

Asset Management Policy

Policy type	Council
Adopted by	Moirā Shire Council
Responsible General Manager	General Manager Infrastructure
Responsible officer	Manager Construction and Assets
Date adopted	22 March 2017
Scheduled for review	22 March 2019

PURPOSE

To provide a framework to achieve sustainable asset management, that is based on service delivery needs and integrated into Council's corporate and financial planning processes.

OBJECTIVE

To ensure that assets used to support the services delivered by Moirā Shire Council are sustainable and continue to function at a level of service determined by Council and accepted by the broader community.

SCOPE

This policy provides guidance to Council, councillors, management and staff, members of special committees (Section 86 Committees) who are involved in the operation, maintenance, renewal, upgrade, development or disposal of a Council asset.

DEFINITIONS

Asset Management

Asset Management is the combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner. It includes the management of the whole life cycle (design, construction, commissioning, operating, maintaining, repairing, modifying, replacing and decommissioning/disposal) of physical and infrastructure assets.

Asset

A physical asset built or constructed to provide a service to the community and requires life cycle management by Council. Physical assets include land, buildings, plant and equipment, roads, bridges, footpaths and bicycle paths, parks, sporting and leisure facilities, playgrounds and passive recreational reserves, art works, stormwater drains and associated structures.

POLICY

1. Asset management is a major responsibility of Council in undertaking its primary objective of endeavouring to achieve the best outcomes for the local community, having regard to the long term and cumulative effects of decisions.

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2. As custodian of a variety of assets, including a large infrastructure network, Council will embrace the following principles:
 - 2.1 Sustainability, preserving Council's assets (maintaining their overall condition) for future generations.
 - 2.2 Liability management, ensuring that existing assets are safe for use by the current generation.
 - 2.3 Incorporating responsible asset management principles into long term financial and corporate planning, including the Council Plan and the Strategic Resource Plan.
 - 2.4 Give preference to funding the renewal of existing utilised assets over the upgrade of existing assets or creation of new assets.
 - 2.5 Consider the whole of life cost of any proposed upgrade to an existing asset or the creation of a new asset prior to the adoption of a project; these costs include operational, maintenance and renewal costs over the life of the asset.
 - 2.6 Account for all infrastructure and asset expenditure in financial reporting under the categories of operations; maintenance; renewal; upgrade; expansion and new.
 - 2.7 Implement and regularly review the Asset Management Strategy, which identifies improvement opportunities and leads to best practice in asset management.
 - 2.8 Operate a cross-functional Asset Management Working Group to oversee asset management responsibilities and to co-ordinate, advise on, and facilitate the implementation of the adopted Asset Management Strategy.
 - 2.9 Prepare and adopt Asset Management Plans:
 - which include levels of service for each asset category;
 - that are informed by community consultation and local government financial reporting frameworks; and
 - which communicate information about assets, including particular actions required to provide defined levels of service whilst achieving the best value for money.
 - 2.10 Ensure that Councillors and staff, with asset management responsibilities, are trained in asset and financial management principles, practices and processes.
 - 2.11 The roles and responsibilities for asset management are:

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Council: Overall custodian of assets; adopt policy and asset management plans incorporating level of service; allocate budget resources; and integrate into Council's long term financial and corporate planning.

Chief Executive Officer: Oversee and implement asset management policy, strategy and plans with agreed resources.

Construction and Asset Managers: Develop and implement asset management policy, strategy and plans with agreed resources.

RELATED LEGISLATION

Local Government Act 1989

Local Government (Finance and Reporting) Regulations 2014

RELATED POLICES

Policy Development Guidelines

Risk Management

Budget Preparation and Financial Reporting

REFERENCES

Australian Accounting Standards

Local Government and Planning Ministers' Council, Local Government financial sustainability nationally consistent frameworks, Framework 2 – Asset planning and Management (May 2009)

Australian Centre of Excellence for Local Government – National Assessment Framework

Australia Local Government Association – State of the Assets 2015

The Local Government & Municipal Knowledge Base – Asset Management

International Infrastructure Management Manual

Moirā Shire Council

- Asset Management Strategy
- Council Plan, Council Budget & Strategic Resource Plan

REVIEW

This policy will be reviewed two years from the date of adoption, with operational amendments as required, in accordance with Council's approval.