



POLICY STATEMENT

ASSET MANAGEMENT POLICY

POLICY ADOPTED: 27 MAY 2011

Statement of Commitment

Bland Shire Council recognises that care and management of its infrastructure assets is an essential element in achieving the organisations stated mission and to meet the present and future needs of the shire community.

Aims and Objectives

Aims

To provide the overall framework to guide the strategic management of Bland Shire Council's infrastructure assets in a co-ordinated and structured manner whilst complying with the following legislation;

Local Government Amendment (Planning and Reporting) Act 2009
Roads Act 1993

by

- Establishing corporate and community objectives for asset management based on service delivery needs
- Account and plan for all of the existing assets and any new asset solutions proposed in Councils Community Strategic Plan and Delivery Program
- Prepare an Asset Management Strategy and relevant Asset Management Plans to support the Community Strategic Plan and Delivery Program
- Provide resources to capture asset data and integrate asset information as a core component of Councils corporate database in order to provide support for the implementation of Integrated Planning and Reporting legislation
- To establish procedures that provide a simple, systematic and readily usable risk management approach to the maintenance of public roads and infrastructure
- Maximising value for money by adoption of life – cycle costing, combined with disciplined performance management and review of asset utilisation and service levels
- Assigning accountability and responsibility for service delivery together with asset management
- Provide relevant information for the annual financial statements in line with the Local Government Code of Accounting Practice and Financial Reporting
- Promoting sustainability to plan for the needs of future generations

Objectives

To ensure that the importance of effectively and efficiently managing Council's assets for present and future generations is clearly recognised by Council and the community, in accordance with the Council's Charter under Section 8 of the Local Government Act 1993 (as amended).

To reinforce Council's commitment to ensuring a sustainable future, whilst complying with the Local Government Amendment (Planning and Reporting) Act 2009.

To provide a systematic method of identification, evaluation and prioritisation of maintenance works on Council's road network that will assist Council's decision-making process in its annual budget formulation.

Overview

Asset management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. Its objective is to maximise asset service delivery potential and manage related risks and costs over the entire life of the asset.

The importance of infrastructure assets to the Bland Shire community and their significance for Council budgets means that asset management is an essential component to support the Community Strategic Plan and Delivery program of Council.

Infrastructure assets are fundamental to Council's overall service delivery and planning and responsibility for them requires strong and informed Councilor and management oversight. This oversight is crucial to achieving the change management essential for effective strategic asset management.

The long lived nature of many assets and the need for their ongoing renewal means that planning must be based on an understanding of the full costs throughout each asset's life cycle, and address both short and long term planning needs.

Infrastructure costs consume a large part of Council's budget and dependent on their timing the impact will vary greatly on planning for and allocation of financial, human and capital resources.

Accordingly, infrastructure asset management planning must be integrated with Council's overall financial and management planning process in order for Council (and the community) to understand each asset's full life cycle costs to plan effectively for asset acquisition, operation and maintenance, renewal and disposal.

This policy provides the overall framework to guide the strategic management of Bland Shire Council's infrastructure assets and will be supported with the development of a more detailed Asset Management Strategy and Asset Management Plan- The Corporate Approach.

Asset Management Principles

Council acknowledges the following principles in determining its approach to asset management:

- **Service delivery** forms the basis for asset management
- Asset management will be integrated with **corporate, financial, business and budgetary planning and will form an essential component of the Community Strategic Plan and Delivery programs**
- **Informed decision making**, incorporating a life cycle approach to asset management whilst minimising public liability exposure and providing a best value service to the community
- **Establishing accountability and responsibility** for asset condition, use and performance
- **Sustainability**, providing for present needs while sustaining resources for future generations

Philosophy Underlying the Policy

Councils stated outcome for Community Works and Services is:

“We will work with the community to provide services and facilities that support our lifestyles and economy and make the shire and region an attractive place to live, work and visit”

Councils stated indicator to this end is to provide and maintain infrastructure assets in accordance with legislative requirements, agreed standards, budgetary constraints and to exceed community expectations where possible.

