

## 6.3.2 Asset Management Policy

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### Recommendation(s)

That Council:

1. Adopt the Draft Asset Management Policy 2023, replacing the previous Asset Management Policy 2018.

### Attachments

1. draft Asset Management Policy 2023 [6.3.2.1 - 6 pages]
2. Asset Management Policy 2018 [6.3.2.2 - 6 pages]

### Executive Summary

Council's Asset Management Policy has been reviewed. This review has focussed on embedding in the policy changes required by the Local Government Act 2020 for developing an Asset Plan and deliberative engagement of this plan.

The policy review has recommended that the strategic intent for asset management be updated. This strategic intent has been drafted considering the Community Vision and our current maturity in asset management:

*Cardinia Shire Council will undertake Asset management focused on delivering services to the community. It will involve the community in asset management to understand their priorities. We will manage our assets to sustainably deliver services with the optimal balance of whole of life cost, and performance within our risk tolerance.*

The review also worked to outline the key principles including our approach to infrastructure strategy development and infrastructure spending. This will support the future development of Asset Plans and deliberative engagement through consistent approaches and outputs.

### Background

The Council's current Asset Management Policy was adopted in January 2018 and is due for review. The review has been undertaken and has been focused on:

- Supporting the next Asset Plan
- Setting a new strategic direction for asset management
- Asset investment planning and decision making
- High level responsibilities for asset management

The previous asset management policy was focused on renewal and maintenance, the revised policy has a broader scope in line with the ISO55000 definition of asset management "coordinated activity of an organisation to realize value from assets". This definition aligns with the Local Government Act 2020 requirement that the Asset Plan include "information about maintenance, renewal, acquisition, expansion, upgrade, disposal and decommissioning in relation to each class of infrastructure asset under the control of the Council". As such the revised Asset Management Policy aims to support decision making about all asset decisions across the life cycle.

A key element of the revised policy is the Strategic Intent, this aspirational statement sets the overall direction of Asset Management and guides improvement actions. The current vision is:

*Cardinia Shire Council will optimise the whole of life costs of its infrastructure assets, while meeting the present and future service delivery needs of the community and minimising exposure to risk.*

It has been recommended that the strategic intent be revised to:

*Cardinia Shire Council will undertake Asset management focused on delivering services to the community. It will involve the community in asset management to understand their priorities. We will manage our assets to sustainably deliver services with the optimal balance of whole of life cost, and performance within our risk tolerance.*

Three key phrases have been identified in the strategic intent. For each phrase officers considered multiple options. The recommended wording was chosen considering Council's asset management maturity and Council's future direction as articulated in the Community Vision and Council Plan.

#### Asset Management focused on delivering services to the community

Officers considered a range of approaches to Asset Management from Infrastructure Focussed to Strategic, with a focus on services about in the middle. This service focus will consider both the assets and the service they provide. This will allow council to consider utilisation, how well assets function and the community's demand for a service as part of decision making in addition to the condition of the assets.

The proposed service focus aligns with our current approach to asset planning in documents such as the draft Open Space Strategy and in development of the Community Infrastructure Plan.

Focussing Asset Management on services will empower us to be more responsive to changing demands (compared to a purely infrastructure focussed approach) and more focussed on our short to medium term aims (compared to a strategic approach). Council is not currently at the appropriate maturity level in asset management to take a strategic approach. As we progress in developing service focussed asset management, we will be maturing so that we can consider moving to a strategic approach.

#### Our approach to deliberative engagement

The Local Government Act requires that Council undertake deliberative engagement as part of the next Asset Plan development. As such the engagement approach has been selected from the Deliberative sections of the IAP2 spectrum of public participation.

Officers have recommended that we "involve" the community in Asset Management. By setting the engagement level as involve it also give us flexibility to provide greater engagement where appropriate.

In line with the IAP2 spectrum "collaborate" and "empower" are also options which would meet the deliberative engagement requirements. These options require significant additional resources to deliver and maturity to provide the community with the information required to make informed decisions. These also come with the promise that the community will have a greater degree of control over the asset planning process, which would require considerable enhanced processes, which we do not currently have in place. As such these have not been recommended considering our current level of asset management maturity.

