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**CCL 25/08/2020 – ADOPTION OF ASSET MANAGEMENT POLICY
2020**

PAGE 3 ITEM-55 Attachment A: Asset Management Policy 2020

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Policy

Asset Management Policy

Table of Contents

Part A Preliminary.....	1
1 Purpose	1
2 Scope	1
3 Principles	1
Part B Roles and Responsibilities	2
4 Roles, responsibilities and resources	2
5 Organisational Commitment.....	2
Part C – Operational.....	3
6 Levels of Service.....	3
7 Operations, Maintenance and Renewal	3
8 Risk Assessment and Management.....	3
9 Data Management	3
10 Financial Authorisations	3
Annexure A - Definitions	4
Annexure B - Policy Authorisations	5
Document Control.....	6

Part A Preliminary

1 Purpose

- 1.1 The purpose of the Asset Management Policy (Policy) is to outline how City of Newcastle (CN) will manage its assets throughout the asset lifecycle.
- 1.2 CN's Asset Management Framework comprises the following documents:
 - 1.2.1 Asset Management Strategy (AMS),
 - 1.2.2 Asset Management Policy (this document), and
 - 1.2.3 Service Asset Plans (SAPs).

2 Scope

- 2.1 The Policy applies to all capitalised assets and related land under the control and jurisdiction of CN.

3 Principles

- 3.1 CN commits to the following:
 - 3.1.1 **Accountability and transparency** - A framework for transparency and a system of accountability in asset planning and enabling informed input from all stakeholders.
 - 3.1.2 **Sustainability** - To sustainably meet community needs and expectations for all assets and asset infrastructure services.
 - 3.1.3 **Continuous Improvement** - Supporting the implementation of continuous improvement practices in asset management.
 - 3.1.4 **Levels of Service** – Providing a selection of appropriate levels of service to meet community demand.
 - 3.1.5 **Risk Management** - The appropriate management of risk to people, service and property.
 - 3.1.6 **Legislative Compliance** - Compliance with state and federal legislation pertaining to asset management (including Integrated Planning and Reporting)
 - 3.1.7 **Alignment with Council strategies** – The policy aligns with Open and Collaborative Leadership priorities outlined in the Newcastle 2030 Community Strategic Plan.

Part B Roles and Responsibilities

4 Roles, responsibilities and resources

- 4.1 CN Service Unit Managers (SUM) with asset management responsibility are responsible for implementing this Policy as well as understanding and implementing the AMS and suite of SAPs.
- 4.2 CN Manager, Assets and Projects is responsible for developing and reviewing the AMS.
- 4.3 CN SUMs are responsible for implementing, reviewing and undertaking maturity assessments related directly to SAP's within their service unit.
- 4.4 This Policy is required to be reviewed in line with the review of the Operational Plan and every four years following an ordinary Council Election or following substantial legislative/organisational change.

5 Organisational Commitment

- 5.1 This Policy aligns with CN's Resourcing Strategy, which consists of the:
 - 5.1.1 Long Term Financial Plan - delivering the Community's expectations as outlined in the Newcastle 2030 Community Strategic Plan and Delivery Program within the context of finite economic and financial resources.
 - 5.1.2 Work Force Management Plan - outlining strategies and initiatives to ensure CN has the people and skills needed to achieve the Delivery Program.
 - 5.1.3 Asset Management Strategy – outlining CN's high-level long-term approach to asset management, including action plans and objectives for managing the assets.
- 5.2 The ownership, control, accountability and reporting requirements for assets are to be established, documented, clearly communicated and implemented through CN's AMS and SAPs.
- 5.3 CN will revise the AMS and SAPs as community needs, demographics, economic environment, resource availability and climate and technology change over time.

Part C – Operational

6 Levels of Service

- 6.1 Levels of service are measurable and capture what can sustainably be delivered by CN. Levels of service are incorporated into individual SAPs and require ELT approval.

7 Operations, Maintenance and Renewal

- 7.1 CN SUMs, in conjunction with Asset Custodians, are responsible for ensuring:
 - 7.1.1 That a routine inspection program of assets under their control takes place
 - 7.1.2 All works and services are procured in accordance with CN's Procurement Policy.
 - 7.1.3 Lifecycle costs, maintenance and renewal plans are generated from utilising available condition data, predictive modelling (as appropriate), usage rates, available funding and needs of the community.
- 7.2 CN's Asset Managers are responsible for implementing the Asset Management Strategy and providing support to CN's Asset Custodians through:
 - 7.2.1 Asset management advice, including condition reporting and data maintenance, and
 - 7.2.2 Provision where appropriate of maintenance to facilitate the service.

