

Asset Management Policy Policy

v(3)



Title	Asset Management Policy
Summary	<p>This Policy outlines Inner West Council’s purpose for planning and delivery of infrastructure services. It ensures that the Council has data, knowledge, systems, resources and processes that will enable long-term asset planning.</p> <p>This Policy also provides the supporting context that together with the Community Strategic Plan 2041 (to be endorsed June 2025) and the Integrated Planning and Reporting Framework, facilitates the development of Council’s long-term Asset Management Strategy and Asset Management Plans.</p>
Document Type	Policy
Relevant Strategic Plan Objective	<ul style="list-style-type: none"> • Strategic Direction 1: An ecologically sustainable Inner West • Strategic Direction 2: Liveable, connected neighbourhoods and transport. • Strategic Direction 3: Creative communities and a strong economy • Strategic Direction 4: Healthy, resilient and caring communities • Strategic Direction 5: Progressive responsive and effective civic leadership.
Legislative Reference	<ul style="list-style-type: none"> • <i>Local Government Act 1993</i> • <i>Local Government Amendment (Governance and Planning) Act 2016</i> • <i>Local Government (General) Regulation 2021</i> • <i>Integrated Planning and Reporting Guidelines 2021</i>
Related Council Documents	<ul style="list-style-type: none"> • Model Code of Conduct (must be included) • Infrastructure, Plant, Property and Equipment Determination Protocol, Version 2019.001 • Community Strategic Plan–Our Inner West 2041, To Be Endorsed June 2025

	<ul style="list-style-type: none">• Asset Management Strategy 2025-2035• Asset Management Plans (For Each Asset Class) 2025-2035
Version Control	See last page

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1 Purpose

Inner West Council provides a range of services to the community utilising assets. The elected members of Council have stewardship to care for and protect these assets for present and future generations.

The purpose of this Policy is to outline a framework for the management of assets to deliver Council's Strategic Objectives. The international suite of standards for Asset Management (ISO55000:2014) recognises that 'asset management enables an organisation to realise value from assets in the achievement of its organisational objectives'.

This Policy and the supporting processes will:

- Facilitate the achievement of management objectives for community, infrastructure, and operational assets to meet the present and future needs of the community.
- Rationalise existing assets and develop appropriate new assets to address Council's community's service needs now and in the future.
- Deliver assets at the right cost, at the right time, and to an appropriate standard.
- Develop systems, procedures, and controls to enable effective service planning as an integral part of Council decision-making.
- Provide leadership and direction in Council's asset management approach.
- Establish stewardship processes for asset management practices.
- Ensure transparency and accountability in Council's asset management approach, in line with the Integrated Planning and Reporting (IP&R) Guidelines (2010, updated 2016).

2 Objective

The objective of this Policy is to ensure responsible management of assets owned and/or administered by Council in a manner that promotes sustainable social, environmental, and economic outcomes for the ongoing benefit of the Inner West community.

Methodologies and processes adopted will align with:

- The ISO 55000:2014 suite of standards.
- The Integrated Planning and Reporting Framework Guidelines (2010, updated 2016), ensuring compliance with legislative requirements.

A core focus of this Policy is to transition Council from an asset-centric to a service-centric approach, ensuring service outcomes drive asset management priorities.

3 Background

The Local Government Act 1993 (the Act) and the Local Government (General) Regulation 2021 (the Regulation) and the Integrated Planning and Reporting Framework 2009 place several obligations on NSW councils in relation to asset management.

These obligations ensure that all councils in NSW account and plan for all assets under their ownership, including new assets proposed in their strategic plans.

The legislative requirements include:

- **Asset Management Strategy and Plans:** Councils must prepare an Asset Management Strategy and Asset Management Plans to support the Community Strategic Plan and Delivery Program.
- **Structure:** The Asset Management Plans must encompass all the assets under a council's control and identify asset service standards.
- **Minimum Timeframes:** These documents must cover a minimum timeframe of 10 years.
- **Policy Alignment:** The Asset Management Strategy must include an overarching Council- endorsed Asset Management Policy.
- **Critical Asset Identification:** Councils must identify assets critical to their operations and outline risk management strategies for these assets.
- **Capability Improvement:** Councils must include specific actions to improve asset management capability, including resource requirements and timeframes.
- **Community Engagement:** Councils must actively engage with their local communities, utilising the Integrated Planning and Reporting Guidelines (Figure 1) and other communication measures.
- **Reporting:** Councils must report on their assets in the annual financial statements, in accordance with the Local Government Code of Accounting Practice and Financial Reporting, including condition assessment, renewal and maintenance expenditure.

