



# Gladstone Regional Council

## Policy

<b>Topic</b>	<b>ASSET MANAGEMENT POLICY</b>
<b>Policy Number</b>	<b>P-3.01.01</b>
<b>Department</b>	<b>CORPORATE</b>
<b>Statutory Authority</b>	<b>Local Government Act 1993</b>
<b>Date of Adoption</b>	<b>5 May 2009</b>
<b>Resolution No.</b>	<b>09/257</b>
<b>Amendments</b>	<b>This policy has not been amended</b>

### **POLICY DETAIL:**

#### **1.0 Intent**

To set guidelines for implementing consistent asset management processes throughout Gladstone Regional Council.

#### **2.0 Scope**

This policy applies to all Gladstone Regional Council Activities.

#### **3.0 Vision**

Gladstone Regional Council is committed to working towards implementing best Asset Management practice to:

“Provide the desired level of service (function and presentation) in the most cost effective manner for present and future customers”.

To achieve this Council recognises that assets must be planned, provided, maintained and refurbished so that they continue to meet the service delivery needs of the community and Councils operational needs.

#### **4.0 Current Asset Position**

Council manages approximately \$930M worth of infrastructure assets that are essential to the delivery of services to meet the community's needs.

As a result of its long history and continued growth, these assets vary in age from those recently constructed to the many significant facilities with heritage value. In addition Council also manages and maintains a variety of community assets.

Over recent years significant growth in assets has occurred further accentuating the need to ensure all assets are maintained and renewed to meet the community needs. Additional roads to the value of \$35M plus the construction of new facilities such sewage treatment plant, crematorium, sports complex, expansion of the bike and footpath network and expansion to board walks along the foreshore to a value of \$25M have further expanded the infrastructure network. The Council has received \$22M value in contributed assets.

This growth and the demands of an aging infrastructure stock means that this infrastructure needs to be continually maintained and renewed to ensure that it continues to meet the service delivery requirements of the community and its many visitors, now and for future generations.

#### **5.0 Legislative Framework**

As part of the Council's requirement to comply with legislation and to protect its community Council must establish a clear direction to ensure appropriate asset management practices for its asset portfolio now and into the future.

Council is required to comply with the following legislation and standards in relation to Asset Management:

- Accounting Regulations;
  - AASB 116 - Property, Plant & Equipment
  - AASB 5 - Non-Current Assets held for Sale and Discontinued Operations
  - AASB 136 - Impairment of Assets
  - AAS 27 - Financial Reporting by Local Governments
- The Local Government Act 1993;
- Occupation Health & Safety; and
- Discrimination Act.

#### **6.0 Purpose of Asset Management Policy**

The purpose of this policy is to provide a framework that supports the

management of Council assets and provides broad corporate goals and objectives for the management of assets to ensure:

- Corporate responsibility and resources are identified;
- Management of assets is undertaken in a structured and co-ordinated way;
- Risk management is considered;
- Financial, social and environmental sustainability;
- Continuous improvement in meeting service requirements;
- Innovative ways are sought to meet service requirements; and
- Legislative and regulatory requirements are achieved.

The policy also ensures that asset management and the importance of managing Council's infrastructure assets for present and future generations is clearly understood and recognised by Council and the community.

The policy provides an essential framework and rationale for best practice asset management decision-making (function and standard) and informs the organisation on how it will maintain assets to meet service delivery requirements.

The policy complements and builds upon Council's Corporate Plan and provides a formal approach to asset management, principles and methodology. It provides the ability to plan for present and future generations and this is essential in achieving Council's vision for asset management.

## **7.0 Asset Management Policy**

Councillors, as custodians of Council assets, in accordance with the Local Government Act 1993 and any other Acts are required to:

- Ensure the Council's legal obligations are met;
- Represent the community as the asset owners; and
- Ensure the asset/service is maintained for the present and future at optimal lifecycle costs.
- Ensure assets are planned, created, replaced and disposed of in accordance with Councils priorities for the service being delivered. And
- Ensure assets are revalued within five years of their last valuation (or as otherwise specified by legislation)

Council staff has a corporate responsibility to provide the correct technical and professional advice to Councillors so that they may make the best decisions on behalf of the community they represent.

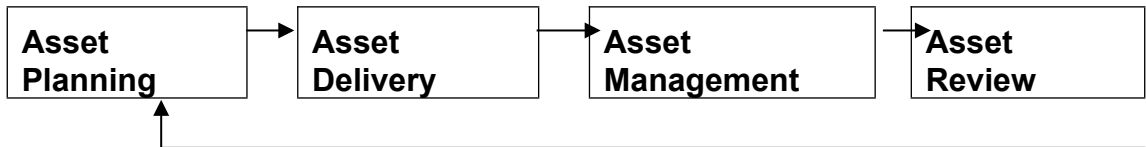
## 8.0 ASSET MANAGEMENT DECISION MAKING PRINCIPLES

As part of Councils consideration of asset management, Council will;

- As custodians of community assets and providing quality infrastructure and community facilities, Council undertakes to develop, affordable and financially sustainable asset management plans that are to industry standard or better;
- In accordance with the Corporate and Financial Plans, provide quality infrastructure assets that support services that are appropriate, accessible, responsive and sustainable to the community;
- Manage the infrastructure and assets in a systematic and sustainable manner;
- Involve and consult with the community and key stakeholders on determining service standards;
- Ensure asset information is accurate and up to date, allowing for appropriate asset planning, both in the short and long term, and for informed decision making to occur;
- Manage its assets utilising a team approach using a multi discipline cross-functional asset management working group with representatives from each of the asset categories;
- Allocate appropriate resources to ensure asset management practices can be undertaken and the timely maintenance and renewal of those assets so that “life cycle” costs are optimised (existing and new assets);
- Provide a framework for asset revaluation where fixed assets are revalued at least once in every five years;
- Provide a framework for standardizing additions to and disposal of assets from the asset register including dollar value thresholds for items to be capitalised;
- Prior to consideration of any major works/renewal or improvement to an asset, undertake a critical review of the need and the “whole-of-life” cost of that asset;
- Continually seek opportunities for multiple uses of assets;
- Ensure that the roles and responsibilities of all asset users are well defined and understood;
- Develop and implement a framework for the evaluation and prioritisation of capital projects; and
- Develop and apply consistent construction standards to Council, community and developers.
- *Provide funds through the budget, only when the funding request has a correct and allocated corporate assetID number associated with it.*

