

Policy

Infrastructure Asset Management

Responsible Manager (Title)	Finance and Asset Strategy Planner		
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Document(s) this policy Supersedes	V3.0 – 21/07/2015 – 14.132.15 V2.0 – 24/6/2014 – 12.008/14 V1.0 – 16/10/2007 – 09.162/07		
Community Plan Linkage	5 Leadership		
	5.1 We will have a strong, accountable and representative government		
	5.1.6 Ensures decisions reflect the long-term interests of the community and support financial and infrastructural sustainability		

1. Purpose

To set guidelines for implementing consistent asset management processes throughout Clarence Valley Council, and that Council's Asset Management System provides a framework within which:

- Infrastructure is reliable and delivered at an agreed level of service that the community has both the capacity, and is prepared, to pay for.
- Ensure assets remain at a satisfactory standard and condition by implementing appropriate asset management strategies and financial treatment of those assets.
- Appropriate risk management and mitigation options for all high-risk critical assets are applied.
- Creates an environment that appropriately apportions resources and responsibility for overall management of assets.
- Transparent and responsible asset management processes are aligned with best practice and legislative requirements.
- Creates lifecycle cost understanding of asset management, enabling management of a sustainable asset base.

2. Definitions

Asset – A physical component owned or legally controlled by Council, which enables services to the community which has an economic life greater than 12 months and the dollar value can be reliably measured.

Asset Management – The systematic process applied to assets from their planning, acquisition, recording, operation, maintenance, renewal, and disposal, to ensure that the assets meet Council's priorities for service delivery in a sustainable manner.

Asset Management Plan – Details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the planning period i.e. the full lifecycle costs. The plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

Asset Management Strategy – Applies to all Infrastructure assets that are critical to Council's operations and outlines risk management strategies for these assets. The Asset Management Strategy will include specific actions required to improve the Council's asset management capability and projected resource requirements and timeframes. The Asset Management Strategy will balance the resources required in the Asset Management Plan and funded in the Long-Term Financial Plan.

Asset Management Steering Committee – Representative cross-organisational management group that reports to the Executive on all Asset Management matters including progress with existing plans and any proposed changes.

Best Practice – The applications of best practice processes in asset management, accounting for the costs and systems that are appropriate to meet the required service levels.

Lifecycle Costs – Includes acquisition, operation, maintenance, renewal and disposal costs throughout the projected life of the asset.

3. Background/legislative requirements

The Local Government Act 1993 and the Local Government Amendment (Governance and Planning) Act 2016 place several obligations on councils in relation to asset management.

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

Legislative Requirements		
Related Legislation	Local Government Act 1993 (NSW)	Section 8 of the act outlines council's responsibilities for accounting and managing public assets
	Local Government Amendment (Planning and Reporting) Act 2016	Section 403 of the act requires Council to have a Resourcing Strategy which includes an Asset Management Planning component

Other References	Integrated Planning and Reporting Guidelines for Local Government Local Government Code of Accounting Practice and Financial Reporting Australian Accounting Standards – AASB 116	The Policy was developed in line with the IP&R guidelines and manual The accounting standards and code define how our assets are accounted for
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Council is responsible for significant community investment in infrastructure assets to support its core business of delivery of services to the community.

Asset management practices impact directly on the core business of Council and appropriate asset management is required to deliver the Council’s asset management vision as stated in councils Asset Management Strategy:

‘strategically provide, maintain, renew, and replace an appropriate stock of community infrastructure that is required to support the communities of the Clarence Valley Council; is sustainable across the long term; and is provided at the lowest possible life cycle cost’

Asset management directly relates to the objectives; of Council’s Community Strategic Plan and will ensure that Council delivers the appropriate level of service through its assets. This will provide positive impact on:

- Customer and community expectations
- Strategic and corporate goals
- Council’s Long-Term Financial Plan
- The political environment in which Council operates
- Legislative requirements

Council must:

- Provide a consistent framework for implementing systematic asset management and appropriate asset management best practice throughout all departments of Council.
- Cover a minimum period of 10 years and have a focus on long term sustainability for the benefit of current and future generations within the Asset Management Strategy (AMS) and Asset Management Plans (AMP’s).
- Review the AMS and AMPs annually and modify as required based on community feedback and Community Plan objectives.
- Produce an asset management framework, which incorporate an AMS and AMP’s for each class of Council assets. The asset management framework relies on an up to date Asset Management System which should incorporate the following information:
 - Asset registers.
 - Asset condition assessments.

- Asset maintenance and management systems.
 - Strategic planning capabilities.
 - Predictive modelling.
 - Deterioration modelling; and
 - Lifecycle costing.
- Consider relevant legislative requirements political, social and economic environments within the asset management process.
 - Integrate an asset management system with existing planning and operational processes.
 - Prioritise and progressively implement Asset renewal plans based on the level of service required and the effectiveness of the current assets to provide that level of service.
 - Apply to all asset classes a systematic and cyclic renewal reviews to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice, Australian Standards and Legislation.

4. Policy statement

Council will be transparent in its asset management practice by committing to implementing a systematic asset management framework that ensures assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities of service delivery at the lowest possible lifecycle cost.

5. Roles and Responsibilities

The **General Manager** has overall responsibility for developing asset management systems, policies and procedures and reporting on the status and effectiveness of asset management with Council.

The **Asset Management Steering Committee** report directly to the Executive. It provides assurance that all Asset Management activities are consistent with the objectives of the Integrated Planning and Reporting Framework which are supported by the Long-Term Financial Plan. They also monitor the implementation of the Asset Management Improvement and Risk Plans for all asset classes.

Managers are responsible for ensuring that people and processes are in place and work together to implement the asset management systems, policies, and procedures.

Employees with management or supervisory responsibility are responsible for the management of assets within the area of responsibility as determined under asset management plans.

Employees will be tasked under implementation plans and will be responsible for the timely completion of those activities contained within those plans and shall be familiar with asset management and how it applies with Council activities.

6. Audit and Review

Council's financial asset information will be annually audited as part of the external financial audit. Councils Asset Registers will be continually monitored and maintain in line with council's capitalisation, disposal procedures and specific adopted position papers.

Councils Asset Management Systems shall be reviewed, annually, to ensure data, modelling and planning is accurate and relevant to Council and community needs.