

These plans are informed by a Resourcing Strategy made up of:

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|---------------------------------|----------|------------|
| • Long Term Financial Plan | “Money” | (10 years) |
| • Asset Management Policy | | |
| • Asset Management Strategy | “Assets” | (10 years) |
| • Asset Management Plans | | |
| • Workforce Management Strategy | “People” | (4 years) |

*The red box in the above diagram identifies where this document sits in the Framework.

The Resourcing Strategy provides what money (Long Term Financial Plan), assets (Asset Management Strategy and Plans), and people (Workforce Management Strategy) are available to deliver the services, major programs, and projects to the community.

The Resourcing Strategy informs the services, programs and projects Council can deliver to meet the community’s vision, priorities and needs as set out in the Fairfield City Plan (*Community Strategic Plan*).

PURPOSE

Asset Management optimises resources to manage our community infrastructure assets to defined standards.

Council’s Asset Management vision of providing *“the appropriate mix of community infrastructure assets at a sustainable service level and cost that contributes to the achievement of the vision of the Fairfield City community”* influences the strategies and resources needed to manage our assets moving forward.

This Policy and the associated Asset Management Strategy set out the Major Asset Types (infrastructure) included and supported by Asset Management Plans. Asset Management Plans for infrastructure or fixed assets capture an inventory of assets, set out maintenance requirements, condition assessment criteria, and the intervention points where renewal is required.

Together, this Policy, Strategy and Asset Management Plans provide the framework that informs strategic asset management for assets. As Council continues to grow its asset base and to respond to the aspirations of the community, strategic asset management seeks to provide cost-effective service delivery with a funding allocation to sustain its assets into the future (*Long Term Financial Plan*).

SCOPE

This Asset Management Policy covers Council’s assets currently valued at approximately \$2 billion (2023-2024).

TERMS AND DEFINITIONS

For this document, the terms and definitions given in ISO 55000 and the following apply.

ISO and IEC maintain terminology databases for use in standardisation at the following addresses:

- ISO Online browsing platform: available at <https://www.iso.org/obp>
- IEC Electropedia: available at <https://www.electropedia.org/>

Word/Term	Definition
Organisation	<p>Person or group of people that has its own functions with responsibilities, authorities and relationships to achieve its <i>objectives</i> (3.6).</p> <p>For the purpose of this Policy. It is Fairfield City Council.</p> <p><i>Note 1 to entry: the concept of organisation includes, but is not limited to, sole-trader, company, corporation, firm, enterprise, authority, partnership, charity or institution, or part or combination thereof, whether incorporated or not, public or private.</i></p> <p><i>Note 2 to entry: If the organisation is part of a larger entity, the term “organisation” refers only to the part of the larger entity that is within the scope of the asset management system (3.4).</i></p>
Stakeholder	<p>Interested party, For the purpose of this document, it is teams within Council, Councillors and community.</p> <p><i>Person or organisation (3.1) that can affect, be affected by, or perceive itself to be affected by a decision or activity.</i></p>
Top Management	<p>Person or group of people who directs and controls an <i>organisation</i> (3.1) at the highest level. For this policy, it is ELT along with elected Council.</p> <p><i>Note 1 to entry: Top management has the power to delegate authority and provide resources within the organisation.</i></p> <p><i>Note 2 to entry: If the scope of the management system (3.4) covers only part of an organisation, then top management refers to those who direct and control that part of the organisation.</i></p>
Management System	<p>Set of interrelated elements of an <i>organisation</i> (3.1) to establish <i>policies</i> (3.5) and <i>objectives</i> (3.6) as well as <i>processes</i> (3.8) to achieve those objectives.</p> <p><i>Note 1 to entry: A management system can address a single discipline or several disciplines.</i></p> <p><i>Note 2 to entry: The management system elements include the organisation’s structure, roles and responsibilities, planning and operation.</i></p>
Policy	<p>Intentions and directions of an <i>organisation</i> (3.1) as formally expressed by its <i>top management</i> (3.3). <i>It is the Asset Management Policy (this document).</i></p>

