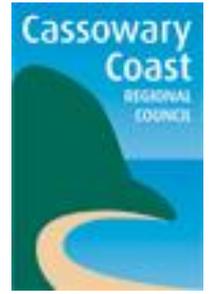


CASSOWARY COAST REGIONAL COUNCIL

POLICY

Asset Management



Policy Number: 2.19

1. Authority

Local Government Act 2009
Local Government Regulation 2012

2. Policy Statement

The purpose of this Asset Management Policy is to demonstrate Cassowary Coast Regional Council's commitment to the responsible management of Council's assets. Asset Management is the process of guiding the acquisition, use and disposal of assets, to make the most of their service delivery potential and manage the related risks and costs over the full life of the asset.

3. Objective

That adequate provision is made to ensure the community is provided with assets that meet its ongoing needs by:

- Ensuring that Council's services and infrastructure are provided in an equitable and sustainable manner, with the appropriate level of service to residents, visitors and the environment.
- Safeguarding Council assets by implementing appropriate asset management strategies, including the allocation of appropriate financial resources.
- Creating an environment where all Council employees play an integral role in the overall management of Council assets, with a focus on creating and sustaining a project management approach to asset management.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Clearly defining and promoting transparent and responsible asset management processes.

4. Principles

The following principles will be used by Council to guide Asset Management planning and decision making:

- A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management practice throughout Council.
- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- Asset management principles will be integrated within existing planning and operational processes.
- Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.
- An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- Service levels defined in adopted asset management plans, will form the basis of annual budget estimates.
- 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. 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.
- Systematic and cyclic reviews will be applied to all asset classes to ensure assets are managed, valued and depreciated in accordance with accepted industry practices and applicable Australian Standards.
- 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.
- Training in asset and financial management will be provided for councillors and relevant staff.

5. Scope

This policy applies to all infrastructure assets owned by Cassowary Coast Regional Council.

6. Responsibility

Councillors adopt the policy and ensure sufficient resources are applied to effectively manage the assets.

The **Chief Executive Officer** has overall responsibility for developing asset management business processes, systems, organisational policies and procedures and reporting on the status and effectiveness of asset management within Council.

Directors and **Managers** are responsible for developing asset management plans, implementing asset management business processes, systems, organisational policies and procedures.

Team Leaders will be held accountable for the management of assets within their areas of responsibility as determined under the asset management plans and Council's documented programs and services (organisation chart).

Employees will be tasked with delivering the levels of service defined in the various asset management plans and will be responsible for the timely completion of activities contained within these plans.

7. Definitions

Level of Service

The defined quality for a particular service area against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.

Life Cycle

The cycle of activities through which an asset progresses whilst retaining an identity as a particular asset, i.e. from planning and design through to decommissioning or disposal.

Life Cycle Cost

The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

8. Policy Guidelines

In order to meet its objectives, Council is committed to achieving financial sustainability of its assets over a period of time through the following measures:

- Strategic and targeted expansion of the asset base will only be undertaken where the regional benefits to the Community and Council, justify the whole of life costs;
- Prioritising the renewal of existing assets and all things being equal, only upgrading or installing new assets that have been justified as necessary through a regional assessment and prioritisation process;
- Actively identifying and disposing of those assets that are determined to be underutilised, at the end of their useful lives, subject to consultation with the community and determining the impact of non-replacement on the community;
- Increasing grant and other funding to ensure assets are maintained at least in their current condition or to a required standard;
- Linking asset management strategy, policy and procedures to other Council policies, strategies and procedures;
- Utilisation of technological advances relevant to asset management;
- Ensuring all developer contributed assets comply with current engineering standards to ensure they do not become an unnecessary burden on the community;
- An integrated planning approach, which ensures that manager roles are understood and documented and that communication procedures are in place to ensure assets are planned and delivered in a sustainable manner;
- Improving maintenance and rehabilitation practices;
- Maintaining and rehabilitating its existing assets in a manner, which is acceptable to the community in terms of financial burden, safety, quality, impact on the environment, need and Council's ability to fund those works;

- Developing defined Levels of Service for the various asset classes that are linked to and assist in the preparation of Council's budget and long term financial plan;
- Active participation in Far North Queensland Regional Organisation of Councils Asset Management Group
- Preparation of an Asset Management Strategy which details how this policy is to be implemented;
- Preparation and review of detailed asset management plans for all major classes of assets and using these plans to assist in determining the priorities for capital, maintenance and operational expenditure;
- Monitoring its performance in accordance with measures developed as part of its Asset Management Strategy.
- Council will progressively align its asset management practices with ISO55000:2014 Asset Management requirements.

Date of adoption: 24 August 2017

Resolution Number: 0174

Policy Review: 4 years or as determined by Council or Chief Executive Officer