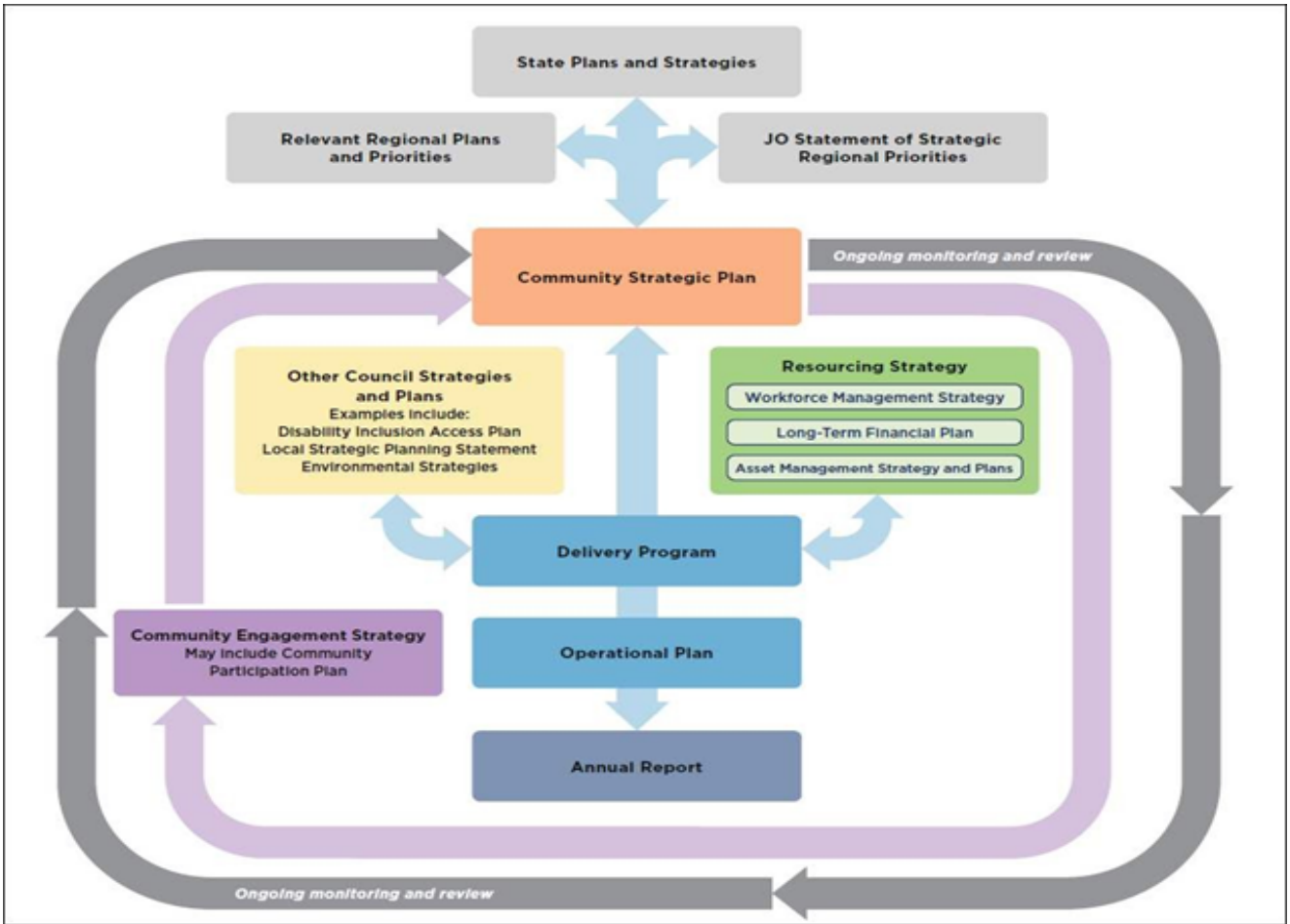


Figure 1- NSW Integrated Planning and Reporting Framework

4 Scope

4.1 In scope

This Policy applies to all assets owned or administered by Inner West Council and encompasses:

- Community and infrastructure assets; and
- Operational assets used in the provision of community services and other Council operations.

4.2 Out of scope

- Natural and heritage assets within Council’s boundaries.
- Assets owned and maintained by other government organisations or by private organisations within Council’s boundaries.

