

Asset Management Policy

Yarriambiack Shire Council encourages a working environment which promotes gender equality and models non-violent and respectful relationships.

1 Vision

To provide services and to maintain and protect community assets for future generations.

The main benefits derived from asset management planning are:

- a) Improved understanding of service level options and standards,
- b) Minimum life cycle (long term) costs are identified for an agreed level of service,
- c) Better understanding and forecasting of asset related management options and costs,
- d) Managed risk of asset failure,
- e) Improved decision making based on costs and benefits of alternatives,
- f) Clear justification of forward works programmes and funding requirements,
- g) Improved accountability over the use of public resources, and
- h) Improved customer satisfaction and Council reputation

2 Purpose

To provide a clear direction for the Yarriambiack Shire, as the custodians of community assets, taking into consideration the following elements:

- a) Understanding the services Council delivers and therefore the need for assets to support those services.
- b) A complete knowledge of what assets the community has and where they are.
- c) How to deal with the risk management of these assets.
- d) Engendering community ownership of all assets as they live with and use them.
- e) Set targets for the management of all infrastructure assets.
- f) Creating an environment where Council take an integral part in overall management of infrastructure assets by creating and sustaining asset management through training and development.
- g) Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- h) Meeting any legislative requirements for asset management, and
- i) Demonstrating transparent and responsible asset management process that align with demonstrated best practice.

3 Policy Scope and Statement

3.1 Scope

This policy applies to all Council Infrastructure assets including:

- a) Roads, bridges, traffic management devices and culverts
- b) Council owned or controlled buildings
- c) Stormwater systems including kerb and channel
- d) Parks and Recreation facilities including playground
- e) Plant and equipment

- f) Footpath

3.2 Statement

Background

Council will provide and manage its assets to ensure they are appropriate for the needs of the community whilst being effectively and sustainably utilised and maintained at agreed levels of service. Council will continually improve the management of its assets through an Asset Management Plan and supporting Asset Management Class Plans. This will be achieved by engaging up-to-date technologies, methodologies and through consultation with the community to ensure that current and future community needs are addressed.

Decisions regarding allocation of resources will have regard to sustainable maintenance of assets and the ongoing provision of services provided by the assets. Sustainable asset management involves managing the performance, risk and expenditure on infrastructure assets in an optimal and sustainable manner throughout their lifecycle covering planning, design, development, operation, maintenance, and disposal.

Adopting asset management principles will assist in achieving Strategic Long-Term Plan and Long-Term Financial objectives.

Key Principles

Council will adhere to the following core principles that need for sustainable service delivery by ensuring adequate provision is made for the long-term planning, financing, operation maintenance, renewal, upgrade, cultural, economic, and environmental sustainability.

- a) Approve levels of service, risk, and cost standards in consultation with the community or customers.
- b) Asset Planning and management has a direct link with Council's corporate, and business plan (including Council's Plan and Long-Term Financial Plan) business plans, budgets, and reporting process.
- c) The Long-Term Financial Plan (10yrs) shall reference the Asset Renewal Gap.
- d) Application of 'Renewal before Upgrade or New' philosophy for assets as appropriate.
- e) In principle, asset depreciation is to be used to fund renewal and/or rehabilitation of assets.
- f) Asset Management decisions shall be based on service delivery needs, the benefits and risks of assets including mitigation and planning for climate change risks, with an evaluation of alternative options that take into account lifecycle costs.
- g) Use of a Capital works priority evaluation process for new projects. A business case will be prepared as part of the initial formulation of capital works proposals over a nominated threshold as outlined in the Capital Works Evaluation Framework.
- h) New or upgrade Projects funded by grants are to include full lifecycle (whole of life costs) as part of project evaluation.
- i) Asset Management plans are to be developed for all assets, and they will be informed by community needs, and integrated with local government financial reporting frameworks:
 - Asset Management plans will be completed for all major asset/service areas
 - Expenditure projections from Asset Management Plans will be incorporated into the Council's Long-term Financial Plan.
 - Regular and systematic reviews will be applied to all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practices.

- Council’s Long Term Financial Plan (LTFP) and annual budgets will take into account Asset Management Plans.
 - Support continuous improvement programs.
- j) Financial and Asset Management reporting is to be categorised in terms of operational, maintenance, renewal, upgrade and new expenditure classification to enable sound Asset Management decisions.
 - k) Staff with asset and financial responsibilities will be appropriately briefed in relevant asset and financial management principles, practices and processes.
 - l) Regular inspection will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
 - m) After creation, the condition of assets will be managed by application of an appropriate lifecycle activity i.e., operations, maintenance, renewal/upgrade, and disposal.
 - n) Public assets and resources are managed in a way that supports and balances sustainable economic, social, and environmental objectives including mitigation and planning for climate change risks and adheres to the principles of intergenerational equity.
 - o) As custodians/caretakers of community assets and as part of providing quality infrastructure and community facilities, Council will undertake to conform to industry standards and reporting frameworks as well as develop affordable and financially sustainable Asset Management Plans (in consultation with the community), to meet the service needs of the community.
 - p) Monitor and report on Council Asset Management expenditure in terms of operational, maintenance, renewal, expansion, upgrade, and new costs.
 - q) Get community interest and involvement in the decision-making process, and
 - r) Creating a corporate culture where all employees play a part in overall care for the infrastructure assets by providing necessary awareness, training, and professional development.

