



NAME OF POLICY: Asset Management

POLICY MANUAL: Governance

PURPOSE

The purpose of this Policy is to outline the strategic framework and forward planning requirements for the management of Council owned assets.

OBJECTIVES

The objective of this Policy is to provide for the long-term strategic management of Council owned assets by ensuring that:

- Assets are managed in a transparent and responsible manner that aligns to demonstrated best practice asset management principles.
- Future funding needs are identified so that asset renewal can continue to occur on a cyclic basis and defined levels of service are maintained.
- An asset management “Whole-of-Life” approach is taken in the development of operational, maintenance and renewal strategies.
- Risk management and assessment is considered in the development of asset strategies.
- Asset performance is measured against defined levels of service.
- Assets are brought to account in accordance with the requirements of the appropriate accounting standards and reporting requirements.
- Appropriate resources and operational capabilities are identified and responsibility for asset management is allocated.
- Appropriate decision making is applied to all major asset acquisitions which include a “Whole-of-Life” costing analysis, derived benefits associated and community consultation.

SCOPE

This Policy applies to all Council owned assets.

DEFINITIONS

“Asset” - Any property, plant or equipment, including infrastructure and other assets such as furniture and fittings, with benefits expected to last more than twelve (12) months.

“Level of Service” - The defined service quality against which service performance may be measured. Service levels usually relate to factors associated with quality, quantity, reliability, responsiveness, environmental, acceptability and cost.

“Asset Management” - The combination of management, financial, economic, engineering and other practices applied to assets with the objective of providing the required level of service in the most cost effective manner.

“*Asset Management Plan*” - A plan developed for the management of one or more asset classes that provides technical and financial management over the lifecycle of the asset in a cost effective manner. Such plans ensure that service levels are defined for each asset class.

POLICY

Background

The Council has developed and adopted Asset Management Plans for all its major assets (ie civil, drainage, buildings and recreation and open space infrastructure). The objective of these Plans is aimed at ensuring that the Council considers the management and development of its infrastructure and major assets on a strategic level.

This Policy provides an overarching strategic framework, which when applied together with the Council’s Asset Management Plans, will ensure a robust governance structure exists for the management of these assets.

The Council’s Asset Management Plans, together with this Policy, will ensure that the Council:

- is committed to implementing a systematic asset management methodology in order to ensure appropriate asset management best practices across all areas of the Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with the Council’s priorities in respect to service delivery.
- will ensure that, through appropriate asset management practices, the achievement of desired strategic service delivery objectives occurs.
- through its Strategic Plan, *City Plan 2030 - Shaping our Future* will ensure that asset management is directly linked to its corporate vision.
- will deliver the appropriate level of service to the community through its assets by undertaking a strategic approach to asset management.

Key Principles

The Council is the custodian of a large and diverse asset portfolio. It is the Council’s responsibility to ensure that these assets are effectively managed, reach the full extent of their useful lives within the defined service levels (as set by the Council) and that funding is available for the renewal of these assets at the end of their useful lives.

The following key principles will define the Council’s approach to asset management:

- A consistent asset management strategy for implementing systematic asset management and appropriate asset management best-practice.
- All relative legislative requirements and political, social and economic environments are taken into account in managing assets.
- Asset management plans will be developed, maintained and updated in accordance with the relevant legislative requirements.
- Regular condition assessments will be undertaken and used as part of asset management practices, to ensure agreed service levels are maintained, assist in reducing the Council’s risks and to identify asset renewal priorities.
- Systematic and cyclical renewal 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.
- Asset management will be integrated within the Council’s existing asset planning and operational processes.
- Service levels set by the Council will be defined in the asset management plans and the Council’s Long-Term Financial Management Plan.

- The purchase, renewal and disposal of assets, will be prioritised and implemented based upon the defined level of service required and the effectiveness of the current assets to provide the required level of service.
- Future life cycle costs will be reported and considered in all decisions relating to new services and assets, as well as upgrading of existing services and assets.
- Decision making in respect to the acquisition of major infrastructure will include the cost benefit analysis and an appropriate community consultation process.

REVIEW PROCESS

This Policy will be reviewed within three (3) years of its adoption by the Council.

INFORMATION

The contact officer for further information regarding this Policy is the Council's Project Manager – Assets, telephone 8366 4538.

ADOPTION OF THE POLICY

This Policy was adopted by the Council on 4 June 2012.

This Policy was reviewed and adopted by the Council on 5 August 2019.

TO BE REVIEWED

August 2022