

Asset Management Policy

2022

Responsible Directorate: Asset and Capital Planning

Authorised By: Council

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BOROONDARA
City of Harmony

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1 Introduction

1.1 Purpose

This policy sets out the principles by which Council ensures its' infrastructure assets are managed, providing the best value to the Boroondara community in the long term.

This policy aims to ensure:

- Council's role in providing leadership and governance is clearly defined;
- A sound framework is in place to manage infrastructure in the long term; and
- Asset related decisions align with community expectations and support service needs in a sustainable manner.

1.2 Scope

This policy provides a framework for the procedures, processes, systems and asset information required to manage Council's infrastructure assets to ensure those assets support service objectives. It applies to the management of all Council's infrastructure assets, including buildings, park infrastructure, natural assets such as trees, vegetation and landscaping, and the road, path, and drainage networks.

1.3 Corporate Framework

This policy supports Council's Mission and Vision by addressing the objectives of the Boroondara Community Plan 2021-2031:

- Community services and facilities are high quality, sustainable, inclusive and strengthen resilience;
- Green and open spaces are provided, well-utilised and enhanced;
- The environment is considered in all decision making;
- Protect the heritage and respect the character of Boroondara while facilitating appropriate, well-designed development;
- Travel options are safe, efficient and accessible, with active and public transport encouraged;
- Support local businesses and enhance shopping precincts, fostering a strong economy and welcoming places for the community; and
- Ensure decisions are financially and socially responsible through transparent and ethical processes.

2 Background

2.1 Policy environment

Council adopted its first Asset Management Policy in 2011, aligning the policy to the requirements of the National Asset Management Framework.

This policy continues the previous asset management document framework with an overarching policy document that establishes objectives, principles and responsibilities. It is supported by an asset management strategy that documents Council's asset management practices and how they will be improved and asset

management plans that determine the long-term programs required to meet service objectives for each asset class.

2.2 Policy context

The Local Government Act 2020 has reinforced Council's need for comprehensive asset management practices. It has introduced additional strategic planning requirements that mandate the development of an Asset Plan that is integrated with Council's vision (Community Plan) and long-term financial plan and is supported by deliberative engagement.

Boroondara's asset management framework includes this Asset Policy, Asset Management Strategy, Asset Management Plans and Operational Plans and Policies and together demonstrate Council's commitment to improving asset management and outline a strategy for ongoing asset management improvement.

Asset Management Plans are internal working documents with a 20-year-plus planning horizon that determine asset requirements and management practices over the lifetime of infrastructure assets. The relationship between Council's Asset Management Framework documents and the Community Plan and long-Term financial plan is shown below in figure 1.

