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# Asset Management Policy

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## Purpose

The purpose of the Asset Management Policy is to ensure that the City has information knowledge and understanding about the long-term and the cumulative consequences of being the custodian of public infrastructure.

This is achieved by ensuring that the systems and processes are in place to enable people to determine the most effective and efficient options for delivering infrastructure related services while controlling exposure to risk and loss.

The Asset Management Policy also provides the framework that together with the organisational Community Strategic Plan and Sustainable Sydney 2030 enables the asset management strategy and specific asset management plans to be produced.

## Context

The Local Government Act 2009 and the Local Government Amendment (Planning and Reporting) Act 2009 place a number of obligations on Councils in relation to asset management.

This Integrated Planning and Reporting legislation requires that the City must account for and plan for all of the existing assets under its ownership, and any new assets proposed in its Community Strategic Plan and Delivery Program and associated Resourcing Strategy.

The City must:

- Prepare an Asset Management Strategy and Asset Management Plan(s) to support the Community Strategic Plan and Delivery Program.
- Ensure that the Asset Management Strategy and Plan(s) cover a minimum timeframe of 10 years.
- Ensure that the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy.
- Ensure that the Asset Management Strategy identifies assets that are critical to the City's operations and outline risk management strategies for these assets.
- Ensure that the Asset Management Strategy includes specific actions required to improve the City's asset management capability and projected resource requirements and timeframes.

Figure 1 below shows the components of the Integrated Planning and Reporting Resourcing Strategy that frame the Asset Management requirements.

Figure 1 – City of Sydney Asset Management Framework



The City first adopted an Asset Management Policy in 2006. It was reviewed and updated in 2012. The 2012 update ensured our objectives and principles were consistent with Sustainable Sydney 2030, as well as the requirements the Integrated Planning and Reporting Framework.

The policy is linked to Sustainable Sydney 2030 Strategic Direction 10, Implementation through effective governance and partnerships, Objective 10.3 the City of Sydney is financially sustainable over the long term

This 2016 policy update builds on the Asset Management Policies of 2006 and 2012. The policy objectives were reviewed and enhanced by the Asset Management Program Control Group and the Executive Asset Management Advisory group and were advertised for public comment as part of the Resourcing Strategy 2016. The updated objectives were adopted by Council in June 2016.

**Scope**

This policy applies to all infrastructure related service provision such as Road and Transport, Stormwater Drainage, Community Services delivered by the City’s Buildings and Facilities, Parks and Open Spaces, Sport and Recreation and Environmental Protection.

**Definitions**

Term	Meaning
Policy	A statement of an organisation’s attitude and preference of direction.



Term	Meaning
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Resourcing Strategy	The long-term resources required to achieve the objectives established by the Community Strategic Plan (Sustainable Sydney 2030). The strategy will include provision for long-term financial planning, workforce management planning and asset management planning.
Asset Management Program Control Group	Representative asset managers responsible for ensuring that people, processes and systems are in place and work together to deliver services and meet the corporate infrastructure asset management objectives. They also oversee the development and implementation of asset and risk management plans for all asset classes
Asset Management Plan	The Asset Management Plan/s must encompass all the assets under the City's control, identify asset service standards, and contain long-term projections of asset maintenance, rehabilitation and replacement costs.
Long Term Financial Plan	The Long Term Financial Plan will be used to inform decision making during the finalisation of the Community Strategic Plan and the development of the Delivery Program. The Long Term Financial Plan will be for a minimum of 10 years and be updated at least annually as part of the development of the Operational Plan.
Asset Management Strategy	The Asset Management Strategy will include an overarching Council endorsed Asset Management Policy. The Asset Management Strategy will identify assets that are critical to the City's operations and outline risk management strategies for these assets. The Asset Management Strategy will include specific actions required to improve the City's asset management capability and projected resource requirements and timeframes. The Asset Management Strategy will balance the resources required in the Asset Management Plan and resources available in the Long Term Financial Plan, and report on the available choices and service and risk consequences.

## Policy Principles

The City's Asset Management policy is based on the following principles to guide sustainable management of infrastructure assets. They are:

- Take a lifecycle approach – apply a whole of life methodology for managing infrastructure assets including planning, acquisition, operation, maintenance, renewal and disposal
- Sustainable environmental performance
- Best value – balance financial, environmental and social aspects to achieve best value

- Long-term financial plans – asset practices, plans and systems will enable the development of long term financial plans for asset classes
- Decision support systems and knowledge – core systems will include up to date infrastructure asset information to inform decisions
- Sharing of asset data through digital platforms
- Service levels – infrastructure asset service levels will be clearly defined
- Manage risks associated with infrastructure assets; and
- Continuous improvement of asset management practices

## Policy Objectives

The policy objectives guide the City of Sydney to meet desired outcomes consistent with policy principles and meet strategic goals set out in Sustainable Sydney 2030, Integrated Planning and Reporting legislation and other strategic documents.

These policy objectives build on those contained in the Asset Management Policy 2012, and were advertised for public comment as part of the Resourcing Strategy 2016 documentation for the Integrated Planning and Reporting Framework and adopted by Council in June 2016.

