

Asset Management Policy

Policy Details

Policy Category	Council Policy
Date Adopted	9 th December 2020
Resolution Number	1220/007
Approval Authority	Council
Effective Date	9 th December 2020
Policy Version Number	1
Policy Owner	Director of Corporate Services

Supporting documentation

Legislation	<ul style="list-style-type: none"> • <i>Local Government Act (QLD) 2009 s. 104(5)</i> • <i>Local Government Regulation (2012) s.167 & s.168</i> • <i>Australian Accounting Standards</i>
Policies	<ul style="list-style-type: none"> • Asset Management Strategy • Asset Management Plans (Roads, Water and Sewer, Building and Other Structures) • Non – Current Assets Policy
Delegations	Nil
Forms	Nil
Supporting Documents	<ul style="list-style-type: none"> • Attachment A – Asset Management Principles • Attachment B – Asset Management Responsibilities

Version History:

Version	Adopted	Comment	eDRMS #
1	9/12/20	Council Resolution No. 1220/007	

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Intent

This policy:

- Provides the overall framework to guide the long-term sustainable management of Council's asset portfolio as a platform for service delivery.
- Informs Council's strategic asset management planning and enables the development and implementation of long term Asset Management Plans.
- Commits Council to funding infrastructure renewal requirements, delivering asset management legislative compliance and to the continual improvement of Council's asset management performance.
- Together with its related documents, will ensure comprehensive, accountable and transparent Asset Management practices for the Carpentaria Shire in accordance with relevant legislation and the Corporate Plan.

Scope

Asset Management at Council is the combination of management, financial, economic and technical practices applied to physical assets, with the objective of meeting the required levels of service in the most cost-effective and fit for purpose manner.

This policy applies to all physical assets owned or controlled by Council, however in keeping with the Queensland State Government's requirements, the initial focus will be given to Council's long-life infrastructure assets. Therefore, the physical asset classes covered by this policy are categorised as follows:

- Roads infrastructure
- Sewage Infrastructure
- Water Infrastructure
- Buildings
- Other Infrastructure Assets
- Land and Improvements
- Plant and Equipment

Policy Statement

Council acknowledges that assets (particularly infrastructure assets) support its core business of delivering services to the community. Council is committed to ensuring that infrastructure and services are provided in a sustainable manner, with appropriate levels of service to residents and visitors and taking due regard of the environment.

This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

It is the intention of Council that the management of its assets will encompass the economic, environmental and social sustainability of both the built and natural environment whilst ensuring the most appropriate and cost-effective methods of delivery of Council services for the benefit of the community.

Therefore, Council is committed to the adoption of sound asset management practices and processes which will significantly contribute to the achievement of Council's corporate vision and mission.

Council is also committed to managing its assets from a 'whole of life' perspective in accordance with recognised industry practice. Council recognises the need to establish an appropriate balance between the creation of new assets and the maintenance of its existing asset base. This includes reducing the gap between current expenditure on infrastructure maintenance and renewal and the level of expenditure required to ensure on-going infrastructure sustainability. This will require the integration of Council's asset management plans with its long-term financial plans and the consideration of total life cycle costs for new or enhanced services.

Furthermore, Council recognises that levels of service need to be set via a process that balances the community's needs and expectations with Council's ability to fund both now and in the future.

In view of the above Council aspires to the following:

"To develop and maintain asset management governance, skills, processes, technology and data in order to provide the desired level of service for present and future customers in the most cost effective, minimal risk, and fit for purpose manner"

Asset managers must adhere to asset management principles (refer Attachment A – Asset Management Principles) that are classified according to the four domains of:

- accountability and direction
- asset information management
- asset lifecycle management
- service level management

Policy Implementation

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 *Chief Executive Officer* has overall responsibility for developing and delivering an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management principles within Council.

The *Asset Custodian* has responsibility for the management of assets within the area of responsibility as determined under asset management plans. In the short-term, Asset Custodians will be tasked under implementation plans, and will be responsible for the timely completion of those activities contained within those plans. In the medium-term, awareness sessions will be conducted to ensure that employees are familiar with asset management and how it is applied within the Carpentaria Shire Council.

The *Coordinator Asset Management* has responsibility to develop corporate Asset Management Policy & Strategy for consideration by the CEO (via Executive Leadership Team) and Council. To implement assigned components of the Asset Management Strategy with agreed resources and review the performance of those strategy elements. To coordinate the Asset Management Improvement Program and provide overall governance.

(Refer attachment B – Asset Management Responsibilities)

Definitions

Asset - An item that has potential or actual value to an organisation.

Asset Life Cycle - The life of an asset, beginning with the establishment of a need for it, through its acquisition, operation and any maintenance or upgrading, to its disposal.

Asset Management - Asset management is taking a systematic approach to manage assets through all lifecycle phases. This involves applying a combination of engineering, financial and other technical practices to the management of infrastructure; costs; opportunities; risks; and performance.

Council - Carpentaria Shire Council

Levels of Service - The combination of Function, Design and Presentation of an asset. The higher the level of service, the greater the cost to deliver the service. The aim of asset management is to match the asset and level of service of the asset to the community expectation, need and level of affordability.

