



Policy

70 ASSET MANAGEMENT POLICY

Version 03

Strategic Outcome: Good government

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Date for Review: 17/04/2024

Responsible Officer: Director Technical Services

1.0 Purpose

To set guidelines for implementing consistent asset management processes throughout Berrigan Shire Council.

2.0 Objective

To ensure adequate provision is made for the long-term management and replacement of major technical and physical assets, (including land and property) by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Establishing processes that integrate asset management, asset accounting, and community strategic planning with Council corporate and long-term financial planning.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council.
- Meeting legislative 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.

3.0 Scope

This policy applies to all Council activities.

4.0 Policy

4.1 Background



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- 4.1.1 Council is committed to implementing a systematic core approach to asset management. The elements of this approach prescribed in the *International Infrastructure Manual* include:
- Best available information and random condition/performance sampling
 - A simple risk assessment to identify critical assets
 - Long term cash flow predictions for asset maintenance, rehabilitation and replacement, based on local knowledge of assets and options for meeting current levels of service.
 - Improvement and transition over time, within Council resources, toward the development of advanced asset management plans.
- 4.1.2 Council's asset management plans are characterised by:
- Systematic monitoring and analysis of the physical condition of all assets
 - The integration of asset management with corporate risk management processes
 - Adoption by Council of levels of service developed after consultation with the community and with explicit links to the Community Strategic Plan and Council's Resourcing Strategy
 - An improvement program that includes performance indicators that report upon:
 - Environmental sustainability of the assets performance;
 - Examination of asset utilization rates where processes and methods are readily available and warranted;
 - Examination of complaints/requests against identified service levels for the class and type of asset
- 4.1.3 The replacement value of Council assets (2019) was approximately \$344,217,000. Council assets are used for the core business of Council: the delivery of service to the community.
- 4.1.4 Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve Council's 4 year Delivery Program and Community Strategic Plan objectives.
- 4.1.5 A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on;
- Members of the public and staff;
 - Council's financial position;
 - The ability of Council to deliver the expected level of service and infrastructure;



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- The political environment in which Council operates; and
- The legal liabilities of Council.

4.2 Principles

- 4.2.1 A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- 4.2.2 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- 4.2.3 Asset management and risk management principles will be integrated within existing planning and operational processes.
- 4.2.4 An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 4.2.5 Asset renewals required to meet agreed service levels and identified in infrastructure, asset management plans and long term financial plans will, within the reasonable limits of Council's available budget, be funded in the annual budget estimates.
- 4.2.6 Systematic and cyclic reviews will be applied to all asset classes to ensure that the assets continue to support Council strategic planning and operations.
- 4.2.7 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 for asset management and accounting.
- 4.2.8 Future life cycle costs and asset management plans reviews will be considered in all decisions relating to new services and assets, and or the upgrading and re-development of existing services and assets.
- 4.2.9 Future service levels, asset rehabilitation also the identification of assets for disposal, will be determined in the first instance by staff and where necessary or significant changes are recommended the Council's staff decision-making will be informed by consultation with user groups and the broader community.

5.0 Legislation

- Local Government Act 1993
- Relevant Australian Accounting Standards
- Relevant Office of Local Government Circulars
- Berrigan Shire Council Asset Accounting Policy