

Policy No. 60: Asset Management

POLICY MANUAL

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| Policy No. 60 | Asset Management |
| Purpose | The purpose of this Policy is to set guidelines for implementing consistent asset management processes throughout the organisation. |
| Department | Infrastructure Services |
| Author | Rob Little, Asset Management Coordinator |
| Council Meeting Date | 12 March 2024 |
| Minute Reference | 034/2024 |
| Next Review Date | February 2028 |

POLICY

1. Definitions

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| <i>Infrastructure Assets</i> | Physical assets that provide services to our community and contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services. Typically fixed in place, large, interconnected networks or portfolios of composite assets with long lives. |
| <i>Maintenance</i> | All actions necessary for retaining an asset as near as practicable to its original service condition, excluding rehabilitation or renewal to ensure the asset reaches its expected useful life. |
| <i>Renewal</i> | Is work to restore or replace an existing asset to its original service potential and capacity. |
| <i>Asset Upgrade</i> | Improvements undertaken to an existing asset, or replacement of an existing asset, to provide a higher level of service. |
| <i>New Asset</i> | Assets that re created to meet additional service level requirements. |

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| <i>Whole of Life</i> | Includes all costs associated with the ownership of an asset that allows it to continue to function and meet service needs over its life including planning/creation, operations, maintenance, depreciation, renewal and disposal. If asset planning is limited to a single phase such as creation, decisions may not take into account long-term issues. Whole of life is also referred to as Life Cycle Cost. |
| <i>Service Levels</i> | A core part of the Council's activities is providing services for our community. Assets assist with the delivery of many of these services. Service levels are to be agreed through consultation with our community. They can be considered in terms of utilisation, function, condition, safety, cost, capacity, reliability and availability. |

2. Objective

The objectives of this Policy are to:

To ensure the provision and management of the Council's infrastructure assets are undertaken in a financially sustainable manner, with the appropriate levels of service to customers and the environment consistent with the Council's Community Strategic Plan.

To support the development and implementation of the Council's:

- Asset Registers and Asset Management Plans;
- Long Term Strategic Asset Management Plans; and
- Long Term Strategic Financial Management Plan.

To promote and support sustainability, community resilience, climate change adaptation and mitigation as part of strategic planning, service delivery and asset provision.

3. Scope

This Policy has application to all the Council's activities.

4. Policy

The Council is committed to implementing a systematic asset management methodology in order to deliver the Community Strategic Plan objectives and appropriate and affordable services for our current community and future generations.

Sustainable service delivery ensures that services are provided in a socially, economically and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own decisions regarding future services and service levels.

Asset management practices impact directly on the core business of the Council and appropriate long term strategic asset and financial management is required to achieve the Council's strategic and sustainable service delivery objectives.

This is achieved through integrating customer values, priorities and an informed understanding of the trade-offs between risk, cost and service performance.

Principles

The 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 the Council's infrastructure assets are provided in a manner that respects financial, cultural, economic and environmental sustainability;
2. compliance with all applicable legislative and regulatory requirements;
3. demonstrating transparent and responsible asset management processes that align with industry best practices;
4. implementing outcomes from the Council's Long Term Strategic Asset Management Plan and Asset Management Strategy and providing sufficient financial resources to accomplish them through the following actions:
 - a. Asset Management Plans completed for all major service areas;
 - b. expenditure projections from Asset Management Plans incorporated into the Council's Long-Term Financial Plan;
 - c. regular and systematic reviews applied to all asset plans and supporting asset register data to ensure assets are managed, valued and depreciated in accordance with appropriate best practice;
 - d. regular inspections used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities;
 - e. asset renewals required to meet agreed service levels and identified in adopted Asset Management Plans and the Long Term Financial Plan, will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented;
 - f. future life cycle costs will be reported and considered in all decisions relating to new and upgraded services and assets and gifted assets;
 - g. future service levels with associated delivery costs determined in consultation with the community. Demand for new or improved services should consider the balance of community expectation and affordability;
 - h. ensuring necessary capacity and other operational capabilities are provided and asset management responsibilities are effectively allocated;
 - i. creating a corporate culture where all employees play a part in the overall delivery and operation of the Council's assets by providing necessary awareness, training and professional development;
 - j. providing for our current customers and for future generations services they are willing and able to pay for;
 - k. considering risk management principles in relation to asset management and impacts to service delivery;
 - l. promoting sustainability and community resilience;
 - m. planning for climate change adaptation and mitigation.

Roles

Councillors determine outcomes of the Council to meet strategic objectives based on the Council's vision and values to meet our community's needs. Councillors are responsible for the adoption of the Asset Management Policy and for ensuring that resources are appropriately allocated to ensure sustainable service delivery.

The General Manager is responsible for ensuring the delivery of the organisation's Asset Management Strategy and Plans and for maintaining systems to ensure that the Council's resources are appropriately utilised to address the organisation's strategic objectives.

The Director Infrastructure Services is responsible for the delivery of asset management by the implementation of the Asset Management Policy, Strategic Asset Management Plan and Asset Management Plans, reporting on the status and effectiveness of asset management within the Council.

The Director Works is responsible for the delivery of agreed service levels to the community through delivery of capital works and through routine operation of the Council's assets.

5. Legislation and Related Standards

Local Government Act 1993 (section 70C)

Ministerial Orders – Local Government (Content of Plans and Strategies) Orders 2014

Meander Valley Council Policy No. 1: Risk Management

Meander Valley Council Policy No. 78: New and Gifted Assets

Meander Valley Council Policy No. 91: Climate Change Mitigation and Adaptation

6. Responsibility

Responsibility for the operation of this Policy rests with the General Manager.