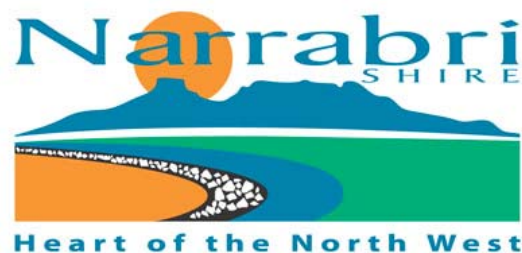


# ASSET MANAGEMENT POLICY



**Responsible Department:** Corporate Services  
**Responsible Section:** Property and Assets  
**Responsible Officer:** Property and Assets Manager

## Objective

To ensure adequate provision is made by Council for the long-term management (development, replacement, renewal and maintenance) of infrastructure assets by:

- Ensuring that Council's services and infrastructure 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 appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with accepted best practice.

## Introduction

This policy sets guidelines for the implementation of consistent asset management processes throughout Council. The role of the Council is to:

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

This policy reflects the direction set by Council for future desired management and operational practices. It reflects Council's adopted vision, which is:

*"To deliver services to, and represent the interests of, the whole community and provide a quality living environment within available resources."*

Setting policy is one way that Council fulfills its role, setting direction for the organisation and a framework for managers and staff to work within. This policy defines the following principles:

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

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

### **Council's vision relating to Asset Management**

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 assets and determination of the service levels required.

Council is committed to identifying life cycle costs. This includes 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. Future life cycle costs will be reported to Council and considered in all decisions relating to new services and assets or the upgrading of existing services and assets.

The Policy must be followed at all times by all stakeholders, including councillors, managers and staff.

### **Scope**

This policy applies to all Council Assets.

### **Definitions**

For the purposes of this policy, the following definitions apply.

**Asset:** An asset is a resource controlled by council as a result of past events and from which future economic, social and environmental benefits are expected to flow to the Council.

**Asset Management:** The systematic and coordinated activities and practices through which an organisation optimally manages its physical assets, and their associated performance, risks and expenditures over their lifecycle for the purposes of achieving its organisational strategic plan. (Asset Management Standard Public Available Specification 55, published by the British Standards Institute)

## Policy

### Methodology

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 as well as inform operations. 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 practices 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.

### Asset Values

Council owns and uses approximately \$385 million (2012) worth of non-current assets to support its core business of delivery of service to the community.

### Recognition of Asset Management

Asset management practices impact directly on the core business of Council. Appropriate asset management is required to achieve Council's adopted strategic service delivery objectives for:

#### **Road Infrastructure (including roads, kerb and gutter, footpaths, road signage, bridges and stormwater drains)**

"The Shire's strategic objective is to provide sustainable infrastructure. Narrabri Shire is a significant contributor to Australia's wheat and cotton export market and is developing coal and gas reserves. A well maintained, efficient road network is essential to the economic and social prosperity of the Shire."

#### **Water and Sewer Infrastructure**

"Council regards the provision of water supply and sewerage system as essential to the well-being of its towns and villages throughout the Shire and thus has embraced the NSW Best Practice Guidelines for the provision of water and sewerage services."

#### **Community Facilities (including parks and gardens, waste management, public buildings, land improvements, Narrabri Airport, cemeteries and saleyards)**

"Council is committed to providing facilities that promote a healthy lifestyle, social interaction and provide essential services for residents, visitors and businesses within the Shire."

### Link to Council's adopted Community Strategic Plan

Asset management relates directly to Council's adopted Community Strategic Plan. Relevant strategies detailed in the Community Strategic Plan include:

Council will develop a systematic maintenance program for the roads and footpaths network to ensure infrastructure is maintained to agreed community service levels.

Council will pursue all avenues for additional funding to address the deteriorating condition of Council's road and footpath infrastructure.

## **Effective Stormwater Management**

Council will develop a management plan for its quarries throughout the Shire.

Council will fund the operating and renewal needs of water supply and sewerage assets to reduce disruptions to these services.

Council will employ resources and maintain systems that monitor and maintain the water supply in its current standard in accordance with the NSW Government Best Practice Management Of Water and Sewerage Guidelines whilst planning for improvements in the future.

Council will develop an implementation plan for the Narrabri Water Treatment Plant and also investigate improved water treatment options for Wee Waa and Boggabri.

Council will provide a safe, reliable and economic waste collection and disposal service which meets modern environmental standards.

Manage sports fields and facilities across the shire to allow safe use throughout the year for their intended sports, as well as for community events and purposes.

Conduct an audit of playgrounds across the shire to ascertain compliance with the relevant Australian Standards.

Manage parks and reserves across the shire to allow safe and enjoyable use for the intended purpose. Development management options for the Narrabri Saleyards including a cost benefit analysis on each option.

Continue to manage the Narrabri Aerodrome to comply with all legislation and CASA requirements. Review the Narrabri Cemetery Management Plan and make recommendations to Council regarding any proposed improvements.

## **Link to Service Delivery**

A strategic approach to asset management will ensure that the Council delivers through its assets the highest level of service it can with the resources it has. This will benefit:

- Members of the public and staff.
- Council's financial position.
- The ability of Council to deliver the expected level of service and infrastructure.
- The political environment in which Council operates.
- The legal liabilities of Council.

## Principles

1. Council's Asset Management Strategy and Plans will have a minimum timetable of ten (10) years and will require three different but interlocking planning periods:
  - A rolling 10-20+ year forecast, linked to the Community Strategic Plan and Long Term Financial Plan.
  - 4 years to guide asset decisions flowing from the Delivery Program.
  - An annual plan detailing the actions to be implemented in the Operational Plan.
2. Council is committed to developing and implementing an Asset Management Strategy and appropriate best-practice asset management plans and operational practices throughout all Departments of Council.

Council's commitment will take into account relevant legislation; and political, environmental, economic and social factors of relevance to community needs. Council is committed to the introduction 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.
  - Lifecycle costing.
3. 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.
  4. Council is committed to developing and adopting service levels in its Asset Management Plans.
  5. 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.
  6. Systematic and cyclic reviews will be applied to all Strategies and Plans to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice Australian Standards including the Australian Accounting Standards Board's AASB 116. This will be done on an annual basis.

## References

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Infrastructure Asset Management Plans

## Measure of Success

- Measure by the adherence to the Policy and Procedure outlined in the Policy.

## History

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