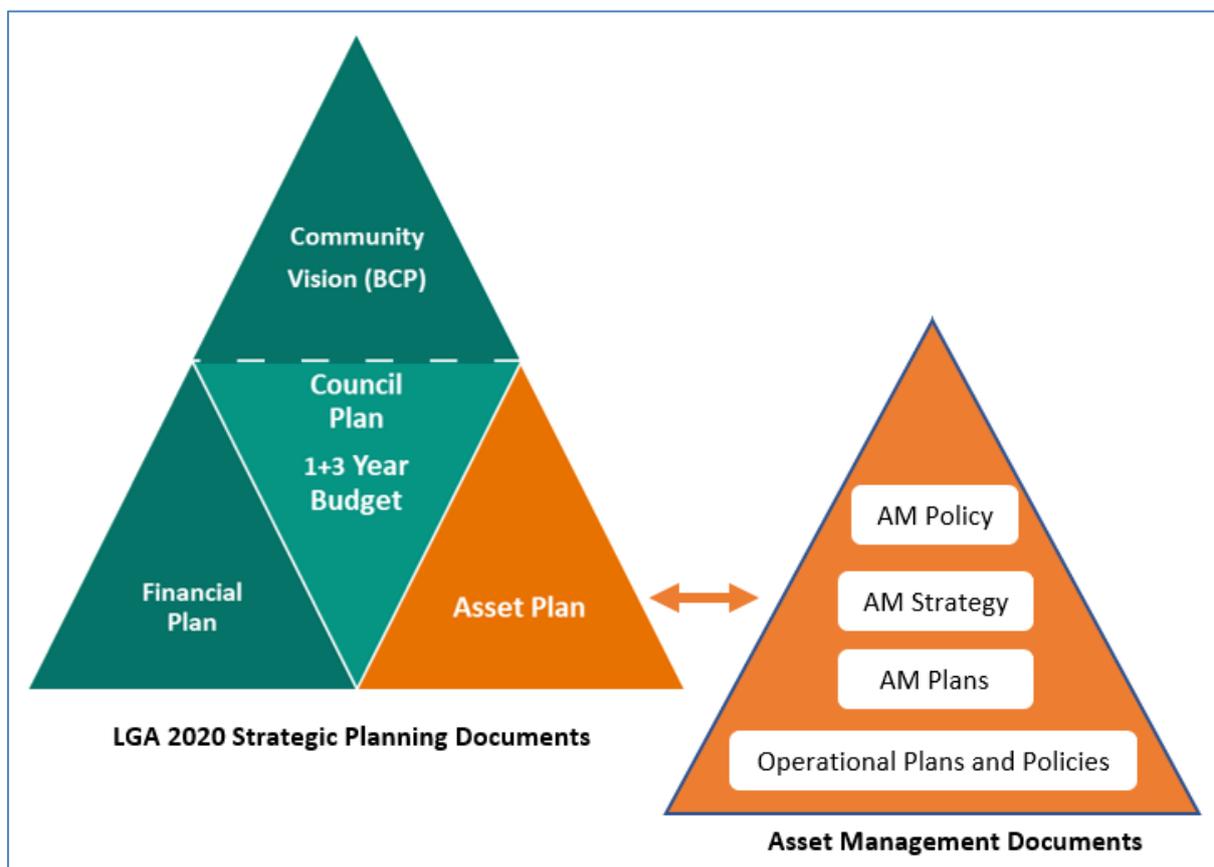


Figure 1: Relationship between Corporate Strategic Documents and Asset Management documents

This policy has been prepared, giving regard to the required future direction of Council's asset management practices and their critical role in supporting the delivery of services to the Boroondara community.

The following guidelines have been considered in the development of this Policy

- ISO 55000 Asset Management Standards
- International Infrastructure Management Manual (IIMM)
- National Asset Management Assessment Framework (NAMAF)
- Local Government Asset Management Better Practice Guide

This policy has been developed in consultation with Council departments represented on an internal Asset Management Steering Group.

3 Policy statement

This policy aims to sustainably operate and manage the City of Boroondara's assets. Sustainable Asset Management strives to meet the current needs of our community without compromising on their future needs. Sustainability in this context considers three pillars: social, environmental and economic. This position is reflected through adopted policies and plans, including the Sustainable Buildings Policy, Climate Action Plan, Development and Funding of Community Pavilions, Integrated Water Management Strategy and Asset Management Strategy.

Five key principles for Infrastructure AM are identified in the IIMM and have been adapted to guide the development of AM practices at Boroondara. These principles are:

- Providing defined levels of service that are consistent with the Boroondara Community Plan and relevant governance and strategic planning instruments and monitoring performance in relation to those levels of service
- Managing the impact of changes in the demand for services (growth as well as decline) through demand management, infrastructure investment and other strategies
- Taking a lifecycle approach to developing cost-effective strategies for the long term that meet defined levels of service
- Identifying, assessing, and appropriately controlling risks, including the long-term risks associated with climate change
- Having financial forecasts based on sound asset management practices that both inform and are consistent with the City of Boroondara's Long-Term Financial Plan.

The Aim of this policy will be realised through the achievement of the following:

1. Establish and maintain a framework to enable the development and application of sound Asset Management practices throughout the organisation.
2. Understand and consider community expectations in all significant decisions affecting infrastructure.

3. Ensuring a forward-looking, long-term sustainable view to the provision and management of infrastructure assets is undertaken.
4. Ensuring confidence in AM outputs through the application of quality processes and procedures.
5. Ensuring ready access to all relevant information on individual assets, including physical parameters and data on valuation, condition, maintenance history, performance and risk.

4 Implementation and monitoring

4.1 Implementation

This policy will be enacted through the implementation of an Asset Management Strategy that is overseen by an internal Asset Management Steering Group.

4.2 Evaluation

Progress against the goals identified in section 4 of this policy will be measured using the assessment tool provided by the National Asset Management Assessment Framework and reported through Council's Corporate Planning and Reporting system.

4.3 Roles and responsibilities

The following provides an overview of asset management roles and responsibilities at the City of Boroondara.

Council:

- To act as stewards of the physical assets for current and future generations.
- To set the Asset Management Policy.
- To approve the Boroondara Community Plan, Long-Term Financial Plan and Annual Budget.
- To allocate appropriate resources for asset management practices.

Executive Leadership Team:

- To approve the Asset Management Strategy.
- To provide leadership and direction in implementing the Asset Management Policy and the Asset Management Strategy.
- To ensure that community needs and the outcomes of service reviews are incorporated into asset management planning and the Strategic Resource Plan.

Asset Management Steering Group:

- To oversee the implementation of the Asset Management Policy and Strategy.
- To oversee ongoing development and review of service plans and asset management plans.
- To ensure that community needs and the outcomes of service reviews are incorporated into asset management plans.
- To monitor asset management performance, issues and opportunities across the organisation and report outcomes to the Executive Leadership Team.