Word/Term	Definition
Objective	<p>Result to be achieved as provided in Fairfield City Plan.</p> <p><i>Note 1 to entry: An objective can be strategic, tactical, or operational.</i></p> <p><i>Note 2 to entry: Objectives can relate to different disciplines (such as finance, health and safety, and environment). They can be, for example, organisation-wide or specific to a project, service, product or process (3.8).</i></p> <p><i>Note 3 to entry: An objective can be expressed in other ways, eg as an intended result, as a purpose, as an operational criterion, as an asset management objective or by the use of other words with similar meaning (eg. Aim, goal, or target).</i></p> <p><i>Note 4 to entry: In the context of asset management systems (3.4), asset management objectives are set by the organisation (3.1), consistent with the asset management policy (3.5) to achieve specific results.</i></p>
Risk	<p>Effect of uncertainty on objectives (3.6) as provided in Council's FORM framework.</p> <p><i>Note 1 to entry: An effect is a deviation from the expected – positive or negative.</i></p> <p><i>Note 2 to entry: Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of, an event, its consequence, or likelihood.</i></p> <p><i>Note 3 to entry: Risk is often characterised by reference to potential events (as defined by ISO 31073) and consequences (as defined in ISO 31073), or a combination of these.</i></p> <p><i>Note 4 to entry: Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood (as defined in ISO 31073) of occurrence.</i></p>
Process	<p>Set of interrelated or interacting activities that uses or transforms inputs to deliver a result.</p> <p><i>Note 1 to entry: Whether the result of a process is called an output, a product or a service depends on the context of the reference.</i></p>
Competence	Ability to apply knowledge and skills to achieve intended results.
Documented Information	<p>Information required to be controlled and maintained by an organisation (3.1) and the medium on which it is contained.</p> <p><i>Note 1 to entry: Documented information can be in any format and media and from any source.</i></p> <p><i>Note 2 to entry: Documented information can refer to:</i></p> <p><i>The management system (3.4), including related processes (3.8)</i></p> <p><i>Information created in order for the organisation to operate (documentation)</i></p> <p><i>Evidence of results achieved (records).</i></p>
Performance	<p>Measurable results.</p> <p><i>Note 1 to entry: Performance can relate either to quantitative or qualitative findings.</i></p> <p><i>Note 2 to entry: Performance can relate to managing activities, processes (3.8) products, services, systems or organisations (3.1)</i></p> <p><i>Note 3 to entry: For the purposes of asset management, performance can relate to assets in their ability to fulfil requirements (3.17) or objectives (3.6) and thereby their ability to realise value.</i></p>

Word/Term	Definition
Continual Improvement	Recurring activity to enhance <i>performance</i> (3.11).
Effectiveness	Extent to which planned activities are realised and planned results are achieved.
Requirements	Need or expectation that is stated, generally implied or obligatory. <i>Note 1 to entry: "Generally implied" means that it is custom or common practice for the organisation (3.1) and stakeholders (3.2) that the need or expectation under consideration is implied.</i> <i>Note 2 to entry: A specified requirement is one that is stated, eg in documented information (3.10).</i>
Conformity	Fulfilment of a <i>requirement</i> (3.14).
Nonconformity	Non-fulfilment of a <i>requirement</i> (3.14). <i>Note 1 to entry: Nonconformity can be any deviation from asset management system (3.4) requirements (e.g. from relevant work standards, practices, procedures, legal requirements), or any failure of an asset to meet or perform to specifications.</i>
Corrective Action	Action to eliminate the cause(s) of a <i>nonconformity</i> (3.16) and to prevent recurrence.
Preventive Action	Action to eliminate the cause of a potential <i>nonconformity</i> (3.16) or other undesirable potential situation. <i>Note 1 to entry: There can be more than one cause for a potential nonconformity.</i> <i>Note 2 to entry: Preventive action is taken to prevent occurrence and to preserve an asset's function whereas corrective action (3.17) is taken to prevent recurrence.</i> <i>Note 3 to entry: Preventive action is normally carried out while the asset is functionally available and operable or prior to the initiation of functional failure.</i> <i>Note 4 to entry: Preventive action includes the replenishment of consumables where the consumption is a functional requirement.</i>
Incident	Unplanned event or occurrence. <i>SOURCE: ISO 55000:2024, 3.3.22)</i>
Audit	Systematic and independent <i>process</i> (3.8) for obtaining evidence and evaluating it objectively to determine the extent to which the audit criteria is fulfilled. <i>Note 1 to entry: An audit can be an internal audit (first party) or an external audit (second party or third party), and it can be a combined audit (combining two or more disciplines)</i> <i>Note 2 to entry: An internal audit is conducted by the organisation (3.1) itself, or by an external party on its behalf.</i> <i>Note 3 to entry: "Audit evidence" and "audit criteria" are defined in ISO 19011.</i>

