

1 PURPOSE

To set guidelines for implementing consistent asset management processes throughout Burnie City Council.

2 OBJECTIVE

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

- a) 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;
- b) safeguarding Council assets, including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets;
- c) 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 organisation by training and development;
- d) meeting legislative requirements for asset management;
- e) ensuring resource and operational capabilities are identified and responsibility for asset management is allocated, and
- f) demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

3 SCOPE

This policy applies to all Council activities (excluding controlled entities).

4 POLICY

4.1 Background

4.1.1 Council is committed to implementing a systematic asset management methodology, in order to apply appropriate asset management best practices across all areas of the organisation.

This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

4.1.2 Council owns and uses a significant quantity of non-current assets, to support its core business of delivery of service to the community.

- 4.1.3 Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve our strategic service delivery objectives.
- 4.1.4 Adopting asset management principles will assist Council in achieving its Corporate Plan and Financial Management Strategy.
- 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:
- a) members of the public and staff;
 - b) Council's financial position;
 - c) the ability of Council to deliver the expected level of service and infrastructure;
 - d) the political environment in which Council operates, and
 - e) the legal liabilities of Council.

4.2 Principles

- 4.2.1 A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all departments of Council.
- 4.2.2 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management, including consideration of the impact of climate change, and relevant adaptation and mitigation actions to support community resilience.
- 4.2.3 Asset Management principles will be integrated within existing planning and operational processes.
- 4.2.4 Asset Management Plans will be developed for major service/asset categories. The plans will be informed by this Policy and Council's Asset Strategy.
- 4.2.5 An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 4.2.6 Asset renewals required to meet agreed service levels and identified in adopted Asset Management Plans and long-term financial plans will be fully funded in the annual budget estimates.

- 4.2.7 Service levels agreed through the budget process and defined in adopted Asset Management Plans will be fully funded in the annual budget estimates.
- 4.2.8 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.
- 4.2.9 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.
- 4.2.10 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.
- 4.2.11 Future service levels will be determined in consultation with the community.
- 4.2.12 Training in asset and financial management will be provided for Councillors and relevant staff.

5 LEGISLATION

Local Government Act 1993
Regulations and Orders under the *Act*

6 RELATED DOCUMENTS

Asset Management Strategy and associated Asset Management Plans
Financial Management Strategy



COUNCIL POLICY

Asset Management

Approved By: **Council**
 Doc Controller: **Executive Manager**
Corporate Governance
 File: 4/14/2

Document Code: **CP-CBS-SG-016**
 Version: **5.0**
 Approved Date: **16 Apr 2019**
 Next Review Date: **16 Apr 2022**

| Policy Endorsement | |
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| Responsibility: | <p>Councillors are responsible for adopting the policy and ensuring that sufficient resources are applied to manage the assets.</p> <p>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.</p> <p>It is the responsibility of the Director Works and Services to facilitate the implementation of this policy and review its content from time to time. (S70E of the <i>Local Government Act 1993</i> requires this policy to be reviewed at least every four years. Review cycle set at three years.)</p> <p>It is the responsibility of the Governance Unit to maintain this policy in the Policy Register.</p> |
| Minute Reference: | Item AO096-19 |
| Council Meeting Date: | 16 April 2019 |
| Strategic Plan Reference: | <p>Strategy 7.1.1 Formulate policy that is equitable, inclusive and responsive to current needs, and ensure decision-making is informed and accountable.</p> <p>Strategy 7.5.2 Ensure assets are adequately developed, maintained and renewed.</p> |
| Previous Policies Replaced: | This policy replaces the previous policy CP-CBS-SG-016 version 4.0 dated 19 April 2016 (Item AO088-16). |
| Date of Commencement: | 17 April 2019 |
| Publication of policy: | Members of the public may inspect this policy at the City Offices, or access it on Council's website (www.burnie.net) |