

	<p>Level of Service Defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.</p> <p>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.</p> <p>Infrastructure Asset (or fixed asset) A type of physical asset which has value, enables services to be provided and has an economic life of greater than 12 months. An asset that is fixed in place and cannot be easily moved from its constructed location.</p> <p>Mobile Asset An asset that is not fixed in place or can be easily moved. This would include plant and equipment, office furniture, computers and fleet.</p> <p>Plant and Equipment Items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one accounting period.</p>
<p>References:</p>	<p>International Infrastructure Management Manual 2011; Australian Infrastructure Financial Management Guidelines; Local Government Act 1989; Road Management Act; Infrastructure Design Manual (IDM); and Austroads Guidelines</p>
<p>Related Policies:</p>	<p>Community Consultation Framework Policy; Risk Management Policy; OH&S Policy; Engineering Requirements For Infrastructure Construction; Special Charge Scheme for Infrastructure Works; Asset Protection Policy; Asset Management Strategy; Asset Accounting Policy; and Asset Accounting and Valuation Procedures</p>

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1. PURPOSE

Council recognises that assets must be planned, provided, maintained and renewed so that they continue to meet the service delivery needs of the community, within the context of providing best value.

This policy provides the framework for which Council will undertake the long-term management of its assets.

By the implementation of comprehensive Asset Management practices, Council will achieve significant benefits including:

- More informed decision-making;
- Improved efficiency;
- Ability to plan for the present and future generations; and
- Improved long term financial forecasting and management.

Council needs to ensure that asset management is an integral part of its business cycle and the policy will:

- Be consistent with its goals and objectives;
- Help Council to manage business risks;
- Provide tangible benefits;
- Be integrated with other components of the business; and
- Be sustainable.

2. BACKGROUND AND CONTEXT

Council's assets are made up of a wide range of different types, all of which are fundamental in meeting the needs of the community.

Assets may be physical (i.e. tangible e.g. plant, buildings) or non-physical (i.e. intangible e.g. intellectual property, good will). This policy only considers physical assets.

The major characteristics of an asset are:

- There must be service potential or future economic benefits;
- The future economic benefits must be quantifiable; and
- Council must have control of the service potential.

Council's assets are categorised as follows:

Asset Type	Asset Class	Includes Assets such as:
Infrastructure	Roads	Sealed & unsealed roads, carparks, kerb, roadside furniture, signage.
	Bridges	Road bridges, major culverts, footbridges
	Footpaths & Cycleways	Paths, shared paths.
	Drainage	Underground pits & pipes, culverts, litter traps, retarding basins.
	Recreation, Leisure and Community Facilities	Libraries, public halls, community facilities, public toilets, houses, museums, pavilions, stadiums, preschools, maternal & child health centres, swimming pools, aquatic centres, saleyards, waste facilities.
	Parks and Open Space	Sporting ovals, play equipment irrigation systems, skate parks, tennis courts, park furniture, BBQ's trees, garden beds.
Non Infrastructure	Property	Land and land improvements, gravel pit.
	Plant and Equipment	Plant, machinery and equipment, motor vehicles, fixtures, fittings and furniture, computers and telecommunications, cultural assets (artwork).

The infrastructure asset classes to be considered in this policy are Roads, Bridges, Footpaths, Drainage, Recreation Leisure and Community Facilities and Parks and Open Space.

The standard to which these assets are provided and maintained impacts on residents, the business community and visitors, as well as the amenity, safety and liveability of the community.

The long-lived nature of many assets and the need for their ongoing renewal means that planning must be based on an understanding of the full costs throughout each asset's lifecycle and address both short and long term planning needs.

3. VISION

Council's 2025 vision statement was amended slightly in 2013 and extended to the year 2040.

"We aspire to provide leadership in this inspiring region by providing the opportunity for all to live a fulfilling life, while continuing to protect our heritage, environment and sense of community through our shared commitment to a sustainable Macedon Ranges."

The 2017-2027 Council Plan framework is outlined below:

Vision: *In partnership with the community, protect and enhance life across the Macedon Ranges.*

Themes: **Liveability** – strengthen community resilience, inclusion, safety, accessibility and connectivity; protect our natural environment, heritage and rural character.
Efficiency – smart service delivery, asset management and resource allocation.
Sustainability – consider and respect the needs of current and future generations in all we do.

