



ASSET MANAGEMENT POLICY

POLICY TYPE	DOCUMENT CONTROLLER	RESPONSIBLE MANAGER	POLICY ADOPTED	REVIEW DUE
Council	Infrastructure & Works Manager	Executive Manager City Growth	23 August 2021	July 2023
PURPOSE	<p>To set guidelines for implementing consistent asset management processes throughout Devonport City Council.</p> <p>To ensure adequate provision is made for the long-term replacement of major assets by:</p> <ul style="list-style-type: none"> • Ensuring that Council's asset-based services are delivered in a financially and environmentally sustainable manner, meeting the needs of the community. • Safeguarding Council assets by implementing disciplined asset management strategies and the allocation of sufficient financial resources to maintain those assets. • Creating a culture where Council employees understand the importance of supporting the disciplined management of Council's assets. • Meeting legislative requirements for asset management. • Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated. • Providing quality reporting on asset and asset management performance. <p>Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.</p>			
SCOPE	<p>This Policy applies to all asset classes which are owned and maintained by Council. This includes:</p> <ul style="list-style-type: none"> • Roads, Stormwater, Buildings, Public Open Space, Plant and Fleet, Land, Office and equipment, Art and Cultural assets. 			
POLICY	<p>1. Background</p> <p>1.1. Council is committed to implementing a systematic asset management methodology in order to apply disciplined asset management practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, depreciated, renewed and disposed of in accordance with Council's priorities for service delivery.</p> <p>1.2. Asset management practices impact directly on the delivery of asset based services to the community and disciplined asset management is required to achieve our strategic service delivery objectives.</p>			

1.3. Adopting asset management principals will assist Council in achieving its Strategic Plan and Long Term Financial objectives.

1.4. A strategic approach to asset management will ensure that the Council delivers a sustainable level of service through its assets.

This will provide positive impact on:

- Community and employees.
- Council's financial position.
- The ability of Council to deliver the appropriate level of service and infrastructure.
- The political environment in which Council operates.
- The legal liabilities of Council.
- *Local Government Act 1993 requirements:*
 - Section 70C requires Council to prepare an asset management policy for the municipal area.
 - Section 70E requires Council's plans, strategies and policies to be reviewed at least every 4 years.

2. Policy Details

2.1. Asset Planning and Budgeting:

Council is committed to implementing asset management practices to ensure that all assets are planned, created, operated, maintained, renewed and disposed of in accordance with identified priorities and in line with the objectives of the adopted Long-Term Financial Plan and Asset Management Plans by:

- Ensuring the asset renewal and maintenance programs will be met prior to any new or additional assets being considered.
- Effective asset life-cycle management whereby all capital investment expenditure is approved in conjunction with a clear understanding of the impact on recurrent operational expenditure budgets.
- Undertaking preventative maintenance programs to ensure that the lowest life-cycle cost is achieved, and asset values are maintained.

2.2. Asset Operations and Maintenance:

To ensure Council's assets are maintained and operated properly Council will:

- Undertake appropriate planned maintenance regimes to assist its assets in meeting their expected design lives in the most cost-effective manner.
- Ensure maintenance plans are designed to incorporate a cost benefit approach.
- Capture information about the activities undertaken to assist it in the analysis of current and/or future expenditure requirements.

2.3. Asset Accounting and Costing:

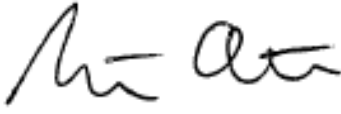
The asset accounting and costing arrangements, at Council, will allow:

- Maintenance of detailed asset registers on all assets owned or under the control of Council.
- Effective economic lives will be given to each of Council's assets with the written down value and depreciation value determined in accordance with current accounting standards and requirements.
- Depreciation will be calculated on an appropriate basis with the objective being to use a method that best reflects the consumption of the asset or provides an indication of future cash flows necessary to sustain the asset condition to the required level of service.
- Assets to be revalued in accordance with the Australian Accounting Standards.
- Planned asset acquisitions, modifications or disposals will proceed in accordance with the Council's capitalisation and disposal procedures.

3. Principles

- 3.1. A consistent Asset Management Strategy must exist for implementing systematic asset management and disciplined asset management practices across all operational areas of Council.
- 3.2. All relevant legislative requirements together with political, social and economic environments are to be considered as important to effective asset management.
- 3.3. Asset based services will be provided sustainably and will support community resilience
- 3.4. Asset management principles are integrated within existing planning and operational processes.
- 3.5. Asset Management Plans will be developed and maintained for major service/asset categories. The plans will be based on accurate asset data and will inform financial planning and reporting. 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.
- 3.6. Service levels defined in adopted asset management plans will form the basis of annual budget estimates.
- 3.7. Asset renewal plans will be prioritised and implemented progressively based on agreed levels of service provision and the effectiveness of the current assets to provide that service.
- 3.8. Asset renewals should consider climate change impacts and adhere to Council's Climate Change Adaptation Plan 2018-2023.

	<p>3.9. 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 applicable Australian Accounting Standards and industry guidelines.</p> <p>3.10. Whole of life costing will be considered in all decisions relating to new services and assets and upgrading of existing services and assets.</p> <p>3.11. Level of asset-based service provision will consider the expectations of the community, financial and environmental sustainability consideration and legislative requirements.</p> <p>3.12. Council will endeavour to continuously mature its asset management practices to deliver asset based services more efficiently.</p> <p>3.13. Training in asset and financial management will be provided for Councillors and employees.</p> <p>3.14. Asset Management roles and responsibilities are defined for staff throughout the organisation.</p> <p>Councillors are responsible for adopting the policy, allocation of financial resources, providing high level oversight of the delivery of the organisation's asset management strategy and plan and maintaining accountability mechanisms to ensure that organisational resources are appropriately utilised to address the organisations strategic plans and priorities.</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>
LEGISLATION AND RELATED DOCUMENTS	<p><i>Local Government Act 1993 – S70C (1) and (2).</i> <i>Local Government Division, 2014. Local Government (Contents of Plans and Strategies) Order 2014, Clause 8 (2)</i> <i>Local Government Association Tasmania – Practice Summary Strategic Plan 2009-2030</i> <i>Asset Management Strategy</i> <i>Strategic Asset Management Plan</i> <i>Asset Management Plans</i> <i>Maintenance Service Level documents</i> <i>AASB 13 Fair Value Measurement</i> <i>AASB 116 Property, Plant and Equipment</i> <i>Financial Management Strategy</i> <i>Asset Capitalisation Procedure</i> <i>Asset Depreciation Procedure</i> <i>Asset Revaluation Procedure</i> <i>Asset Disposal Procedure</i> <i>Devonport City Council Strategic Plan 2009-2030</i></p>
ATTACHMENTS (IF APPLICABLE)	<p>N/A</p>
STRATEGIC REFERENCE	<p>2.3.1 Develop and maintain long term Strategic Asset Management Plans</p>
MINUTE REFERENCE	<p>21/173</p>

OFFICE USE ONLY	Update Register	Y	Training/Communication	Y
	Advise Document Controller	Y	Advise HR / MCO	Y
	Management Sign Off:  Date: 23 August 2021			