

Asset Management Policy

POLICY STATEMENT	<p>1.1 The purpose of this policy is to provide a management framework within which the Council will undertake the management of its portfolio of infrastructure assets.</p> <p>1.2 This Policy will also guide the implementation and ongoing development of a consistent asset management regime within Council.</p> <p>1.3 Council’s asset management goal is to optimise the provision, management and disposal of assets at the lowest whole of life cost, so that defined levels of service are met.</p>
OBJECTIVE	<p>2.1 The overriding objective is for Council to make smart investment decisions that are planned and programmed to enable the best value outcomes for the Kingborough community, in particular, considering the following.</p> <ul style="list-style-type: none"> • Community benefit: development of service levels and standards to ensure an appropriate balance of community expectations and the objectives and requirements of Council. • Financial sustainability: investment decisions for new and upgraded infrastructure will consider costs of constructing, operating and maintaining to ensure adequate funding is allocated in the long-term financial plan. • Environmental sustainability: efficient use of resources and protection of the natural environment will be imbedded into asset lifecycle planning to support environmental sustainability objectives of Council. • Continuous improvement: commitment to advancing the practice of asset management including the use of smart technology to optimise decisions, performance, and monitoring. • Evidence based decision making: continued development and maintenance of an asset management information system that will underpin effective asset lifecycle analysis and sound financial management to ensure accountability and sustainable delivery of services. • Asset Management understanding: creating an environment whereby there is understanding throughout Council of the importance of asset management and resourcing required to deliver the asset management objectives. • Community involvement: ensure there is an informed community on asset management principles and that service level planning associated with infrastructure assets involves community input.
SCOPE	<p>3.1 This policy applies to all infrastructure assets owned or controlled by Council.</p> <p>3.2 Council’s long term asset management planning reflects a life-cycle approach. An asset is likely to pass through the following phases during its life:</p> <ul style="list-style-type: none"> • the planning process, where the requirement for an asset is identified and established, having regard to service delivery considerations. • the acquisition phase, where the asset is purchased, constructed, leased, or otherwise brought into service. • the operation and maintenance phase, where the asset is used for its intended purpose. This phase includes condition and usage review, periodic maintenance, or major repair; and

	<ul style="list-style-type: none"> the disposal phase initiated when the economic life of the asset has expired, or when the need for the service provided by the asset has expired. This involves retirement, replacement, renewal or redeployment of an asset.
<p>PROCEDURE (POLICY DETAIL)</p>	<p>4.1 Asset Planning and Budgeting</p> <p>Council is committed to implementing asset management practices to ensure that all assets are planned, created, operated, maintained, renewed and disposed of in accordance with priorities for service delivery by:</p> <ul style="list-style-type: none"> ensuring that asset renewal and maintenance programs will be met prior to any new or additional assets being considered; managing assets based on a life-cycle perspective whereby all capital investment expenditure is only approved in conjunction with a clear understanding of what the impact will be on identified recurrent operational expenditure budgets; undertaking preventative maintenance programs to ensure that the lowest life-cycle cost is achieved, and asset values are maintained. <p>4.2 Asset Operations and Maintenance</p> <p>Council owns an extensive portfolio of infrastructure assets to support its delivery of service to the community. To ensure that these assets are maintained and operated properly Council will:</p> <ul style="list-style-type: none"> undertake appropriate planned maintenance regimes to assist its assets in meeting their expected design lives in the most cost-effective manner. 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>4.3 Asset Accounting and Costing</p> <p>The asset accounting and costing systems at Council will allow for:</p> <ul style="list-style-type: none"> keeping detailed asset registers on all assets owned or under the control of the Council. assets to be revalued at intervals of no greater than 5 years in line with Council's adopted accounting policies. effective economic lives will be given to each of Council's assets with the written down value and depreciation value determined in accordance with current applicable accounting standards and requirements. depreciation will be calculated on an appropriate basis with the objective being to use a method that best reflects the true consumption of the asset or conversely provides an indication of the future cash flows necessary to sustain the asset condition such that the required level of service is/can be maintained. planned asset acquisitions, modifications or disposals will proceed in accordance with Council's auditing and capitalisation processes. <p>4.4 Strategic Approach to Asset Management</p> <p>A strategic approach to asset management will ensure that the Council delivers in the most cost effective way the highest appropriate level of service through its assets. This will provide positive impact on:</p> <ul style="list-style-type: none"> members of the public, councillors, and staff. Council's financial position. the ability of Council to deliver the expected level of service and infrastructure. the political environment in which Council operates. the legal liabilities/responsibilities of Council.

GUIDELINES	<p>5.1 The principles which will underpin Council’s asset management arrangements include:</p> <ul style="list-style-type: none"> • all relevant legislative requirements together with political, social, and economic environments are to be considered in asset management. • asset management will be integrated within existing infrastructure planning and operational processes. • an inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities. • consideration will be given to smart technology in implementing asset management solutions. • environmental outcomes will be considered when bringing on new or renewing infrastructure assets, including the effect on the natural environment and the use of sustainable or re-use materials. • asset renewals required to meet agreed service levels and identified in infrastructure and asset management plans and long-term financial plans will be funded in the annual budget estimates. • service levels agreed through the budget process and defined in Infrastructure and Asset Management Plans will be funded in the annual budget estimates. • asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service. • systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued, and depreciated in accordance with appropriate best practice and applicable Australian Accounting Standards and contemporary guidelines. • 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. • future service levels will be determined in consultation with the community. • training in asset and financial management will be provided for Councillor’s and relevant staff.
COMMUNICATION	<p>6.1 Councillors and Staff. 6.2 Available on Council’s website.</p>
LEGISLATION	<p>7.1 <i>Local Government Act 1993</i> (as amended). 7.2 Australian Accounting Standards. 7.3 Statutory Audit Compliance.</p>
RELATED DOCUMENTS	<p>8.1 Individual Asset Management Plans. 8.2 Long Term Financial Management Plan. 8.3 Asset Management Strategy. 8.4 Annual Plan and Budget Estimates Annual Report.</p>
AUDIENCE	<p>9.1 Council and Community.</p>