



# BOULIA SHIRE COUNCIL

## Asset Management and Services Policy

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<b>Summary:</b>	This policy sets out the framework for consistent and appropriate asset management practices throughout the Boulia Shire Council
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<b>Related documents:</b>	Corporate Plan Long Term Financial Plan Project Decision Policy, 166 Project Decision Management Directive – MD 01/07/2023, 167 Debt Policy, 107 Community Engagement Policy, 120 Risk Management Policy, 123 Asset Management Plans
<b>Responsible Section:</b>	Finance
<b>Responsible Officer:</b>	Director of Corporate & Financial Services
<b>Legislation:</b>	Local Government Act 2009 s104 (5) (a) ii Local Government Regulation 2012 – s167 & 168

## BACKGROUND:

Council's Corporate Plan includes the following outcome in its economic strategy:

***“Strategy 2.3.1 – Develop and implement a robust asset management plan to support effective long-term asset management.”***

It is recognised that assets are integral to this outcome. Assets must be planned for, provided, maintained, and renewed so that they continue to meet the service delivery needs of the community.

The total replacement value of assets held for the delivery of services to meet the community's needs is currently \$194.9m. The assets have the following characteristics:

- The assets vary in age from those recently constructed to significant heritage facilities;
- Council is involved in the management of “community assets” that are located on land not owned by Council;

As part of the Councils requirement to comply with legislation and to protect its community, Council must establish a clear direction to ensure ‘best appropriate asset management practices’ for its asset portfolio, both now and into the future.

## OBJECTIVE:

The Asset Management and Services Policy provides the primary criteria to guide the ‘whole of organisation’ approach to appropriate best asset management practices which sustain service provision to the community.

## DEFINITIONS:

**Assets:** Assets are economic entitlements that give rise to future economic benefit and are controlled by Council as a result of a past transaction or other event. It is probable that the future economic benefit will eventuate and the amount of the asset can be measured with reliability from source documents which makes it representational faithful.

Assets may include although not limited to any land or infrastructure, such as roads, water and sewerage, drainage, bridges, footpaths, public buildings, structures, facilities, machinery, vehicles, equipment and tools.

**Asset Management:** The process by which Council manages physical assets to meet current and future levels of service. It is the systematic and coordinated 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.

**Asset management strategy:** This is the comprehensive and structured approach to the long term management of assets, and the systematic process of effectively maintaining, upgrading and operating assets, based upon sound business practice and economic rationale, to facilitate a more organised and flexible approach to the decision making processes necessary to achieve community expectations.

## **CRITERIA FOR ASSET MANAGEMENT:**

The following criteria apply to the management of all assets within the scope of normal programs:

- The Council facilitates the structured and coordinated management of assets;
- All corporate responsibilities are identified and acknowledged;
- All relevant legislative and regulatory requirements are acknowledged;
- Risk management is an integral component of total asset management;
- Sustainability of the service standards provided is a key driver for competent asset management; and

## **‘BEST APPROPRIATE ASSET MANAGEMENT’ MEANS THAT THE COUNCIL:**

Clearly articulates in the Corporate Plan and Operational Plan that Council will provide quality infrastructure and assets that support services that are appropriate, accessible, responsive and sustainable to the community;

- Involves and consults with the community and key stakeholders in determining Levels of Service related to use of the assets;
- Develops Levels of Service and service standards as an incremental process building on improved communication links between Council and the community and the organisation;
- Maintains current Asset Management Plans for each asset class and competently applies those plans;
- Maintains up to date and accurate asset information allowing for appropriate asset planning and informed decision making, both in the short and long term;
- Supports a whole of organisation and team approach using multi discipline cross-functional asset management criteria and relationships;
- Allocates appropriately skilled and trained resources to ensure asset management practices are undertaken in a manner which ensures that “life cycle” costs are optimised for all existing and new assets;
- Ensures that “whole-of-life” costs are formulated for all asset based proposals prior to consideration of any major works/renewal or improvement to an asset, including a critical review of the need for and the application of that asset;
- Applies the ‘Renew before New’ philosophy for asset related programs;
- References risk management criteria in all asset related proposals;
- Continually seeks opportunities for multiple uses of assets;

- Examines non-asset based solutions for service provision;
- Defines roles and responsibilities for all asset users;
- Applies of a standard framework of evaluation and prioritisation of Capital Works Projects; and
- Consistently applies development and construction standards to Council, community and developer projects.

## **RESPONSIBILITIES:**

Defining and applying standards for asset management means that the Council:

- Establishes appropriate affordable service standards for the type of use of assets (in consultation with the community);
- Identifies and assesses asset needs and sets priorities within the total Council program;
- Allocates public money to meet those needs and priorities; and
- Consistently applies the relevant asset management criteria in the conduct of all operations.

The Executive Management Team shall ensure application of this policy by the Council and whole of organisation, and shall review compliance with this policy on an on-going basis and report to Council annually. The review will incorporate:

- Application of this policy;
- Audit and review of asset management implementation