



Asset Management Policy

August 2011

Document review and approval

Revision history

Version	Author	Date	Revision
1.2	Manager Land Information	October, 2009	Original Version
1.3	Strategic Planning Manager	9 August, 2011	Revised to comply with DLG Guidelines

This document has been approved by

Subject matter experts			
	Name	Signature	Date reviewed
1	Directors Meeting – 13/10/09 DMC059-10		
2	Directors Meeting – 09/08/11 DMC030-12		

9 August 2011

This policy contains 5 pages

1. PURPOSE

The purpose of this Asset Management Policy is to articulate Council's commitment to the principles of sound asset management. It establishes a clear direction and framework to ensure that asset management is undertaken in a structured, coordinated, cost effective and financially sustainable manner across the whole organisation.

2. SCOPE

This policy applies to all physical assets (excluding personnel) owned or controlled by Council.

3. GOALS AND OBJECTIVES

The goals and objectives of this policy are to establish a framework which will:

- Ensure that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Safeguard Council assets, including physical assets and employees, by implementing appropriate Asset Management strategies and appropriate financial treatment of those assets.
- Create an environment where Council employees play an integral part in the overall management of Council assets by creating and sustaining Asset Management awareness throughout Council.
- Meet or surpass legislative requirements for Asset Management.
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrate transparent and responsible Asset Management processes that align with demonstrated best practice.

4. POLICY

4.1 Background

- 4.1.1 Council is committed to implementing a systematic asset management methodology in order to implement appropriate asset management best practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities of service delivery.
- 4.1.2 Council owns, uses and or controls approximately \$1.5 billion of "non-current" assets (eg roads, buildings, reserves) to support its core business of delivery of service to the community.
- 4.1.3 Asset management directly supports the Council endorsed community strategic plan, "Our Shire Our Future" by detailing the asset resources that are required to be managed in a way that meets the community's main priorities and aspirations, as set out in the community strategic plan.
- 4.1.4 Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives.

- 4.1.5 A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:
- Members of the public and staff;
 - Council's financial position;
 - The ability of Council to deliver the expected level of service and infrastructure;
 - The political environment in which Council operates; and
 - The legal obligations of Council.

4.2 Principles

- 4.2.1 A strategic and systematic approach to asset management, that embraces industry standards and best practice, will be employed throughout Council.
- 4.2.2 Council's assets will be managed using a "life cycle" approach and all future life cycle costs will be calculated and considered in all decisions relating to new services and assets as well as upgrading of existing services and assets.
- 4.2.3 Council's assets will be utilised to their optimum potential, to maximise usage and economic performance, based on performance targets relating to the particular classes of assets set out in the Asset Management Strategy.
- 4.2.4 All relative legislative requirements together with environmental, social, economic and governance standards are to be taken into account in asset management.
- 4.2.5 Council's assets will be regularly maintained to the Asset Management Plan, based on the Asset Management Strategy, to ensure that they continue to function as built for the duration of their life and minimise Council's exposure to risk in regard to asset failures.
- 4.2.6 An inspection regime and consistent condition rating will be used to ensure agreed service levels, intervention methods and renewal priorities can be determined across all asset classes.
- 4.2.7 Funding for all asset purchases, maintenance, rehabilitation and replacement shall be guided by Council's Asset Management Plans and included in the Integrated Planning & Reporting framework consisting of the annual Operational Plan, the 4 Year Delivery Program and 10 year Long Term Financial Plan.
- 4.2.8 Asset renewal plans will be prioritised and implement progressively based on the level of service required and the effectiveness of the current assets to provide that level of service.
- 4.2.9 Systematic and cyclic renewal reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- 4.2.10 Future service levels provided by infrastructure assets will be determined in consultation with the community.
- 4.2.11 All assets must be assigned to an asset manager who will be responsible for managing the assets in accordance with this Policy, Asset Management Strategy and Asset Management Plan/s.

4.2.12 That in all asset management documents the hierarchy of asset management recognise the different roles of asset owner, asset manager and asset user/occupier.

5. RESPONSIBILITIES

5.1 Councillors

Councillors, as the custodians of community assets, are responsible for adopting the policy and ensuring that sufficient resources are made available for asset management activities.

5.2 General Manager

The General Manager has overall responsibility for developing an Asset Management strategy, plans and procedures and reporting on the status and effectiveness of Asset Management within Council.

