

PURPOSE

This policy sets out the guidelines for implementing consistent asset management processes throughout the Glenorchy City Council. Its aim is to ensure that adequate provision is made for the management of Council's assets at the lowest whole of life costs for the defined level of service by:

- ensuring that Council's services and infrastructure are provided in a sustainable manner with the appropriate levels of service to the community and the environment;
- safeguarding Council assets by implementing appropriate asset management strategies and committing appropriate financial resources for those assets;
- creating an environment where all Council employees play an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the organisation by way of mentoring, training and development;
- meeting legislative requirements for asset management;
- ensuring resources and operational capabilities are identified and responsibility for asset management is allocated; and
- demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

SCOPE

This policy applies to all Council assets which are owned and /or managed by Council, and to all activities connected with the management of Council's assets.

STRATEGIC PLAN ALIGNMENT

Making Lives Better

Objective 1.1 Know our communities and what they value

Strategy 1.1.1 Guide decision making through continued community engagement based on our community plan

Leading Our Community

Objective 4.1 Govern in the best interests of our community

Strategy 4.1.1 Manage Council for maximum efficiency, accountability, and transparency

Strategy 4.1.3 Maximise regulatory compliance in Council and the community through our systems and processes

Objective 4.2 Prioritise our resources to achieve our community's goals

Strategy 4.2.1 Deploy the Council's resources effectively to deliver value

STATUTORY REQUIREMENTS

Acts	<p>Section 70 C of the <i>Local Government Act 1993</i></p> <ul style="list-style-type: none"> (a) be consistent with the strategic plan for the municipal area; and (b) guide the development of the long-term strategic asset management plan for the municipal area; and (c) guide the development of the long-term financial management plan for the municipal area; and (d) contain at least the matters that are specified in an order made under section 70F as required to be included in an asset management policy.
Regulations	N/A
Australian/International Standards	<p><i>ISO 55000 Asset Management Standards</i> <i>ISO 55001 Asset Management Systems</i> <i>ISO 55010 Asset Management - Guidance on the alignment of financial and non-financial functions in asset management</i> <i>ASB5 Non-current Assets Held for Sale and Discontinued Operations</i> <i>AASB 101 Presentation of Financial Statements</i> <i>AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors</i> <i>AASB 116 Property, Plant and Equipment</i> <i>AASB 16 Leases</i> <i>AASB 136 Impairment of Assets (Encompassing Pronouncement AASB2016-4)</i> <i>AASB 138 Intangible Assets</i> <i>AASB 1051 Land Under Roads</i></p>

DEFINITIONS

Asset means a resource controlled by an entity from which future economic benefits are expected to flow to the entity.

Asset Class means a group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Asset Management means the combination of management, financial, economic, and engineering and other practices applied to assets to achieve the required level of service in the most cost-effective manner.

Asset Management Policy sets out the principles by which the Council undertakes its asset management to achieve its organisational objectives.

Asset Management Strategy means Council's adopted approach to the long-term management of its assets to ensure they meet the service delivery needs of the community into the future.

Asset Management Plan defines the activities, resources and timescales required for an individual asset or grouping of assets to achieve the organisation's asset management (service) objectives. It is aligned to the asset management strategy.

Long Term Financial Plan a long-term financial management plan is a plan for generating and investing future income and raising and repaying borrowings. It contains the financial implications of Council's proposed activities in the management of its assets.

Level of Service means the defined service quality for a particular service/activity against which service performance is measured. Service levels relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability, and cost.

Life Cycle Cost means the total cost of an asset throughout its life, including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.

Asset Renewal means expenditure on, or replacement of, an existing asset that returns the service capability of the asset to its original level.

Asset Upgrade means expenditure on an existing asset that increases the capacity or functionality of the asset.

BACKGROUND

Council is committed to implementing systematic asset management methods to apply appropriate asset management 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.

Council owns and manages an extensive portfolio of assets to support delivery of service to the community.