### 1. Provide infrastructure and services to sustain the City of Sydney communities that:

- Supports the quality of life and amenity, urban environment and cultural fabric appropriate to City of Sydney;
- Adapts to emerging needs in sustainable transport;
- Facilitates the changes to infrastructure needed to cater for changing communities.
- Enhance the resilience of the City's infrastructure and communities

### 2. Implement a life-cycle approach to the management of infrastructure assets where:

- Asset planning decisions are based on an evaluation of alternatives that consider the “whole of life” of an asset through acquisition, operation, maintenance, renewal and disposal;
- The asset management cycle considers the current and future environmental, economic, cultural and social outcomes.

### 3. Ensure that service delivery needs are the primary driver for infrastructure asset management practices by:

- Establishing and monitoring levels of service for each asset class through the Community and Detailed Asset Management Plans;
- Identifying and monitoring individual and network risks to assets and service levels for each asset class;

### 4. Provide a sustainable funding model that provides assets aligned with the City's long term plans and community needs with a:

- Funded model for all asset related services extending at least 10 years into the future that addresses the need for funds, considers renewal peaks and troughs and identifies how the funds will be sourced.

### 5. Develop and implement best value environmentally sustainable asset management practices that:

- Encourage a flexible and scenario based approach through systems and plans to allow for innovative use of assets, particularly in recycling and environmental initiatives.
- Acknowledge climate change adaptation, environmental protection and enhancement protocols are fundamental to sustainable asset management planning;

- Minimise energy and water use, waste generation and air quality impacts through our own initiatives and by working with stakeholders;
- Utilise low energy products, infrastructure materials and methods wherever possible;
- Incorporate sustainability criteria into infrastructure projects and procurement.

#### 6. Provide reliable asset and infrastructure data through supported digital platforms demonstrated by:

- Distribution of open sourced for community use where appropriate;
- Implementation of sound data governance and data quality management;
- Access to systems and information by mobile technology wherever possible.

#### 7. Implement an integrated decision support system that:

- Provides systems and knowledge necessary to achieve policy outcomes;
- Proactively interrogates and models data to support informed decisions;
- Minimise risk of corporate knowledge and data loss;
- Manages information as efficiently as possible through the appropriate use of software, hardware and communication tools;
- Reduces data duplication

#### 8. Ensure compliance with legislative requirements by:

- Having clear policies, processes and information to ensure that organisational objectives and legislative requirements are met.

#### 9. Allocate Asset Management responsibilities where:

- The roles and responsibilities of Council, Chief Executive Officer and Asset Managers are clearly identified.

### Responsibilities

**Lord Mayor and Councillors** adopt the policy objectives (completed) and ensure sufficient resources are applied to manage the assets.

**The Chief Executive Officer** has overall responsibility for developing infrastructure asset management systems, policies and procedures and financial models and reporting on the status and effectiveness of asset management within The City.

**The Corporate and Strategy Projects Steering Committee** is responsible for ensuring that all asset management activities are consistent with the objectives of Sustainable Sydney 2030, the Integrated Planning and Reporting Framework and the Long Term Financial Plan.

**The Asset Management Program Control Group** is responsible for ensuring that people, processes and systems are in place and work together to deliver services and meet the corporate infrastructure asset management objectives. They will also oversee the development and implementation of asset and risk management plans for all asset classes.

**Divisional Directors and Business Unit Managers** are responsible for implementing infrastructure asset management plans, systems, policies and procedures.

**Employees with management or supervisory responsibility** are responsible for the management of assets within the area of responsibility as determined under asset management plans. In the short-term, **employees** will be tasked under implementation plans, and will be responsible for the timely completion of those activities contained within those plans. In the

medium-term, awareness sessions will be conducted to ensure that employees are familiar with asset management and how it is applied within The Council of the City of Sydney.

## Consultation

This update builds on the Asset Management Policy 2006 and 2012, and was developed after review of those policies by the Asset Management Program Control Group, the Executive Asset Management Advisory group of the Corporate and Strategy Projects Steering Committee and review of best practice documentation.

The above policy objectives were advertised for public comment as part of the Resourcing Strategy 2016 and adopted by Council in June 2016.

## References

<b>Laws and standards</b>	<ul style="list-style-type: none"> <li>• Local Government Act 1993</li> <li>• Local Government (General) Regulation 2005</li> <li>• National Asset Management Framework</li> <li>• IPWEA NAMS.PLUS3 Templates for Asset Management Plans</li> <li>• International Infrastructure Management Manual</li> </ul>
<b>Policies, procedures and guidelines</b>	<ul style="list-style-type: none"> <li>• Matrix of Responsibilities for Assets</li> <li>• Roads Capitalisation Procedure</li> <li>• Corporate Asset Management System Data Management Procedure</li> </ul>

## Approval

Council approved this policy on 27 June 2016.

## Review

Review period	Next review date	TRIM reference
The Asset Management Program Control Group will review this policy every 4 years	June, 2020	2016/546823