

 <p>warrumbungle SHIRE COUNCIL</p>	<b>Asset Management Policy</b>
	<b>Strategic</b>

### 1. Purpose

Warrumbungle Shire Council manages a significant portfolio of assets and is committed to establishing a framework for implementation of asset management processes throughout the organisation.

Council's goal in managing its assets is to deliver the required level of service in the most cost-effective manner to provide services and infrastructure which meets the social and economic needs of the community now and in the future.

### 2. Objectives

The aim of this policy is to ensure that asset management strategies and asset management plans are developed and implemented within an overall framework of Integrated Planning and Reporting. The expected outcomes of this policy are:

- Council services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Protection of assets for current and future generations.
- Development of long-term cost-effective management strategies.
- All legislative requirements in relation to asset management are identified and met.
- Identification of key roles and responsibilities for asset management in the organisation.

### 3. Policy Scope

This policy applies to all assets owned, leased or controlled by Warrumbungle Shire Council. Therefore, this policy applies to organisational areas that have the responsibility to manage, maintain, operate, or provide a service relating to Council's assets.

Initially asset management plans will be developed for the following asset groups: buildings; roads; water; sewerage; and drainage.

In time, asset management plans will also be developed for other infrastructure such as passive and active recreation facilities, waste facilities, cemeteries, street furniture, gravel quarries, and fleet vehicles.

### 4. Associated Policies, Legislation and Documents

<b>ASSOCIATED LEGISLATION</b>	<ul style="list-style-type: none"> <li>• <i>Local Government Act 1993 (NSW)</i></li> <li>• <i>Local Government (General) Regulation 2021 (NSW)</i></li> </ul>
<b>ASSOCIATED DOCUMENTS</b>	<ul style="list-style-type: none"> <li>• Australian Accounting Standards Board 116</li> <li>• Local Government Code of Accounting Practice &amp; Financial Reporting</li> <li>• NSW Government <i>Best Practice Management of Water Supply and Sewerage Guidelines</i></li> <li>• OLG Circulars on Asset Management Planning for NSW Local Government.</li> <li>• OLG <i>Integrated Planning and Reporting Handbook for Local Councils in NSW</i></li> </ul>

## 5. Definitions

Term	Definition
Asset	A physical component of a facility, which has value, enables services to be provided and has an economic life of greater than twelve months.
Asset management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
Asset management plan	A plan developed for the management of one or more assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide a specified level of service.
Asset register	A record of asset information considered worthy of separate identification including inventory, historical, financial, condition, and construction, technical and financial information about each.
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
Level of service	The level of asset service as identified by the quality and quantity of its services or output.
Life cycle	The cycle of activities that an asset (or facility) goes through from planning and design to decommissioning or disposal.
Renewal	Works to restore, refurbish or replace, an asset to its original capacity or performance capability.
Strategic plan	A plan containing the long-term goals and strategies of an organisation, covering major portions of the organisation and identifying major targets, actions and resource allocations to support the organisation's efforts in an optimised and sustainable manner.
Useful life	The period over which an asset is expected to be available for use by an entity (in the context of its service to the entity and not to the asset's actual physical life).

## 6. Background

As per Legislative requirements, Warrumbungle Shire Council must account for and plan for all of the existing assets under its ownership, and any new asset solution proposed in its Community Strategic Plan and Delivery Program. Warrumbungle Shire Council must prepare an Asset Management Strategy and Asset Management Plan to support the Community Strategic Plan and Delivery Program.

## 7. Policy Statement

### 7.1 General Principles

The following general principles will underpin implementation of this policy:

- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- The strategic asset management plan must identify assets that are critical to Council's operations and outline risk management strategies for these assets.

- Asset management principles will be integrated within existing planning and operational processes.
- An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- The asset management plan must contain long term projections of asset maintenance, rehabilitation and replacement costs.
- Asset renewals required to meet agreed service levels and identified in asset management plans and long-term financial plans will be fully funded in the annual budget estimates.
- Service levels agreed through the budget process and defined in Asset Management Plans will be fully funded in the annual budget estimates.
- Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- Systematic and cyclic 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.
- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- Future service levels will be determined in consultation with the community.
- The strategic asset management plan must include specific actions required to improve Council's asset management capability and project resource requirements and timeframes.

## **7.2 Preparation of an Asset Management Plan**

The asset management plan developed for a particular asset category or group of assets, must have a direct link with Council's delivery program. The content and format of the asset management plan must clearly identify links with the delivery program.

There is no single right way to structure an Asset Management Plan, but would typically include the following components:

- The purpose of the Plan, its relationship with other planning documents and timeframes of the Plan.
- A description of the asset group(s) and the services delivered.
- An outline of the type of information available on assets, information system used and key standards and guidelines which influence asset management activities, levels of service (current and desired) and a system of performance measures.
- Factors influencing future demand and impact of changing demand on assets.
- Management of risk.
- Summary of lifecycle management strategies (operations, maintenance and renewal/disposal of assets).
- Financial summary – long term cash flow projections for each significant asset group.
- Links to the Community Strategic Plan and Long-Term Financial Plan, capital works and maintenance programs.

## **7.3 Performance and Targets**

Council's performance in meeting objectives of this policy will be regularly reviewed through the integrated planning and reporting process. The review will determine if:

- Funded actions arising from asset management plans are translated in delivery programs and operational plans.
- Service levels from assets meet expectations identified in the community strategic plan.

- There is common understanding of sustainable service levels between Council and asset users.

The strategic asset management plan and the various asset management plans developed in accordance with this policy must be for a minimum timeframe of ten (10) years.

Council must report on the condition of the assets in the annual financial statements in accordance with the Local Government Code of Accounting Practice and Financial Reporting.

## **8. Responsibilities**

Staffs accountably for implementing asset management policies, strategies and plans are as follows:

### General Manager

Responsible for ensuring the development and resourcing of Council's strategic asset management plans and processes and for their integration with Council's Integrated Planning & Reporting framework under the Local Government Act.

### Directors

Responsible for development and implementation of Council's strategic asset management plans and processes and for their integration with Council's Integrated Planning & Reporting framework under the Local Government Act.

### Section Managers

Responsible for implementation of Council's strategic asset management plans, processes and activities, and for reporting on delivery performance.

## **9. Getting Help**

Director of Corporate and Community Services  
Chief Financial Officer.

## **10. Version Control**

This policy shall be reviewed every four years by the Director of Corporate and Community Services.

<b>Policy Name</b>	<b>Version</b>	<b>Resolution</b>	<b>Date</b>
Asset Management Policy	1	260	20 January 2011
Asset Management Policy	2	123/1314	19 September 2013
Asset Management Policy	3	107/1718	21 September 2017
Asset Management Policy	4	184/2223	8 December 2022