

ASSET MANGAEMENT POLICY

Responsible Department:	Corporate and Community Services
Responsible Section:	Projects and Assets
Responsible Officer:	Manager Projects and Assets

Purpose

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

The Policy ensures that the systems and processes are in place to enable Council to determine the most effective and efficient options for delivering infrastructure related services while controlling exposure to risk and loss.

Scope

This Policy covers all of Council's infrastructure assets within the core asset groups of 'Buildings, Other Structures and Recreation', 'Transport', 'Water' and 'Sewer' pursuant the NSW Office of Local Government's Integrated Planning & Reporting Guidelines established by the *Local Government Act 1993* (NSW) s 406.

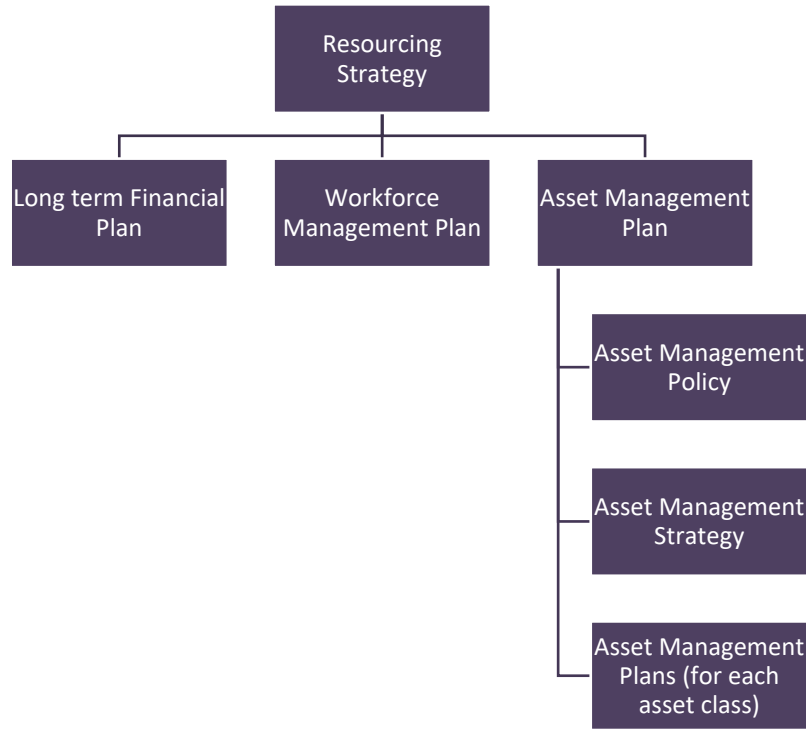
This policy covers all relevant capacity planning, control and timing for asset related operational activities including inspections, maintenance and renewal of existing assets, and the analysis of any upgrade or extension to the infrastructure network.

Context within the Integrated Planning and Reporting Framework

The *Local Government Act 1993* (NSW) s 403 requires all councils in NSW to develop and implement a Resourcing Strategy by 30 June following the year of an Ordinary Council Election.

The Resourcing Strategy is the point where the council explains to its community how it intends to perform its functions, including implementing the strategies set out in the Community Strategic Plan.

This Policy sits within Council's Resourcing Strategy as part of the Asset Management Plan:



Objective

The vision underlying this policy is that Council should be able to sustainably maintain, improve and grow its assets to support services in a way that minimises risk and impact on the environment, and which demonstrates best value.

In doing this Council will comply with all legal, regulatory, safety and environmental requirements placed upon it and will not compromise the safety of its employees or the public.

In support of this vision, our underlying principles of asset management are:

- **Appropriate assets:** Our assets will be accessible, safe, and suitable for community use.
- **Community benefit:** We will innovatively use our asset base to support the social, cultural, and economic wellbeing of the community.
- **Service delivery:** Asset planning will be informed by community need and affordable levels of service.
- **Informed decision making:** We will ensure all decisions incorporate a life cycle approach to asset management while meeting legislative requirements and managing risks.
- **Financial sustainability:** We will ensure that present needs are provided for whilst sustaining resources for the benefit of current and future generations.
- **Environmental sustainability:** Assets will be planned and developed to incorporate climate resiliency and mitigate Council's environmental impact.
- **Good Practice:** We will demonstrate transparent, responsible management processes to align with accepted best practice where all employees take an integral part in the overall management of our assets.

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.

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

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:

Appropriate asset management practices will impact directly on the core business of the organisation, enhancing Council's ability to achieve its strategic objectives.

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.

This Policy also commits Council to implementing asset management best practice across all departments of Council.

