

ASSET MANAGEMENT POLICY

Policy Reference No.	POL/149
File No.	HCC05/49
Strategic Objective	4.2 Create community pride through a well-designed and maintained City
Adopted by Council	February 2004
Re-Adopted	21 September 2020
Date for Review	1 September 2024
Responsible Officer	Manager Assets
Department	Assets

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1 POLICY STATEMENT

- 1.1 Hume City Council is committed to maintain and preserve its infrastructure and community assets and recognises the importance of these assets in supporting the delivery of Council services.
- 1.2 Council's vision in Asset Management is to provide assets that are accessible, safe, sustainable and responsive to the needs of the community and the natural and built environment.

2 PURPOSE

- 2.1 The purpose of this Asset Management Policy is to acknowledge Council's commitment to Asset Management and establish a framework to ensure that Asset Management is undertaken in a structured, coordinated, cost effective and financially sustainable manner across the whole organisation.
- 2.2 The policy provides a clear direction as to the appropriate focus and level of Asset Management practice expected. This level reflects the strategic business objectives as well as meeting legal requirements, community needs and available resources.
- 2.3 It also demonstrates to the community and other stakeholders that Council is exercising good stewardship, consistent with its triple bottom line approach, and that it is prepared to be held accountable for its actions.

3 SCOPE

- 3.1 Hume City Council owns and controls over \$2.45 billion of infrastructure assets. These include 1,363 kilometres of roads, 164 bridges (including jetties), 1,814 kilometres of stormwater pipes, 1,854 kilometres of footpaths, 291 carparks, 252 buildings, 1,984 Ha of reserves and land improvement. The asset value stated above is gross replacement value (not depreciated value or fair value). Trees, land, plant and equipment are not included in this value, as they are not considered as infrastructure assets. Including these non-infrastructure assets, gross replacement value of the asset goes up to \$4.18 billion.
- 3.2 This policy acknowledges the accountabilities and responsibilities of all stakeholders to maintain and preserve these infrastructure assets.

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4 OBJECTIVE

4.1 The Asset Management Team is responsible for establishing Asset Management practice within a comprehensive Asset Management framework, collecting and maintaining data regarding Council's assets and ensuring that the highest quality advice is provided to Council to assist it in its decision making processes. The Asset Management Team does not have sole responsibility for Asset Management. Rather Asset Management is seen as a whole of organisation responsibility with many departments having a role to play.

4.2 Broad Asset Management responsibilities and relationships have been established which help define the commitment of all stakeholders. These are outlined as follows:

4.2.1 Council

- To exercise stewardship over infrastructure assets.
- To adopt a corporate Asset Management Policy and Strategy.
- To adopt individual Asset Management Plans for core asset groups.
- To understand the community's aspiration in setting Policy direction.
- To endorse current and future needs/levels of service, associated budgets, risks and cost standards.
- To ensure appropriate funding for the maintenance and renewal of the existing assets to meet required level of service before funding any upgrades and new assets.
- To adopt suitable proposals for long-term sustainability of assets.
- To allocate appropriate budgets for maintenance, renewal, upgrade and new works.

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4.2.2 Executive Management Team

- To guide Asset Management development.
- To monitor and review Asset Management performance.
- To allocate appropriate organisational resources and funding including training.
- To approve appropriate levels of service and set acceptable risk levels.
- To facilitate the search for asset funding opportunities.
- To endorse research into suitable long-term sustainability of assets.

4.2.3 Asset Management Unit

- To ensure that assets can be utilised to their fullest potential to maximise usage and economic performance.
- To manage all infrastructure assets in a systematic and sustainable manner.
- To ensure that asset renewal, disposal, upgrade or new asset provision is carried out in accordance with the adopted resourcing strategy that includes demonstrated need, life cycle costing, alternative modes of delivery, sustainability, equitable distribution of resources and social equity.
- To initiate and manage Asset Management projects.
- To provide guidance on Asset Management issues.
- Ongoing decision making for Asset Management improvements.
- To review and develop Asset Management processes, practices, procedures and Information System requirements.
- To report to EMT on the health of Council's assets.

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- To ensure asset management practices conform to legislative requirements and reflect best practice in the industry.
- To identify appropriate Asset Management and financial management training needs for Councillors and staff.
- To support appropriate Asset Management practices across the organisation.

4.2.4 Departments Managing Infrastructure Assets

- To implement Asset Management improvement programs.
- To report progress to EMT.
- To identify specific issues on projects.
- To manage ongoing Asset Management operations (including data collection and analysis, condition, monitoring, maintenance programs and projects).
- To identify and document appropriate service levels to meet current and future needs.
- To ensure that any budget bids to build new infrastructure include properly estimated full life cycle costs, including maintenance, operations and renewal and these costs have been compared to the estimated benefits from the project.
- To develop and commit to long-term capital works and financial management plans that support and are responsive to the needs of the community.
- To involve and consult with the community and key stakeholders as required in determining service and intervention levels.

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5 POLICY IMPLEMENTATION

- 5.1 Asset Management and Infrastructure Development is identified as a key service provided by Council in the Council Plan 2017-2021 (Page 92) and is incorporated into the corporate planning cycle, annual operational plans, long term financial plans and risk management plans.
- 5.2 Asset Management processes are defined in detail in the Asset Management Quality Framework which outlines the frequency of reviews and audits, responsibilities and how the Asset Management financial planning feeds into the Budget Process. Responsibilities of different departments are specified in the framework.
- 5.3 The Policy will be approved by EMT and Council to be managed by the Asset Management Unit.
- 5.4 The implementation of Asset Management will be monitored by:
- Review against National Asset Management Assessment Framework (NAMAF)
 - EMT (Role of Asset Management Steering Committee)
 - Council's Audit Committee
- 5.5 It is planned that the Policy will be reviewed every 4 years.

6 DEFINITIONS AND ABBREVIATIONS

The following is a definition of terms and abbreviations used throughout this document.

Council	Hume City Council
EMT	Executive Management Team

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7 RELATED DOCUMENTS

- 7.1 The Asset Management Policy will be consistent with Hume Horizons 2040, Council Plan 2017-2021 and the Strategic Resources Plan and is linked to Council's Long Term Financial Plan.
- 7.2 The Asset Management Policy will be complemented by:
- An Asset Management Strategy
 - Asset Quality Management Framework
 - Asset Management Plans for individual asset classes
 - Operational/Service Plans for specific asset classes
 - Asset Management Information and Decision Support System
- 7.3 Together these documents, processes, software and data will deliver a comprehensive sustainable approach to Asset Management within Council.

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