Asset management

Policy, procedure, protocol	Policy
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Related documents	Asset Management Strategy
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Section / Department	Organisation Performance & Governance
Linkage to Our Community Plan	5 Our Leadership
Objective	5.1 We will have a strong, accountable and representative Government
Strategy	5.1.6 Make prioritised decisions in the long-term interest of the broad community and have regard to financial and infrastructure sustainability

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1. Purpose

To set guidelines for implementing consistent asset management processes throughout Clarence Valley Council, to ensure Council's Asset Management System provides a framework that:

- Ensures that Council's services and infrastructure are provided reliably and in a sustainable manner, with the appropriate quality levels of service to residents, visitors and the environment.
- Safeguard Councils assets, including physical assets and employees, by implementing appropriate asset management strategies and appropriate financial treatment of those assets.
- Ensures appropriate risk management and risk mitigation options for all high and critical risk assets
- Creates an environment where all Council employees take an integral part in overall management of Council assets (create and sustain an asset management awareness throughout the Council).
- Meets and surpasses legislative requirements for asset management.
- Ensures resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrates transparent and responsible asset management processes that align with best practice.

2. Definitions

Asset
A physical component of a facility which has value, enables services to be provided, and has an economic life greater than 12 months. Council's assets include roads, bridges, footpaths, parks, buildings, drainage, water supply, sewerage, waste, floodplain, stormwater, caravan parks, saleyards, swimming pools, airports and heritage items. These assets are generally called infrastructure assets. The principles in this Policy apply to all assets. The financial modelling and conclusions only apply to infrastructure assets.

Asset Management
The process applied to assets from their planning, acquisition by Council, operation, maintenance, renewal and disposal, to ensure that the assets meet Council's priorities for service delivery.

Appropriate Best Practice
The application of best practice processes in asset management, taking into account the costs and systems that are appropriate to meet the required service levels.

3. Background/legislative requirements

Council is committed to implementing a systematic asset management methodology in order to implement appropriate asset management best practice across infrastructure / assets managed by Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities of service delivery, at the lowest lifecycle cost.

Council is responsible for a significant community investment in infrastructure assets to support its core business of delivery of services to the community.

Asset management practices impact directly on the core business of Council and appropriate asset management is required to deliver the Council's asset management vision:

> *strategically provide, maintain, renew, and replace an appropriate stock of community infrastructure that is required to support the communities of the Clarence Valley Council;*
> *is sustainable across the long term; and*
> *is provided at the lowest possible life cycle cost*

Asset management relates directly to the objectives of Council's Community Plan and will ensure that Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:
- Members of the public
- 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 of Council

4. Policy statement

- A consistent framework must exist for implementing systematic asset management and appropriate asset management best practice throughout all departments of Council.

- The asset management framework should incorporate an Asset Management Strategy (AMS) and Asset Management Plans (AMP's) for each class of Council assets.

- The AMS and AMP's should cover a minimum period of 10 years and have a focus on long term sustainability for the benefit of current and future generations.

- The AMS and AMP's should be reviewed annually and modified as required based on community consultation feedback and objectives as part of the Community Plan process.

- The asset management framework must rely on an up to date Asset Management System which should incorporate the following information:
    - Asset registers;
    - Asset condition assessments;

- Asset maintenance and management systems;
- Strategic planning capabilities;
- Predictive modelling;
- Deterioration modelling; and
- Lifecycle costing.

- Relevant legislative requirements and political, social and economic environments are to be taken into account in asset management.

- Asset management is to be integrated with existing planning and operational processes.

- Asset renewal plans will be prioritised and implemented progressively based on the level of service required and the effectiveness of the current assets to provide that level of service.

- Systematic and cyclic renewal reviews will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice, applicable Australian Standards and legislative requirements.

5. Roles and Responsibilities

Councillors adopt the Policy and ensure sufficient resources are applied to manage the assets.

The **General Manager** has overall responsibility for developing asset management systems, policies and procedures and reporting on the status and effectiveness of asset management with Council.

Managers are responsible for implementing asset management systems, policies and procedures.

Employees with management or supervisory responsibility are responsible for the management of assets within the area of responsibility as determined under asset management plans.

Employees will be tasked under implementation plans, and will be responsible for the timely completion of those activities contained within those plans, and shall be familiar with asset management and how it is applied within Clarence Valley Council.

6. Audit and Review

Council's financial asset information shall be audited annually as part of the external financial audit, and Councils Asset Management Systems shall be reviewed and internally audited, at least annually, to ensure data; modelling and planning is accurate and relevant to Council and community needs.

The Asset Management Steering Group are responsible for monitoring the implementation of the Asset Management Improvement Plan and the Key Goals in the Asset Management Strategy.