

## COUNCIL POLICY NO: 006

<b>Responsible Directorate</b>	Infrastructure and Works
<b>Responsible Section</b>	Asset Management
<b>Responsible Officer</b>	Manager Asset Management

### OBJECTIVE:

The following objectives guide the Town to achieve desired outcomes consistent with the policy principles and to meet strategic goals set out in the Community Strategic Plan, Integrated Planning and Reporting legislation and other strategic documents, and additionally to ensure adequate provision is made for the long-term replacement of major assets by:-

- (a) Ensuring that the Town's services and infrastructure are provided in a sustainable manner, with appropriate levels of service to the community;
- (b) Safeguarding the Town's physical assets and employees by implementing the asset management strategy and allocating appropriate financial resources for those assets;
- (c) Asset planning decisions are based on an evaluation of alternatives that consider the "whole of life" of an asset through acquisition, operation, maintenance, renewal and disposal;
- (d) Meeting legislative requirements for asset management;
- (e) Ensuring resources 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.

### SCOPE:

This policy applies to all decision making in respect to all current, proposed and future assets owned or controlled by the Town.

This policy also applies to all Directorates of the Town of Cambridge.

### POLICY STATEMENT:

1. The introduction of legislation as part of Integrated Planning and Reporting requirements of the *Local Government Act 1995* placed a number of obligations on Councils in relation to asset management. The legislation requires that the Town must account for and plan for all of the existing assets under its ownership, as well as any new asset solutions proposed in its Community Strategic Plan and Delivery Program.

The Town must:-

- (a) Prepare an Asset Management Strategy and Asset Management Plan(s) to support the Community Strategic Plan and Delivery Program;
- (b) Ensure the Asset Management Strategy and Plan(s) cover a minimum timeframe of 10 years;
- (c) Ensure the Asset Management Strategy includes an overarching Council endorsed Asset Management Policy;
- (d) Ensure the Asset Management Strategy identifies assets that are critical to the Town's operations and outlines risk management strategies for these assets;
- (e) Adopt asset management principles that will assist the Town in achieving its Strategic Longer-Term Plan and Long Term Financial objectives; and
- (f) Adopt a strategic approach to asset management to ensure that the Town delivers the highest appropriate level of service through its assets.

2. There are a number of core principles that this policy has regard for:-

(a) Principle 1: Asset Management Leadership and Workplace Culture:-

- (i) All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- (ii) An Asset Management Strategy must exist for implementing asset management throughout the Town, including Elected Members, the Executive and all Directorates.
- (iii) Asset management principles will be integrated within existing planning and operational processes.
- (iv) Training in asset and financial management will be provided for Elected Members and relevant staff.

(b) Principle 2: Service Levels - Understanding the Community's Aspirations:-

- (i) Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.
- (ii) 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.
- (iii) Future service levels will be determined in consultation with the community.

(c) Principle 3: Be Financially Sustainable:-

- (i) 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.
- (ii) Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long term financial plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented in budget documentation.
- (iii) Service levels defined in adopted asset management plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined services levels and budget resources documented in budget documentation.

(d) Principle 4: Continuous Improvement

- (i) An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- (ii) Systematic and cyclic reviews will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.

(e) Principle 5: Ownership and Responsibility

- (i) Councillors are responsible for adopting the policy, allocation of resources, providing high level oversight of the delivery of the Town's asset management strategy and plan and maintaining accountability mechanisms to ensure that organisational resources are appropriately utilised to address the Town's strategic plans and priorities.
- (ii) The Chief Executive Officer has overall responsibility for developing an asset management strategy, plans and procedures and for reporting on the status and effectiveness of asset management within Council.

**DEFINITIONS:**

Definitions are taken as those detailed in the *Local Government Act 1995* and associated legislation.

**Asset** means a resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment with a life greater than 12 months and enable services to be provided.

**Asset Management** means the systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through the cost effective lifecycle management of assets.

**Levels of Service** means level of service statements that describe the outputs or objectives an organisation or activity intends to deliver to customers.

**Document Control**

**Office Use Only:**

<b>Previous Policy No</b>	Policy No. 5.4.9			
<b>Statutory Legislation and Compliance</b>	<i>Local Government Act 1995</i> Department of Local Government <i>Integrated Planning and Reporting Requirements of the Local Government Act 1995</i>			
<b>Related Documents/Legislation</b>	ISO 55000:2014 Asset Management – Overview, Principles and Terminology ISO 55001:2014 Asset Management – Management Systems – Requirements ISO55002: 2014 Asset Management – Management Systems – Guidelines for the Application of ISO55001 National Asset Management Framework; IPWEA NAMS.PLUS National Templates for Asset Management Plans International Infrastructure management Manual 2015 Asset Management Strategy and Associated Asset Management Plans.			
<b>Date of Adoption by Council</b>	Council Meeting – 24 July 2012			
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