



Policy Title	Asset Management Policy
Related Documentation	Asset Management Plans Asset Management Strategy Community Strategic Plan Delivery Plan
Relevant Legislation/ Corporate Plan	<i>Local Government Act 1993</i> Local Government (General) Regulation 2005 <i>Local Government Amendment (Planning & Reporting) Act 2009</i> <i>Civil Liability Act 2000, AASB116, AASB13</i>
Responsible Officer	Strategic Assets Coordinator, Infrastructure

UNCONTROLLED WHEN PRINTED

Objective

1. To provide clear direction on the management of Council controlled assets and to ensure Council is able to deal with changes to meet community needs in accordance with relevant legislation. Together with Council’s Community Strategic Plan and Resourcing Strategy, this policy details specific asset management objectives to ensure Council’s asset stewardship is met by:
 - i. The development and continual update of an Asset Management Strategy (minimum ten year period) as the primary framework to maintain asset services for current and future generations.
 - ii. The Management of assets through the development of Asset Management Plans in accordance with relevant legislation, community expectations and recognised best practice for each major asset class.
 - iii. The provision of funding will assist assets in meeting their defined levels of service as detailed in the Community Strategic Plan.
 - iv. Assets are being recorded in accordance with the requirements of the appropriate asset accounting standards and financial reporting requirements.
 - v. Asset management awareness being promoted throughout the council and supported at an organisational level.
 - vi. Ensuring whole-of-life costs, risks, options and service delivery objectives are reviewed before making decisions on any assets creation or replacement.

DATA AND DOCUMENT CONTROL

Division: City Delivery Section: Assets DocSet: 3234704	Adopted Date: 19/06/2012 Revised Date: 12/04/2022 Minute Number: 70 Review Date: 30/06/2024	Page: 1 of 4
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Policy Statement

2. The management of Council's assets is a key function of Council. The provision of assets maintained to meet community needs and expectations is fundamental to Council's overall service delivery.
3. This policy demonstrates Council's commitment to the responsible management of Council's assets. This policy addresses relevant legislative requirements and will be revised in accordance with any future changes.

Scope

4. All physical assets under Council's control that have a life exceeding 12 months and replacement value greater than Council's minimum asset limits are recorded. This policy applies to all assets under Council's control, regardless of their source of acquisition.
5. Physical assets include, but are not limited to, roads, footpaths, cycle ways, kerbs and gutters, car parks, street furniture, significant trees, signage, bridges, land, parks, open space, buildings and facilities, structures, drainage, plant and equipment, vehicles and information technology as detailed in the Asset Management Strategy and Plans.

Definitions

Term	Definition
Lifecycle cost	The Lifecycle cost (LCC) is the average cost to provide a service over the longest asset lifecycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The lifecycle cost does not indicate the funds required to provide the service in a particular year.
Asset management	The combination of management, financial, economic and engineering with other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Risk management	The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.
Asset	An asset is a resource controlled by Council which has a value and purpose as a result of past events and from which future economic benefits are expected to flow to Council.
Capital renewal	Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally, including replacement of an existing asset.
Capital upgrade	Expenditure which enhances an existing asset to provide a higher level of service or extends the life beyond that which it had originally.
Asset Management Plan (AMP)	The Asset Management Plans must encompass all assets under the control of Council. An AMP includes levels of service, future demand, asset lifecycle management requirements, risk management strategies and long-term financial projections.

Legislative Context

6. This policy is a requirement under the Integrated Planning and Reporting Guidelines issued by the Division of Local Government in line with Section 406 of the *Local Government Act 1993*.

Principles

7. This policy sets the broad framework for undertaking asset management in a structured and coordinated way. Asset management improvements directly relate to accountability, risk management and service efficiency. The principles can be summarised as follows:
 - i. A consistent Asset Management Strategy will be maintained that incorporates appropriate best practice systems and procedures for Council
 - ii. All relevant legislative requirements together with political, social and economic requirements will be taken into account in Asset Management Planning and subsequent operational activity
 - iii. Asset Management Planning will assist in the preparation of section business plans and budgets which will be considered in the annual Operation Plan
 - iv. Council's Long Term Financial Plan (LTFP) will utilise expenditure projections from AMPs
 - v. Asset renewals required to meet agreed service levels and adopted in the LTFP's will be considered for funding in the annual budget estimates
 - vi. 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
 - vii. An inspection process will be used as part of asset management procedures to check that service levels are maintained and that asset renewal priorities are being established
 - viii. Systematic and cyclic reviews will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards
 - ix. Future lifecycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets
 - x. Asset management information systems will contain relevant and accurate asset information (technical, financial and operational) and work as an informed decision making tool
 - xi. Asset provision will incorporate sustainability elements in their delivery and functional capability
8. Responsibility
 - (a) Council's Elected Representatives
 - (b) Council's General Manager and Directors
9. Responsibilities of the above groups allow cross functional Council staff to address particular aspects of asset management operations and planning. Working groups may address a specific range of assets or management issues that require:
 - i. The ongoing management of Council's Asset Management Strategy
 - ii. Development of Asset Management Plans for various asset classes

- iii. Development of revised position descriptions to include asset management accountabilities
- iv. Periodical review of Council's Asset Management Policy
- v. Annual review of Council's customer levels of service
- vi. Inclusion of asset management planning in the procurement process

Effectiveness of this Policy

- 10. This policy will be reviewed every three years and endorsed within the first 12 months of the new Council term.

END OF POLICY STATEMENT