

COUNCIL POLICY – Asset Management Policy

Reference Number	685098
Responsible Business Unit	Assets and Infrastructure
Responsible Officer	General Manager Assets and Infrastructure
Legislation	Local Government Act 1999 Local Government (Financial Management) Regulations 2011 Australian Accounting Standards –: AASB 13 Fair Value Measurement AASB 116 Property Plant and Equipment AASB 136 Impairment of Assets AASB 138 Intangible Assets AASB 140 Investment Property AASB 5 Non-Current Assets Held for Sale and Discontinued Operations AASB 1051 Land Under Roads
Relevant Delegations	Chief Executive Officer General Manager Corporate Services General Manager Assets and Infrastructure
Related Policies Management Guidelines Frameworks	Financial Sustainability Policy 750838 Asset Accounting Policy 702005 Asset Disposal Policy 1053363 Risk Management Framework Asset Management Plans Long Term Financial Plan Strategic Plan
Link to Strategic Plan	A Valued Environment – Enlivened Community Spaces
Council resolution	123.1
Date Adopted	10 August 2020
Review Date	Once during a Council term or as required
Previous Revisions	Item 230.3 – 30 September 2013 Asset Account Policy – Internal Aug 2008

POLICY STATEMENT

The purpose of this policy is to guide the management, renewal and replacement of Council's asset portfolio in a sustainable manner at appropriate service levels.

The application of this policy will ensure adequate provisions are made for the long-term renewal and replacement of assets through planning and by implementing appropriate asset management strategies, including appropriate financial resourcing for those assets.

The following policy theory will be adopted:

- Assets will be managed using a "life-cycle cost" approach, best practice asset management techniques and a risk management approach

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- Assets will be utilised to achieve their fullest potential to maximise usage and economic performance
- The asset portfolio will be continually monitored and reviewed to ensure it is responsive to service delivery requirements
- Assets will be properly maintained to ensure that they continue to function effectively for the duration of their economic life
- Funding for the purchase, maintenance, rehabilitation and replacement of all assets will be guided by Council's Asset Management Plans.

OBJECTIVES

Pursuant to the Local Government Act, the Council is responsible for providing services and facilities to the community. The assets controlled by Council enable and support the provision of these services and facilities. Council has a responsibility to manage its assets to ensure cost effective delivery of its services. Asset Management is based on the principle of sustainability managing of the built and natural environment.

Council will acquire, dispose of and optimise the use of these assets to ensure that the overall asset base meets appropriate service standards for the current day and into the future (generational equity).

SCOPE

This policy will be implement across all Councils Asset inventory including but not limited to

- Civil and Transport Infrastructure (roads, kerbs, footpaths)
- Buildings and Facilities
- Recreational and Open Space Assets
- Water and Waste Water Infrastructure
- Stormwater Assets
- Plant and Fleet
- Riverine Assets (jetties, boat ramps, wharfs)

PRINCIPLES

To achieve this policy, the following key principles will define Council's approach to asset management:

- Assets exist to support the delivery of services.
- Asset Management Plans and Management Guidelines will guide management, maintenance and renewal of assets
- Asset Management decisions are integrated with Strategic Planning and Council's Risk Management Framework.
- Asset Planning decisions are based on an evaluation of alternatives which consider life cycles, costs benefits and risk of ownership.
- Systems are developed to provide accountability for asset conditions, usage and performance.
- An effective internal control structure is established.
- Council will maintain Asset Management Plan's to identify future asset management requirements within the context of a Long Term Financial framework
- Asset renewal requirements will be separately identified from new assets and all undergo a separate annual approval process by Council
- Council recognises the need to maintain its asset base and will target a long term asset sustainability ratio in the range 90-110 percent

IMPLEMENTATION

Council Asset Management Policy will be implemented in accordance with Council Asset Accounting Policy (702005)

DEFINITIONS

- **Asset** – is a resource controlled by the Council and can include an individual or a group of physical objects, which has a value, enables services to be provided and has an economic life of greater than 12 months.
(Noting alignment of Asset definition in Asset Accounting Policy - resources controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity)
- **Asset Register** – is a record of assets including information such as construction and technical details about each
- **Asset Sustainability Ratio** – is the ratio of asset replacement expenditure relative to depreciation for a period. This measures whether assets are being replaced at the rate they are wearing out
- **Economic Life** – is the period between acquisition of the asset and the time when the asset while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular need.
- **Lifecycle Cost** – is the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
- **Replacement Value** – is the cost of replacing the service potential of a particular asset, by reference to some measure of capacity, with an appropriate modern equivalent asset.
- **Residual Value** – is the estimated amount that the Council would obtain from the disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.
- **Useful Life** - is the period over which an asset is expected to be available for use