Priorities: *Promote health and wellbeing;
Protect the natural environment;
Improve the built environment;
Enhance the social and economic environment; and
Deliver strong and reliable government.*

4. POLICY PRINCIPLES

Council is committed to the following key principles:

1. To operate an internal Asset Management Committee to oversee and promote the best practice Asset Management function throughout Council.
2. To maintain an accurate, consistent and consolidated asset register, which records all of Council's assets including depleted or redundant assets.
3. To undertake a lifecycle approach to the management of assets and utilise asset management tools to assist in lifecycle modelling.
4. To regularly maintain and renew assets to assist in the delivery of the required level of service and to ensure assets continue to function as built, for their full life.
5. To prioritise funding for the maintenance, operation and renewal of existing assets above the funding of new assets.
6. To develop and implement guidelines for the allocation of financial resources, both capital and recurrent, over short and long term timelines to meet projected growth due to new development. New development includes Development Contribution Plan works, Council capital works and gifted works from private developers.
7. Asset planning and management has a direct link with Council's corporate and business plans (including the Council Plan and Long Term Financial Plan), budgets and reporting processes.
8. The Long Term Financial Plan (10 years) will be updated annually and incorporate affordable asset renewal demand. Asset renewal gaps will be recorded and reported as part of the annual review of the plan.

6. ROLES & RESPONSIBILITIES

Stakeholders that influence asset management within the Community are:

Internal Stakeholders

- Council;
- Audit Committee;
- Chief Executive/Executive Team;
- Managers and staff; and
- Asset Management Committee.

External Stakeholders

- Advisory Committees;
- Friends Groups;
- Land Care Groups;
- Facility User Groups;
- Tenants;
- External Agencies (such as State and Federal government, Workcover, Insurers, Health Service Providers);
- Tourists and visitors;
- Residents and Ratepayers; and
- Business community.

The roles and responsibilities of the internal stakeholders in relation to asset management are:

Council

- To act as custodian for its assets;
- To adopt Asset Management Strategy;
- To set and adopt levels of service;
- To adopt risk and cost standards; and
- To ensure appropriate resources and funding for asset management activities are made available.

Audit Committee

- To consider reports prepared in relation to asset management and make recommendations to Council as appropriate.

Chief Executive/Executive Team

- To adopt the Asset Management Policy;
- To implement the Asset Management Strategy with agreed resources;
- To monitor and review the performance of Council's Managers and staff in achieving the Asset Management Strategy with agreed resources;
- To support the Asset Management Committee;
- To ensure that accurate and reliable information is presented to Council for decision-making;
- Report to Council, on an annual basis, the status, progress and resource requirements of implementing the Asset Management Strategy; and
- Promote and raise awareness of asset management to the Council, staff and community.

Managers and Staff

- To implement the Asset Management Strategy with agreed resources;
- To develop Asset Management Plans for individual asset classes using the principles of lifecycle analysis;
- To implement Improvement Plans for individual asset classes;
- To implement tactical plans (such as maintenance programs, capital works programs) in accordance with Asset Management Plans, Council Plan and Budget;
- To deliver levels of service to agreed risk and cost standards;
- To manage assets in consideration of long-term sustainability; and
- To present information to the Council, Chief Executive and Directors in terms of lifecycle risks and costs.

Asset Management Committee

- Develop and review the Asset Management Policy and Asset Management Strategy;
- Coordinate, advise and facilitate the implementation of the adopted Asset Management Strategy;
- Report on an annual basis the status, progress and resource requirements of implementing the Asset Management Strategy to the Executive who in turn will report progress to the Council;
- Advocate, encourage and guide the development of processes and procedures that allow for the 'whole of life' and continued management and ownership of assets including all asset lifecycle management functions;
- Advocate, encourage and guide the development of procedures that ensure the asset register is maintained and updated and provide required reports to Council to meet their statutory and legal responsibilities;
- Advocate, encourage and guide the development of Asset Management Plans and improvement plans for individual asset classes; and
- Advocate a common and consistent approach to Asset Management across the asset classes.

7. ASSET MANAGEMENT WITHIN THE ORGANISATION

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 they will also properly consider the impact on Council's services and the assets that support them.

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

- Council Plan
- Asset Management Strategy
- Asset Accounting Policy
- Asset Management Plans
- Long Term Financial Plan
- Road Management Plan

8. KEY OUTPUTS

Council will set realistic and achievable timeframes for Asset Management development and implementation, which will be detailed in Council's Asset Management Strategy.

The timeframes will be based on the Council's desired outcomes. The key outputs include:

8.1 Asset Management Strategy

Review Asset Management Strategy and include timelines, responsibilities and resources required for implementation.

8.2 Integration of Asset Management into Council's Business Processes

Integration of Asset management Policy, Asset Management Strategy and Asset Management Plans into the Corporate Governance Framework.

8.3 Asset Management Plan Development

Completion of Asset Management Plans for each significant asset class to an appropriate degree of accuracy and reliability.

9. AUDIT AND REVIEW PROCEDURES

The Asset Management Committee will advocate a common and consistent approach to Asset Management across the asset classes. The audit and review process will accommodate the following activities:

- Annually review the goals and targets established by Council
- Incorporate feedback from stakeholders, government agencies and legislation into Asset Management activities undertaken by Council.
- Monitor the performance of the assets and report to Council.
- Develop and review individual Asset Management Plans for asset Classes every four years.
- Regular monitoring and review of this Asset Management Policy.