## 9.0 ASSET MANAGEMENT FRAMEWORK

The management of Council's **assets** will be within the framework outlined below. The framework creates a logical structure for grouping **asset management** functions.



<p><b>Asset Planning</b> refers to how Council responds to the service needs of the community.</p> <p>Included are:</p> <ul style="list-style-type: none"> <li>• Assessment of demand</li> <li>• Detailed scoping</li> <li>• Risk analysis</li> <li>• Long term outlook considered</li> <li>• Identify potential options</li> </ul>	<p><b>Asset Delivery</b> includes the process and information to support Council's decision making.</p> <p>Included are:</p> <ul style="list-style-type: none"> <li>• Acquisition options</li> <li>• Objective options analysis</li> <li>• Involvement of stakeholders in design</li> <li>• Life cycle planning</li> </ul>	<p><b>Asset Management</b> is the series of activities, which occur once an asset is acquired.</p> <p>Included are:</p> <ul style="list-style-type: none"> <li>• Maintenance planning</li> <li>• Operations planning</li> <li>• Meeting legislative needs</li> <li>• Information collecting</li> <li>• Life cycle planning</li> <li>• Revaluation and review of asset useful life</li> </ul>	<p><b>Asset Review</b> refers to the process of performance review of Council assets. Included are:</p> <ul style="list-style-type: none"> <li>• Review fit for purpose</li> <li>• Review service levels</li> <li>• Review life cycle</li> <li>• Consider replacement</li> <li>• Refurbishment or disposal</li> </ul>
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## 10.0 APPLICATION

This policy applies to Council, Councillors, Executive Management, Staff, Committees of Management, Asset Management Team and the Community involved in the operations, maintenance, refurbishment, renewal, upgrading and development of Council's existing and new infrastructure assets.

## 11.0 ASSET MANAGEMENT ROLES & RESPONSIBILITIES

To achieve this policy the following key roles and responsibilities and commitments have been identified:

### ***Councillors***

- To act as stewards for infrastructure assets;
- To set corporate Asset Management Policy and vision with linkage to the Corporate Plan;
- To set levels of service, risk and cost standards;
- Approve and review Asset Management Plans and monitor the outcomes;
- To ensure appropriate resources and funding for asset management activities are made available to integrate Asset Management Policies, Asset Management Strategies and Asset Management Plans into the corporate governance framework;
- Provide consistent and transparent decision making based on adopted criteria; and
- To provide an advocacy role with State and Federal Governments and the community.

### ***Chief Executive and Senior Management Group (SMG)***

- To continually promote asset management across the Council and with the community;
- To validate and challenge proposals to ensure they meet the Corporate Plan objectives and community service needs;
- To develop and continue to refine the “overarching” asset management policy and asset management strategy with linkage to the Corporate Plan for consideration by Council;
- To foster and support the multi discipline cross functional Asset Management Working Group;
- To monitor the performance of the staff in implementing asset management;
- To ensure the community and key stakeholder's inputs are integrated into Asset Management Plans;
- To ensure that there is an Asset Management Team leader dedicated only to asset management coordination, ensuring asset management functions are being carried out in a timely fashion throughout Council;
- To ensure that there is a appropriate level of staff to carry out the required asset management tasks without impacting adversely on the workload of existing staff;

- To ensure staff are appropriately trained and skilled to perform the required asset management functions;
- To ensure that accurate and reliable information is presented to Council for decision-making; and
- To provide effective communication between staff, Council and the community.

### ***Asset Management Working Group / Managers / Asset Officers and Staff***

- Develop and implement appropriate asset management strategies;
- To develop, implement and review asset management plans and strategies using the International Infrastructure Management Manual as a guide, documenting required allocation of funding and improvement plans for individual asset groups, using the principles of lifecycle analysis;
- Continually seek innovative ways to meet service needs;
- Continually review Asset Management Policy, strategies, and asset management plans;
- In consultation with the community and key stakeholders identify asset management "levels of service" for Council approval;
- In accordance with Council approved service levels deliver "levels of service" to agreed risk and cost standards;
- Ensure efficient and effective use of Council funds and optimising "life cycle" cost of all assets;
- To provide effective communication between staff and senior management;
- To develop and implement maintenance, refurbishment and capital works (refurbishment/renewal), programs in accordance with asset management plans and report to senior management and Council;
- To develop and implement procedures that ensure that a single asset database is maintained and updated, providing required reports to Council to meet their statutory and legal responsibilities; and
- Promote and raise awareness of asset management to the Council, staff, users and the community.

## **12.0 IMPLEMENTATION & REVIEW**

Review of this Policy will take place annually. The annual review will incorporate:

- Audit and review of Asset Management Implementation and Improvement Plans as set out in the Asset Management Strategy; and
- Review the Asset Management Implementation Strategy.

The Senior Management Group shall also review compliance to this Policy on an on-going basis and report to Council on an annual basis.

**GRAEME KANOFSKI**  
**CHIEF EXECUTIVE OFFICER**

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