

Policy 42 COUNCIL ASSET MANAGEMENT POLICY

POLICY NUMBER 42

OBJECTIVES To provide the highest level of service for current and future generations which is a balance between responsible management of assets, meeting the community's expectations and affordability.

To achieve this Assets must be planned, delivered, maintained and refurbished so that they continue to meet this Vision.

STATUTORY AUTHORITY

POLICY Adopted on 17 July 2006 – Min Ref: 264/06
Amended 17 September 2012 – Min Ref: 243/12
Amended 18 April 2016 – Min Ref. 112/16

POLICY

1. PURPOSE

To set guidelines for implementing consistent asset management processes for Northern Midlands Council.

This policy only considers physical or infrastructure assets. In accordance with the 'International Infrastructure Asset Manual' an infrastructure asset is 'a physical component of a facility which has value, enables services to be provided and has an economic life of greater than 12 months'.

The infrastructure assets to be considered include such assets as Roads, Footpaths, Kerb and Channel, Bridges, Buildings, Stormwater, Plant and Equipment.

2. OBJECTIVE

To ensure adequate provision is made for the long-term replacement of major 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 an asset management awareness throughout the organisation by training and development.
- 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 demonstrated best practice.

3. SCOPE

This policy applies to all Council activities.

4. POLICY

4.1 Background

4.1.1 Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas 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.

4.1.2 Council owns and uses approximately \$330m of non-current assets to support its core business of delivery of service to the community. As a result of its long history and continued growth, these assets vary in age and include heritage registered facilities.

4.1.3 Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives.

4.1.4 Adopting asset management principles will assist Council in achieving its Strategic Plan and Long Term Financial Plan objectives.

- Asset management

Vision:

To provide the highest level of service for current and future generations which is a balance between responsible management of assets, meeting the community's expectations and affordability. To achieve these assets must be planned, delivered, maintained and refurbished so that they continue to meet this vision.

Goal:

To provide the highest level of infrastructure to meet the service delivery requirements of the Northern Midlands community, and its many visitors, now and for future generations.

4.1.5 A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on;

- 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; and
- The legal liabilities of Council.

4.2 Principles

- 4.2.1 A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all areas of Council.
- 4.2.2 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- 4.2.3 Asset management principles will be integrated within existing planning and operational processes.
- 4.2.4 Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.
- 4.2.5 An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 4.2.6 Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long term financial plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented in budget documentation.
- 4.2.7 Service levels defined in adopted asset management plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined services levels and budget resources documented in budget documentation.
- 4.2.8 Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- 4.2.9 Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- 4.2.10 Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- 4.2.11 Future service levels will be determined in consultation with the community.
- 4.2.12 Training in asset and financial management will be provided for councillors and relevant staff.

5. LEGISLATION

Local Government Act 1993 & Regulations under the Act.

6. RELATED DOCUMENTS

Asset Management Strategy and associated Infrastructure and Asset Management Plans.

7. RESPONSIBILITY

Councillors are responsible for adopting the policy, allocation of resources, providing high level oversight of the delivery of the organisation's asset management strategy and plan and maintaining accountability mechanisms to ensure that organisational resources are appropriately utilized to address the organisation's strategic plans and priorities.

The General Manager has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

8. REVIEW DATE

This policy has a life of 4 years. It will be reviewed in September 2020.