



Asset Management Policy

Category: Strategic
Adoption: Council Date: July 2019
Review Period: 2 years
Responsible Manager: Manager Infrastructure
Signed by CEO:
Date: 12.8.2019

1. Purpose

This policy sets out Council's approach to managing its assets in a sustainable manner which meets the needs of the community, considering the balance between service levels and costs. This policy directs how the integration of asset management and long term financial planning will deliver sustainable management of assets for the provision of community infrastructure and services.

2. Scope

This policy applies to all Central Goldfields Shire Council's departments, officers, employees and contractors.

3. Objectives

The Council Plan identifies the following objectives in relation to asset management.

Outcome:

3. Our Built and Natural environment.

Objectives:

3.1. Ensure investment in roads, footpaths and buildings meet community needs now and in the future.

Initiatives:

- *Undertake service planning to establish asset requirements to deliver services.*
- *Review and update Asset Management Plans and prepare a ten year capital works program.*
- *Develop a plan to divest from assets that are surplus to community needs.*

3.5 Protect and preserve our Heritage assets.

Initiatives:

- *Implement recommendations from Cultural Heritage Plans for heritage listed buildings.*
- *Seek funding assistance to maintain and preserve heritage assets.*

The objective of this policy is to ensure that 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 the Central Goldfields Shire Council by undertaking 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; and
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

4. Policy

4.1 Background

Central Goldfields Shire Council's physical infrastructure has a non-depreciated value of approximately \$349 million (July 2018) and includes Roads and Pathways, Bridges, Drainage, Parks and Recreation facilities, Buildings and Property asset classes. This infrastructure is essential for delivering all Council services.

Asset Management supports all other Council strategies by ensuring that appropriate infrastructure is provided and maintained to enable the delivery of services, programs and activities to the community.

4.2 Principles

Central Goldfields Shire Council's 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 Central Goldfields Shire Council's 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 ensuring:
 - a. Asset Management plans will be completed for all major asset / service areas;
 - b. Expenditure projections from Asset Management Plans will be incorporated into Council's Long Term Financial Plan;
 - 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. Council commits to a valuation plan with the objective to achieve a consistent and cyclical approach to the valuation of assets including the upgrade of Asset Management Plans following a comprehensive valuation;
 - e. 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;
 - f. 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;
 - g. 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;
 - h. Future service levels with associated delivery costs will be determined in consultation with the community;
 - i. Necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
 - j. Creation of a corporate culture where all employees play a part in overall care for Central Goldfields Shire Council's assets by providing necessary awareness, training and professional development; and
 - k. To provide customers with services and levels of service that meet industry standards and the expectation of the wider community.
5. Integration of Asset Management into Councils business processes including:

- a. Implementation of Operational Asset Management Plans - These plans establish a range of activities including inspection frequencies which provide the basis of work plans for inspectoral staff. The inspectors produce reports which assist in the workflow planning of maintenance resources and the preparation of periodic maintenance programs and renewal plans;
- b. Execution of Asset Handover Procedure - The asset handover procedure provides integration between project delivery staff and the asset system to ensure new assets are capitalised when capital works are completed.
- c. Provision of Asset Responsibility Matrix - The Asset Responsibility matrix sets out general responsibilities for various stages of the asset lifecycle.
- d. Application of Service Planning will assist in determining the adequacy of assets and inform Asset Management Plans.
- e. Provision of the Long Term Financial Plan which includes expenditure requirements projected for the life of the plan and ensures that asset sustainability can be achieved.

5. Roles and Responsibilities

Council

To act as stewards for infrastructure assets and to:

- Set corporate Asset Management Policy and vision;
- Approve Council's Asset Management Plans and monitor their outcomes; and
- Approve Council's Long Term Financial Plan and provide appropriate resources for Asset Management activities.

Chief Executive Officer and Executive Management Team

The Chief Executive Officer and Executive Management Team shall be responsible for:

- Implementation of the overall improvement program, as detailed in the Asset Management Strategy;
- Provision of support to the Asset Management Steering Committee;
- Provision of leadership and direction in the implementation of the asset Management Policy and the Asset Management Strategy;
- Ensuring that community needs and the outcomes of service reviews are incorporated into asset management planning and the strategic resource plan; and
- Ensuring that reporting on asset management performance and outcomes to Council including an annual "State of Assets" report to Council occurs.

Asset Management Steering Committee (AMSC)

The AMSC monitors the development and implementation of the Asset Management Strategy. The AMSC shall be responsible for:

- Monitoring the implementation of the overall improvement program, as detailed in the Asset Management Strategy and advising the executive management team of progress.
- Providing adequate advice and assistance to ensure the necessary resources (business, technical, financial & other) are available for implementation of prioritised improvement opportunities;
- Providing coordination and support to achieve the asset management and financial planning objectives sought by Council, including the resolution of differences between Business Units when necessary;
- Overseeing community consultation required with regards to Asset Management Strategies.
- The following key outputs, resulting from the implementation of this Asset Management Policy:
 - Development of supporting policies;
 - An adopted Asset Management Strategy including timelines, responsibilities and resources required for implementation;
 - Coordinating the completion of Asset Management Plans for all major asset classes;
 - Use of Asset Management Plans as a core input to development of Council's Long Term Financial Plan; and
 - Documented business processes for managing assets.

Asset Managers and Staff.

Asset Managers and Staff shall be responsible to:

- Implement the actions in the Asset Management Strategy.
- Review and update the asset management plans for the assets they are responsible for managing
- Develop and implement maintenance, renewal and capital works programs in accordance with asset management plans.

6. Audit and review procedures.

This policy will be reviewed no later than 2 years after its adoption.

Council's Asset Management Framework will be audited annually utilising the National Asset Management System assessment template.

Evaluation. A number of performance measures are specified in the Local Government (Planning and Reporting) Regulations 2014 and these measures will be used initially to assist in the evaluation of asset management performance. Additional measures may be devised as Council develops additional community consultation techniques.

7. Human Rights Statement

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act (2007). Central Goldfields Shire Council is committed to consultation and cooperation between management and employees.

8. Related Policies and Procedures

- Asset Recognition Policy
- Asset Valuation and Revaluation Policy
- Asset Responsibility Matrix
- Asset handover procedure
- Leasing and Licensing Policy
- Disposal or sale of Council Assets and Land Policy

9. Relevant Legislation and Guidelines

Legislation

- Local Government Act 1989;
 - As directed by Section 136 (3C) of the Local Government Act 1989 (the Act), Council has a responsibility to manage risks associated with the management and maintenance of assets, and by Section 131, to prepare financial Statements in accordance with the Act. A primary outcome of this requirement is that Council's Balance Sheet reflects the Fair Value of its non-current assets.
- Road Management Act 2004; and
- Information Privacy Act 2000.

Reference Documents

- International Infrastructure Management Manual, International Edition Version 4 2011;
- Australian Infrastructure Financial Management Guide 2009 Edition 1.0;
- National Asset Management Assessment Framework 2009;
- Australian Accounting Standards Board 2004; and
- Local Government Asset Management -Better Practice Guide 2015.

Information Privacy

This Policy has been developed to correspond with the four basic principles embedded in the Information Privacy Act 2000, those principles being;

- The public has a legal right of access to information.
- Local governments are required to publish information concerning the documents they hold.
- People may request that inaccurate, incomplete, out-of-date or misleading information in their personal records be amended.
- People may appeal against a decision not to give access to the information or not to amend a personal record.

Risk Assessment Reference

This Policy aligns to the core Risk Management Standards as outlined in the Central Goldfields Shire Council Risk Management Strategy and Action Plan.