Word/Term	Definition
Measurement	<p><i>Process (3.8) to determine a value.</i></p> <p><i>Note 1 to entry: In this definition a “value” refers to a numerical value, which is different than value in the context of stakeholder’s (3.2) value or asset management value.</i></p>
Monitoring	<p><i>Determining the status of a system, a process (3.8) or an activity.</i></p> <p><i>Note 1 to entry: To determine the status, there can be a need to check, supervise or critically observe.</i></p> <p><i>Note 2 to entry: For the purposes of asset management, monitoring can also refer to determining the status of an asset. This is typically referred to as “condition monitoring” or “performance monitoring”.</i></p>
Asset	Infrastructure, Plant and Equipment owned, leased, or managed by Council that has value, enables services to be provided, or has an economic life greater than 12 months.
Asset Management	Asset Management is the coordinated activity of an organisation to realise value from assets.
Asset Management Plan (AMP)	A plan developed for the management of assets that combines multi-disciplinary management techniques (including financial and technical) over the life cycle of the asset in a cost-effective manner to provide an appropriate level of service.
Asset Management Policy	The overall intentions and direction of an organisation relating to its assets and the framework for the control of asset-related processes.
Asset Management Strategy	Identifies assets critical to Council’s operations and includes specific actions required to improve Council’s asset management capability and resourcing.
Strategic Asset Management Plan (SAMP)	Sets out Fairfield City Council’s long-term management of assets under its control and any new asset solutions proposed in the City Plan and Delivery Program. Consists of (3) three components; an Asset Management Policy, an Asset Management Strategy and Asset Management Plans.
Asset Register	A record of asset information considered worthy of separate identification, including inventory, historical, financial, condition, and construction, technical and financial information about each.
Lifecycle Cost	The total cost of a fixed asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
Service Level	Defining community expectations about the quality and quantity of a service delivered by Council.

Word/Term	Definition
Long Term Financial Plan (LTFP)	Informs decision-making in the Fairfield City Plan (Community Strategic Plan) and the Delivery Program. The Long-Term Financial Plan covers a minimum of ten (10) years. Updated annually as part of the development of the Operational Plan.
Resourcing Strategy	The long-term resources required to achieve the objectives established by the City Plan and the Delivery Program. The Strategy includes provision of the long-term financial planning, workforce management planning and asset management planning.
Risk Management	Identification, evaluation, and prioritising of risks followed by coordinated and economical application of resources to minimise, monitor, and control the impact of unfortunate events in line with Council's FORM frameworks based on ISO 31000-2018.

LEGISLATIVE CONTEXT

Name	Location
Local Government Act 1993	NSW Legislation website
Local Government (General) Regulation 2021	NSW Legislation website
Australian Standard – Asset Management – Overview, principles, and terminology	AS ISO 55000:2024
Australian Standard – Management systems – Requirements.	AS ISO 55001:2024 AS ISO 55002:2019

STAKEHOLDERS

The roles and responsibilities associated with Asset Management are:

The Council

- To provide stewardship for assets owned and/or controlled by Council
- To adopt the Asset Management Policy and Asset Management Strategy and monitor their outcomes regularly through IP&R reporting.
- Authorise resources for asset management activities in the Delivery Program and Operational Plan
- Determine new asset provision and maintenance activities in the Delivery Program and Operational Plan

General Manager

- Has overall responsibility for the effective Asset Management practices and procedures including reporting on the status and effectiveness of asset management within the Council.

Leadership

- Set the vision and values to guide policy and practice and actively promote these values, inside and outside of the organisation.
- Define the responsibilities, accountabilities, and asset management objectives and strategies.
- Set the Asset Management Policy and Objectives, aligning them with the organisational priorities.
- Ensuring that the asset management system aligns with other management systems within the organisation through appropriate organisational design, including risk management practices.

Managers

- Ensure appropriate resources are allocated to support asset management practice.
- Responsible for communicating the organisations asset management objectives and the importance of its asset management practice to all employees, customers, suppliers and other stakeholders.

SECTION 2 - POLICY

OBJECTIVE AND GOALS

- Safeguard Council's assets by implementing appropriate Asset Management Plans and appropriate financial treatment of those assets.
- Create an environment where Council employees take an integral part in the overall management of council assets by creating and sustaining Asset Management awareness throughout our Council.
- Develop medium to long-term programs of work for the provision of maintenance or assets in consultation with business operators.
- Meet statutory requirements applicable to Asset Management.
- Demonstrate transparent and responsible asset management processes that align with best industry practices and Council's asset management systems and plans.
- Ensure that Council is managing risk as part of its ongoing management of assets.
- Ensure appropriate service levels are developed and implemented in consultation with the stakeholders.
- Ensure that Council's specifications and requirements are met as part of the development or handover of assets constructed by third parties.

POLICY STATEMENT

Council's assets are managed sustainably to achieve the objectives of the Fairfield City Plan (the Community's Plan) through optimising the life cycle risk and performance.

Council is committed to the whole-of-life-costing when considering the development of new assets and the upgrade of existing assets to ensure the resourcing of operational and ongoing maintenance requirements is sustainable.

APPLICATION and IMPLEMENTATION

Whole of Council

To achieve asset management best practices, industry standards and guidelines have been adopted with a requirement to ensure the assets are planned, created, operated, inspected, renewed and disposed-off in accordance with Council's service delivery priorities.

This requires a "whole of Council" approach and commitment to strategic asset management for infrastructure (fixed) assets as well as information technology, security, plant, fleet and environmental (green) assets.