### Cost – Risk – Performance Balance

The proposed wording highlights the important balance between whole of life costing and performance and aligns with our risk tolerance as per the risk management policy.

We recommend the use of whole of life cost when balancing our works. This enables us to consider not just the upfront costs but also ongoing maintenance costs, renewal costs, as well as savings from disposing/repurposing of assets and revenue opportunities presented by assets.

As Council matures its asset management approach we will have improved measures of asset performance. This comes through collecting data on asset condition, asset functionality, as well as community sentiment with our services. It is important that we understand the balance between cost and performance to ensure that our spending is justified and sustainable.

The previous version of the asset management policy suggested that council minimise our risk, this is not consistent with good risk management. There is some risk inherent in providing any service and some risk may need to be accepted for council to achieve its goals. As such it is more appropriate to align risk with our risk tolerance. This will in many cases result in us reducing our risk but will give us the flexibility to take risks where appropriate and in line with the risk policy.

### Other Content

The policy also outlines our key principles for asset management. These are designed to ensure that asset spending is planned, equitable, holistic and addresses validated community needs.

The policy provides guidance on our future approach to asset spending and infrastructure strategies to achieve the strategic intent. This will be delivered through:

- Identifying and delivering consistent levels of service
- Infrastructure strategies being consistent and considering;
  - identifying projects,
  - estimating whole of life costs of projects,
  - staging projects (i.e. can projects be broken down and are there things that need to be delivered at the same time)
  - when projects are required (e.g. is this a current need or is it predicted to happen in the future when population increases, condition decreases etc),
  - priority of projects (out of the many desired projects a strategy might identify which are most essential)

There is also guidance on optimising how we spend including:

- Aligning complimentary projects
- Approach to external funding opportunities

The policy also identifies the role of the asset plan that the Local Government Act 2020 requires. This role has been identified as addressing the trade-offs and priority between Council's strategies and services.

In addition there is guidance on how we do asset management including roles and responsibilities of Council and the Senior Leadership Team. This includes The Council:

- Act as stewards for infrastructure assets and set Asset Management Policy and strategic intent.
- Approve Long Term Financial Plans balancing cost, risk and performance of assets.
- Provide appropriate resources for asset management activities.
- Adopt the principles to be applied to asset management at the Shire (through its asset management policy).

- Ensure sufficient resources are allocated to the management of assets in accordance with those principles.
- Ensure that any investment decisions for new or upgraded infrastructure give appropriate regard to technical standards, community needs, levels of service, whole of life costs and available resources.

Some aspects that were previously included in the Asset Management Policy have been removed. These are particularly more detailed items (such as the document framework, officer responsibilities) which better fit within internal processes. These internal processes will outline how Council officers will implement the principles identified in the Asset Management Policy.

### **Policy Implications**

This policy will replace the existing Asset Management Policy (adopted 22 Jan 2018). The existing and recommended policy are attached.

While the Asset Management Policy is not specifically mentioned in the Local Government Act 2020 it makes sense to align the two (given the LGA's focus on asset management). The policy attempts to do this through highlighting the role assets play in delivering services and how the LGA requirement for an Asset Plan fits into our broader asset management approach.

### **Relevance to Council Plan**

#### **2.1 We support the creation of liveable spaces and places**

- 2.1.1 Advocate, plan for and deliver accessible community infrastructure and services that address community need.
- 2.1.2 Plan and maintain safe, inclusive and connected open spaces, places and active travel routes.
- 2.1.5 Upgrade Council's road network to improve safety and connectivity while considering traffic demand and freight transport needs.

#### **5.1 We practise responsible leadership**

- 5.1.1 Build trust through meaningful community engagement and transparent decision-making.
- 5.1.2 Manage our finances responsibly and leave a positive legacy for future generations.
- 5.1.3 Strive to be a customer focused organisation and be a great place to work.
- 5.1.4 Maximise value for our community through efficient service delivery, innovation, strategic partnerships and advocacy.
- 5.1.5 Champion the collective values of the community through the Councillors' governance of the shire.

