



ASSET MANAGEMENT POLICY

Summary:

The purpose of this policy is to provide clear direction for the management of Council controlled assets and to ensure that Council is able to best deal with the delivery of services and infrastructure to meet community needs in accordance with legislation under the Local Government Amendment (Planning and Reporting) Act 2009.

This policy forms a key part of Council's asset management framework, which provides guidelines to ensure that sound asset management practices and procedures are fully integrated into Council's strategic and operational planning, community consultation and decision making processes.

The policy refers to all fixed assets owned or managed by Council, regardless of their purpose or source of acquisition.

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Endorsed By	General Manager
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Department	General Managers Office
Policy Custodian	General Manager
Superseded Documents	Asset Management Policy V1.1 (2013)
Related Legislation	Local Government Amendment (Planning & Reporting) Act 2009. NSW Local Government Act 1993. Civil Liability Act 2002.
Delegations of Authority	General Manager, Directors, Managers

1. Overview

This policy serves to ensure that the community and all stakeholders are informed in a clear manner of Council's position and approach with regard to the management of Council owed assets.

It further aims to ensure that a comprehensive framework and sound asset management practices and procedures are implemented and are fully integrated into Council's strategic and operational planning processes.

The implementation of such will ensure that elected members, management and all stakeholders recognise the fundamental responsibility and significant challenge to Council in ensuring intergenerational equity in the provision of infrastructure and services to the community within limited resources.

It will also ensure that Council identifies and addresses all opportunities, challenges and threats associated with operating, maintaining, renewing and replacing its asset portfolio in a holistically sustainable manner.

2. Policy Principles

Council assets exist in order to either directly or indirectly support community service delivery. This underpins the below broad principles of asset management for Tenterfield Shire Council:

1. Asset acquisition, disposal and lifecycle management decisions are integrated into the Council's community strategic plan, resourcing strategy and corporate planning;
2. Asset planning decisions are based on a thorough analysis, (including the evaluation of alternatives), which assesses risks, benefits and overall serviceability and value for money across the asset's entire lifecycle;
3. An effective data capture and control structure is established for asset management and other inter-related functions;
4. An accountability structure is established and understood for all asset responsibilities, including maintenance, operation, data capture, condition, performance and reporting; and
5. Asset replacement, renewal, disposal and expansion decisions are based on an analysis of the holistic impacts, benefits and opportunities of such and should ultimately achieve the best possible intergenerational outcomes and net return.

3. Policy Objectives

In conjunction with Council's Community Strategic Plan and Resourcing Strategy, this policy provides specific asset management objectives to ensure Council's asset stewardship requirements are met, they include:

1. Establishing a comprehensive Asset Management Framework that outlines the entire asset management environment and highlights the inter-dependencies within such;

2. Establishing and routinely reviewing an Asset Management Strategy, (min 10 year period), as the overarching strategy to provide and maintain asset services to current and future generations;
3. Managing assets through the development and continuous updating of individual Asset Management Plans in accordance with relevant legislation and recognised best practice for each major asset group;
4. Through the Community Strategic Plan and long-term financial modelling ensure that future funding needs are identified, affordable, agreed upon, and allocated, so that assets can meet their defined levels of service in consultation with the community;
5. Ensuring that the impact of Council's decisions with regard to desired social, economic and environmental outcomes on both existing assets and new assets is clearly understood and communicated prior to decisions being made;
6. Developing and reporting annually on established performance indicators relevant to asset management;
7. Recording assets and collecting data in accordance with the requirements of the appropriate asset accounting standards, local government financial reporting requirements and internal asset management information protocols and procedures;
8. Maintaining an asset management information system with comprehensive knowledge of all physical assets, including lifecycle data, condition, behaviour and unit costings;
9. Fostering asset management awareness throughout the council, supported at a whole of organisation level through the formation of an asset management oversight group.

4. Policy Statement

Asset management is an essential component of good governance in the local government sector and should be aligned to and integrated with the entity's strategic, corporate, financial and workforce planning.

Council exists to provide services to the community and many of these services are supported and provided by infrastructure assets. The provision of assets operated and maintained to meet community needs and expectations is fundamental to the economic, environmental and social strength of the Tenterfield Shire community.

Council's overall goal in managing infrastructure assets is to provide the required level of community service, as determined in consultation with the community, in a sustainable manner for both current and future generations.

A well-structured, practical asset management framework will assist in providing clarity to the local community and other stakeholders as to the linkages between asset portfolios, their condition, maintenance and renewal, and the outcomes

expected to be delivered by the Council. This in turn aides decisions on service levels, financing and workforce management.

The management of infrastructure assets is a key function of council.

This policy addresses legislative requirements under the Local Government Amendment (Planning and Reporting) Act 2009 and will be revised in accordance with any future legislative changes.

5. Scope

This policy applies to all areas of Council's activities in the delivery of its functions as a Local Government organisation.

