

# Asset Management Policy

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City of  
Newcastle

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# 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 (AMP) (this document),
  - 1.2.3 Service Asset Management Plan (SAMP), and
  - 1.2.4 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** - Sustainably meeting 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 2040*.

## **Part B Roles and Responsibilities**

### **4 Roles, responsibilities and resources**

- 4.1 CN Executive Managers 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's Executive Manager Assets & Facilities is responsible for developing and reviewing the AMS.
- 4.3 CN Executive Managers are responsible for implementing, reviewing and undertaking maturity assessments related directly to SAPs 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:
  - 5.1.1 Long Term Financial Plan - Delivering the community's expectations as outlined in Newcastle 2040 and Delivering Newcastle 2040, within the context of finite economic and financial resources;
  - 5.1.2 Workforce Development Strategic Plan - Outlining strategies and initiatives to ensure CN has the people and skills needed to achieve Delivering Newcastle 2040; and
  - 5.1.3 Asset Management Strategy - Outlining CN's high-level long-term approach to asset management, including action plans and objectives for managing 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, 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 Executive Leadership Team approval.

### **7 Operations, Maintenance and Renewal**

- 7.1 CN Executive Managers, in conjunction with Asset Custodians, are responsible for ensuring that:
  - 7.1.1 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; and
  - 7.1.3 Lifecycle costs, maintenance and renewal plans are generated from available condition data, predictive modelling (as appropriate), usage rates, available funding and the needs of the community.
- 7.2 CN's Asset Managers are responsible for implementing the AMS 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 of maintenance to facilitate the service where appropriate.

### **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 life cycle data within the corporate asset management system is undertaken in a timely manner.

### **10 Financial Authorisations**

- 10.1 All CN Executive Managers are responsible for the monetary commitment that will result from the implementation of this Policy and for 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 Management Plan (SAMP)** CN's Asset Management Plan supporting the delivery of asset-based services. The SAMP and operational SAPs detail asset performance modelling, service alignment and financial forecasting.

**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

In accordance with section 378 of the Local Government Act 1993, the Chief Executive Officer delegates the following functions to the positions listed:

Title of authorisation	Description of authorisation	Position Number and Title
<b>Land owner's consent</b>	Authority to provide land owner's consent on land owned by Newcastle City Council or where Newcastle City Council otherwise has authority to grant such consent. In accordance with the Asset Management Policy.	P60629 - Executive Director Corporate Services and Chief Financial Officer P60631 - Executive Director Creative and Community Services P60630 - Executive Director City Infrastructure
<b>Operation, maintenance and renewal</b>	Authority to undertake all actions and approve all documentation necessary for the operation, maintenance and renewal of City of Newcastle assets.	P60636   Executive Manager Finance Property & Performance P20744   Property Services Manager

# Document Control

Policy title	Asset Management Policy
Policy owner	Executive Director City Infrastructure
Policy expert/writer	Assets & Facilities
Associated Procedure Title (if applicable)	N/A
Procedure owner (if applicable)	Executive Manager Assets & Facilities
Prepared by	Assets & Facilities
Approved by	Council
Date approved	28/06/2022
Policy approval form reference	ECM# 7362458 ECM# 7420950
Commencement Date	28/06/2022
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Termination date	30/09/2026
Version	6 ( <i>Newcastle 2040 CSP Revision</i> )
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) Version 4 July 2020 (ECM Reference 6525846) Version 5 April 2022 (ECM Reference 7363544)
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



	<p>Local Government Amendment (Planning and Reporting) Act 2009</p> <p>Integrated Planning and Reporting Guidelines for Local Government in NSW (Division of Local Government)</p> <p>Integrated Planning and Reporting Manual for local government in NSW (Division of Local Government (s3.4)</p> <p>International Infrastructure Management Manual Edition 5 (2015)</p> <p>Australian Infrastructure Financial Management Guidelines Edition 2 2015 (ISO 55000).</p>
Other related policies/ documents/ strategies	N/A
Related forms	N/A
Required on website	Yes
Authorisations	Functions authorised under this Policy at Annexure B