Council's commitment will consider 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 that includes:

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

Policy

1. Council will aspire to achieving advanced asset management practices that are service driven, align with the strategic priorities and directions of Council, and are informed by community input.
2. An appropriate governance structure will be established so that ownership, control, accountability, and reporting requirements for assets are established, clearly communicated, and implemented.
3. Council will comply with all legislative and regulatory obligations.
4. Asset management plans will be developed for all major asset categories covering a period of at least 10 years.
5. Council will aim to deliver long term financial sustainability by making decisions that lead to a cost-effective asset base. This will be supported by focussing on asset renewal before providing new assets, rationalising under-utilised assets, and limiting asset expansion unless justified.
6. Council is committed to prioritising asset expenditure based upon agreed service levels, the ability of the current assets to meet the needs of the community, and Council's available resources.
7. 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.
8. Asset renewals required to meet agreed service levels will form the basis of annual budget estimates and be prioritised and implemented progressively.
9. 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.
10. Council will incorporate consideration of risk management requirements in decision making processes.
11. 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.
12. Investment will be made in appropriate and timely asset management training and development program for staff.

Responsibilities

Council recognises that the very nature of asset management requires input and interaction between all facets of the organisation, including units that do not have specific responsibility for managing assets but use Council assets in the delivery of services.

With a whole of Council approach to asset management, Council will establish the platform required for the sustainable and responsible management of Council's assets.

The key responsibilities and relationships associated with asset management within Council are:

Council

- To act as overall stewards for assets that are owned or controlled by Council.
- Set levels of service, risk, and cost within available resources.
- Ensure that asset management requirements and lifecycle costs are appropriately considered in decision making and catered for in council planning and financial management.
- Approve the Asset Management Policy, the Asset Management Strategy, and Asset Management Plans.
- Ensure appropriate allocation of asset management resources.
- Ensure asset management is part of senior management performance criteria.

Executive Management Team

- To ensure alignment/compliance with Council's legislative responsibilities including under the *Local Government Act 1993* (NSW).
- To meet all obligations of the Australian Accounting Standards as they relate to asset management.
- Accountable for overall organisational asset management and service planning performance.
- To continually promote asset management across the organisation and Council.
- Ensure that accurate and reliable information is presented to Council for decision-making.
- Provide adequate resources and oversight in the implementation of the asset management framework.
- Ensure that asset management and its governance are integrated into corporate governance including corporate planning, financial management, reporting, and risk management.
- To ensure Council's agreed levels of service are funded in the Long-Term Financial Plan including renewal and development investments.

Asset Management Steering Committee

- Provide a coordinated, consistent, collaborative, and integrated approach to service planning and asset management across Council.
- Support the development, monitoring and review of the Asset Management Policy, Asset Management Strategy, and Asset Management Plans.
- Champion asset management across Council and support the evaluation and development of organisational asset management capability.
- Monitor progress of the implementation of the Asset Management Strategy, Asset Management Plans, and related improvement actions and the reporting of status and recommendations to the Executive Management Team.
- To ensure asset condition is monitored and reported in Council's Asset Management Plans on a cyclical basis

Asset Management Team and Council Staff

- Prepare, implement, and review the Asset Management Policy, Asset Management Strategy, and Asset Management Plans.
- Manage asset systems, develop procedures, and ensure compliance with standards and to support decision making, accountability and improvement.
- Maintain detailed asset registers providing a common data set for organisational purposes.
- Effectively and efficiently manage funds allocated for asset maintenance, operations, and asset related projects.

- Promote and raise awareness of asset management across the organisation and through the community.
- Proactively seek development of skills, abilities, and education where required to meet the requirements of the role.
- Provide asset information and assistance to Council's Service Managers.
- Be innovative, identify and communicate opportunities for improvement.

Capacity Building

To ensure that Council's asset management capabilities are best appropriate practice, Council will:

- Review skills and development needs in asset management related areas as part of employee performance planning and provide appropriate development opportunities.
- Provide Councillors and staff with asset and financial responsibilities with appropriate briefings in relevant asset and financial management principles, practices, and processes.
- Provide and allocate resources for training to support asset management across the organisation.

References

- *Local Government Act 1993* (NSW)
- NSW Office of Local Government's Integrated Planning and Reporting Guidelines and Handbook
- Local Government Financial Sustainability Framework
- International Infrastructure Management Manual (IIMM)

History

Minute Number	Meeting Date	Description of Change
472/2011	August 16, 2011	Adopted
210/2013	April, 2013	Reviewed
95/2017	June 27/2017	Reviewed
130/2022	May 16, 2022	Endorsed for Public Exhibition
187/2022	June 28, 2022	Adopted