6. Accountability, Roles & Responsibility

Elected Council

- Provide strategic direction and stewardship;
- Consider the impact on Council's asset base of planning, financial and service level decisions;
- Adopt the Asset Management Policy and Strategy.

General Manager, Executive and Management Teams

- Ensure that sound business principles are reflected in the Asset Management Strategy and plans that are developed;
- Ensure the impact on Council's asset base is considered when making recommendations to Council in relation to planning and financial matters or the delivery of services;
- Support the implementation of the Asset Management Strategy and associated Asset Management Improvement Program;
- Approve the Asset Management Plans;
- Ensure the integration and compliance of the Asset Management Policy and Strategy with other policies, protocols and business practices of the organisation;
- Ensure compliance with all legal obligations;
- Facilitate appropriate 'Better Practice in Asset Management'.

Asset Management Oversight Group

- Review the Asset Management Policy, Framework and Strategy;
- Take responsibility for the implementation of the Asset Management Improvement Program;
- Identify and develop appropriate policies and procedures to ensure effective Asset Management across the organisation.

Individual Asset Managers

- Develop and maintain Asset Management Plans;
- Develop and maintain asset maintenance and renewal plans;
- Provide professional advice and comment to other departments of Council in relation to assets contained within their specific service area/s;
- Develop and maintain the Asset Management Information System to facilitate efficient and effective asset management.

7. Definitions

Asset

A fixed item or facility used to satisfy a service potential or enabling the Council to meet its corporate objectives. A Council's physical asset base can generally be divided into four broad types of asset:

Transport Assets – these include; roads, bridges, car parks, footpaths, cycleways, kerb and gutter and traffic infrastructure.

Cultural/Community Assets – these include; parks, playgrounds, aquatic centres, halls and community buildings, sporting facilities and public amenities.

Environmental Assets – these include; water supply, sewerage service, waste management and stormwater assets.

Corporate Assets – these include; Administration buildings, depot buildings, plant and fleet, equipment and furniture and assets held by Council for strategic or investment purposes.

Asset Management

A systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets to provide the required level of community service in the most efficient and effective manner.

Asset Management Information System

Is the home of all asset management knowledge. It is a combination of procedures and information managed to provide the essential outputs for efficient and effective asset management.

The Asset Management Information System links to other information systems within Council including the Property System, Geographic Information System, Finance System, Risk Management System, Project Management System and Document Management System.

Asset Management Strategy (AMS)

Is a documented strategy that forms one part of Council's resourcing strategy along with the Long Term Financial Plan and Workforce Management Strategy. It is a summary level strategy that takes in information about the planning and implementation of programs for asset creation, operation, maintenance, rehabilitation/replacement, disposal, performance monitoring and reporting from all of Council's individual detailed Asset Management Plans, to ensure desired service outcomes can be delivered in a sustainable manner.

The Asset Management Strategy typically has a 10 year horizon and integrates Asset Management with Council's other Resourcing Strategy documents and the Community Strategic Plan.

Asset Management Plan (AMP)

The detailed asset management plan for each major class of assets. The asset management strategy is primarily made up of the summary data from each of these operational level plans.

They consist of asset details and descriptions, condition, value, maintenance plan, capital program, risk management considerations, a development plan and financial data and modelling to provide the approach employed to best manage the asset for the expected duration of the service to be provided by the asset.

Level of Service

The defined quality and quantity of services to meet community expectations delivered by Council, as determined in consultation with the community and giving consideration to cost, equity and deliverability.

8. Related Documents, Standards & Guidelines

In addition to complying with all relevant legislation in the implementation, monitoring and review of the Tenterfield Shire Council (TSC) asset management policy and framework, Council will also have regard to all relevant related standards, guidelines and documents, including but not limited to:

- The Australian National Audit Office (ANAO) – Best practice guidelines for asset management in government organisations;
- IPWEA NAMS.Plus3 Guidelines;
- NSW Local Government Capital Expenditure Guidelines 2010;
- Australian Accounting Standard AASB116 – Property, Plant & Equipment;
- Australian Accounting Standard AASB136 – Asset Impairment;
- The International Standard for Asset Management - ISO 55001:2014;
- The International Standard for Project Management - ISO 21500:2012;
- TSC Asset Management Strategy;
- TSC Asset Management Plans;
- TSC Community Strategic Plan;
- TSC Long Term Financial Plan;
- TSC Workforce Management Strategy;
- TSC Services Business Plans;
- TSC Annual Operational Plan;
- TSC Asset Management Protocols and Procedures;
- TSC Business Continuity Plan – Critical Assets;
- TSC Risk Management Policy;
- TSC Audit & Risk Committee Charter.

9. Version Control & Change History

Version	Date	Modified by	Details
V1.1	26/06/2013	Council	213/13 - Adoption of Original Policy
V2.0	9/11/2016	GM	Draft - Complete AM framework review
V2.0	10/11/2016	Council	284/16 – Adoption of Revised Policy