5 Definitions

In the Asset Management Policy, the following terms have the following meanings:

TERM	DEFINITION
Act	Local Government Act 1993.
Asset	<p>Infrastructure owned or controlled by Council to deliver services or generate economic, social, or environmental value.</p> <p>Infrastructure such as Roads, Footpaths, Kerb and Gutter, Bridges, Traffic Management Devices, Street and Park Furniture, Stormwater Pipes and Pits, Culverts, Playgrounds, Sports fields, Land, Buildings, Facilities, Commercial Investments, Plant and Equipment, Natural and Heritage Items owned or administered by Council.</p>
Asset Management Plan	A document outlining the full physical and financial life cycle of an asset. This includes details of the asset components, asset values, depreciation rates, lifecycle expectations, physical condition assessments, maintenance and renewal plans for the whole of the life of the asset.
Asset Management Strategy	A high-level action plan that gives effect to the asset management framework by documenting the approach to delivering on objectives and plans with supporting systems.
Asset Management System	Is a set of interrelated and interacting elements of the organisation, whose function is to establish the asset management policy, asset management objectives and processes to achieve those objectives.
Asset Management Software System	A software system used for asset management with the function of recording and facilitating the data and processes required to deliver the asset management objectives.

Capital Expenditure

Expenditure for new infrastructure and for the renewal or upgrade of existing assets that enhance the future service potential of the assets.

Councillor

Inner West Council elected representative.

Council Officer

Inner West Council members of staff (including full-time, part-time, casual and contracted staff).

Disposal

Activities necessary to dispose of decommissioned assets that are no longer required.

Executive Leadership Team / Executive and Management Team

General Manager, all Directors and General Counsel.

Financial Sustainability

The financing of the full life cycle costs, over a minimum 20-year period of Council's assets so as to not unreasonably burden future generations or unreasonably reduce the service levels for future generations.

Infrastructure Asset

An asset that by its nature provides value to the community and/or enables the community to function, e.g. roads, traffic facilities, footpaths, drains, parks and sports fields.

New

Expenditure on new works or acquisitions that create an asset that did not exist in any shape or form.

Renewal

Expenditure on an existing asset which returns the service function or the life of the asset back to its original condition

<p>Renewal Gap</p>	<p>The difference between the organisation’s current renewal funding and the required renewal demand.</p>
<p>Routine Maintenance / Maintenance</p>	<p>Expenditure which does not meet the definition of Capital Expenditure but is incurred to ensure that the asset continues to provide its pre-determined service, function and quality and achieves its expected useful life. Routine maintenance expenditure is of a regular and ongoing nature.</p>
<p>Service Planning</p>	<p>A comprehensive review and planning of a particular area of service delivery. The focus of service planning is on quantity, efficiency and ability to sustainably meet the needs of the community/ informing provision of current and future assets.</p>
<p>Upgrade</p>	<p>Expenditure on an existing asset which enhanced and/or improves its function and a consequence provides a higher level of service.</p>

6 Statement

Assets owned and/or administered by Inner West Council must:

- Align with transparent processes demonstrating responsible management practices;
- Support a service-centric framework compliant with the NSW IP&R Guidelines (2010, updated 2016), meaning that Council will adopt intervention levels for both maintenance and capital works in accordance with affordable and equitable standards;
- Have a defined strategic purpose that contributes to Council’s community infrastructure and/or service delivery objectives as defined in Council’s Community Strategic Plan 2041.
- Be managed so that the assets are structurally sound (fit for service), functionally sound (fit for purpose), aesthetically sound (look good) and are environmentally and financially sustainable into the future;

- Be managed with a life cycle approach where the total life cycle cost of all assets is taken into consideration, i.e. not just initial acquisition costs;
- Be accessible, adaptable and have sufficient capacity to meet the varied needs of the Inner West community over time;
- Clearly define custodianship and operational accountabilities;
- Be identified, registered and recorded in accordance with relevant legislation and accounting standards;
- Include a current Asset Management Plan detailing the life cycle, maintenance, and renewal requirements;
- Have a current Asset Accounting Policy detailing the methodology of valuations and the methodology of reporting depreciation, as well as key financial ratios, as required for local government financial statements;
- Have a structured Long-Term Financial Plan linked to defined Service Levels from the Asset Management Plan; and
- Evaluate and prioritise Capital Works projects on Council owned assets and recommend the annual and 10-year program to the Executive and Management Team.

7 Policy Implementation

Council will adopt a systematic approach to asset management consistent with ISO 55000:2014, the International Infrastructure Management Manual (2021), and the IP&R Guidelines (2010, updated 2016).

