

OPERATIONAL POLICY

108 – ASSET MANAGEMENT GENERAL		Policy No.	108
		Approved by CEO/EMT	12/03/03
		Review Date:	
Responsible Officer/Directorate	SER	(insert date of each review)	10/08/05, 08/06/11, July 2012 (Format revision only), June 2013

1. PURPOSE

The purpose of this policy is to compliment and build upon the Council Plan, provide a more formalised approach to asset management principles and methodology, and to bring benefits including:

- clear direction and ownership of asset management
- a guide to better and more informed decision-making by Council, staff and community
- integration of resources and knowledge
- a framework to implement continuous improvement in asset management
- meet community needs and expectations
- identification of appropriate risk avoidance and risk control in line with Council's risk management policy
- greater resource efficiency through the use of integrated systems
- effective use of Council resources
- compliance with state and federal legislation
- ability to plan for the present and future generations, and the long term financial viability of Council.

The objectives of this policy are:

- to ensure that asset management is clearly recognised by Council and the community, in accordance with the primary objectives of the Local Government Act 1989.
- to ensure recognition of the importance of managing Council's assets for present and future generations

2. POLICY STATEMENT

Council recognises that Assets must be planned, provided, maintained and refurbished so that they continue to meet the service delivery needs of the community. As the owner and custodians of Southern Grampians Shire Council's assets, Council is required to:

- meet the needs of the present and future generations,
- manage assets in a financially sustainable manner,
- ensure that legal obligations are met,

- represent the community as the asset owners,
- maintain assets to support the provisions of services to the community,
- set corporate Asset management Policy and Strategy with linkage to the Council Plan and Service Plans,
- to ensure appropriate resources (staff, funding and asset management systems) for asset management activities are made available to integrate the policy, strategy and plans into the corporate governance framework, and
- promote and raise awareness of asset management to the community.

Council will establish an Asset Management Steering Committee (steering committee) to oversee the implementation of this policy within the terms of reference approved by the Chief Executive Officer.

The steering committee will maintain an asset management strategy which consider:

- Corporate responsibility and the need for resources
- Management of assets is undertaken in a structured and coordinated way
- Council's Risk Management Strategy
- Financial, social and environmental sustainability
- Best value principles
- Compliance with legislative and regulatory requirements
- Continuously improve asset management practices across the organisation through skills and awareness training and development
- Ensure accurate and reliable information is presented to the Executive Management Team and Council for decision making, and
- Ensure the community and key stakeholders inputs are integrated into Asset Management Plans.

Council acknowledges the following asset management principles:

1. develop sustainable asset management plans as part of providing quality infrastructure and community facilities.
2. quality assets assist in the delivery of services that are appropriate, accessible, responsive and sustainable to the community.
3. management of assets in a systematic manner.
4. involvement and consultation with the community and key stakeholders to assist in the establishment of responsible asset management plans and ensure "whole of life" asset function consideration for present and future generations having regard to best practice.
5. recognition of good quality asset management, encouragement and promotion of economic and social development, to meet industry standards, and risk management requirements.
6. management of assets utilising a multi discipline, cross functional asset management steering committee, to ensure all stakeholders are involved.
7. embrace the need for regular maintenance and refurbishment of assets to ensure that:
 - a. asset design, construction, maintenance and refurbishment continue to meet the "standards of the day" and the service requirements
 - b. identified risks to the public and employees are addressed consistent with in the objectives of Council's risk management policy

- c. assets continue to function for their full asset life overall life-cycle costs are reduced
 - d. asset condition remains within agreed intervention levels as documented in departmental service plans
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- 8. funding for all maintenance, refurbishment and replacement will seek to reflect "whole of life costs"
 - 9. where new assets are considered, examine "whole of life" cost implications, including ongoing costs of maintenance, refurbishment and removal of that asset over its life.
 - 10. encouragement of continuous improvement, innovation and cost effective methods of work practices and processes.
 - 11. consideration of objectives and strategies in the Council Plan.
 - 12. Council's Strategic Resource Plan, Long Term Financial Plan and annual budgets will take into account Asset Management Plan recommendations and financial forecasts.
 - 13. report on the cost to manage assets in accordance with relevant local government frameworks.
 - 14. Council will report to the community on its service performance.
 - 15. fund the renewal of assets before the funding of discretionary new and upgrade works.
 - 16. maximise external funding for assets with emphasis on renewal works and local priorities.
 - 17. develop and implement a Capital Evaluation Framework utilising an individual business case format to assist in prioritising projects for consideration within Council's Long Term Financial plan.
 - 18. monitor and report on Council Asset Management expenditure in terms of operational, maintenance, renewal, new and upgrade costs.

This policy will be reviewed in line with the Policy and Procedures Manual Policy.

END


20/8/13