### **Climate Emergency Consideration**

There are a number of points within the Policy that require we consider the climate emergency as part of our asset planning:

- *Considering changes to the usage, condition, and risk to assets, associated with the climate emergency.*

- *being climate aware, considering the impacts that climate change has on assets, the contribution assets make to climate change and how to best manage assets in a time of climate emergency.*

This highlights the various ways that the climate emergency can impact on assets and the services they support.

### **Consultation/Communication**

It is not recommended that the draft Asset Management Policy be community consulted prior to adoption. It is intended that deliberative engagement on Council's approach to Asset Management including the strategic intent will be undertaken as part of the next Asset Plan engagement. It is planned that this will be undertaken in conjunction with the next Council Plan development. This targeted engagement will be better structured to engage with the community about how asset management relates to our broader service delivery in an informed and holistic way.

Community engagement will continue to be undertaken on specific infrastructure strategies such as the Community Infrastructure Plan, Open Space Strategy, Active Cardinia Strategy etc.

### **Financial and Resource Implications**

The Asset Management Policy is focused on aligning our approach to developing strategic plans with our approach to financial sustainability.

The Asset Management Strategic Intent highlights whole of life costs as a key consideration to be balanced. The policy highlights whole of life costs to be considered as part of the development of strategies as well as renewal and maintenance costs to be considered when being gifted assets (i.e. by developers).

The policy identifies that SLT and Council are responsible for recommending and approving (respectively) resources for asset management. This includes operational resources for improving our asset management. Any actions to improve our management of assets (and required resources) will be identified internally and any resources proposed via the normal budget process. These internal documents will provide further detail on how the policy is to be implemented operationally and any changes to process required to achieve the guiding principles outlined.

Other work to improve our asset management is already underway through initiatives such as improving our project management, financial software improvements, and ongoing strategy development (e.g. Community Infrastructure Plan).

### **Conclusion**

The revised Asset Management Policy supports improvements across Council in how we make decisions about assets. Its adoption will help with the development of Council's next deliberatively engaged Asset Plan in line with the Local Government Act 2020 requirements.



## Asset Management Policy

<b>Record ID</b>	<b>Enter record ID</b>		
Policy owner	Infrastructure Services		
Adopted by	Council		
Adoption date	Select date	Scheduled review date:	Select date
Publication	External - RMC and website		
Revision/version number	Draft – Version 5.0		

### 1 Policy alignment

Council's Asset Management is essential to delivering on our identified focus areas of:

- Strong Communities
- Liveable Places
- Thriving environments
- Prosperous economies
- Responsible leaders

through service delivery, responding to change in a structured way and good governance systems.

### 2 Purpose

The purpose of this policy is to define and commit to the principles of, and a strategic framework for, the sustainable and effective management of Cardinia Shire Council's infrastructure assets.

### 3 Scope

This policy applies to all infrastructure assets in Council control essential for service delivery. Including but not limited to; roads, pathways, bridges, kerb and channel, street trees, drainage, buildings and facilities, play spaces, open space, sporting reserves, signage and public lighting.

This policy is applicable to all Cardinia Shire Council staff, including those that do not have specific responsibilities for managing infrastructure assets but make use of these assets in the delivery of services.

### 4 Policy description

#### 4.1 Strategic Intent

Cardinia Shire Council will undertake Asset management focused on delivering services to the community. It will involve the community in asset management to understand their priorities. We will manage our assets to sustainably deliver services with the optimal balance of whole of life cost, and performance within our risk tolerance.

#### 4.2 Principles

Asset spending will be identified to address defined and validated community needs in a planned, equitable, and holistic way. This will be achieved through:



