

POLICY NAME

Asset Management Policy

REVIEW DATE

30 June 2029

POLICY TYPE

Council Policy

DATE ADOPTED

9 September 2019

COUNCIL MINUTE NUMBER

PRC 26 / ORD 189 (23 September 2019)

RESPONSIBLE DEPARTMENT

Strategic Asset Management

RELATED DOCUMENTS

Local Government Act 1993 (NSW)
Community Strategic Plan
Strategic Asset Management Plan
Asset Management Plans
IP&R Guidelines – Resourcing Strategy
Delivery Program
Operational Plan
ISO 55001

Purpose

To own, maintain and update assets across the LGA to enhance and improve livability in our city.

Policy statement

The Asset Management Policy provides the framework that with the Community Strategic Plan, Delivery Program and Resourcing Strategy enable the Asset Management Strategy and Asset Management Plans to be implemented. The Policy will;

- as custodians of public infrastructure, create a culture where all Councillors and employees are aware of the importance of their involvement in the provision of assets.
- undertake strategic asset planning that delivers customer focused services to maximise use and benefits of the Council's assets.
- adopt a whole of lifecycle approach to asset acquisition, operation, maintenance and disposal that delivers fit for purpose, sustainable and reliable assets with clear visibility on all associated risks and costs.
- comply with all statutory and regulatory requirements.
- align with ISO 55001 standard in the management of assets over their lifecycle.
- continuously evolve and improve the Asset Management processes, systems, resources and capability to optimise the delivery and performance of Council assets and to provide safe, sustainable, effective and reliable services.

Foundation Principles

This policy will be delivered by implementing the following foundation principles:

Compliance:

- Comply with all relevant legislative requirements and standards. Ensure all political, economic, social and technological environments are considered in asset management decision making.
- Comply with LGA, IP&R and Risk Management/Governance requirements.

Strategic asset planning:

- Establish and maintain a framework to enable the development and application of sound asset management practice throughout the organisation.
- A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- Asset management principles will be integrated within existing planning and operational processes.
- Community needs, including gap analysis, will be considered for all significant decisions affecting infrastructure.
- Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.

Service levels

- Asset management plans and long-term financial plans will be updated over time to include service levels agreed with the community and Councillors. Service levels form the basis of annual budget estimates and define risk consequences.
- Asset renewal plans will be prioritised and implemented based on agreed service levels and the effectiveness of the current assets to provide that level of service.

Risk management

- The principles of risk management will be applied to Asset Management, in accordance with Council's Enterprise Risk Management Framework and applicable Standards (ISO 31000; ISO 55000).
- A risk-based approach provides a systematic, rational and defensible process for the use of limited resources to manage the magnitude of infrastructure assets within the Penrith LGA.

Resource and funding allocation

- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- Councillors and relevant staff will be provided with information and (where necessary) training to ensure that there is enough awareness in key areas of the organisation to make informed decisions around asset management that are consistent with this policy.

Scope

This policy applies to all Councillors, Council employees and service providers.

This policy applies to assets owned and operated by council, associated with or managed by council owned entities and assets owned by Council for a commercial purpose as specified below.

Assets owned and operated by Council

Council will operate and maintain its own assets.

Assets associated with or managed by Council owned entities

Council will apply the provisions and principles of this policy to assets associated with or managed by Council owned entities with respect to maintenance (scheduled and unscheduled) and like for like replacement. Identification of the service levels required to meet the needs of users is the responsibility of the entity, however service levels for maintenance and like for like replacement must be agreed by Council. Upgrade of council owned assets will be considered through a business case.

Assets owned by Council for a commercial purpose

The Property Development Department is responsible for the management of assets owned by Council for a commercial purpose. The principles of this policy will apply to the extent necessary to ensure that these assets meet the needs of users, risks are appropriately managed, and the assets are able to meet the needs of Council with regard to income generation.

Accountabilities

1. Council is accountable for consideration of this policy in line with decision making.
2. The Property Development Manager, Director Corporate Services and General Manager are accountable for the management of assets owned by Council for a commercial purpose.
3. The General Manager and Director of City Services are accountable for the implementation and monitoring of this policy, for example ensuring systems are in place to:
 - develop and maintain, strategies and plans to support this policy
 - distribute this policy to all relevant persons in the organisation
 - ensure that any individuals or organisations that must adhere to this policy as a result of a contract or other agreement with the organisation are appropriately advised
 - monitor implementation and compliance
 - Assess whether Council meets Fit for the Future benchmarks for Asset Management including:
 - Building and Infrastructure Renewal Ratio
 - Infrastructure Backlog Ratio
 - Asset Maintenance Ratio

Definitions:

For the purposes of this policy, the following definitions have been used:

Asset an item, thing or entity that has potential or actual value to the organisation. Assets include property, plant and equipment including infrastructure with benefits expected to last more than 12 months.

Asset Management Plan (AMP) documented information that specifies the activities and practices of an organisation to optimally and sustainably deliver on its objectives through cost-effective life cycle management of assets.

Asset renewal any work carried out to restore an asset (or significant component, part or segment) to new or near new condition.

Customer Focused all aspects of council's decision making and delivery of services are directed by the best interests of the community.

IP&R Integrated Planning and Reporting

Service level means the defined service quality for a service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost.

Significant Decision in relation to any issue, proposal, decision or other matter that concerns or is before the Council, means the degree of importance of the issue, proposal or matter as assessed by the Council in terms of its likely impact and likely consequences for:

1. The current and future social, economic, environmental and cultural well-being of the City.
2. Any persons who are likely to be particularly affected by or interested in the issue, proposal, decision or matter.
3. The capacity of the Council to perform its role and the financial and other costs of doing so.

Strategic Asset Management Plan documented information that specifies how organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives.

Life cycle cost the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Document Control

Policy History	Approving Authority	Date
Version 1	Council	9 September 2019
Review – Nil changes	Head of Strategic Asset Management	14 October 2025