Asset Management Policy

1. RATIONALE
   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.

2. POLICY STATEMENT
   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.

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

3. VISION AND PRINCIPLES
   The vision for asset management at the City of Marion is:

   *To maintain the City of Marion’s assets to agreed levels of service which maximises community value throughout an asset’s life*

   Council is committed to implementing asset management best practice across all areas of council defined by the following 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
   3. Asset management decisions are based on consideration of strategic asset criticality and priority for action
   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 Council’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 Plans will align with Council’s adopted Asset Management Plans to ensure adequate funding is set aside to meet forecast asset management requirements.
4. POLICY SCOPE AND IMPLEMENTATION
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.

This policy will be supported by an Asset Management Strategy to align Council’s asset portfolio to meet the service delivery needs of the community.

The Asset Management Plans and Long Term Financial Plans are the mechanisms by which the asset related priorities will be resourced to ensure delivery of strategic outcomes.

5. DEFINITIONS
Asset: An individual or group of physical objects, which has value and enables services to be provided.

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.

Asset Strategy: High level asset management objectives, practices, improvement plans, audit and review processes which coordinate activities to deliver the Asset Management Policy.

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).

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

Asset Sustainability Ratio: Provides a measure as to whether Council’s asset base is being adequately maintained. It expresses as a percentage the proportion of the total asset value consumed (depreciation) compared to the amount spent in preserving the asset (capital replacement/renewal).

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.

Further definitions are included in the International Infrastructure Management Manual 2015 referenced below (section 7).
6. ROLES AND RESPONSIBILITIES
The role of Council is to ensure that:

- Council’s 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 be 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
- Asset Management Plans identify current and future strategic asset management requirements for major service/asset categories
- The Annual Business Plan include Asset Sustainability Ratio targets within each Annual Business Plan

The role of Council Administration is to ensure that:

- Progress in the improvement of asset management practices is monitored
- The organisation makes effective and informed decisions through each stage of the asset lifecycle to achieve the Asset Management Vision
- Data in Asset Management Plans informs the Annual Business Plan and Long Term Financial Plan
- Maintenance and capital works programs are implemented in accordance with Asset Management Plans
- Responsible staff members are supported in the creation, upgrade, renew, receipt (gifted or otherwise), or disposal, of Council-owned assets

7. REFERENCES
Policy development has been guided by the International Infrastructure Management Manual (IIMM) 2015 and Australian Infrastructure Financial Management Guidelines.

The 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.