- Developing and implementing strategies that determine appropriate, costed, long term financially sustainable Agreed Levels of Service and the infrastructure required to achieve and support those services. Strategies will identify:
  - The currently provided level of service
  - The impacts of changing demands (including population and demographics) on the level of service
  - Works required to bring the current provided level of service to the Agreed Level of Service
  - Works required to deliver the Agreed Level of Service to future populations
 Strategy development and planning will consider:
  - identifying projects,
  - estimating costs of projects (including ongoing costs),
  - identifying project stages,
  - identifying when projects/works are required,
  - and priority of projects,
 required to achieve the Agreed Levels of Service for consideration as part of Council's financial planning processes.
- Aligning projects with, and not exceeding, consistent and equitable provision Levels of Service. This will enable Council to flexibly and sustainably deliver assets to meet the community's needs without over servicing.
- Considering non asset solutions to meeting service needs, increasing utilisation of existing assets, understanding services already provided by others, and demand management.
- Levels of service which may include:
  - Strategic levels of service, such as; customer satisfaction, importance that customers place on assets/service, risk, utilisation
  - Technical levels of service, such as; spending efficiency, number of customer requests, provision (e.g. assets per resident), location (e.g. distance to service), quality of assets, compliance with enhanced contemporary standards (e.g. DDA, equitable access etc), decision making processes.
  - Operational levels of service, such as; proactive inspection frequencies, reactive inspection timeframes, intervention levels, repair timeframes, construction standards, prioritisation approaches.
- Strategies and asset spending decisions considering whole of life costs (for both the service and the assets).
- Ensure ongoing asset spending needs (including maintenance, operation, renewal, and disposal) consider growth, including additional assets (from acquisition and gifted assets) and increased demand/utilisation of existing assets.
- Managing risk to existing services and assets through prioritising renewal and maintenance spending.
  - Renewal needs will consider both the condition and functionality (including equality of access) of assets.
  - When determining appropriate renewal approaches enhanced contemporary standards will be considered however may not be financially or physically feasible.
  - Non-compliance with enhanced contemporary standards will not automatically trigger renewal or upgrade.
- Considering changes to the usage, condition, and risk to assets, associated with the climate emergency.
- Understanding the risks, benefits, and financial impacts of investing in assets owned by others (including those located on crown land) as part of achieving the levels of service.
- Critically evaluating the assets Council owns and considering repurposing or rationalising assets that are underutilised, have excessive ongoing costs, or are over the Agreed Level of Service.

- Understanding the implications of any funding gaps, and delivery limitations, on the infrastructure and services.
- Where asset acquisition projects are either; not supported through a strategy or inconsistent with the relevant strategy, a demonstrating the urgency of the need (or the strategy developed/reviewed).
- Using asset management data and systems to make evidence based decisions and inform long-term financial planning.
- The Asset Plan addressing the trade-offs and priority between Council's strategies and services in deliberation with our community and stakeholders (i.e. deliberative engagement as required by the Local Government Act 2020).

Council will optimise asset spending through:

- Seeking co-location of complimentary infrastructure, where possible and desirable, preferably in areas that are highly accessible for the community through various modes of transport
- Exploring opportunities to integrate facilities under the one roofline, while not compromising service/use requirements, through innovative design to maximise efficiencies of maintenance, operations, and utilisation.
- Where multiple projects are planned that either;
  - rely on each other,
  - have similar timeframes, or
  - are co-located,
 the projects will be coordinated, and construction sequenced appropriately and seek to minimise disruption to community while considering, and balancing with, Council's financial and delivery capacity.
- Critically considering and using external funding opportunities, where appropriate, to deliver services and assets to planned and agreed levels. Funding opportunities should ensure that all community members using services have access to an Agreed Level of Service in line with existing strategies. The ongoing costs of these funded assets should be well understood and considered.
- Ensuring projects are well understood prior to committing to construction (to ensure desired benefits are realised)
- Large and complex works, projects requiring extensive consultation with stakeholders, or external authority approval, may be staged over a 2-3 year period to facilitate detailed design and consultation.

Council's asset management approach will:

- Help us work together
  - be led by The Council and the Senior Leadership Team and be committed to by the entire organisation
  - be integrated with Council's planning, budgeting and reporting frameworks.
  - recognise community and stakeholder input in determining needs and levels of service
  - establish regular reporting on asset management performance
- Help us work differently
  - deliver continual improvement to our systems and processes resulting in changes to results achieved
  - incorporate regular audits and formal management reviews to seek and implement continual improvement
- Change the future
  - aligning objectives that asset management is to deliver with the Council's strategic direction and business priorities



- Developing and implementing an Asset Management Strategy that guides and improves our asset management maturity
- implementing an asset management system to identify, deliver and report on these asset management objectives
- consider whole of life costs in its decision making
- being climate aware, considering the impacts that climate change has on assets, the contribution assets make to climate change and how to best manage assets in a time of climate emergency.
- meet its statutory, legislative, and reporting requirements.
- be consistent with our corporate risk management, health and safety and environmental management frameworks.

