

COUNCIL POLICY

Asset Management	Adopted By Council:	06/04/04	
	Date/s Revised:	18/10/11, 23/07/14, 01/03/18, 28/07/21	
	Next Review Date:	07/24	
	Document No:	CP001	
	Directorate:	Planning & Infrastructure	

CONTEXT

The Borough of Queenscliffe is responsible for over \$37 million (excluding the value of land) infrastructure assets that support the delivery of services to the community. The role of asset management is to optimise the management of physical assets and their associated performance, risks and expenditure over the total lifecycle of the asset.

PURPOSE

The purpose of this policy is to outline Council's commitment to manage and care for its assets in a way that assists its vision, and meets the needs of the community, both now and in the future.

DEFINITIONS

Asset Management (AM)

Systematic, coordinated activities and practices through which an organisation optimally manages its physical assets, including associated performance, risks and expenditure over the assets' lifecycle for the purpose of achieving the organisation's strategic plan.

AM Strategy

A plan to achieve ongoing improvement in AM activities and practices by establishing:

- clear objectives;
- a framework within Council to achieve those objectives;
- a system for measuring performance; and
- a detailed improvement program.

AM Plan

A tactical plan developed for the management of a class of assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of an asset in the most cost-effective manner, to provide a specific level of service. A significant component of the plan is the development of long-term expenditure forecasts for the activities required to manage the assets.

Long Term Strategic Financial Plan

A 10 year financial plan which enables Council to better plan and understand their long-term financial requirements, including consideration of:

- sustainability;
- service provision levels;

- the creation of new assets; and
- upgrade, expansion and renewal of existing assets.

POLICY

1. Policy Principles

1.1 Objectives

- Manage Council assets over their life cycle in a sustainable way including ensuring funding of the renewal of existing assets before the funding of discretionary new and upgrade works;
- Develop and maintain asset management plans for all asset classes that council is responsible for;
- Collect and maintain the correct data to support asset management including the monitoring and reporting on council asset management expenditure in terms of operational, maintenance, renewal, new and upgrade costs; and
- Maximise the use of data held by Council to improve efficiency in all processes.

1.2 Scope

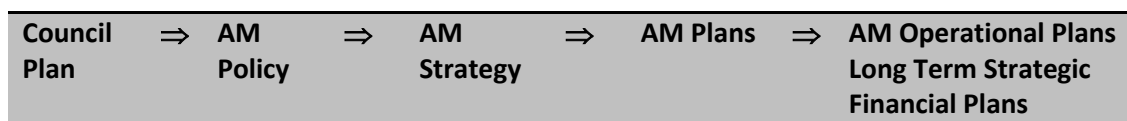
Council must ensure that its assets are properly managed to continue to provide asset based services to current standards and to:

- improve the quality of life of the community;
- maximise community benefit;
- minimise risk;
- ensure long term financial sustainability; and
- make them accessible to the community.

Council will report to the community on its service performance through the Annual Report.

1.3 The Process

There are some basic steps for the successful implementation of an Asset Management (AM) policy:



As a minimum, Council needs to have an Asset Management Policy and Strategy to provide direction and guidance for asset management planning. The Asset Management Plan provides more detail and long term projections. The Asset Management Plan is the tool for combining management, financial, engineering and technical practices to ensure that the level of service required by customers is provided at the lowest long-term cost to the community.

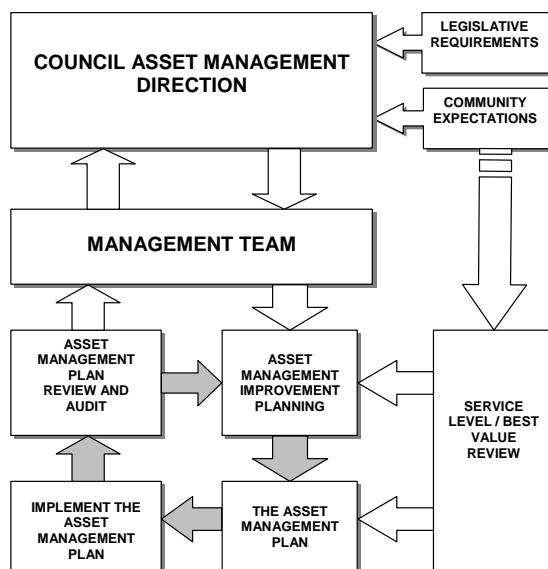
The Plan is intended to demonstrate that Council is managing the assets responsibly and that customers will be regularly consulted over the price/quality trade-offs resulting from alternative levels of service. In developing asset management service levels Council shall consult and involve the community where appropriate. Council will report on the cost to manage assets in accordance with relevant local government frameworks.