5.3 The Asset Management Steering Committee (AMSC)

- The AMSC reports to the General Manager.
- Implement and continuously review the corporate Asset Management Policy and Strategy subject to allocated resources.
- Provide strategic direction and leadership for asset management over the next 25 years.
- To ensure that accurate and reliable information is presented to Council for decision making.
- Ensure the needs and obligations of the Council are being fulfilled on behalf of the community.
- Foster and support the multidisciplinary, cross-functional Asset Management Working Group.

5.4 The Asset Management Working Group (AMWG)

- The AMWG reports to the AMSC.
- Develop an asset management Strategy for asset management and resource requirements that reflect a corporate approach to asset management utilising Councils corporate systems.
- Encourage continuous improvement, innovation and cost effective methods to improve asset management practices.
- Facilitate the development of asset management plans.
- Present accurate information relating to infrastructure assets (lifecycle costs, risks, etc) to support Council's decision making processes.

5.5 Asset Owners

- Acts as the authorised representative of the council to acquire, dispose, lease, license or hire assets in accordance with applicable council resolutions and delegations.

5.6 Asset Managers

- To develop, implement and review asset management plans at the business unit level in accordance with this Policy and the Asset Management Strategy.

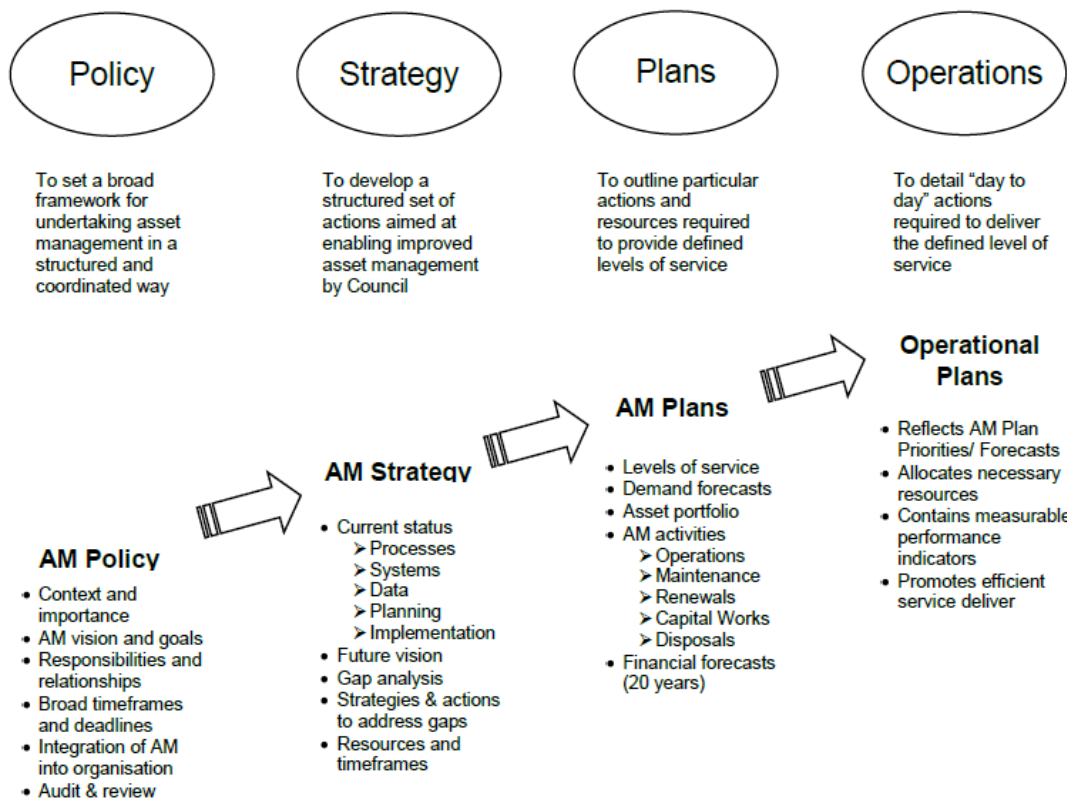
- To report on the performance of assets under their responsibility.
- To manage occupational health and safety and public liability risks associated with the assets assigned to the Manager.
- To act as an interface with asset occupiers.

5.7 Asset Users/ Occupiers

- To use or occupy council assets under agreement with the asset owner, or where applicable, the asset manager in accordance with adopted council policies relating to the use or occupation of the class of asset or type of transaction.

6. ASSET MANAGEMENT FRAMEWORK

The framework for implementing Asset Management within Sutherland Shire Council in accordance with the principles outlined in this policy is illustrated below:



7. REVIEW

This policy shall be reviewed every year and in conjunction with Council's Community Strategic Plan.