



Council Policy Manual 2018

Part 14 – Asset Management

The policy in this document requires review. Should be in Infrastructure



Date 26 April 2023

Version 1.0



Contents

Council Policy Manual 2018	1
Part 14 – Asset Management	1
The policy in this document requires review	1
.....	1
14.4 Asset Management	3



14.4 Asset Management

STATUTORY CONTEXT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996 Australian Accounting Standard 27

CORPORATE CONTEXT

Integrated Plans –

- Asset Management Plans and Strategies
- Long Term Financial Plan
- Corporate Business Plan Annual Budgets

POLICY STATEMENT

Objective

Sustainable service delivery through optimised lifecycle management of assets –

- demonstrate the local government’s commitment to strategic asset management as described in framework guidelines provided to local government as part of Integrated Planning and Reporting requirements of the Local Government Act;
- provide guidance for elected members during annual budget process;
- provide guidance for staff responsible for development of asset plans and programs; and
- provide the community with a statement of intent regarding asset management.

This policy applies to –

- all who are involved in the operations, maintenance, refurbishment, renewal, upgrading and development of local government’s existing and new infrastructure and other assets;
- all of the local government’s assets which include physical features such as roads, drainage, buildings, parks, pathways, play grounds, plant and other assets that are not fixed in place.

Principles

The local government will procure, maintain and dispose of its assets in line with this policy and regulatory requirements.

The local government aims are to develop and implement cost-effective management strategies for the long term and strive for continuous improvement in asset management practices.

There are five core principles that this policy has regard for –

Principle 1: Understand the Community's Needs

Levels of service for each asset class will be detailed in line with community expectations and regulatory requirements. These levels of service will be determined-

- in words that are readily understood by the community,
- with regard to the cost of provision of these services to the desired level of service, and
- with an understanding of longer term changes necessary as a result of changing demographics within our community.

Principle 2: Be Financially Sustainable



The local government will develop annual asset plans and programs generated from rolling 10/20 year plans aligned to Corporate Plans, Asset Management Strategies, Long Term Financial Plan and Workforce Plan, updating each plan as necessary based on relevant decisions made.

Where relevant, consideration will be given to life cycle costs regarding decisions to renew, upgrade or procure significant assets before any decision is made.

The local government maintenance of assets shall be funded primarily from rates revenue and this shall be taken into regard when decisions are made to procure new assets. Where limits on rates funding exist, precedence shall be given to necessary maintenance activities for existing assets over proposals to procure new assets from this funding source.

The local government will continually review its stock of assets and undertake consolidation of assets where it is in the best interests of the community.

Principle 3: Recognise Environmental Impact

The local government will consider and amend asset programs as necessary, where practical and financially acceptable options exist for reducing energy or water consumption, reducing carbon impact, reducing consumption of non-renewable resources and preserve or enhance the environment in which we live.

Improvements in our asset management systems will be undertaken to ensure measuring and monitoring of consumption of resources are in place to better understand the implications for long term asset management.

Principle 4: Continuous Improvement

Asset management processes will be developed that include a systematic approach to planning, implementing, reviewing and modifying asset management activities to improve the efficiency and efficacy of the overall system.

Processes will be developed to ensure that the local government is aware of contemporary asset management practices and that staff and service providers undertake continuous improvement

Principle 5: Public and Staff Safety

All facets of the asset management process will have a risk based approach to designing and undertaking each stage of the process to ensure public and staff safety is not compromised.

APPLICATION

As there is a substantial investment in assets, the local government will endeavour to meet the service needs of the community, in a manner that does not place undue economic, social or environmental burden on future generations. Decisions relating to the provision and management of public infrastructure shall reflect the local government's core values, statutory responsibilities and accountability to the community.

To achieve this, the local government will –

1. Ensure that appropriate infrastructure and other assets are acquired, maintained and renewed to meet the needs of current and future stakeholders, at equitable intergenerational cost.
2. Undertake a critical review of the need for that asset.



3. Take into account **whole of life** costs associated with asset ownership when considering proposed capital investment or other related expenditure, including upgrade and renewal works.
4. Quantify and communicate the true cost of operating and maintaining assets, as a basis for setting service level standards and making informed decisions on asset purchase, maintenance and renewal. Consult with key stakeholders to establish agreed service standards that reflect community expectations and willingness / propensity to pay.
5. Implement appropriate business practices and procedures to ensure that infrastructure and other assets are operated, maintained and renewed in accordance with agreed standards, at lowest **whole of life** cost to the community.
6. Where appropriate, engage the private sector and Government agencies to explore opportunities for alternative “non-asset” service delivery solutions, including public private partnerships and integrated / shared servicing arrangements.
7. Ensure that statutory and legal obligations with respect to the operation and maintenance of public infrastructure and other assets are effectively met, particularly with regard to public safety and security.
8. Continually seek opportunities for multiple use of assets.
9. Provide appropriate asset data and reporting to meet the needs of the end users/keystakeholders.
10. Develop and implement long term Asset Management Plans as determined by the CEO, for the key asset classes –
 - a) Transport assets – roads, paths, bridges, culverts, drainage, airport, street furniture etc.;
 - b) Property assets – buildings, freehold land and associated ancillary infrastructure;
 - c) Recreation assets – parks, ovals, reserves, gardens, playgrounds etc.;
 - d) Plant and equipment – vehicles, tools, plant and machinery, information technology and communications equipment etc.
 - e) Portable and attractive assets – in accordance with the *Local Government (Financial Management) Regulations 1996 r.17B*; and
 - f) Other classes as deemed appropriate or necessary
11. Develop and implement an Asset Management Improvement Strategy detailing proposed business improvement actions and projects aimed at enhancing organisational effectiveness with respect to the management of assets.

HISTORY

Adopted 17 October 2018

REFERENCES

Asset, for the purposes of this policy, includes a physical component of a facility which has value that enables services to be provided and has an economic life greater than 12 months