### 4.3 Responsibilities

Cardinia Shire Council recognises that asset management needs a 'whole of organisation' approach. Council also recognises the importance of establishing well-defined roles and responsibilities for its staff and The Council with respect to asset management.

#### The Council

- Act as stewards for infrastructure assets and set Asset Management Policy and strategic intent.
- Approve Long Term Financial Plans balancing cost, risk and performance of assets.
- Provide appropriate resources for asset management activities.
- Adopt the principles to be applied to asset management at the Shire (through its asset management policy).
- Ensure sufficient resources are allocated to the management of assets in accordance with those principles.
- Ensure that any investment decisions for new or upgraded infrastructure give appropriate regard to technical standards, community needs, levels of service, whole of life costs and available resources.

#### Chief Executive Officer and Senior Leadership Team

- Continually promote asset management to the organisation, to The Council and to the community.
- Integrate asset management, service planning and financial planning with the Council Plan and Community Vision and within Council's operations.
- Develop a draft Long Term Financial Plan that considers asset needs and balances cost risk and performance of assets.
- Endorse Asset Management objectives and the Asset Management Plans to achieve these objectives and monitor their outcomes.
- Ensure that adequate resources are available for meeting the asset management objectives and principles.
- Ensure a detailed Asset Management Strategy is prepared and implemented that includes key performance measures to achieve agreed maturity in asset management.
- Develop and implement Asset Management systems and procedures required to ensure efficient and effective management of the Shire's assets.
- Determine the responsibilities of the SLT, Managers, and other council staff in respect to asset management.
- Ensure staff are appropriately trained and skilled and supported to perform the required asset management activities.
- Ensure that appropriate data is captured and maintained to support decision making

- Monitor and undertake reviews of the performance of council's asset management system and support continuous improvement

## 5 Evaluation and review

Through the adoption of this policy, Council commits to undertaking regular and consistent evaluation and review of Asset Management leadership, activities and processes through:

- Ongoing reporting
- Formal and informal reviews of Council's asset management
- Continual improvement of asset management

## 6 Related documents

Type of document	Title and/or RMC link
Commonwealth/Victorian legislation	Local Government Act 2020
Strategic directions paper	N/A
Policies	
Strategies	Cardinia Shire Council - Asset Plan 2022 Asset Management Strategy Asset Management Plans
Guidelines	ISO55000 Suite of standards International Infrastructure Management Manual, IPWEA, 2020
Procedures	

## 7 Glossary of terms

**Asset** – An item, thing or entity that has potential or actual value to an organisation.

**Asset Management** – The coordinated activity of an organisation to realise value from assets.

**Asset Management System** – A set of interrelated elements within Council to establish for asset management; policies, objectives and processes to achieve these objectives. This includes but is not limited to processes, leadership, information and data.

**Asset management objectives** – Asset Management results to be achieved

**Acquisition** – The process of gaining additional assets. Can be achieved various ways, purchase, construction, and gifting.

**Optimisation** – the process by which Council's planned spending is made more efficient

**Capital New** - Expenditure which creates an asset providing a new service/output that does not currently exist.

**Capital disposal** – Expenditure associated with disposing of an asset when it is determined that the asset is surplus to council's needs.

**Capital Upgrade** - Expenditure which enhances assets to provide a higher level of service.

**Capital Expansion** - Expenditure that extends the capacity of asset to provide benefits, at the same standard as is currently enjoyed by existing users, to a new group of users.

**Capital Renewal** - Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally.

**Maintenance** – works associated with keeping an asset on its expected life path.

**Operation** – Recurrent expenditure, which is continuously required to provide a service (e.g. electricity, staffing, cleaning)

**Infrastructure assets** - physical assets and networks (such as roads, drainage, footpaths, buildings) serving the community, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components.

**Services** - A group of programs and projects which collectively provide support or guidance to the community. A combination of tangible and intangible benefits that can be produced and consumed.