"Whole of Life"

"Whole of life cost" will be the basis of decision-making by Council in the acquisition of new assets specifically considering the implications for maintenance and renewal budgets.

Council's assets will be utilised to their optimum potential to maximise usage and economic performance. An inspection regime, and condition-rating will be used to ensure agreed service levels, intervention methods, and renewal priorities can be determined across all asset classes.

Asset Management System

Council manages its assets through the Asset Management System based on ISO55000. This system consists of the following elements:

1. **Policy** (this document) provides commitment from the leadership of the organisation on how to manage Council assets.
2. **Planning** provides for the development of Asset Management Strategy and Asset Management Plans for key asset classes and actions necessary to realise organisational goals. Council's Asset Management Strategy and Asset Management Plans cover a minimum timeframe of ten (10) years and integrate with the IPR Framework (City Plan, Delivery Program, Operational Plan, and Long-Term Financial Plan).
3. **Support and Operation** provide for necessary resources, qualifications and communication enabling decisions based on life cycle management. Council staff develop an initial Capital Works (Renewal) program for the renewal of Assets based on Asset's "Needs". These Asset "Needs" are documented based on Community

priorities (surveys) and Asset conditions. The Capital Works program is reviewed by the Executive Leadership Team (ELT) and approved by Council. Council uses Community Surveys to inform the Level of Service, Customer Service Requests, Site inspections, Statutory changes and impacts, Strategic and service planning, and Risk Management as a part of the condition rating.

4. **Performance and evaluation** provide for monitoring through ICorp, Asset revaluations, Service Reviews, Management reviews of the system, improvement and evaluation using the whole of organisation approach to Asset Management. The performance of the asset is monitored through IP&R (Icorp). This monitoring is achieved by aligning Asset Management Plans (AMP's) to both the Delivery Program and Operational Plan, monitoring expenditure and delivery of works funded within the Delivery Program and Operational Plan. Asset performance is measured through condition rating and reported annually through the Special Schedule 'Report on Infrastructure Assets' in the Financial Statements. Condition assessments are performed regularly, and useful lives are updated in Council's asset register.

The condition rating methodology considers "risk". Valuation and expenditure on Infrastructure, Property, Plant & Equipment is a key audit issue and risk (as identified in the Annual Engagement Plan) for external auditors and is subject to extensive testing.

SECTION 3 - GOVERNANCE

RELATED POLICIES/PROCEDURES

Authority/Policy No.	Policy/Guideline Title
NSW Government	Office of Local Government Integrated Planning and Reporting Guidelines and Handbook
NSW Government	Office of Local Government Integrated Planning and Reporting Manual
Office of Local Government	Financial Reporting Asset Management
Office of Local Government	Local Government Code of Accounting Practice and Financial Reporting 2023/24
Office of Local Government	Auditing of the Report on Infrastructure Assets (Special Schedule 7)
LGAM/National	National Asset Management Assessment Framework NAMAF
IPWEA	National Asset Management Strategy (NAMS) Framework

Authority/Policy No.	Policy/Guideline Title
Australian Standard/The International Organization for Standardization	ISO55000 ISO55001 ISO55002
Federal Register of Legislation Australian Accounting Standards	Accounting Regulations: <ul style="list-style-type: none"> - AASB 116 Property, Plant and Equipment - AASB 5 Noncurrent Assets held for Sale and Discontinued Operations - AASB 136 Impairment of Assets - AAS 27 Financial Reporting by Local Governments
Fairfield City Council	Fairfield City Resourcing Strategy
2025-2035	Fairfield City Plan – Community Strategic Plan
2025/26-2029/30	Fairfield City Council Delivery Program
2025/26-2029/30	Fairfield City Council Operational Plan
2025/26-2035/36	Fairfield City Council Asset Management Strategy
Fairfield City Council 2022-2026	Disability Inclusion Action Plan (DIAP)
Fairfield City Policy 0-042	Disposal of Assets

RESPONSIBILITY

Policy Owner	Manager City Assets
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RISK

Council manages its Asset risk as part of the condition rating of assets. The formulae for each asset class are based on IPWEA Guidelines and consider asset-specific risk related to that asset class, taking into account industry practice adjusted to the performance of our assets at Fairfield City Council.

Council also allocates funds for emergency and unplanned failures when they arise during the financial year.

VERSION CONTROL AND CHANGE HISTORY

Version Number	Approval Date	Approved by	Amendment

The management of Council reserves the right to cease, modify or vary this Policy and will do so in accordance with Council's established consultation processes.

REVIEW DATE

This Policy shall be reviewed not less than every four (4) years or considered within the first year of each newly elected Council.

AUTHORISATION

This Policy was adopted by Council Resolution at the Outcomes Committee on xx in Council Minutes.