Council’s long term Strategic Financial Plan and Adopted Budget (including Strategic Resource Plan) will take into account the Asset Management Plans and financial forecasts.

The Operational Plans cater for the delivery of the specific asset management initiative.

2. Organisational Context And Importance Of Asset Management

The process of implementing asset management planning within Council is illustrated below:



Sound asset management is necessary to enable Council to meet its responsibilities to:

- Provide services to current and future generations by ensuring ‘whole of life’ planning;
- Provide and maintain community infrastructure within the Borough with regards to community expectations; and
- Encourage and support the economic and social development of the Borough.

Council services to the community that rely on sound asset management include:

- Traffic, road and cycle/footpath;
- Recreation and leisure services;
- Community parks, reserves and sports grounds;
- Stormwater services;
- Community services; and
- Buildings and cultural facilities.

2.1 The Importance of Asset Management

The main benefits derived from asset management planning are:

- Improved understanding of service level options and standards;
- Minimum life cycle (long term) costs are identified for an agreed level of service;
- Better understanding and forecasting of asset related management options and costs;
- Managed risk of asset failure;
- Improved decision making based on costs and benefits of alternatives;
- Clear justification of forward works programmes and funding requirements;
- Improved accountability over the use of public resources
- Satisfying future eligibility criteria for State and Federal grant funding; and
- Improved customer satisfaction and Council performance.

3. Council's Vision And Goals For Asset Management

3.1 Council Vision

The Council Vision taken from the –2017 – 2021 Council Plan is that:

“The Borough remains a safe haven defined by its unique heritage, rich culture and significant natural environment. It is a special and restorative place for an involved and caring community and our visitors.”

The Council Plan details the strategic objectives of responsibly managing financial, human and physical resources, improving the development of infrastructure and maintaining community assets to continue to provide and support high quality health, learning and aged care services.

Council Plan Strategic Objective 5: Governance and Performance includes the strategy: *“Maximise the return on Council assets and leverage external funding opportunities.”*

3.2 Goals

The Council's goals for asset management are:

- Meet compliance requirements efficiently and effectively;
- Manage risk;
- Provide a sustainable level of service in accordance with the objectives set out in the Council Plan;
- Manage the infrastructure associated with the social, environmental and economic development within our community;
- Complete life cycle analysis for the organisation's infrastructure; and
- Develop a broad capital evaluation framework that takes into account life cycle costs.

4. Broad Asset Management Responsibilities And Relationships

Within the scope of asset management the following three tiers of the organisation have various key responsibilities:

4.1 Council

- To act as stewards for infrastructure assets.
- To develop the Council Plan and monitor its outcomes.
- To set corporate asset management policy and vision.
- To set levels of service, risk and cost standards.
- To ensure appropriate resources for asset management activities are made available.
- To integrate asset management policies, asset management strategies and asset management plans into the Council governance framework.

4.2 Chief Executive Officer

- To achieve Council's agreement to the asset management policy.
- To implement the Council's asset management strategy with agreed resources.
- To deliver Council's Best Value Program.
- To monitor and review performance of council staff in achieving the asset management strategy.
- To ensure that accurate and reliable information is presented to Council for decision-making.
- To promote and inform asset management awareness of the Councillors.

4.3 Management Team (includes Asset Manager)

- To develop asset management plans for individual asset groups, using the principles of life cycle analysis.
- To implement plans for individual asset groups.
- To implement tactical plans (such as maintenance programs, capital works programs) in accordance with the Asset Management Plan and Council plan.
- To deliver levels of service to agreed risk and cost standards.
- To present information to the Council and Chief Executive in terms of life cycle risks and costs.
- To ensure that asset management skills and training are identified as part of the staff performance appraisal process.
- To ensure all position descriptions for asset management roles define asset management responsibilities.

5. Audit And Review Procedures

The Audit Committee will review this policy and relevant procedures, and such review will involve:

- Review of the Asset Management policy;
- Review of the Asset Management strategies;
- Audit and review of the Asset Management plans as set out in the AM Strategies; and
- On-going audit of the compliance with the policy, such audits are to be included in the annual report to Council.

CONTINUOUS IMPROVEMENT

This policy will be reviewed as a minimum every three years from the date of adoption, and as necessary.

OTHER REFERENCES

Borough of Queenscliffe Council Plan –2017 – 2021

Borough of Queenscliffe Risk Register

Borough of Queenscliffe Adopted Budget (including Strategic Resource Plan)

Standard Operating Procedure 'Accounting Policy and Procedure Manual'.

Local Government Asset Management – Better Practice Guide, Local Government Victoria, 2015

END