

# Policy

## Infrastructure Asset Management

Responsible Manager (Title)	Manager Strategic Infrastructure		
Adopted by Council	Date	Minute	
File Reference Number	ECM	<u>Version DV5.0</u>	
Document(s) this policy Supersedes	V4.0 – 27/04/2021 6c.21.042		
Community Plan Linkage	<b>Leadership – Council is accountable and representative with open and transparent leadership</b>		

### 1 Purpose

To set guidelines for implementing consistent asset management processes throughout Clarence Valley Council, and that Council's Asset-asset Management-management System-system provides a framework, within which:

- Infrastructure assets are reliable and delivered at an agreed level of service that the community has ~~both~~ the capacity, and is prepared, to pay for.
- ~~Ensure a~~ Assets remain at a satisfactory standard and condition by implementing appropriate asset management strategies and financial treatment of those assets.
- Appropriate risk management and mitigation strategies are applied ~~options for~~ to all high-risk critical assets ~~are applied~~.
- ~~Creates an environment that appropriately~~ Resources and responsibility for overall management of assets are appropriately apportioned.
- Transparent and responsible asset management processes are aligned with best practice and legislative requirements.
- ~~Creates-There is understanding of~~ lifecycle costs associated with ~~understanding of~~ asset management, enabling management of a sustainable asset base.

### 2 Definitions

**Asset** – A physical component of infrastructure owned or legally controlled by Council, which ~~enables~~ provides a services to the community, ~~which has an economic life greater than 12 months,~~ and for which the dollar value can be reliably measured.

**Asset Management** – The systematic process applied to assets ~~from through all stages of their life cycle,~~ including their planning, acquisition, recording, operation, maintenance, renewal, and disposal, to ensure that the assets meet Council's priorities for service delivery in a sustainable manner.

**Asset Management Plan (AMP)** – Details information about infrastructure assets including the agreed level of service and the ~~with~~ actions required to provide ~~an that agreed~~ level of service in the most cost-effective manner while outlining the associated risks. ~~The plans defines the services to be provided, how the services are provided and what also include the funds funding are that is~~ required ~~to provide to deliver the defined level of service~~ over the planning period i.e., the full lifecycle costs. The plan will link to a Long-Term Financial Plan (LTFP) which typically considers a 10-year planning period.

**Asset Management Strategy (AMS)** – Applies to all Infrastructure assets that are critical to Council's operations and outlines risk management strategies for these assets. The Asset Management Strategy will include specific actions required to improve the Council's asset management capability and projected resource requirements and timeframes. The Asset Management Strategy will balance the resources required in the Asset Management Plans s and funded in the Long-Term Financial Plan.

**Asset Management Advisory Group (AMAG)** – Representative cross-organisational management group that reports to the Executive on all Asset-asset Management management matters including progress ~~with~~ on existing plans and any proposed changes.

**Best Practice** – The applications ~~s~~ of best practice processes in asset management, accounting for the costs and systems that are appropriate to meet the required service levels.

**Lifecycle Costs** – Includes planning, acquisition, operation, maintenance, renewal, and disposal costs throughout the projected life of the asset.

### 3 Background/legislative requirements

The Local Government Act 1993 and the Local Government Amendment (Governance and Planning) Act 2016 place several obligations on councils in relation to asset management.

The Integrated Planning and Reporting (IP&R) ~~legislation framework~~ requires that the Council must account for and plan for all existing assets under its ownership, and any new assets proposed in its Community Strategic Plan and Delivery Program and associated Resourcing Strategy.

Legislative Requirements		
<b>Related Legislation</b>	Local Government Act 1993 (NSW)	Section 8 of the act outlines council's responsibilities for accounting and managing public assets
	Local Government Amendment (Planning and Reporting) Act 2016	Section 403 of the act requires Council to have a Resourcing Strategy which includes an Asset Management Planning component
<b>Other References</b>	Integrated Planning and Reporting Guidelines for Local Government	The Policy was developed in line with the IP&R guidelines and manual
	Local Government Code of Accounting Practice and Financial Reporting	The accounting standards and code define how our assets are accounted for
	Australian Accounting Standards – AASB 116	

Council is responsible for 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 as stated in Council's Asset Management Strategy:

*'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 directly relates to the objectives of Council's Community Strategic Plan and will ensure that Council delivers the appropriate level of service through its assets. ~~This will provide positive impact on:~~ Asset management is linked to:

- Customer and community expectations
- Strategic and corporate goals
- Council's Long-Term Financial Plan and financial sustainability
- The political environment in which Council operates.
- Legislative requirements

Council must:

- Provide a consistent framework for implementing systematic asset management and appropriate asset management best practice throughout all departments of Council.
- Maintain an Asset Management Strategy (AMS) and Asset Management Plans (AMPs) which include Cover a minimum period of 10 years and have a focus on long term sustainability for the benefit of current and future generations. ~~within the Asset Management Strategy (AMS) and Asset Management Plans (AMP's).~~
- Review the AMS and AMPs annually and modify as required based on community feedback and Community Strategic Plan objectives.
- Produce an asset management framework, which incorporate an AMS and AMPs for each class of Council's infrastructure assets. The asset management framework relies on an up-to-date Asset asset Management management System-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.
- Consider relevant legislative requirements, and political, social, and economic environments within the asset management process.
  - Integrate an asset management system with existing planning and operational processes.
  - Prioritise and progressively implement Asset-asset renewal plans based on the level of service required and the effectiveness of the current assets to provide that level of service.
  - Apply systematic and cyclic renewal reviews to all asset classes ~~a systematic and cyclic renewal reviews~~ to ensure that the assets are managed, valued, and depreciated in accordance with appropriate best practice, Australian Standards and Legislation~~legislation~~.

## 4 Policy statement

Council will be transparent in its asset management practice by committing to implementing a systematic asset management framework that ensures assets are planned, created, operated, maintained, renewed, and disposed of in accordance with Council's priorities of service delivery at the lowest possible lifecycle cost.

## 5 Roles and Responsibilities

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.

The **Asset Management ~~Steering-Advisory~~ Group** report directly to the Executive. The group is responsible for Providing assurance that ~~all Asset-asset Management-management~~ activities are consistent with the objectives of the Integrated Planning and Reporting-IP&R Framework which are supported by the Long-Term Financial Plan-LTFP. They also monitor the implementation of the Asset Management Improvement Plans and Risk Management Plans for all infrastructure asset classes.

**Managers** are responsible for ensuring that people and processes are in place and work together to implement the asset management systems, policies, and procedures. They are tasked with being the Asset Owners of assets in their respective areas of responsibility.

**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 applies with-to Council activities.

## 6 Audit and Review

Council's financial asset information will be ~~annually~~ audited annually as part of the external financial audit. Council's ~~Asset-asset Registers-registers~~ will be continually monitored and maintained~~ed~~ in line with ~~e~~Council's capitalisation~~, and~~ disposal procedures~~, and~~ specific adopted position papers.

Councils ~~Asset-asset Management-management Systems-systems will~~shall be reviewed~~, annually,~~ to ensure data, modelling and planning is accurate and relevant to Council and community needs.

## 7 Related Documents

Asset Management Strategy updated annually and located in Resourcing Strategy ~~2024/2025 to 2033/2034~~

## 8 Attachments

Nil