Policy in Expressed Terms

In order to achieve Councils stated corporate and community objectives, Council is committed to:

- Achieving financial sustainability of its assets over a period of time through the following measures
 - Ensuring that the asset base is not increased without considering the impact on Councils ability to fund future maintenance and renewal of the asset
 - Not replacing those assets that are determined to be underutilised, at the end of their useful lives, following consultation with the community and determining the impact of not replacing the asset will have on the community
 - Continually improving Councils maintenance and renewal practices and adopting best practice wherever possible
 - Increasing grant, contributions and other funding to ensure that assets are maintained in an optimum condition
 - Utilising technology advances and innovative solutions that assist and are relevant to asset preservation, maintenance and reducing overall life costs

- Maintaining and renewing Councils existing assets in a manner which is acceptable to Council and the community in terms of safety, access, quality, impact on the environment, meeting community needs and Council's ability to fund those works.
- Maximising resources to achieve the best outcome for the community.
- Regularly consulting with the community to determine whether its needs are being met.
- Preparation and review of detailed asset management plans for all major classes of assets and using these plans to assist Council to determine the priorities for capital, renewal and maintenance expenditure.

Asset Management Responsibilities

Council will

- act as responsible custodians and trustees for infrastructure assets and maintain accurate and reliable asset registers
- approve the Asset Management Policy and monitor its outcomes
- set the corporate Asset Management Strategy and Plan
- approve the annual Budget and ensure appropriate resources for Asset Management activities are made available
- evaluate Asset Management improvement and utilise Councils Audit Committee to assist in regular reviews

General Manager

- develop and agree on the corporate Asset Management Policy with Council
- develop and implement the corporate Asset Management Strategy and Plan with agreed resources
- deliver Council's "best value" services review program
- monitor, review and report performance of the organisation in achieving the Asset Management Strategy
- set levels of service, risk and cost within available resources
- ensure that accurate and reliable information is presented to Council for decision making

Directors and Managers

- assist the General Manager to develop the Corporate Asset Management Policy, Strategy and Plan
- as asset "owners" develop and take responsibility for asset management plans for individual asset groups, using the principles of life cycle analysis
- develop and implement asset improvement plans for individual asset groups
- implement improvement plans (maintenance programs, capital works programs) in accordance with Asset Management Plan and Councils Management Plan and Budget targets
- deliver levels of service to agreed service, risk and costs standards
- present information to the GM and Council in terms of asset life cycle risks and costs

Asset Management Program

The Asset Management Program consists of this Asset Management Policy, Asset Management Strategy, Asset Management Plan- The Corporate Approach and various individual Asset Management Plan supported by Statements of Operation that are endorsed through Councils Community Strategic Plan and Delivery Program, and further supported by documented Procedures, Work Instructions and Checklists and any other documentation that may be deemed necessary for the effective implementation, training, operation and monitoring of the Asset Management Program within Bland Shire Council.

Definitions

Asset Management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets.

Infrastructure Assets includes roads, footpaths, kerb and gutter, street trees, bridges, public buildings and amenities, drainage, playgrounds, land under Council's ownership, control or management including open space, community parks and gardens, ovals and recreation reserves, cemeteries, street signs, street furniture, parking areas, sewerage systems, saleyards, caravan park, aerodrome, swimming pools, Council vehicle and plant fleet and Council owned housing and buildings, Information Technology (IT) computer networks and equipment.

Sustainability is achieved when Council allocates sufficient resources to the maintenance and renewal of its assets to ensure that they can be replaced or renewed at the end of the assets useful life.

Related Policies

Community Strategic Plan Policy
Risk Management Policy

Related Legislation

Local Government Act 1993 (as amended)
Local Government Amendment (Planning and Reporting) Act 2009
Roads Act 1993
Civil Liabilities Act 2002

References

1. Councils Charter – Section 8 NSW Local Government Act 1993 (as amended)
2. NSW Government Integrated Planning and Reporting Guidelines
3. NSW Government Integrated Planning and Reporting Manuals
4. Department Local Government Integrated Planning and Reporting Workshop
5. Bland Shire Council Management Plan 2010/2015
6. IPWEA NAMS Plus Guidelines
7. International Infrastructure Management Manual
8. Statewide Mutual Best Practice Manuals
9. AustRoads Guide and RTA specifications and guidelines
10. AS/NZS ISO Standards
11. ARRB Transport research and publications

Review

The Policy will be reviewed with Council and community input within 4 years from date of adoption, with operational amendments as required in accordance with Council's approval.

Authorisation:

Status	Committee		
	Manex		
Owner	DIRECTOR ENGINEERING SERVICES		
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Superceded Policy			
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20 December 2005	0	33/12/05	
21 March 2006	1	8/3/06	18 April 2011
27 May 2011	2		May 2015

Related Council Policy / Procedure
Community Strategic Plan Policy
Risk Management Policy