Councillors

- To provide stewardship for asset management and long term financial planning.
- Responsible for adopting the policy, allocation of resources, providing high level oversight of the delivery of the organisation’s asset management strategy and plans.

7 CHARTER OF HUMAN RIGHTS COMPLIANCE

It is considered that this policy does not impact on any human rights identified in the Charter of Human Rights Act 2007.

8 REFERENCES AND RELATED POLICIES

ACTS	LOCAL GOVERNMENT ACT 1989; ROAD MANAGEMENT ACT 2004;
RELATED DOCUMENTS	CITY OF BALLARAT COUNCIL PLAN 2013-2017 INTERNATIONAL INFRASTRUCTURE MANAGEMENT MANUAL. AUSTRALIAN/NEW ZEALAND EDITION. THAMES, NZ; INGENIUM. 2005. AUSTRALIAN INFRASTRUCTURE FINANCIAL MANAGEMENT GUIDE. 2009 EDITION