



ASSET MANAGEMENT POLICY

PURPOSE

The purpose of this policy is to set guidelines for implementing consistent asset management processes for Council's infrastructure.

SCOPE

This policy applies to all Council infrastructure assets, including those operated for Council by a third party.

This policy is consistent with the:

- Local Government Act 1993

And with the:

- City of Clarence Strategic Plan 2016-2026
- Asset Management Strategy
- Asset Management Plans
- Long Term Financial Plan
- Customer Service Charter

DEFINITIONS

Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

<i>Asset class</i>	A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.
<i>Asset Management</i>	<i>“the coordinated activity of an organisation to realise value from assets.”</i> (ISO55000 Asset Management – Overview, principles and terminology)
<i>Level of service</i>	The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.
<i>Life cycle</i>	Stages involved in the management of an asset eg. Design, construction, operation, and decommissioning.

POLICY

OBJECTIVES

The purpose of the Asset Management Policy is to ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring that services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to customers and the environment.
- Safeguarding infrastructure assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all employees take an integral part in overall management of infrastructure assets by creating and sustaining an asset management awareness throughout Council by training and development.
- Meeting any legislative and regulatory 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.

BACKGROUND

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

Adopting asset management principles will assist in achieving our strategic long-term plan and long-term financial objectives.

Sustainable service delivery ensures that services are delivered in a socially, economically and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.

Sound asset management practices enable sustainable service delivery by integrating customer values, priorities and an informed understanding of the trade-offs between risks, costs and service performance.

PRINCIPLES

Council's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of infrastructure assets by:

1. Ensuring that Council's infrastructure assets are provided in a manner that respects financial, cultural, economic and environmental sustainability;
2. Meeting all relevant legislative and regulatory requirements;
3. Demonstrating transparent and responsible asset management processes that align with demonstrable best-practices;
4. Implementing sound asset management plans and strategies and providing sufficient financial resources to accomplish them by:
 - a) Asset management plans will be completed for all major asset classes.

- b) Expenditure projections from asset management plans will be incorporated into Council's long-term financial plan.
- c) Regular and systematic reviews will be applied to all asset management plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice.
- d) Regular inspection will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
- e) Asset renewals required to meet agreed service levels and identified in adopted asset management plans, and when applicable 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.
- f) Future life cycle costs will be reported and considered in decisions relating to new services and assets and upgrading of existing services and assets.
- g) Future service levels with associated delivery costs will be determined in consultation with the community.
- h) Ensuring necessary capacity and other operational capabilities are provided and asset management responsibilities are effectively allocated;
- i) Creating a corporate culture where all employees play a part in overall care for Council's assets by providing necessary awareness, training and professional development; and
- j) Providing the community with services and levels of service for which they are willing and able to pay.

RESPONSIBILITY

Councillors are responsible for adopting the policy, allocating resources, and providing high level oversight of the delivery of Council's asset management strategy and plans. Council is also responsible for ensuring that Council's resources are appropriately allocated to ensure sustainable service delivery.

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.

REVIEW

This policy shall be reviewed at least every four years.

Andrew Paul
GENERAL MANAGER