**Level of service** - The service quality for a particular service/activity. Service levels may relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

**Agreed Level of Service** – the defined service quality for a particular service/activity against which service performance may be measured

**Whole of life costs** - Costs that consider all stages of an asset's life: including construction, renewal, maintenance and eventually disposal and replacement.

**Condition** - The physical condition of the infrastructure that allows it to meet the service needs and measures the remaining time which the asset can deliver the service.

**Functionality** - The appropriateness of the assets to meet the designated service needs

## Asset Management Policy

HPRM number	INT1741446		
Policy owner	Infrastructure Services		
Adopted by	Council		
Adoption date	22/01/2018	Scheduled review date:	31/12/2021
Publication	CardiNet and website		
Revision/version number	Latest Revision - Version 4		

### 1 Policy alignment

The Council Plan identifies the following vision:

*Cardinia Shire will be developed in a planned manner to enable present and future generations to live healthy and productive lives and to enjoy the richness of the diverse and distinctive characteristics of the shire.*

The following objectives in the Council Plan relates to Asset Management:

*3.1. Provision and maintenance of assets on a life-cycle basis*

*3.1.4. Manage Council's assets like roads, drainage, footpaths and buildings, etc. in a way that ensures they are adequately maintained over their life.*

### 2 Purpose

The purpose of this policy is to outline a framework and principles for the sustainable and effective lifecycle management of all infrastructure assets owned, controlled and/or maintained by Council.

### 3 Scope

This policy applies to all infrastructure asset classes essential for service delivery. They include assets such as roads, pathways, bridges, kerb and channel, street trees, buildings and facilities, drainage, play spaces, open space, sporting reserves, signage and public lighting. This policy is applicable organisation-wide, including areas that do not have specific responsibilities for managing the infrastructure assets but make use of these assets in the delivery of services.

### 4 Policy description

#### 4.1 Vision

Cardinia Shire Council will optimise the whole of life costs of its infrastructure assets, while meeting the present and future service delivery needs of the community and minimising exposure to risk.

## 4.2 Principles

Council's asset management objectives will be in alignment with the following principles:

