

# Asset Management Policy

<b>Date policy was adopted:</b>	27 May 2020
<b>Resolution number:</b>	123/20
<b>Next Policy review date:</b>	May 2024
<b>Reference number:</b>	415678

# Asset Management Policy

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## 1. OUTCOMES

This policy governs the sustainable management of Queanbeyan-Palerang Regional Council's physical assets to meet current and future community needs under the adopted responsible spending scenario.

In managing its assets Queanbeyan-Palerang Regional Council is committed to:

- Providing safe, reliable and effective services with a focus on the needs of agreed levels of service
- Taking a responsible and sustainable approach to financial asset management
- Complying with all legislative and regulatory requirements
- Demonstrated transparent and responsible asset management processes that align to ISO 55001 Asset management systems

## 2. SCOPE

This policy applies to all Queanbeyan-Palerang Regional Council elected councillors, employees, contractors and consultants.

The scope includes the whole of asset life cycle management for all assets owned and/or managed by Council required to deliver the agreed services to the community.

This policy does not apply assets maintained by QPRC under Contract with Transport NSW or other Asset Owners.

## 3. PRINCIPLES

The primary intent of asset management is to meet a required level of service in the most cost effective way, through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets to provide for present and future community needs.

Council is committed to:

- Adopting asset management plans that contribute to achieving its Strategic Plan and Long Term Financial Plan objectives. Council will undertake transparent and responsible asset management processes that align with demonstrated best practice.
- Taking into account the political, social and economic environments relevant to asset management along with legislative requirements and relevant risks when planning and/or undertaking asset management. Community need and sustainable use will be considered prior to creating new assets.
- Preparing a Strategic Asset Management Plan to facilitate integration of asset management principles into existing planning and operational processes.
- Preparing and adopting new Infrastructure Asset Management Plans for asset classes in accordance with legislative requirements, and defined Council and Community needs.
- Using the recommendations contained within the adopted Infrastructure Asset Management Plans to determine capital renewal and replacement expenditure in Annual Business Plans.

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- Applying systematic and cyclic reviews to all asset categories to ensure that assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Accounting Standards.
- Improving its reporting on future life cycle costs and considering the results in all decisions relating to new services and assets and upgrading of existing services and assets.

## 4. POLICY

Council will implement a systematic asset management methodology, in order to apply appropriate asset management best practices across all areas of the organisation. Employees will ensure that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery. Acquisition and disposal of assets will be in accordance with Council's Procurement Policy.

Council will only acquire or create assets after due consideration has been given to the service needs of the community and the operating needs of the Council. Ongoing service levels will be determined in consultation with the community.

Council will develop and implement an inspection regime to ensure assets are proactively maintained and to identify efficient asset renewal priorities.

Council will ensure that the Asset Management Plans are prepared and regularly updated to inform its Long Term Financial Plan.

Implementation of the Asset Management Plans will ultimately rest with Council through the budgeting process but the philosophies contained within the Plans will guide service delivery throughout the organisation.

The acquisition, renewal or retention of assets will be considerate of whether an asset solution is, or remains, the most effective method of meeting the service needs of the community and operating needs of Council.

Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.

## 5. DEFINITIONS

**Asset Management** – a framework to identify the costs and benefits associated with providing an agreed level of service that meets the needs of the community, whilst identifying how to optimise the asset through minimising the whole-life cost, including the operation, maintenance and replacement or disposal of each asset in the system

**Asset** - a physical item that provides a function to meet the objectives of Council

**Asset Register** – a system used to store asset information for groups of asset classes based on financial funding sources

**Asset Class** - an asset class is a grouping of assets of a similar nature and use

**Strategic Asset Management Plan** – a high level long term approach and objectives to managing the assets contained within the Asset Register

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**Asset Management Plan** – a plan, typically at asset class level, combining technical and financial management techniques over the lifecycle of the asset to determine the most cost-effective manner by which to provide a specified level of service.

**Infrastructure assets** – are physical assets owned or under the care, control and management of Council that contribute to the community's needs for access to major economic and social facilities. These assets include roads, stormwater and drainage, transport, buildings, lighting and electrical, Park Lands and open space (including street trees) and urban elements.

**Level of Service** - the service quality for a particular activity, generally both a measurable performance specification, and a minimum condition or performance grade.

**Lifecycle Cost** - is all the costs related to future activities including ongoing maintenance, renewal, replacement or disposal (including rehabilitation) of the asset

## 6. LEGISLATIVE/REGULATORY OBLIGATIONS

The Local Government Act 2009 and the Local Government Amendment (Planning and Reporting) Act 2009 place a number of obligations on Councils in relation to asset management.

This Integrated Planning and Reporting legislation requires that the Council must account for and plan for all of the existing assets under its ownership, and any new assets proposed in its Community Strategic Plan and Delivery Program and associated Resourcing Strategy.

The Council must:

- Prepare an Asset Management Strategy and Asset Management Plan(s) to support the Community Strategic Plan and Delivery Program.
- Ensure that the Asset Management Strategy and Plan(s) cover a minimum timeframe of 10 years.
- Ensure that the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy.
- Ensure that the Asset Management Strategy identifies assets that are critical to the City's operations and outline risk management strategies for these assets.
- Ensure that the Asset Management Strategy includes specific actions required to improve the Council's asset management capability and projected resource requirements and timeframes.

## 7. PERFORMANCE INDICATOR


The effectiveness of this policy will be measured through ensuring that the adopted asset intervention levels are maintained within acceptable limits as defined in the Strategic Asset Management Plans and to Council's financial sustainability levels.

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<b>POLICY:-</b>	
<b>Policy No:</b>	
<b>Policy Title:</b>	Asset Management Policy
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<b>Resolution Number:</b>	123/20
<b>Previous Policy Review Date:</b>	July 2016
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<b>Container Reference in ECM: Procedure</b>	
<b>Other locations of Policy:</b>	
<b>Other locations of Procedures/Guidelines:</b>	
<b>DELEGATION (if any):-</b>	
<b>RESPONSIBILITY:-</b>	
<b>Draft Policy developed by:</b>	Andrew Grant – Asset Specialist
<b>Committees (if any) consulted in the development of the Draft Policy:</b>	
<b>Responsibility for Implementation:</b>	Chief Executive Officer
<b>Responsibility for Review of Policy:</b>	Chief Executive Officer

<b>INTEGRATED PLANNING FRAMEWORK:</b>	
<b>Community Strategic Plan:</b>	Theme No.
<b>Delivery Program Title:</b>	
<b>Operational Plan:</b>	

<b>Senior Authorising Officer</b>	<b>Position</b> Chief Executive Officer	<b>Signature/Date</b>  28 May 2020
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