4 Asset Management Roles and Responsibilities

4.1 Council

- a) Provide sustainable assets for the community by recognising and considering the full cost of Council acquiring, maintaining and operating assets throughout their lifecycle.
- b) Provide assets that deliver sustainable services to benefit the community to a level of service that justifies the costs of owning and operating these assets.
- c) Act as custodian for assets on behalf of the community.
- d) Make decisions regarding assets that are made in accordance with Council’s Corporate and Community Strategic Directions, Asset Management Policy and Asset Management Plan.
- e) Regional, state and national plans and policies are taken into account in strategic planning and decision-making regarding Council’s assets.
- f) Review and approve the Asset Management Policy.
- g) Review and approve the Asset Management Plan.
- h) Review and approve Asset Management Class Plans.

4.2 Chief Executive Officer

- a) Reflect the corporate and community strategic planning principles embraced by Council in the Asset Management Policy, Plan and Class Plans.

- b) Seek to ensure Council allocates sufficient resources to the development, ongoing improvement and delivery of the Asset Management Plan, Asset Management Class Plans and supporting systems.
- c) Integrate and comply with the Asset Management Policy and Plan in other policies and business processes of Council.
- d) Ensuring that Asset Management skills and training needs are identified as part of the staff performance appraisal process.

4.3 Services, Projects, Assets Management Working Group (SPAMWG)

- a) Consider legal obligations and risk management.
- b) Advocate for appropriate funding and resources for the Asset Management process.
- c) Monitor agreed service levels.
- d) Provide relevant and timely professional advice to the CEO on asset management issues for decision-making and present information in terms of lifecycle risks and costs.
- e) Review and approve maintenance, renewal and new capital works plans.
- f) Ensure availability of appropriate resources for asset management activities.
- g) Identify relevant benchmark and opportunities to achieve best practice.
- h) Promote Asset Management and its benefits and goals to the Council, staff, and community.
- i) Identify Asset Management skills required across the organisation, and
- j) Monitor and report compliance with this policy.

4.4 Council Staff

(All relevant staff that have asset management related responsibilities)

- a) Have asset management responsibilities reflected their position descriptions.
- b) Undertake actions and programs consistent with the adopted Asset Management Policy and Plans.
- c) Engage up-to-date technologies, methodologies, industry practices and continuous improvement processes in the management of Council's assets.
- d) When and where relevant, collaboration with other Councils and Governments and statutory bodies will be sought.

5 Review of Policy

The policy has a life of four years and if changes are required, the revised policy will be presented to Council for adoption. It will be reviewed in four years by Councils Assets and Operations Directorate.

6 References

- a) Asset Management Plan
- b) Asset Management Class Plans
- c) Council Plan
- d) Long Term Financial Plan
- e) International Infrastructure Management Manual
- f) Local Government Act 2020

7 Definitions

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| Asset | An item that has potential value to an organisation, such as buildings, roads, paths, etc |
| Asset Management | The systematic and coordinated activities and practices of an organisation to deliver on its objectives optimally and sustainably through the cost-effective lifecycle management of assets. |
| Asset Management Class Plans | Long-term strategic plan for each asset class that detail the funding requirements, with regard to the adopted risk management profile and service levels. |
| Asset Renewal Gap | The difference between the Council's current Asset Management practices and the required Asset Management practices to achieve levels of service. In most cases, it is expressed as a financial amount. |
| Level of Service | The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability, and cost. |
| Asset Management Plan | The Asset Management Strategy is incorporated into Council's Asset Management Plan, and is a vital component of Council's overall strategic planning process and enables it to improve of the way it delivers services relating to Council's own assets. The Asset Management Plan will include specific actions required to improve Council's asset management capability and projected resource requirements and timeframes. |
| Asset | An item that has potential value to an organisation, such as buildings, roads, paths, etc |

Council Approved Policy

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| Policy Adopted: | Ordinary Meeting 27 July 2022 | Minute Page [number] |
| Policy Reviewed: | Ordinary Meeting [date] | Minute Book Page [number] |
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8 Consistency with Governance Principles Local Government Act 2020

| Governance Principle | Section of policy where covered |
|---|---|
| (a) Council decisions are to be made and actions taken in accordance with the relevant law; | Section 6 -References |
| (b) priority is to be given to achieving the best outcomes for the municipal community, including future generations; | Section 3.2 Key Principles, Section 4.1 Council |
| (c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted; | Section 3.2 Key Principles |
| (d) the municipal community is to be engaged in strategic planning and strategic decision making; | Section 3.2 Key Principles |
| (e) innovation and continuous improvement is to be pursued; | Section 3.2 Key Principles |
| (f) collaboration with other Councils and Governments and statutory bodies is to be sought; | Section 4.4 |
| (g) the ongoing financial viability of the Council is to be ensured; | Section 3.2 Key Principles |
| (h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making; | Section 4.1 |
| (i) the transparency of Council decisions, actions and information is to be ensured. | Section 4.1 |

- (3) In giving effect to the overarching governance principles, a Council must take into account the following supporting principles—
- (a) the community engagement principles;
 - (b) the public transparency principles;
 - (c) the strategic planning principles;
 - (d) the financial management principles;
 - (e) the service performance principles.