Implementation measures include:

- Utilising established service levels to determine future capital and maintenance needs.
- Ensuring Asset Management Plans inform the Long-Term Financial Plan.
- Engaging the community as per IP&R requirements.
- Evaluating life-cycle costs for new assets before acquisition.
- Conducting regular condition and risk audits, following IPWEA guidelines.
- Leveraging data for depreciation calculations and asset revaluations as per AASB116 and AASB13

8 Responsibilities

Responsibilities for implementing this Policy are shared between Councillors, Executive and staff as follows:

Council

- Act as stewards for all physical assets owned and/or controlled by Council;

- Adopt the Policy and ensure sufficient resources are allocated to manage Council assets;
- Set levels of service, risk and cost standards based on the community's needs and Council's
- ability to fund;
- Be aware of and commit to funding infrastructure renewal requirements stated in the Asset
- Management Plans, to ensure the sustainability of Council's infrastructure base; and
- Ensure investment decisions for new/upgraded infrastructure consider whole-of-life costs, including additional annual operations and maintenance costs.

The General Manager

- Promote asset management across the organisation;
- Ensure that the corporate strategic planning principles embraced by Council are reflected in the Asset Management Policy, Strategy and Plan;
- Monitor progress and performance in the implementation of asset management plans; and
- Allocate appropriate resources to achieve asset management objectives.

Executive and Management Team

- Responsible for implementing infrastructure asset management plans, systems, policies and procedures;
- Foster and support the cross-functional Asset Management Steering Group;
- Ensure that accurate and reliable information is presented to Council for decision-making;
- Ensure that adequate resources (human, systems and materials) are provided to implement the Asset Management Strategy and Asset Management Plans; and
- Ensure there is training and capacity built into the human resources involved with Asset Management at Council.

Asset Management Steering Committee

- Ensure that all asset management activities are consistent with the objectives of the Community Strategic Plan, and the Integrated Planning and Reporting Framework;
- Ensure that people, processes and systems are in place and work together to deliver services and meet the corporate infrastructure asset management objectives;
- Oversee the development and implementation of asset and risk management plans for all asset classes;
- Represent the key asset management functions e.g. Infrastructure Planning, Maintenance and Construction, Finance, Community Engagement and direct service provisions such as Recreation and Community Services;
- Monitor and review the status of implementation of the Asset Management Policy and Asset Management Strategy and Plans;

- Provide guidance for the development of long-term Asset Management Plans for all major asset classes;
- Provide guidance on the asset revaluation cycles and condition assessment programs; and
- Evaluate and prioritise Capital Works projects on Council owned assets and recommend the annual and 10-year program to the Executive and Management Team.

Asset Management Team

- Have asset management responsibilities reflected in position descriptions as appropriate.
- Develop and maintain Council's Asset Management Strategy;
- Develop and maintain Asset Management Plans for the assets under their control, including determination of asset renewal requirements i.e. proposed timing and estimated costs of end-of-life renewal using the principles of good asset management practice;
- Deliver asset maintenance, renewal, upgrade and disposal programs in accordance with Asset Management Plans and agreed levels of service;
- Periodically review the Asset Management Policy, Strategy and Asset Management Plans; and
- Engage up-to-date technologies, methodologies and continuous improvement processes in
 - the management of Council's assets.

Finance Team

- Report accurately on the status of Council's infrastructure assets in line with financial
- standards and statutory requirements; and
- Coordinate asset accounting deliverables and initiatives with Council's asset management team.

9 Breaches of this Policy

Breaches of this policy may result in an investigation of the alleged breach in line with relevant Council policies including the Model Code of Conduct.

Any alleged criminal offence or allegation of corrupt conduct will be referred to the relevant external agency.

10 Administrative Changes

From time-to-time circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made including branding, Council Officer titles

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or department changes and legislative name or title changes which are considered minor in nature and not required to be formally endorsed.

11 Version Control – Policy History

This policy will be formally reviewed in line with each Integrated Planning and Reporting cycle following the election of a new Council in accordance with the Local Government Act.

Governance use only:

Document	Asset Management Policy	<i>Uncontrolled Copy When Printed</i>	
Custodian	Director Engineering	Version #	Version 3
Adopted By	Council	ECM Document #	38288059
Next Review Date	30 June 2029		
Amended by	Changes made	Date Adopted	
Council	New Policy	June 2018	
Council	Revised Policy	14 June 2022	
Council	Revised with Asset Management Strategy 25-35	17 June 2025	