Operations - The regular activities to provide public health, safety and amenity and to enable the assets to function e.g. road sweeping, grass mowing, cleaning and graffiti removal.

Maintenance - Regular ongoing day-to-day work necessary to keep an asset operating and to achieve its optimum life expectancy.

Upgrade - Enhancing an existing asset to provide a higher level of service.

Renewal - Restores, rehabilitates, replaces existing asset to its original condition/capacity. The may include the fitment of new components necessary to meet new legislative requirements in order that the asset may achieve compliance and remain in use.

New - Creation of a new asset to meet additional service level requirements.

Whole of Life Costs - The total cost/s of an asset throughout its life including planning, design. Construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

Adopted by Council 9th December 2020 by Resolution 1220/007.

Mark Crawley
Chief Executive Officer

Attachment A – Asset Management Principles

Asset Management Domain	Guiding Principles
Accountability and Direction	<ul style="list-style-type: none"> • The management of assets aligns with the Council's vision and conforms to corporate policy, strategy and plans for the provision of asset-based services to the community. • An enterprise first, multi-disciplinary and consistent approach is taken to asset management. • Accountability for the management of Council owned or controlled assets is unambiguous, accepted and met. • Asset management industry standards are used where appropriate and adapted if necessary to maintain organisational consistency.
Asset Information Management	<ul style="list-style-type: none"> • Asset information is managed in accordance with Council's information management and asset management standards and policies. • Assets under the control of Council are identified and recorded in a register with the level of detail and accuracy being based on: <ol style="list-style-type: none"> (1) statutory requirements; <i>and then</i> (2) risk management requirements; <i>and then</i> (3) cost/benefit. • Statutory requirements for external reporting are met (as a minimum).
Lifecycle Management	<ul style="list-style-type: none"> • Assets are managed from a whole-of-life perspective (i.e. from planning and design to disposal). • Assets are managed to achieve the lowest possible whole-of-life cost whilst controlling exposure to risk and loss of service. • Assets are managed in support of the development of sustainable communities and are capable of adapting to changing environmental and social conditions. • Statutory requirements for asset management planning are met (as a minimum)
Service Level Management	<ul style="list-style-type: none"> • A planned approach is taken to the impacts of growth and demographic change through demand management and asset investment using an agreed growth and demographic model. • Current and desired levels of service are defined for asset-based services that consider: community expectations; legislative and technical requirements; the cost of service and economic, environmental and social sustainability. • Council is committed to funding infrastructure renewal requirements stated in the annually updated Asset Management Plans, to ensure the sustainability of the Council's infrastructure base. • Investment decisions for new/upgraded infrastructure will consider whole-of-life costs, including specifying additional annual operations and maintenance costs as part of the defined approval process.

Attachment B – Asset Management Responsibilities

Asset Management Custodian	Asset Management Responsibilities
Council	<ul style="list-style-type: none"> • To act as stewards for all physical assets owned or controlled by Council. • To set and approve corporate Asset Management Policy and direction. • To approve the Asset Management Plans and monitor outcomes. • To set levels of service, risk and cost standards based on the community's needs and Council's ability to fund. • To set (and where required vary) acceptable standards of construction and levels of service for Council's assets. • To be aware of and commit to funding infrastructure renewal requirements stated in the annually updated Asset Management Plans, to ensure the sustainability of the infrastructure base. • To ensure investment decisions for new/upgraded infrastructure consider whole-of-life costs, including additional annual operations and maintenance costs.
Chief Executive Officer (via Executive Leadership Team)	<ul style="list-style-type: none"> • To approve corporate Asset Management Strategy. • To champion good asset management practices across the organisation. • To steer the implementation of the Asset Management Policy, Asset Management Strategy and the Asset Management Improvement Program, including monitoring outcomes and performance measures. • To review and monitor the preparation, implementation and outputs of Asset Management Plans.
Asset Custodians	<ul style="list-style-type: none"> • To develop, update and implement Asset Management Plans for the assets under their control, including determination of asset renewal requirements i.e. proposed timing and estimated costs of end of life renewal using the principles of good asset management practice. • Determine the whole-of-life costs of proposed new/upgraded infrastructure, including additional annual operations and maintenance costs. • To implement the assigned components of the Asset Management Strategy with agreed resources and review the performance of those strategy elements. • To implement tactical plans (such as maintenance programs and capital works programs) in accordance with the Asset Management Policy, Asset Management Strategy, approved Asset Management Plans and other asset related plans. • To deliver asset-based services to agreed levels of service, risk and cost standards. • To present information to the CEO (via Executive Leadership Team) and Council relating to asset service levels, life cycle costs, risks and opportunities. • To record the levels of service set by Council, including decision date and reference number, for assets under its control (i.e., in a service level register or similar).
Coordinator Asset Management	<ul style="list-style-type: none"> • To develop corporate Asset Management Policy & Strategy for consideration by the CEO (via Executive Leadership Team) and Council. • To implement assigned components of the Asset Management Strategy with agreed resources and review the performance of those strategy elements. • To coordinate the Asset Management Improvement Program. • To annually produce Asset Management Plans, including renewal requirements, for Sign-off by asset custodians, directors, the CEO and for Council adoption. • To provide asset management governance.