



Asset Management Policy

(Policy Number – K-INFPOL002)
(Policy Type – Council)

1 Aim

The purpose of this Asset Management Policy is to guide the sustainable management of Council's assets to support services that will meet current and future community needs.

2 Policy Statement

Council aims to provide assets which support best value service provision. Council assets will be accessible, safe, and suitable for community use. Council's approach to asset management will balance competing social, environmental, and economic needs for the benefit of current and future generations.

Council will provide a framework within which it will undertake the management of its assets. This policy will guide the implementation and ongoing development of a consistent asset management regime within Council.

Council's overriding asset management goal is to optimise the provision, management, and disposal of assets at the lowest whole of life cost, ensuring defined services levels are met and maintained.

3 Policy Detail

Purpose	Description
Principles	<p>Council will apply a strategic approach for the management of its assets guided by the following principles:</p> <ul style="list-style-type: none">• the General Manager has the primary responsibility for asset management within the Council, noting though it is a shared responsibility across the whole of Council, with roles defined within respective position descriptions.• Council assets will be managed effectively through their lifecycle, (i.e. maintenance, renewal, upgrade, expansion, disposal).• asset management decisions will ensure:<ul style="list-style-type: none">- best value services are able to be delivered to the community,- Council's long-term financial sustainability is secured,- risks are identified and appropriately mitigated wherever possible,- promotion of sustainability and community resilience, and

	<ul style="list-style-type: none"> - planning for climate change adaptation and mitigation, where appropriate, are considered. • common reliable asset data is maintained. • all legislative and regulatory requirements are met. • appropriate training and skill development is provided to staff. • asset performance is routinely monitored and reported. • asset management plans along with service requirements will drive future capital and maintenance budgets. • whole of life cycle costs will be considered when infrastructure investment decisions and renewal of existing assets are prioritised. • asset management practices will be continually evaluated and updated when appropriate.
Objectives	<p>Council will:</p> <ul style="list-style-type: none"> • endeavour to make investment decisions which are well planned and programmed to ensure best value outcomes are achieved. • develop service levels and standards to ensure an appropriate balance is reached between meeting community expectations and demands, while at the same furthering the objectives of the Council long term plans. • make investment decisions for asset creation, renewals and upgrades which considers life cycle costs. • consider the efficient use of resources and protection of the natural environment as part of asset lifecycle planning, thereby supporting environmental sustainability. • commit to advancing the practice of asset management including the use of technology to optimise decisions, performance, and monitoring. • develop and maintain an asset management system underpinned by effective asset lifecycle analysis and sound financial management, ensuring accountability and sustainable delivery of services is achieved. • create an environment whereby the importance of asset management and resourcing required to deliver the asset is a priority. • ensure information is provided to the community relating to broad asset management principles and service level planning.



<p>Asset Planning and Budgeting</p>	<p>Council is committed to implementing asset management practices which ensure all assets are planned, created, operated, maintained, renewed, and disposed of in accordance with priorities by:</p> <ul style="list-style-type: none"> • asset renewal and maintenance programs being a priority over the creation of new or additional assets. • managing assets based on a life-cycle cost perspective ensuring all capital investment expenditure is only approved in conjunction with a clear understanding of what the impact will be on future operational expenditure budgets. • undertaking preventative maintenance programs to ensure that the lowest asset life-cycle cost is achieved, and values are maintained.
<p>Asset Operations and Maintenance</p>	<p>Council has significant infrastructure assets. To ensure these assets are maintained and operated efficiently Council will:</p> <ul style="list-style-type: none"> • undertake planned maintenance to assist assets in meeting their expected design lives. • ensure maintenance plans are designed to incorporate a cost benefits approach. • capture information about the activities undertaken to assist it in the analysis of current and/or future expenditure requirements.
<p>Asset Accounting</p>	<p>The Council's accounting system will allow for:</p> <ol style="list-style-type: none"> 1. keeping of detailed asset registers on all assets owned or under the control of the Council. 2. asset revaluations to occur at intervals of not greater than 5 years in line with accounting standards and adopted accounting policies. 3. effective economic lives to be given to each of Council's assets with the written down value and depreciation value determined in accordance with current accounting standards and requirements. 4. depreciation to be calculated in accordance with accounting standards on a basis that reflects the consumption of the economic benefits provided by the asset. 5. planned asset acquisitions, modifications, or disposals to proceed in accordance with Council's auditing and capitalisation processes.
<p>Strategic Approach to Asset Management</p>	<p>A strategic approach to asset management will ensure that the Council delivers its services in the most cost effective way, providing a positive impact on:</p> <ul style="list-style-type: none"> • members of the public, councillors, and staff. • Council's financial position.