8 Risk Assessment and Management

- 8.1 Risk is identified for assets and the services they provide within each SAP. Each SAP has a risk action plan.

9 Data Management

- 9.1 CN maintains a corporate Asset Management software system that is accessible to designated CN officers.
- 9.2 The updating and maintenance of all asset inventory and lifecycle data within the corporate Asset Management system is undertaken in a timely manner.

10 Financial Authorisations

- 10.1 All CN SUM's are responsible for the monetary commitment that will result from the implementation of this Policy and ensuring they align with CN's Register of Financial Authorisations.

Annexure A - Definitions

For the purposes of this Policy:

Asset means a physical component of a facility, which has value, enables services to be provided, has potential value to an organisation such as land, plant, machinery, buildings etc. and has an economic life of greater than 12 months.

Asset Custodian means the CN staff member with responsibility for the stewardship of the asset and is responsible for defining the level of service required for the asset.

Asset Infrastructure Services means any service provided in the identification, management and construction of CN assets.

Asset Lifecycle means the series of stages involved in the management of an asset. It starts with the planning stages when the need for an asset is identified and continues all the way through an asset's useful life and eventual disposal.

Asset Management means 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.

Asset Management Strategy (AMS) means the high-level long-term approach to asset management, including action plans and objectives for managing the assets.

Asset Manager means the CN staff member with responsibility for providing ongoing advice, maintenance, renewal and support services to facilitate the service provided by the Asset Custodian.

City of Newcastle (CN) means Newcastle City Council.

Level of Service means the outputs or objectives an organisation or activity intends to deliver to customers.

Lifecycle Cost means the total cost of an asset throughout its life, including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.

Maturity Assessment means the process used to understand the effectiveness of an organisation's asset management system and levels of service, as well as help comply/align with standards and regulatory requirements.

Predictive Modelling means the method of projecting the costs associated with maintenance, renewal, acquisition and disposal of assets to achieve an acceptable condition, or service level. Predictive modelling can be used to predict a required budget, or to view the distribution of a specified budget.

Service Asset Plans (SAPs) detail the requirements necessary to effectively manage the assets which exist to support service delivery. SAP's establish a framework to ensure sustainable community service expectations are met. This involves achieving a balance between delivering services to meet community needs and our ability to manage and resource the asset portfolio accordingly. ...

Useful Life means the period over which an asset is expected to be available for use by an entity (in the context of its service to the entity and not to the asset's actual physical life).

Annexure B - Policy Authorisations

Function	Position Number / Title
Nil	

Document Control

Policy title	Asset Management Policy
Policy owner	Director Infrastructure and Property
Policy expert/writer	Asset Services Manager
Associated Procedure Title (if applicable)	
Procedure owner (if applicable)	Manager Assets and Projects
Prepared by	Asset Services
Approved by	Council
Date approved	To be completed by Legal
Policy approval form reference	ECM#
Commencement Date	To be completed by Legal
Next revision date (date policy will be revised)	To be completed by Legal
Termination date	To be completed by Legal (one-year post revision date)
Version	4
Category	Council
Keywords	Asset, asset management, infrastructure services, asset lifecycle
Details of previous versions	Version 1 April 2010 (ECM Reference 2935100) Version 2 August 2012 (ECM Reference 3438058) Version 3 June 2016 (ECM Reference 4873789)
Legislative amendments	N/A
Relevant strategic direction	Open and Collaborative Leadership
Relevant strategy	Asset Management Strategy 2018 - 2027
Relevant legislation/codes (reference specific sections)	Local Government Act 1993 (8B) Local Government (General) Regulation 2005 Local Government Amendment (Planning and Reporting) Act 2009 Integrated Planning and Reporting Guidelines for Local Government in NSW (Division of Local Government) Integrated Planning and Reporting Manual for local government in NSW (Division of Local Government (s3.4) International Infrastructure Management Manual Edition 5 (2015)

	Australian Infrastructure Financial Management Guidelines Edition 2 2015 (ISO 55000).
Other related policies/ documents/ strategies	N/A
Related forms	N/A
Required on website	Yes
Authorisations	Functions authorised under this Policy at Annexure B