

Policy

Title: Asset Management

Category: Corporate Governance

Date Last Adopted: 23 September 2019

1. Objectives

To broadly outline why asset management is relevant to Council to ensure:

- (i) consistency with Council's Strategic Plan;
- (ii) management of infrastructure and other Council assets across the City's asset portfolios is undertaken in a structured and coordinated way in support of sustainable service delivery;
- (iii) corporate responsibilities are identified, and appropriate and adequate resources allocated;
- (iv) risk management is integrated into transparent decision making;
- (v) continuous improvement is maintained;
- (vi) legislative and regulatory requirements are achieved; and
- (vii) good decision making around planning to spend the right money, at the right time, on the right assets to ensure the City of Hobart can sustainably provide the required services for current and future generations.

2. Background

The policy has been developed with reference to the requirements of the ISO55000 series for Asset Management, the International Infrastructure Management Manual, the *Local Government Act 1993*, and the *Local Government (Content of Plans and Strategies) Order 2014*.



3. Policy

That the Council:

1. Acknowledges that the goal of adopting asset management principles across the organisation is to achieve agreed levels of service in the most effective way through the creation, acquisition, maintenance, operation, renewal and disposal of assets for current and future generations.
2. As custodians of community infrastructure assets is committed to ensuring that its asset management system (AMS), and associated asset management information system (AMIS) and associated practices are compliant with legislative requirements and is implemented to the best appropriate standard.
3. Will ensure it provides assets to support the provision of community services which have been established in accordance with the City's Corporate Plan.
4. Recognises change in community expectations and increasing financial demands and ensures decision making is made with the objective of providing services at a sustainable level for the benefit of current and future generations.
5. Embraces strategic asset management planning for all asset portfolios, and recognises that a cross-functional approach to the management of these assets is required through adequate resourcing and integration with the corporate, financial and budgetary planning processes.
6. Will develop a Strategic Asset Management Plan (SAMP) every 4 years, reflecting the financial outcomes of asset management strategic planning and expenditure forecasting, which is linked to the City's Long Term Financial Management Plan (LTFMP) for all Council asset classes.
7. Acknowledges that assets need to be managed to facilitate sustainable service delivery by ensuring:
 - i. the collection and ongoing maintenance of high-quality data in the City's asset register to support sound and well informed decision making;
 - ii. assets continue to meet the service needs of users and the community;
 - iii. long-term planning for asset renewal and expansion shall consider climate change adaptation and mitigation issues;
 - iv. asset management decisions are informed by evaluating the range of service provision alternatives in accordance with whole-of-life costing considerations and best overall value, including community, social, environmental, cultural heritage and other relevant factors;



- v. short-term works programs and long-term expenditure forecasts are established based on capital evaluation processes which include risk management considerations; and
 - vi. the design, construction, maintenance and renewal of assets reflect current standards and regulatory requirements.
8. Will continue to seek innovative and cost effective ways of using technology and improved work practices and processes to ensure all of its assets are managed in an efficient and effective manner, and that asset data (technical, financial and GIS location information) is readily accessible.
 9. In considering any new assets, will fully account for the ongoing costs of operation, maintenance and renewal of that asset over its effective life to ensure that the overall life-cycle cost is optimised.
 10. Will monitor key performance asset management indicators against target outcomes.
 11. Take into account and report on the financial implications of its investment decisions including the expenditure categories of Maintenance, Operational, Renewal, Upgrade and New, and account for these in the City's Long Term Financial Management Plan.
 12. Will ensure service and asset management skills and competencies of responsible positions within the organisation be achieved and maintained for best appropriate practice standards.
 13. Ensure the City has relevant asset classes and asset portfolios defined, with specified asset managers and service custodians assigned to every asset.

4. Legislation, Terminology and References

Legislation:

- Local Government (Content of Plans and Strategies) Order 2014

Terminology:

AMIS	Asset Management Information System ie the City's asset register
AMS	Asset Management System ie the City's asset management framework and policies
CoH	City of Hobart
GIS	Geographical Information Systems
ISO55000 series	International Standards Organisation Asset Management standards – ISO55001, 55002 and 55003



LTFMP	Long Term Financial Management Plan
SAMP	Strategic Asset Management Plan

CoH Definitions:

Asset classes	Financial asset classes, used for reporting to meet accounting standards, and the CoH Asset Accounting Policy
Major asset class	Roads and Bridges, Stormwater, Buildings (classes that make up >5% of total asset base)
Asset portfolios	CoH asset groups based on management and use of Council assets, currently:

Roads, Stormwater, Buildings, Parks, Bushland, Sporting Facilities, Solid Waste, ICT, Fleet, and Miscellaneous assets



References:

- CoH Asset Accounting Policy – currently under revision
- CoH Climate Change Adaptation Policy
- CoH Risk Management Strategy and Action Plan
- CoH Sustainable Hobart Strategy and Action Plan – currently under development
- CoH Connected Hobart Strategy and Action Plan – currently under development
- International Infrastructure Management Manual (IIMM)

Responsible Officers:	Director City Innovation Director City Governance
Policy first adopted by the Council:	10/6/2003
History	
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