

Asset Management Policy

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 Community Strategic Plan enables the asset management strategy and specific asset management plans to be produced.

Context

The NSW Local Government Act 1993 places a number of obligations on Councils in relation to asset management.

The City must account for and plan for all of the existing assets under its control, 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 implementation of 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.

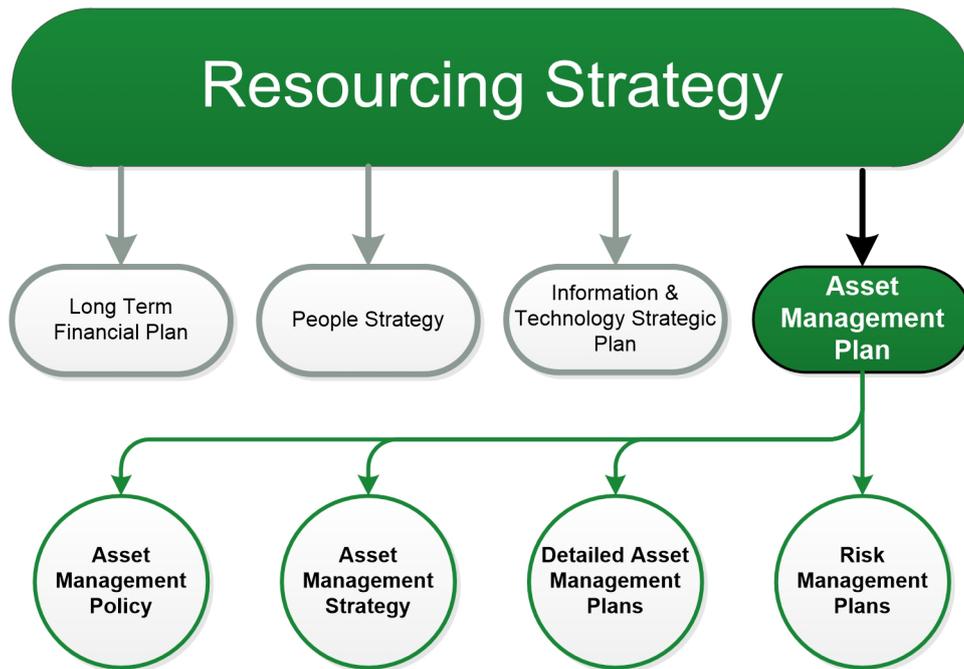


Figure 1 – City of Sydney Asset Management Framework

The City first adopted an Asset Management Policy in 2006 which has been reviewed and updated regularly since that time.

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

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, information and technology assets and environmental protection.

Definitions

Term	Meaning
Policy	A statement of the City’s attitude and preference of direction.
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	This document collates the long-term resources required to achieve the objectives established by the Community Strategic Plan. The

Term	Meaning
	strategy includes long-term financial planning, workforce management planning and asset management planning
Asset Management Gateway Panel	Strategic and operational panel to provide outcome focussed oversight and management control for the City’s asset management policy, strategy, objectives and targets.
Asset Management Plan	A specific plan developed with an outline to acquiring, operating, maintaining, renewing and disposing of the assets within the asset class in the most cost effective manner possible, whilst providing a specific level of service.
Long Term Financial Plan	The Long Term Financial Plan (LTFP) is a ten year financial planning document that contains financial strategies and accompanying performance indicators that the City considers when making significant strategic decisions about financial resource allocation.
Asset Management Strategy	<p>The asset management strategy is a strategic document that demonstrates how the City’s asset portfolio supports the service delivery needs of the community into the future. The strategy contains</p> <ul style="list-style-type: none"> • A description of the current status of the council’s asset management practices (processes, asset data and information systems) • Specific actions to be undertaken to improve or enhance the council’s asset management capability (a gap analysis), including resource requirements and timeframes • Specific actions to be undertaken to achieve the council’s strategic objectives.

Policy Principles

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

- A lifecycle approach – the City applies a whole of life methodology for managing infrastructure assets including planning, acquisition, operation, maintenance, renewal and disposal
- Sustainable environmental performance – the City considers the long term cumulative impacts of its assets and how they are managed
- Best value – balancing financial, environmental and social outcomes
- Evidence based decision making – core systems will include up to date infrastructure asset information to inform decisions
- Alignment with long term financial planning
- Addressing community needs – including as they change over time through transparent service levels
- Effective management of risk

- Increasing resilience - planning and renewing the City's assets to be more resilient to future acute shocks and chronic stresses

Policy Objectives

The following policy objectives guide the City to meet desired outcomes for the City's assets consistent with the Community Strategic Plan, Integrated Planning and Reporting legislation and other strategic documents.

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 Asset Management Plan 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. Create a resilient city by modelling and planning to make it adaptable to acute shocks and chronic stresses.

- Identify and renewing critical assets that are vulnerable to future acute shocks and chronic stresses
- Perform return on investment studies when delivering renewed or new assets in the resilience context
- Include resilient assets when renewal planning in the long-term models and long term financial plans.

7. Provide reliable asset and infrastructure data thorough 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.

8. 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; and
- Reduces data duplication

9. Ensure compliance with legislative requirements by:

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

10. Allocate Asset Management responsibilities where:

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

Responsibilities

Lord Mayor and Councillors adopt the policy objectives 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 Asset Management Gateway Panel is responsible for ensuring that all asset management activities are consistent with the objectives of Community Strategic Plan, integrated planning and the City's Long Term Financial Plan.

The Asset Management Gateway Panel is responsible to oversee 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 and capital renewal plans for all asset classes.

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

The **Chief Finance Office** is responsible for preparing the Long Term Financial Plan to support the delivery of the asset management plans

Employees with management or supervisory responsibility are responsible for the management of assets within the area of responsibility as determined under asset management plans.

Consultation

The policy has been reviewed with asset owners and relevant stakeholders. The Asset Management Gateway Panel and the Executive have approved the policy.

The policy is advertised for public comment as part of the Resourcing Strategy.

References

Laws and Standards

- Local Government Act 1993
- Local Government (General) Regulation 2005
- National Asset Management Framework
- IPWEA NAMS.PLUS3 Templates for Asset Management Plans
- International Infrastructure Management Manual

Policies and Procedures

- Matrix of Responsibilities for Assets
- Roads Capitalisation Procedure
- Corporate Asset Management System Data Management Procedure
- IT Products and Services Acquisition, Management and Retirement Policy

Review period

This policy will be reviewed in 2 years.

Approval Status

Council approved this policy on 27 June 2022.

Approval History

Stage	Date	Comment	TRIM Reference
Original Policy	25 June 2012	Approved by Council	2012/049285
Reviewed	27 June 2016	Approved by Council (Appendix to Resourcing Strategy (2016) – Integrated Planning and Reporting Program and Budget (2016/2017))	2016/576823
Reviewed	27 June 2022	Endorsed by Executive 1 September 2021. Approved by Council (Appendix to Resourcing Strategy (2022) – Integrated Planning and Reporting Program and Budget (2022/2023)).	2016/609070
Commence Review Date	27 September 2023		
Approval Due Date	27 June 2024		

Ownership and approval

Responsibility	Role
Author	Asset Strategy and Systems Manager
Owner	Chief Operations Officer
Endorser	City of Sydney Executive
Approver	City of Sydney Council