

# ASSET MANAGEMENT POLICY

**JUNE 2024**



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## **1. INTRODUCTION**

The purpose of this policy is to set guidelines for implementing consistent asset management processes throughout the Organisation.

## **2. TYPE OF POLICY**

Statutory - Statutory policies are those policies that are adopted by Council due to a legislative requirement.

## **3. OBJECTIVE**

To ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring that services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to customers and the environment.
- Safeguarding infrastructure assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all employees take an integral part in overall management of infrastructure assets by creating and sustaining an asset management awareness throughout the Organisation by training and development.
- Meeting any legislative and regulatory requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.

Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

## **4. SCOPE**

This policy applies to all the Organisation's departments, officers, employees and contractors.

## **5. LINK TO STRATEGIC PLAN**

To achieve community desired outcomes within four (4) "Future Directions".

1. Community Pride
2. Prosperity for All in All Aspects of Life
3. Progressive Well-Resourced Communities
4. Leadership and Accountable Governance

## **6. RELATED LEGISLATION**

The Local Government Act 1993, section 70C requires Council to develop an asset management policy. Section 70F requires the asset management policy to include those matters defined in an order. Section 70E requires the asset management policy to be reviewed at least every 4 years. In accordance

with section 70F, the Local Government (Content of Plans and Strategies) order 2014, clause 8 (2) determines those matters that must be included in the asset management policy.

## **7. RISK CONSIDERATIONS**

This Policy aligns itself with objectives for risk management at George Town Council, documented in:

- Risk Management Policy
- Risk Management Framework
- Risk Appetite Statement and
- Risk Management Procedures.

## **8. POLICY**

### **Asset Management Vision**

Our vision for asset management is to ensure the long-term financial sustainability of Council to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services.

To assist in achieving this balance, Council aspires to:

Develop and maintain asset management governance, skills, process, systems, and data in order to provide the level of service the community need at present and in the future, in the most cost-effective and fit for purpose manner.

### **Background**

1. Asset management practices impact directly on the core business of the Organisation and appropriate asset management is required to achieve our strategic service delivery objectives.
2. Adopting asset management principles will assist in achieving our Strategic Long Term Plan and Long Term Financial objectives as set out in the Financial Management Strategy.
3. Sustainable Service Delivery ensures that services are delivered in a socially, economically and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.
4. Sound Asset Management practices enable sustainable service delivery by integrating customer values, priorities and an informed community understanding of the trade-offs between risks, costs and service performance.

### **Principles**

The Organisation's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets by:

1. Ensuring that the Organisation's capital assets are provided in a manner that respects financial, cultural, economic and environmental sustainability.
2. Meeting all relevant legislative and regulatory requirements.
3. Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices.

4. Implementing sound Asset Management plans and strategies and providing sufficient financial resources to complete and maintain them.
5. Asset Management plans will be completed for all major asset / service areas.
6. Expenditure projections from Asset Management Plans will be incorporated into the Organisation's Long Term Financial Plan.
7. Regular and systematic reviews will be applied to all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice.
8. Regular inspection will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
9. Asset renewals required to meet agreed service levels and identified in adopted asset management plans, and when applicable long term financial plans, will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented.
10. Future life cycle costs, related to whole of life costs, will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
11. Future service levels with associated delivery costs will be determined in consultation with the community for incorporation into the asset management plans.
12. Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated.
13. Creating a corporate culture where all employees play a part in overall care for the Organisation's assets by providing necessary awareness, training and professional development in asset and financial management for Councillors and relevant staff.
14. Councillors and staff, with asset and financial management responsibilities, will be appropriately trained in relevant asset and financial management principles, practices and processes.
15. Providing those we serve with services and levels of service for which they are willing and able to pay.
16. 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.
17. The asset management policy informs the financial management strategy
18. 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.
19. Promotion of sustainability and community resilience and the planning for climate change adaption and mitigation.

## **9. RESPONSIBILITIES**

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

A cross functional Asset Management Working Group (AMWG) will be established and maintained to coordinate, advise and facilitate the implementation of the adopted Strategic Asset Management Plan (SAMP). The AMWG will report on a maximum quarterly basis to the Executive who in turn will report progress of the implementation of the SAMP to the Council. The objective is to facilitate continual improvement of Council’s assets.

**Councillors** are responsible for adopting the policy, allocating resources, and providing high level oversight of the delivery of the Organisation’s asset management strategy and plans. The council is also responsible for ensuring that Organisational resources are appropriately allocated to ensure sustainable service delivery.

The **General Manager** has overall responsibility for the SAMP, asset management plans, procedure reviews and reporting on the status and effectiveness of asset management within the Organisation.

## **10. IMPLEMENTATION & REVIEW OF POLICY**

Implementation of this Policy rests with the General Manager. This Policy will be reviewed in June 2028 or in accordance with legislative requirements.

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Shane Power  
**GENERAL MANAGER**