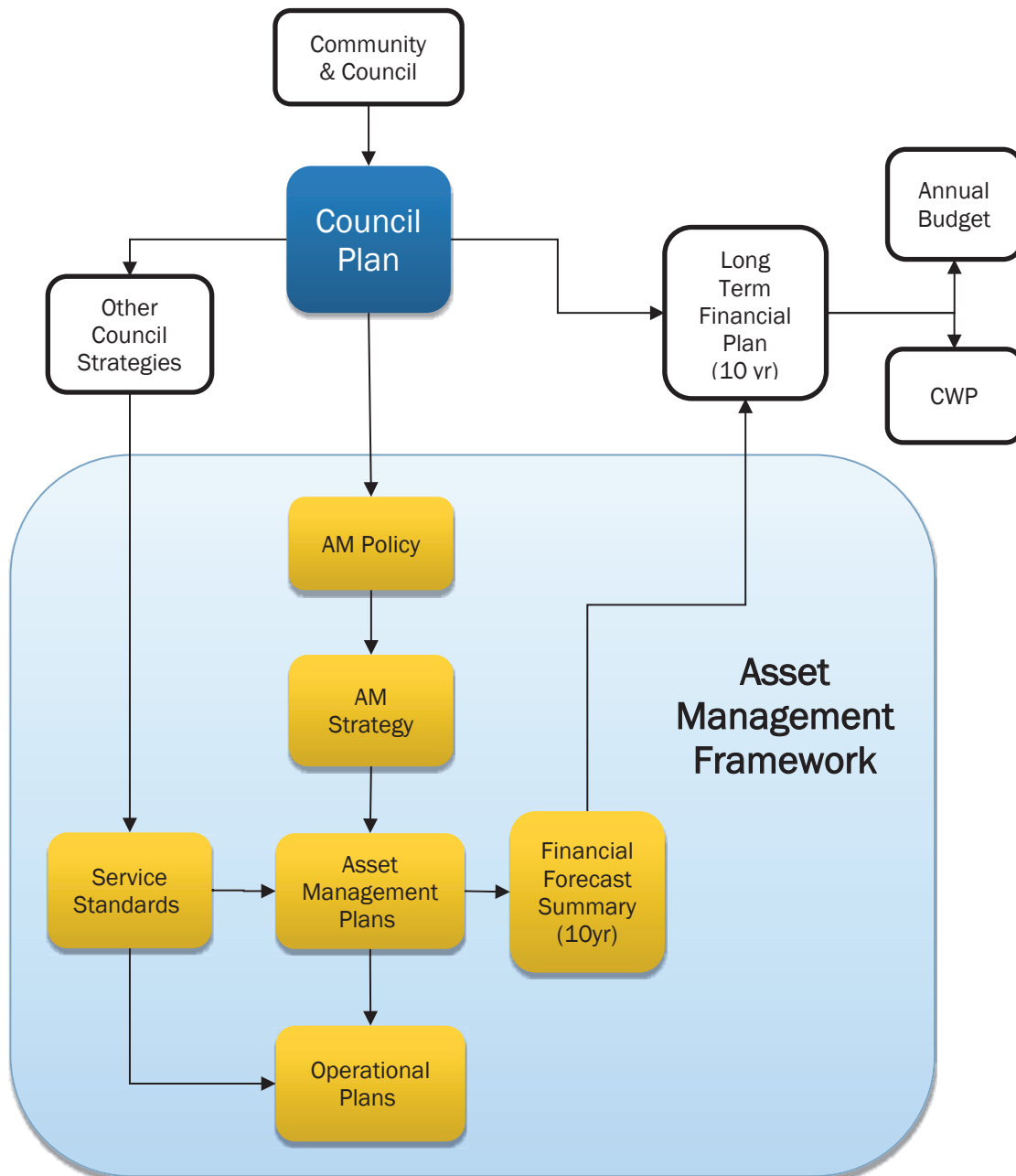
- Asset management will be an integral element of Council's planning, budgeting and reporting frameworks.
- An asset management framework will be utilised to enable the development and application of appropriate asset management practices for the different infrastructure asset classes.
- Community engagement and needs will form part of all significant decisions affecting infrastructure.
- Implementation of a forward-looking, long-term sustainable view to the provision and management of infrastructure assets, including a lifecycle approach to asset management.
- Provide easy access to up-to-date information on assets used for service delivery, including physical parameters and data on valuation, condition, maintenance history, performance and risk.
- Develop service levels based on responding to community needs, including expansion of the existing infrastructure networks to support the growing population, while ensuring that necessary funding is allocated to renewing existing assets in a timely manner, for ongoing provision of acceptable levels of service.
- Decision making for service delivery will be focused on asset renewal, rationalising under-utilised assets and non-asset solutions as far as practicable, in order to achieve a cost-effective asset base and deliver financial sustainability.
- A computerised and integrated Asset Information Management System (AIMS) will be used to record the core asset data to ensure a common data set is available for strategic, operational and financial reporting purposes.
- Asset valuations and revaluations will be undertaken in accordance with Council's Asset Valuation Guidelines
- Financial and asset management reporting will be categorised in terms of operational, maintenance, renewal, expansion, upgrade and new expenditure classifications to enable sound asset management decisions.
- Asset management performance and progress will be reported regularly to the community and will be integrated with the local government performance reporting framework.

## 4.3 Asset management framework

Asset management is a key element of Council's integrated planning framework. Hence this policy doesn't exist in isolation, rather it forms an integral part of Council's Asset Management Framework of interrelated and integrated elements.

The following figure illustrates the integral relationship between Asset Management Documents and other key Council documents. Council to implement a coordinated approach to the management of all infrastructure assets essential for its service delivery.

**Figure 1. Asset Management document framework within the context of other Corporate Frameworks**





### 4.3.1 *Framework Key Elements*

Council's Asset Management Framework includes the following key elements, in pursuing the vision and objectives.

- **Asset Management Policy**
- **Asset Management Strategy:** provides a road map for the delivery of asset management objectives in accordance with the principles set forth in this Policy. It will be continually monitored and regularly reviewed by an Asset Management Steering Committee.
- **Asset Management Plans (AMP):** are developed for all major infrastructure asset groups including:
  - Roads
  - Pathways
  - Bridges
  - Drainage
  - Buildings
  - Open Space

The AMPs are continually reviewed, to ensure long-term sustainability of the Council services they support.

