

# ASSET MANAGEMENT POLICY



**Responsible Department:** Corporate Services  
**Responsible Section:** Finance Services  
**Responsible Officer:** Manager Financial Services

## Purpose

This Policy has been developed to ensure that Council complies with the management of its assets as required by the NSW Local Government Act (1993). The Policy outlines Council's commitment to implementing a methodology for systematic asset management which will assist Council with its decision making to inform operations designed to meet community expectations.

The role of the Council is to;

- Provide stewardship for infrastructure assets,
- Set levels of service, risk and cost within available resources,
- Approve Councils asset management policy, strategy and plans,
- Ensure appropriate allocation of asset management resources,
- Evaluate asset management improvement, and
- Ensure asset management is part of senior management performance criteria.

Setting policy is one way that Council fulfils its role to set a direction for the organisation and a framework for managers and staff to work within.

This policy sets guidelines for the implementation of consistent asset management processes, while reflecting the direction set by Council for future desired asset management operational protocol.

This policy covers all of Councils infrastructure assets within the core asset groups of 'Buildings, Other Structures and Recreation', 'Transport', 'Water' and 'Sewer'.

This policy covers all relevant capacity planning, control and timing for asset related operational activities including inspections, maintenance and renewal of existing assets; and the analysis of any upgrade or extension to the infrastructure network.

## Objective

To ensure adequate provision by Council for the long-term management of infrastructure assets by:

- Ensuring that Council's infrastructure assets are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment,
- Safeguarding Council assets, including physical assets and employees, by implementing an appropriate asset management strategy and financial resources for the management of those assets,
- Creating a situation where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council,
- Managing Councils associated risk,
- Meeting legislative requirements for asset management,

- Ensuring resources and operational capabilities are identified and responsibility for asset categories are duly allocated, and
- Demonstrating transparent, responsible management processes to align with accepted best practice.

## Introduction

Council recognises that to determine the community's needs and required service levels, holistic consultation is an essential part of asset management. Council will undertake community consultation to determine the need for infrastructure assets, along with determination of the service levels required.

Council is committed to identifying life cycle costs including the increase in operating expenses in future budgets as a consequence of all proposals involving new assets and services, or upgrades to existing assets and services. Council will ensure all assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council priorities for service delivery.

A consistent strategic approach to asset management will ensure Council delivers the highest appropriate level of service, providing positive impact on:

- Members of the public and staff,
- Councils financial bottom line,
- Councils ability to deliver infrastructure assets at the expected levels of service,
- The political environment within which Council operates, and
- The legal liabilities of Council.

Appropriate asset management practices will impact directly on the core business of the organisation, enhancing Councils ability to achieve its strategic objectives. Council owns and uses approximately \$420M worth of non-current assets to support its core business of service delivery to the community.

Decisions relating to asset management will be reflected in the strategic objectives, strategies, actions and performance measures outlined in Council's adopted Community Strategic Plan, Delivery Program and Operational Plan which in turn are informed by Council's Asset Management Strategy and Plans.

The Policy also commits Council to implementing asset management best practice across all Departments of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

An asset management policy sets the framework for asset management and covers the following principles:

- **Service delivery;** Ensuring community needs and the levels of service required inform the asset management processes adopted.
- **Informed decision making;** Ensuring all decisions incorporate a life cycle approach to infrastructure asset management.
- **Sustainability;** Ensuring that present needs are provided for whilst sustaining resources for the benefit of future generations.

Council's commitment will take into account relevant legislation along with political, environmental, economic and social factors of relevance to community needs. Council is committed to the implementation of a proactive management system which includes;

- Asset registers,
- Asset condition assessments,
- Asset maintenance and management systems,
- Strategic planning capabilities,
- Predictive modelling,
- Deterioration modelling,
- Risk analysis, and
- Lifecycle costing.

## Policy

1. Asset development and renewal will be:
  - Driven by community needs as reflected in the Community Strategic Plan,
  - Identified in Council's long term Asset Management Plans,
  - Accounted for in Council's Long-term Financial Plan, and
  - Reflected in the Delivery Program and Operational Plan.
2. All relevant legislation will be adhered to while taking into account the political, social and economic environments associated to asset management.
3. Asset management plans will be developed for all major asset categories.
4. Asset renewals required to meet agreed service levels will form the basis of annual budget estimates and be prioritised and implemented progressively.
5. Demonstrated need and future life cycle costing will be reported and considered in decisions relative to new services or assets and upgrading of existing services or assets.
6. Council is committed to prioritising asset development, renewal and maintenance based upon agreed service levels, the ability of the current assets to meet the needs of the community, and Council's available resources.
7. Council will incorporate consideration of risk management requirements in decision making processes.
8. Systematic and cyclic reviews will be applied to all asset classes to ensure they are managed, valued and depreciated in accordance with appropriate best practice as prescribed by Australian Standards, including the Australian Accounting Standards Board's AASB 116.

## References

- *Local Government Act 1993*,
- Integrated Planning & Reporting Framework,
- Local Government Financial Sustainability Framework,
- International Infrastructure Management Manual (IIMM).

## Related Documents

Asset Management Strategy and all associated Asset Management Plans.

## Review Date

This Policy has a lifespan of four (4) years and will subsequently be reviewed prior to the next Local Government election.

## History

MINUTE NUMBER:	MEETING DATE:	DESCRIPTION OF CHANGE:
472/2011	16 August 2011	Adopted
210/2013	2 April 2013	Reviewed
167/2017	15 August 2017	Reviewed