

1. RATIONALE

The City of Marion currently owns and manages a large and diverse asset portfolio valued in excess of \$1 billion. These assets make up the social and economic infrastructure that enables the provision of services to the community and businesses for current and future generations, playing a vital role in the local economy and on quality of life.

Asset management is a critical tool in ensuring appropriate provision is made for the long-term management of Council assets, and their impacts on all areas of service planning and delivery.

2. POLICY STATEMENT

Council takes a planned, systematic and sustainable approach to the management of the City of Marion's assets in accordance with the requirements under the *Local Government Act 1999* and recognised industry better practice as outlined in the *International Infrastructure Management Manual 2020 (IIMM 2020)* and *Australian Infrastructure Financial Management Guidelines*.

3. OBJECTIVES

The objective of this policy is to guide a consistent and integrated approach to sustainable asset management throughout the City of Marion, supporting informed and effective strategic decision-making.

4. POLICY SCOPE AND IMPLEMENTATION

Scope

This Policy applies to all assets within the City of Marion under the care, control and management of Council.

Implementation

4.1 Vision

To maintain the City of Marion's assets to agreed levels of service which maximise community value throughout an asset's life.

4.2 Key principles

1. Assets exist to meet community needs and support the delivery of services to the service levels adopted by Council.
2. All relevant legislative, political, social, environmental and economic requirements are to be taken into account in asset management, including climate change impacts and a "build back better" approach to asset creation.
3. Asset management decisions are to be strategic in nature and priority for action will be based on asset criticality.

4. Prioritisation of new asset investments and asset disposal decisions are based on an evaluation of public value, encompassing consideration of such criteria as asset utilisation potential, benefits, risks, ownership and management options, life cycles and costs in accordance with the City of Marion's *Prudential Management Policy* and *Disposal of Land and Assets Policy*.
5. Asset renewals required to meet agreed service levels will be identified in Council's adopted *Asset Management Plans*.
6. Council's *Long Term Financial Plan* will align with Council's adopted Asset Management Plans to ensure adequate funding is set aside to meet forecast asset management requirements.

4.3 Delivery mechanisms

The City of Marion's *Strategic Management Framework* provides the overarching framework that supports Council in setting strategic direction and making determinations relating to priorities, resource and budget allocation. Asset management is an integral element of Strategic Management and forms part of key strategic management plans.

An *Asset Management Strategy* in support of this Policy ensures the City of Marion's asset portfolio meets the service delivery needs of the community.

Asset Management Plans and the *Long Term Financial Plan* are the mechanisms by which asset-related priorities are resourced to ensure delivery of strategic outcomes.

5. DEFINITIONS

Term	Definition
Asset	An individual or group of physical objects, which has value and enables services to be provided.
Asset Consumption Ratio	A measure which highlights the potential service level remaining in Council's assets. If the Asset Consumption Ratio is high, this indicates that Council's assets are in good condition – that is, they are either relatively new or have been maintained in good condition. If the Asset Consumption Ratio is low, this indicates that Council's assets are in relatively poor condition – that is, assets have not been renewed at a time when renewal was expected to occur and the future service levels expected from these assets is also low.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to assets with the objective of providing the required service level in the most cost effective manner.

Term	Definition
Asset Management Plan	Long-term plans (usually 10-20 years or more for infrastructure assets) that outline the asset activities and programs for each service area and resources applied to provide a defined level of service in the most cost effective way (IIMM 2015).
Asset Owner	A subject matter expert or work area within Council that is responsible for the planning, creation, operation, monitoring, maintenance, renewal and disposal of an asset.
Asset Renewal Funding Ratio	A measure of capital expenditure on renewal and replacement of assets relative to the Infrastructure and Asset Management Plan required expenditure. This indicates whether Council is renewing or replacing existing non-financial assets in accordance with its future Asset Management renewal requirements.
Asset Strategy	High level asset management objectives, practices, improvement plans, audit and review processes which coordinate activities to deliver the Asset Management Policy.
Lifecycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

Further definitions are included in the *International Infrastructure Management Manual 2020 (IIMM 2020)* referenced in Section 7.

6. ROLES AND RESPONSIBILITIES

Role	Responsibility
Council	<p>Ensure that:</p> <ul style="list-style-type: none"> City of Marion assets meet the needs of the community now and into the future. Asset management follows an approach based on maintenance before renewal and renewal before new/upgrade (where it is cost effective to do so). Life cycle costs are considered in all decisions relating to new services and assets and upgrading of existing services and assets. Asset disposal occurs following a transparent process, aligned with all legislative and policy requirements. Systems are established and adhered to, to provide responsibility and accountability for asset conditions, usage and performance.

	<ul style="list-style-type: none"> Asset Management Plans identify current and future strategic asset management requirements for major service/asset categories. Asset Renewal Funding Ratio and Asset Consumption Ratio targets are included within each Long Term Financial Plan.
<i>Council Staff</i>	<ul style="list-style-type: none"> Engage with the community, across council, with public sector organisations, community organisations and other stakeholders to understand their needs. Make effective and informed decisions through each stage of the asset lifecycle to achieve the Asset Management Vision. Ensure data in Asset Management Plans informs the Annual Business Plan and Long Term Financial Plan. Implement maintenance and capital works programs in accordance with Asset Management Plans. Monitor the improvement of asset management practices. Ensure responsible staff members are supported in the creation, upgrade, renew, receipt (gifted or otherwise), or disposal, of Council-owned assets. Ensure elected members are appropriately trained in asset management and financial principles. Ensure staff are appropriately trained in asset management and financial principles, and related hardware and software systems.

7. REFERENCES

City of Marion

- Asset Accounting Policy and Guideline
- Asset Management Plans
- Asset Management Strategy 2019
- Annual Business Plan
- Disposal of Land and Assets Property Policy
- Long Term Financial Plan 2021 to 2031
- Prudential Management Policy

Other

- Australian Infrastructure Financial Management Guidelines
- International Infrastructure Management Manual 2020 (IIMM 2020)
- Local Government Act 1999 – requires that Councils develop and adopt plans (to be collectively called the strategic management plans) including the extent to which any infrastructure will need to be maintained, replaced or developed by the council.

8. REVIEW AND EVALUATION

This policy is reviewed every four years, informing review of the Asset Management Strategy.