

RICHMOND VALLEY COUNCIL POLICY REGISTER

Policy No: 1.3.8

Reference: Corporate Management - Asset Register, Policy

POLICY:	ASSET MANAGEMENT
FUNCTION:	Corporate Administration
OBJECTIVE:	To meet a required level of service in the most cost effective way through the creation, acquisition, operation and maintenance, renewal and disposal of assets to provide for present and future customers and communities
DIRECTORATE:	WORKS

PREAMBLE

Richmond Valley Council is in the business of providing services to the community. The assets of Richmond Valley Council enable and support the provision of most of these services. Council has a responsibility to manage its assets to ensure cost effective delivery of its services. Elected members have a stewardship role to ensure that Council's assets are cared for and protected for future generations. Asset Management is based on the principle of sustainability of the built and natural environment.

The term "Asset Management" is used to describe the process by which Councils manage physical assets to meet current and future levels of service. Asset Management is defined as the systematic and co-ordinated activities and practices through which an organisation optimally manages its physical assets, and their associated performance, risks and expenditures over their lifecycle for the purpose of achieving its organisational strategic plan.

All councils, irrespective of size or location, need to ensure that the sustainable management of assets is a 'whole of Council' responsibility, and recognised as such at all levels within Council.

Asset Management is about the way in which we look after our assets. This is both from a day-to-day (operations and maintenance) and a medium to long term (strategic and forward planning) basis. It is associated with the current or desired levels of service for Council's customers, the associated costs in providing these services, and the practices and systems that assist Richmond Valley Council in achieving this in the most efficient and effective manner.

Asset Management Strategies must be environmentally sustainable and effective asset management practices and procedures will ensure this is the case over the whole of the asset's life.

Assets include infrastructure such as roads, water and sewerage assets, urban and rural drainage, bridges, footpaths and public buildings as well as non-infrastructure such as land, plant and equipment, heritage and cultural assets, park lands and other assets.

OBJECTIVE

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

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council.
- Meeting legislative 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.
- The implementation and maintenance of an Asset Management System which is the foundation of all Asset Management Practices. It is a combination of processes, data and software applied to provide the essential outputs for effective asset management such as reduced risk and optimum infrastructure investment. The Asset Management System links to other information systems within Council such as the Property System, Geographic Information System, Finance System and Document Management System integrating Asset Management with the rest of Council's operations.

SCOPE

This policy applies to all Council activities.

POLICY

Background

- Council is committed to implementing a systematic asset management methodology in order to apply 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 for service delivery.
- Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives.
- 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 liabilities of Council.

Principles

- A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- 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.
- Asset renewals required to meet agreed service levels and identified in Infrastructure and 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 Infrastructure and 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 General Manager has authority to transfer funds from an operation/maintenance program to a capital program preceding a quarterly budget review or vice versa as long as the transfer is within the already established overall program budget.

LEGISLATION

Local Government Act 1993 (NSW).

Local Government (General) Regulations 2005 (NSW).

RELATED DOCUMENTS

- Asset Management Strategy and associated Infrastructure and Asset Management Plans.
- International Infrastructure Management Manual 2006.

RESPONSIBILITY

Councillors are responsible for adopting the policy and ensuring that sufficient resources are applied to manage the assets.

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.

REVIEW DATE

This policy will be reviewed (as a minimum) in 2012.

VARIATION

Council reserves the right to review, vary and/or revoke this Policy from time to time.