Adopting asset management principles assists Council in achieving its Strategic Plan, Asset Management Strategy and Long-Term Financial Plan objectives. A strategic approach to asset management ensures that the Council delivers the highest appropriate level of service through managing its assets. This provides positive impacts on:

- members of the public and staff;
- Council's financial position;
- the ability of Council to deliver the adopted levels of service and infrastructure now and into the future;
- the political environment in which Council operates; and
- the legal liabilities of Council.

POLICY STATEMENT

Council's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets by:

1. Ensuring that Council's assets are provided in a manner that respects financial, cultural, economic, and environmental sustainability.
2. Meeting all relevant legislative and regulatory requirements.
3. Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices.
4. Implementing sound Asset Management plans and strategies and providing sufficient resources to accomplish them by:
 - a. Asset Management Strategy, which forms part of Council's Strategic Asset Management Plan is developed for a consistent, systematic, and appropriate asset management throughout Council.
 - b. Individual Asset Management Plans are developed and implemented for Council's major asset classes. The plans are informed by sound asset management practices, financial planning, and reporting.
 - c. Regular and systematic reviews will be applied to all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice.
 - i. Keeping detailed asset registers on all assets owned or under the control of the Council;
 - ii. Planned asset acquisitions, modifications or disposals proceed in accordance with Council's auditing and capitalisation processes
 - iii. Effective useful lives are given to each of Council's assets with the written down value and depreciation value determined in accordance with current applicable accounting standards and requirements;
 - iv. Depreciation is calculated on an appropriate basis with the objective being to use a method that best reflects the true consumption of the asset;
 - v. Asset revaluation must take place with such regularity that the asset class's carrying amount at the end of the reporting period does not differ materially from the fair value of that class of assets at that same date;
 - d. Regular inspection will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
 - e. Future life cycle costs will be considered in all decisions relating to new services and assets and upgrading of existing assets and services and reported to Council if not already included in an approved council strategy or asset management plan.
 - i. Application of the 'Renew before Upgrade, Expansion or New' philosophy for asset related projects.

- ii. All new projects are to be evaluated and prioritised based on the benefits and risks of assets and an evaluation of alternative options that take into account full life cycle costs and impacts of these costs on the ability to fund future maintenance and rehabilitation.
 - iii. Grant funded new or upgrade projects are to be reviewed for full life cycle ('whole of life') costs as part of the project consideration process.
- f. Costs required to meet agreed service levels for asset renewal, asset upgrades, new asset acquisition, asset operation/maintenance and asset disposal, are identified in adopted asset management plans and long-term financial plans and form the basis of annual budget estimates. The service and risk consequences of variations in defined costs and budget resources are documented in each year's budget.
 - g. Future service levels with associated delivery costs will be determined in consultation with the community.
 - h. Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated.
 - i. Creating a corporate culture where all employees play a part in overall care for the Council's assets by providing necessary awareness, training, and professional development; and
 - j. Providing community, the levels of service for which they are willing and able to pay.

RELATED DOCUMENTS

This Policy is to be read in conjunction with the following documents:

- Community Plan 2015 -2040
- Strategic Plan 2016-2025
- Strategic Asset Management Plan (including Asset Management Strategy and the summary of individual Asset Management Plans)
- Individual Asset Management Plans for major asset classes,
- Long-Term Financial Plan and
- Asset Management Annual Review Guideline.

ROLES AND RESPONSIBILITIES

Council is responsible for adopting the policy, providing high level oversight and delivery of the asset management strategy and plans.

The General Manager has overall responsibility for developing Council's asset management strategy, plans and procedures, including reporting on the status and effectiveness of asset management within Council. The General Manager is responsible for the allocation of resources and maintaining accountability mechanisms to

ensure that organisational resources are appropriately assigned to meet the organisation’s strategic plans and priorities.

DOCUMENT CONTROL

Version:	2.0	Adopted	29 August 2022	Commencement Date	30 August 2022
Minutes Reference	Council meeting, 29 August 2022, Item 14			Review Period	4 Years from adoption
Previous Versions:	v 1.0 adopted 25 March 2019 (Council meeting, Item 15)				
Responsible Directorate	Infrastructure and Works		Controller:	Manager Infrastructure, Engineering & Design	
ECM Document No.:	Policies				