

Council Policy



Policy Title: Asset Management Policy

Policy Number: 11.01

Focus Area: Manage community resources and provide great service

Responsibility: Asset Planning

Meeting Adopted: 20 September 2022 (200922/16)

OBJECTIVE

The Asset Management Policy supports Council's vision and strategic objectives, sets guidelines for implementing consistent asset management processes throughout the local government area to manage assets so they provide the appropriate level of service to meet the community's needs and expectations in a financially sustainable manner.

Council takes a whole of life approach to asset management, recognising that assets must be planned, provided, maintained and renewed so that they continue to meet the service delivery needs of the community, within the context of providing best value to the community.

This is achieved by ensuring that Council has the information, knowledge and understanding of long-term risk of managing public infrastructure.

The Asset Management policy links with the IP&R planning framework and supports the development of the Asset Management Strategy and specific Asset Management Plan(s).

SCOPE

This policy applies to all infrastructure related service provision such as road and transport, storm water drainage infrastructure, water and sewerage infrastructure, Council owned or managed buildings and facilities, land improvements, parks and open spaces including recreational assets.

POLICY

The *Local Government Act 1993* and the Local Government (General) Regulation 2021 defines Council statutory obligations through Integrated Planning and Reporting requirements to account for and plan for all existing assets under its ownership, and any new assets proposed in its Community Strategic Plan, Delivery Program and associated Resourcing Strategy.

Richmond Valley Council must:

- Prepare an Asset Management Strategy and individual Asset Management Plan(s) for each class of assets that support the Community Strategic Plan and Delivery Program.
- Ensure that the Asset Management Strategy and Plan(s) cover a minimum timeframe of 10 years.
- Ensure that the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy.
- Ensure that the Asset Management Strategy identifies assets that are critical to operations and outline risk management strategies for these assets.

- Ensure that the Asset Management Strategy includes specific actions required to improve Council’s asset management capability and projected resource requirements and timeframes.
- Ensure Asset Management Plan(s) encompass all assets under Council’s control and must identify asset service standards.
- Ensure the Asset Management Plan(s) contain long-term projections of asset maintenance, rehabilitation and replacement, including forecast costs (for reflection in the Long-Term Financial Plan).

Figure 1 below shows the planning components that frame the Asset Management requirements as part of the IP&R planning framework.



Figure 1 - Planning components that frame the Asset Management requirement.

In 2022 Council was undertaking community consultation to develop a new Community Strategic Plan 2040 to replace the Richmond Valley Made 2030 - Community Strategic Plan. During this process in February and March of 2022, the local government area was affected by two major flood events with an estimated damage to infrastructure assets of over \$150 million. In response Council delayed finalisation of the Community Strategic Plan and developed a strategic recovery plan ‘Rebuilding the Richmond Valley’ with key focus areas on rebuilding and the restoration of essential and community infrastructure assets. This plan will guide Council’s strategic direction for the 2022-23 financial year, until the revised Community Strategic Plan 2040 is completed. At this time the Asset Management Policy will be revised.

Policy Principles

Council's Asset Management policy is based on the following principles to guide a systematic asset management methodology across all areas of Council. They are:

- All legislative requirements and asset management principles to be integrated with existing planning and operating processes.
- Take a lifecycle approach – apply a whole of life methodology for managing infrastructure assets including planning, acquisition, operation, maintenance, renewal and disposal.
- Best value – balance financial, environmental and social aspects to achieve best value.
- Decision support systems and knowledge – core systems will include up to date infrastructure asset information to inform decisions.
- Inspection regime to be used as part of asset management to ensure service levels are maintained and to identify asset renewal priorities.
- Continuous improvement of asset management practices.
- Regardless of service levels, implemented service levels and renewals will be based on adopted budget estimates.
- Funding asset renewals are to be identified in Asset Management Plan(s) and long-term financial plans will be considered in the annual budget process.
- Change or future service levels will be determined in consultation with the community.
- Manage risks associated with infrastructure assets.
- The General Manager has the authority to transfer funds from operation/maintenance program to a capital works program preceding a quarterly budget review (or vice versa) as long as the transfer is within the already established overall program budget.

REFERENCES

1. *Local Government Act 1993*
2. Local Government (General) Regulation 2021
3. Integrated Planning and Reporting Guidelines for Local Government in NSW
4. ISO 55001 Asset Management Quality Systems

REVIEW

This policy will be reviewed by Council at the time of any relevant legislative changes, compliance requirements or at least every four years.

Version Number	Date	Reason / Comments
1	2008	New policy
2	14/07/2015	Review
3	16/02/2021	Review
4	20/09/2022	Update from Operational Policy to Council Policy. Review to incorporate legislative changes and alignment with delivery plans, Strategic Asset Management Strategy and Asset Management Plan(s).