

Asset Management Policy

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Council Resolution Ref:	050/23
Date Adopted:	16.03.2023
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Responsible Officer:	Director Engineering Services

Purpose

The purpose of this policy is to set guidelines for implementing consistent asset management processes throughout Murweh Shire Council Commencement of Policy.

This Policy will commence on adoption by Council. It replaces all other policies (whether written or not).

Application

This policy applies to all Council departments, officers, employees, and contractors.

Policy

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.

The Councils 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 capital assets by:

1. Ensuring that the Councils capital 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 / service areas.
 - b. Expenditure projections from Asset Management Plans will be incorporated into Councils Long Term Financial Plan.

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- c. Regular and systematic reviews will be applied to all asset 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 all 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 Councils assets by providing necessary awareness, training and professional development; and
- j. Providing those we serve with services and levels of service for which they are willing and able to pay.

The objective of the 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.

Responsibilities

Responsibilities for implementing this policy are shared between Councillors, Executive, AM Steering Committee and staff as follows:

Councillors:

- Provide sustainable assets for the community by recognising and considering the life cycle cost of assets in making asset related decisions

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- Provide assets that deliver sustainable services to benefit the community to a level of service that justifies the costs of owning and operating these assets
- Act as custodian for assets on behalf of the community.
- Make AM decisions in accordance with Council's Corporate and Community Strategic Directions and Asset Management Policy and Strategy.
- Approve/Adopt Council's AM Policy, AM Strategy, AM Plans & Capital Works Programs

Executive

- Reflect the corporate and community strategic planning principles embraced by Council in the Asset Management Policy, Strategy and Plans.
- Seek to ensure Council allocates sufficient resources to the development, ongoing improvement and delivery of the Asset Management Strategy, Asset Management Plans, work programs and supporting systems.
- Integrate the Asset Management Policy and Strategy with the other policies and business processes of Council.
- Comply with Council's legal AM obligations.

Asset Management Steering Committee

- Provide corporate support and oversee the management of Council's assets. The Steering Committee has cross organisation representation.

Council Staff

- Develop and maintain AM Strategy and AM Plans.
- Develop long term and annual capital works programs.
- Deliver asset maintenance, renewal, upgrade and disposal programs in accordance with Asset Management Plans and agreed levels of service.
- Periodically review the Asset Management Policy, Strategy and Asset Management Plans.
- Engage up-to-date technologies, methodologies and continuous improvement processes in the management of Council's assets.
- Implement Council's AM Improvement Program.
- Implement Councils AM Annual Program.

PERFORMANCE MEASURES

The success of this policy will be measured by the following:

- Level of improvement in community satisfaction with the services provided and condition of assets in future years.
- Level of improvement in the overall condition of assets.
- Progressive reduction in the number of customer complaints and the number of reactive repair works.
- Satisfactory audit reports.
- Number of AM improvement targets identified in the Strategic AM Plan, Annual Plan and Delivery Plan achieved.
- Progressive improvement in AM maturity score.

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- Level of progress towards achieving the 'Fit for the Future' benchmark criteria.

Councillors adopt the policy and provide leadership and stewardship of Asset management principles and long-term planning.

The Chief Executive Officer has overall responsibility for developing asset management business processes, systems, organisational policies and procedures and reporting on the status and effectiveness of asset management within Council.

Directors and Managers are responsible for developing asset management plans, implementing asset management business processes, systems, organisational policies and procedures. They will form the base of the Asset Management Steering Group, with input from other officers as required.

Employees with management or supervisory responsibilities will be held accountable for the management of assets within their areas of responsibility as determined under the asset management plans

Employees will be tasked based on the relevant Asset Management Plans and will be responsible for the timely completion of allocated activities.

Audit and Review

This policy shall be reviewed every ***three years*** or as required due to changes to in legislation.

Definitions

Capital Renewal - Expenditure on an existing asset, which returns, restores, rehabilitates the service potential or the life of the asset up to that which it had originally. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Capital Upgrade - Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

New – Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Level of Service (LOS)

Defining and meeting community expectations in relation to the quality and quantity of assets and services delivered by Council.

Infrastructure Asset

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Infrastructure assets are typically large, interconnected networks or portfolios of composite assets, comprising components and sub-components that are usually renewed or replaced individually to continue to provide the required level of service from the network. Some examples are: roads; footpaths and cycle-ways; bridges; and community buildings

Asset Management Plan (AMP)

A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the assets in the most cost effective manner to provide a specified level of service.

Asset Management Information System (AMIS)

An Asset Management Information System is the foundation of all Asset Management practices. It is a combination of processes, data, software, and hardware applied to provide the essential outputs for effective asset management such as reduced risk, optimised decision making. The Asset Management Information System should integrate with other information systems within Council.

Asset Management Improvement Plan (AMIP)

This plan identifies the gap between current and the desired asset management practices.

References

Local Government Act 2009

Local Government Resolution 2012

Non-Current Asset Policy

Asset Management Strategy

Asset Management Plans

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Version Control

Version No.	Date	Approved	Amendment
1.0	14.02.2019	Neil Polglase	

Approval

Chief Executive Officer			
Date:	xx/03/2023	Signature:	