



70 ASSET MANAGEMENT POLICY

1.0 Purpose

To set guidelines for implementing consistent asset management processes throughout Berrigan Shire Council.

2.0 Objective

To ensure adequate provision is made for the long-term management and replacement of major technical and physical assets, (including land and property) by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Establishing processes that integrate asset management and community strategic planning with Council corporate and long-term financial planning.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

3.0 Scope

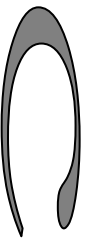
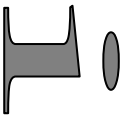
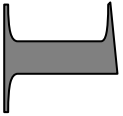
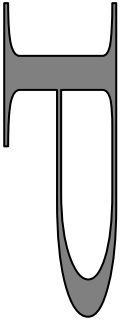
This policy applies to all Council activities.

4.0 Policy

4.1 Background

4.1.1 Council is committed to implementing a systematic core approach to asset management. The elements of this approach prescribed in the *International Infrastructure Manual* include:

- **Best available information and random condition/performance sampling**
- **A simple risk assessment to identify critical assets**
- **Longterm cashflow predictions for asset maintenance, rehabilitation and replacement, based on local knowledge of assets and options for meeting current levels of service.**





- Improvement and transition over time, within Council resources, toward the development of advanced asset management plans.

4.1.2 Advance asset management plans are characterised by:

- Systematic monitoring and analysis of the physical condition of all assets
- The integration of asset management with corporate risk management processes
- Adoption by Council of levels of service developed after consultation with the community and with explicit links to the Community Strategic Plan and Council's Resourcing Strategy
- An improvement program that includes performance indicators that report upon:
 - Environmental sustainability of the assets performance;
 - Utilisation rates;
 - Social and economic value i.e.: return on investment
 - Effectiveness of Improvements.

4.1.3 Council owns and uses approximately \$165,000,000 of non-current assets to support its core business of delivery of service to the community.

4.1.4 Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve Council's 4 year Corporate Plan / Delivery Program and Community Strategic Plan objectives

4.1.4 A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on;

- Members of the public and staff;
- Council's financial position;
- The ability of Council to deliver the expected level of service and infrastructure;
- The political environment in which Council operates; and
- **The legal liabilities of Council.**

4.2 Principles

4.2.1 A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.

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4.2.2 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.

4.2.3 Asset management and risk management principles will be integrated within existing planning and operational processes.

4.2.4 An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.

4.2.5 Asset renewals required to meet agreed service levels and identified in infrastructure and asset management plans and long term financial plans will, within the reasonable limits of Council's available budget, be funded in the annual budget estimates

4.2.6 Systematic and cyclic reviews will be applied to all asset classes to ensure that the assets continue to support Council strategic planning and operations.

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

4.2.8 Future life cycle costs will be reported and considered in all decisions relating to new services and assets, and or upgrading and re-development of existing services and assets.

4.2.9 Future service levels, asset rehabilitation and disposal, as part of a transition to advanced asset management planning, will be determined in consultation with the community.

5.0 Legislation

Local Government Act 1993.
Regulations under the Act.

(Adopted by Council 19/1/11)

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