They are informed by community consultation and will be used as core inputs into the development of Council's Long Term Financial Plan.

- A range of standard operating procedures and appropriate risk management practices that support this policy will be implemented.
- Operational plans incorporating effective and affordable preventative maintenance programs will be implemented to minimise lifecycle costs and maximise service potential of assets.

## 4.4 Responsibilities

Cardinia Shire Council recognises that asset management needs a 'whole of organisation' approach. Hence appropriate skills development and training programs will be initiated to increase awareness and build internal capacity to undertake the required asset management activities. Capacity building includes training for Councillors and Council personnel. Following each Council election, a session on asset management will also be held with the newly elected representatives.

Council also recognises the importance of establishing well-defined roles and responsibilities for its staff and Council with respect to asset management. The asset management responsibilities for the key stakeholders are summarised below.

### 1. Councillors

- Act as stewards for infrastructure assets and set corporate asset management policy and vision.
- Approve Long Term Financial Plans and provide appropriate resources for asset management activities.

## 2. Chief Executive Officer and Senior Leadership Team

- Continually promote asset management to the organisation, to Councillors and to the community.
- Develop a Long Term Financial Plan that reflects the state of the assets and recognises asset consumption.
- Endorse Asset Management Plans and monitor their outcomes.
- Integrate asset management, service planning and financial planning within Council.
- Ensure that asset management policies, strategies and plans are integrated into the corporate governance framework.
- Foster and support a multi-disciplinary Asset Management Steering Committee.
- Ensure that accurate and reliable asset information is presented to Council for decision making.
- Ensure that adequate resources are available for meeting the asset management objectives and principles.
- Ensure staff are appropriately trained and skilled to perform the required asset management functions.

## 3. Asset Management Steering Committee

- Monitor and evaluate asset management practice and the implementation of the asset management policy and strategy.
- Provide a coordinated and collaborative approach to asset management and asset management improvement across Council.
- Adopt a cross-functional view and resolve differences between business units when necessary and provide asset management leadership and support to achieve the benefits sought by Council.
- Regularly report to the CEO/Senior Leadership Team on asset management performance and improvement actions.

## 4. Management and staff

- Develop and implement Asset Management Plans for individual asset classes using principles of lifecycle analysis.
- Develop and implement improvement plans for individual asset classes.
- Implement maintenance, rehabilitation and capital works programs in accordance with Asset Management Plans and the annual budget.
- Consult with stakeholders and deliver levels of service to agreed risk and cost standards.
- Manage infrastructure assets in consideration of long term sustainability.
- Utilise an integrated Asset Information Management System appropriately for asset management tasks.

## 4.5 Review

As part of a commitment to continual improvement this policy and the asset management framework will be reviewed by 31 December of the second year after each general Council election.

## 5 Compliance

N/A

## 6 Related documents

Type of document	Title and/or HPRM reference
Commonwealth/Victorian legislation	Local Government Act 1989
Strategic directions paper	N/A
Policies	
Strategies	Asset Management Strategy Asset Management Plans – Roads, Pathways, Bridges, Drainage, Open Space, and Buildings
Guidelines	<ul style="list-style-type: none"> <li>• Asset Valuation Guidelines</li> <li>• ISO 55000: Asset Management – Overview, principles and terminology</li> <li>• ISO 55001: Asset Management – Management Systems - Requirements</li> <li>• ISO 55002: Asset Management – Management Systems – Guidelines for the Application of ISO 55001</li> <li>• International Infrastructure Management Manual, IPWEA, 2015</li> </ul>
Procedures	

## 7 Glossary of terms

**Asset** – An item, thing or entity that has potential or actual value to an organisation. (Such as plant, machinery, buildings, etc.)

**Asset Information Management System (AIMS)** - A combination of processes, data, software, and hardware applied to provide the essential outputs for effective asset management.

**Asset management** – the systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets.

**Infrastructure assets** – physical assets and networks (such as roads, drainage, footpaths, buildings) serving the community, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components.

**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.