	<ul style="list-style-type: none"> • the ability to deliver the expected level of service and infrastructure to the community. • legal liabilities/responsibilities of Council.
Intent	<p>Council’s asset management arrangements will include:</p> <ul style="list-style-type: none"> • consideration of relevant legislative requirements together with political, social, and economic environment conditions. • integration with existing infrastructure planning and operational processes. • an inspection regime to ensure agreed service levels are maintained. • identification of asset renewal priorities. • Consideration of environmental outcomes including the effect on the natural environment and the use of sustainable or re-use materials. • asset renewals required to meet agreed service levels as identified in infrastructure and asset management plans and the long-term financial plan. • service levels agreed through the budget process and defined in Infrastructure and Asset Management Plans funded through the annual budget estimates. • asset renewal plans prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide an appropriate level of service. • regular reviews of all asset classes to ensure assets are managed, valued, and depreciated in accordance with appropriate best practice and applicable accounting standards. • future life cycle costs reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets. • future service levels determined in consultation with the community. • regular training in asset and financial management provided for councillors and relevant staff.

4 Associated Documents and References

4.1 Local Government Act 1993 Reference

Section 70C – Asset management policies

(1) *A council is to prepare an asset management policy for the municipal area.*

(2) *An asset management policy for a municipal area is to –*

(a) *be consistent with the strategic plan for the municipal area; and*



- (b) *guide the development of the long-term strategic asset management plan for the municipal area; and*
- (c) *guide the development of the long-term financial management plan for the municipal area; and*
- (d) *contain at least the matters that are specified in an order made under section 70F as required to be included in an asset management policy.*

The Local Government (Contents of Plans and Strategies) Order 2014 states:

8. Asset management policy

(1) *In this clause –*

asset management policy of a council means an asset management policy prepared by the council in accordance with section 70C of the Act;

whole of life costing means the calculation of the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

- (2) *An asset management policy of a council is required to include the following matters:*
- (a) *the council's goals and objectives for asset management to facilitate delivery of services;*
 - (b) *the principles, requirements and other matters relating to the management of relevant assets including –*
 - (i) *agreed service levels; and*
 - (ii) *information on those assets; and*
 - (iii) *resourcing for those assets; and*
 - (iv) *compliance with all applicable legislation; and*
 - (v) *continual improvement of the management of those assets; and*
 - (vi) *the promotion of sustainability and community resilience; and*
 - (vii) *planning for climate change adaptation and mitigation; and*
 - (viii) *the adoption of whole of life costing;*
 - (c) *the assignment of responsibility for service delivery and for the management of relevant assets.*



4.2 Other Legislation Reference

- Australian Accounting Standards

4.3 Other Associated Documents

- Asset Management Strategy
- Asset Management Plans (various)
- Financial Management Strategy
- Annual Plan and Budget Estimates
- Annual Report

APPROVED BY COUNCIL: July 2023 Minute: ??

EFFECTIVE DATE: July 2023

ADMINISTERED BY: General Manager

This policy will be reviewed periodically to ensure its relevance in terms of community needs and expectations and Council goals, targets, budget and statutory requirements.