

## Asset Management Policy

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### Document Control

Rev	Version	Date	Details	Authorship	Approved
1	V1.0	Dec 2010	Adopted by Council 14/12/2010	Manager Assets	Indigo Shire Council
2	V2.0	Aug 2013	Reviewed Asset Management Steering Group (AMSG) March 2013.	Manager Assets	Indigo Shire Council 20 Aug 2013
3	V3.0	May 2017	Reviewed by AMSG April 2017.	Manager Assets & Property	Indigo Shire Council 30 May 2017

### 1. INTRODUCTION

This policy sets out Council's commitment to manage and care for its assets in a sustainable way and to assist in the achievement of its vision and meet the service and infrastructure needs of the community now and into the future.

### 2. VISION:

This Asset Management Policy supports Council's Vision:

*Indigo: A great place to live, work and visit.*

and Council's Mission statement:

*To support and develop a sustainable, thriving and resilient community through leadership and partnerships.*

The Council Plan 2013-2017 provides the following strategic objective supporting this Asset Management Policy under Section 2. *Managing Our Built Environment*:

*We will improve the quality and maximise the long-term sustainability of the built environment:  
2.12 Ensure Council's Asset Management practices are maintained at a core standard.*

### 3. SCOPE

This policy applies to physical assets, built or constructed to provide a service to the community, and which require 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, stormwater drains and associated structures.

Financial, human, and information assets are not covered by this policy.

## 4. POLICY DETAILS

Council is committed to the following key principles:

- Service delivery needs will guide asset management practices and decisions
- Asset planning and management has a direct link with Council's corporate and business plans (including the Council Plan, the Strategic Resource Plan and Long Term Financial Plan), budgets and reporting processes
- A Long Term Financial Plan (10yrs) will be developed and incorporate the calculated asset renewal demand, and will be informed by our performance measured against the Local Government Performance Reporting Framework (LGPRF) and the Victorian Auditor General's Office (VAGO) sustainability indicators.
- The Long Term Financial Plan will be updated with reviews after Council elections to ensure currency and continuity of resource application
- Application of the 'Renew before Upgrade or New' philosophy for asset related programs. Identified asset renewal funding will be considered as non-discretionary and new projects as discretionary
- Asset management decisions are based on the benefits and risks of assets and an evaluation of alternative options that take into account full life cycle costs and impacts of these costs on the ability to fund future maintenance and rehabilitation
- Establishment and use of a capital works priority evaluation methodology for all new projects. A business case will be prepared as part of the initial formulation for capital works proposals over a nominated threshold as outlined in the Capital Works Evaluation Framework
- New or upgrade projects are to be reviewed for full life cycle ('whole of life') costs as part of this project consideration process.
- Asset management plans will be established and maintained to communicate information about assets and the actions required to provide defined levels of service within a best value for money framework
- Asset management plans to be informed by community consultation
- Financial and asset management reporting to be categorised in terms of operational, maintenance, renewal, upgrade, and new expenditure classifications to enable sound asset management decisions
- Staff with asset and financial management responsibilities will be appropriately trained in relevant asset and financial management principles, practices, and processes. Councillors will be briefed to ensure understanding of asset and financial management principles.

## **5. ROLES & RESPONSIBILITIES**

Asset Management requires a whole of organisation approach. Asset Management is the responsibility of and requires the active participation of Council, the Executive, and all Council Staff.

A cross functional Asset Management Steering Group (AMSG) was established in 2010 to coordinate, advise and facilitate the implementation of the adopted Asset Management Strategy. The Asset Management Steering Group will report on the status of relevant asset management issues, practice, and strategy to Council on an annual basis.

All Service Plan Managers will be required to assess the assets used to deliver their service, including buildings, vehicles, and land to ensure that the Service Delivery is the driver of Asset Management Practices and Decisions.

## **6. DOCUMENT LINKS**

The following documents have primary linkages with Council's Asset Management Policy:

- Council Plan
- Asset Management Strategy
- Asset Management Plans
- Long Term Financial Plan.

## **7. COMMUNICATION**

The policy will be reviewed by Council in open session prior to adoption. Following adoption, the policy will be updated on the Council Website, and made available at the Beechworth office.

Outcomes of the Asset Management systems will include the 5 Year CAPEX document and the Strategic Resource Plan.

Councillors will be given an annual "State of the Assets" communication.

## **8. POLICY REVIEW**

This policy shall be reviewed at least every four (4) years to ensure consistency with other Council policies and enhance the effectiveness of delivering the necessary outcomes. The policy is scheduled for review as part of the Council Plan process associated with new Council Terms.

Policy reviews will be undertaken by the Asset Management Steering Group based on industry requirements and feedback on the effectiveness of the policy in achieving its objectives. Responsibility for managing the review process, including the consideration of policy expiry, rests with the Manager Assets & Property.