

Asset Management

Policy Objective

The objectives of the policy are to:

- a) Provide a framework for implementing asset management to enable a consistent, co-ordinated and strategic approach at all levels of Council.
- b) Apply best asset management practices as appropriate to the City of Belmont.
- c) Allocate corporate responsibility for asset management and the necessary resources to deliver the Asset Management Strategy.
- d) Facilitate continuous improvement and innovation of delivering service by achieving service standards that benefit the community.
- e) Provide a framework which quantifies risk and incorporate it into the decision-making process.
- f) Provide guidance to staff responsible for asset management.

Policy Detail

As part of the Asset Management Framework, the following statements reflect Council's commitment to developing a best practice approach to asset management.

1. Asset Planning and Budgeting

- a) All assets will be managed from a "whole of life" cycle perspective.
- b) Asset renewal and maintenance program requirements will be met prior to any new or additional assets being considered.
- c) Distribution of the renewal allocation for capital works is to reflect the level of service that each asset class provides to the community. The desired level of service will be reviewed over time with adjustment in response to customer survey results, technical analysis, along with budget affordability and sustainability.
- d) All capital expenditure will be judged on a life cycle cost approach with capital expenditure only being approved in conjunction with appropriate recurrent expenditure budgets (maintenance and operations). Alternative options will be considered to deliver the desired level of service as specified in the Asset Management Plans via asset creation/acquisitions, upgrade, renewal or disposal.
- e) Capital works proposals will be evaluated and prioritised based on scheduled condition assessment surveys, infrastructure age and residual service life.
- f) Risk analysis at project initiation stages will be undertaken to mitigate future Council liability.
- g) Planned asset acquisitions, upgrades, renewal or disposals will only proceed if the proposed expenditure/income has been considered as part of Council's Asset Management Plans and included in the annual budget.
- h) A 10-year capital works program will be developed for each asset class and be subjected to an annual review to inform the City's long term financial plan.

- i) Integrate climate change considerations into the design, construction and management of City assets.

2. Asset Operations and Maintenance

- a) Appropriate planned maintenance regimes will be initiated in the most cost-effective manner to enable the City's assets to achieve effective and optimal economic lives.
- b) Maintenance plans will be prepared using the most appropriate techniques and incorporating a cost-benefit approach.
- c) All activities under planned or reactive maintenance regimes will be captured within the City's Asset Management Systems. This information will assist in the analysis of current and future maintenance programs and the development of capital expenditure programs.

3. Risk Assessment and Management

A risk assessment process will assist in determining priorities when developing maintenance and capital expenditure programs.

4. Asset Accounting and Costing

- a) The City will keep detailed asset registers on all assets under its care and control.
- b) Assets will be valued as deemed appropriate in accordance with the requirements of Australian Accounting Standards.
- c) Effective economic lives will be given to each asset class with the written down and depreciation values determined in accordance with the Australian Accounting Standards.
- d) The City will determine the cost of asset service delivery on a full cost recovery basis, which as a minimum includes the appropriate distribution of costs and overheads (including administration and finance charges, operation, maintenance and depreciation).

5. Asset Management Strategy and Plans

The City has developed an Asset Management Strategy and Plans that applies to all asset classes under its care and control. The Asset Management Strategy and Plans will:

- a) Give consideration to the management of an asset over its whole life cycle.
- b) Provide information on future maintenance, operational, upgrade, renewal and/or disposal requirements.
- c) Identify the level of service that will be delivered by the asset and how the service will be monitored.
- d) Confirm the asset component service lives for the application of depreciation.
- e) Provide the basis for financial planning of asset classes.

6. Information Systems

The City will review and implement Asset Management Systems (AMS) relevant to individual asset classes. Over time, consideration will be given to rationalising the number of AMS across the various asset classes.

7. Data Management

The City will ensure accurate information is recorded regarding the inventory, condition, creation, acquisition, maintenance, renewal, refurbishment or disposal of assets for inclusion in Council's AMS.

Reference/Associated Documents

City's Asset Management Policy, Strategy and Plans.

IPWEA - International Infrastructure Management Manual 2020 Edition

IPWEA – Australian Infrastructure Financial Management Guidelines 2020 Edition

ISO 55000 - International Asset Management Standards 2014

Reference to Internal Procedure

Register of Delegations: 1.1.17 - Disposal of Property (other than land).

Definitions

N/A

Monitoring, Evaluation and Review

This policy has been risk assessed as Low.

The policy will be reviewed every two years.

This Policy is supported by:		
Policy No:	CP01	
Strategic Community Plan:	Goal 5: Responsible Belmont Strategy: 5.2 Manage the City's assets and financial resources in a responsible manner and provide the best possible services for the community	
Delegation Register:	1.1.17 Disposal of Property (other than land)	
Service Area:	Infrastructure Services	
Policy Owner:	Manager Design, Assets and Development	
Policy Stakeholder:	Manager Works Manager City Facilities and Property Manager Parks Leisure and Environment Manager Finance Coordinator Assets	
Amendment Status:		
Date of Amendment	Status of Amendment	Minute Item Reference
27/09/05		11.5.8
28/04/09		12.10
22/11/11		12.9
28/10/14	Review - Minor	12.4
27/09/16	Review – Minor	12.9
25/09/18	Review – Minor	12.5
12/12/23	Review – Minor	12.8