- To ensure that asset management is integrated with the corporate governance framework.
- To ensure that training of staff in financial and asset management practices is provided.

Asset Managers and Staff:

- To implement the Asset Management Strategy.
- Review and regularly update asset management plans for all physical assets.
- To develop and deliver maintenance, renewal, upgrade and new capital programs in accordance with the Asset Management Policy, Strategy, Plans and allocated budgets.
- To ensure compliance with legislative and statutory obligations.
- To report on asset management performance and outcomes to Council.
- To deliver agreed service levels.
- To monitor asset management performance, issues and opportunities across the organisation and report outcomes to the Asset Management Steering Group.

4.4 Accountabilities

For all queries or feedback regarding this policy, please use the contact details for the responsible department below.

Position Title	Contact number	Contact department email
Asset Management	03 9278 4505	boroondara@boroondara.vic.gov.au

5 References

5.1 Related documents

The following provides an overview of related documents, noting it is not intended to be an exhaustive list.

- Local Government Act 2020
- Boroondara Community Plan 2021-31
- Long Term Financial Plan
- Asset Management Strategy
- International Infrastructure Management Manual
- ISO 55000 Asset Management Standards

5.2 Definitions

The following provides definitions for key terms used throughout the policy.

Infrastructure Assets

Physical items (e.g. roads, drainage, buildings, parks, etc.) that contribute to meeting community need for services. They are typically part of large, interconnected networks or portfolios of assets. The components of these assets may be separately maintained, renewed, or replaced so that the required level of service is continuously sustained.

Asset Management

The combination of management, financial, technical and other practices that are applied to physical assets with the objective of providing the required level of service in the most sustainable, cost-effective manner.

Asset Manager

Responsible officer tasked with ensuring the effective planning, development and delivery of sustainable asset management practices in accordance with strategic objectives and funding constraints.

Asset Management Plan

Long-term plan (usually 10 - 20 years) that outlines the activities, programs and resources applied to sustainably providing defined levels of service in the most cost-effective manner.

Asset Management Policy

A document that outlines the key principles for undertaking asset management across the organisation in a systematic and coordinated manner, consistent with the organisation's strategic objectives.

Asset Management Steering Group

An internal group of service and asset managers responsible for coordinated oversight of asset management practices and performance across the organisation.

Asset Management Strategy

A document that outlines the specific objectives and related actions that the organisation will implement over a defined period (usually three to five years), consistent with the principles outlined in the Asset Management Policy. This is achieved by reference to current practices and anticipated future changes, disruptors, opportunities and challenges.

Boroondara Community Plan

The organisation's key strategic document defines the 10-year vision for the community's future. This vision is aligned with the priorities identified through deliberative community engagement.

Council Plan

A document that outlines how, over the course of the four-year Council term, the organisation intends to deliver on the vision articulated in the community plan. The Council Plan is implemented through commitments set out in annual budgets.

Executive Leadership Team

The organisation's peak leadership group comprises the Chief Executive Officer and all Directors.

Level of Service

The defined service standard for a particular activity against which performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

Lifecycle Cost

The total cost of an asset throughout its life, including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.

Long-Term Financial Plan

A plan for generating, spending and saving future income, as well as raising and repaying borrowings as appropriate. Highlights the financial implications of the organisation's proposed activities and anticipated events over a specified period (usually 10 years).

Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition and service potential, but excluding renewal.

National Asset Management Assessment Framework

Nationally recognised framework for the self-assessment of an organisation's asset management maturity. It is comprised of specific assessment questions across eleven elements and two levels of maturity (core and advanced).

New (Capital)

The construction or acquisition of new assets, as distinguished from the renewal or upgrade of existing assets.

Operation

The active process of utilising an asset that will consume resources such as workforce, energy, chemicals and materials.

Renewal

Works to rebuild or replace an asset, to restore it to a required functional condition and deliver its intended service potential.

Service Manager

Responsible officer tasked with ensuring the effective planning, development and delivery of sustainable community services in accordance with strategic objectives and funding constraints.

Sustainability

Council aims for a triple bottom line sustainable approach which takes into consideration the following three areas:

- **Social Sustainability:** asset management activities identify and manage impacts, both positive and negative, on our community.
- **Environmental Sustainability:** protect the environment by reducing risks and measuring the environmental impacts of Council's asset management activities
- **Economic Sustainability:** sufficient funds are available in each year of Council's long-term financial planning period to meet all resource and financial obligations, such that Council's endorsed service and infrastructure levels/standards can be maintained.

Upgrade

The replacement or augmentation of all or part of an existing asset that increases the available service potential (e.g. increase in functional capacity).