

# Asset Management

## Council Policy 120



Policy Number	<b>CP120</b>
Area Responsible	<b>Finance</b>
Strategic Plan Reference	Goal 4.3 Strong financial management and compliance
Approval date	15 <sup>th</sup> September 2017
Minutes Reference	Resolution 14
Last Reviewed	15 <sup>th</sup> September 2017
Next Review Date	15 <sup>th</sup> September 2018

### 1. Purpose

To set guidelines for implementing consistent asset management processes throughout MacDonnell Regional Council (MRC).

### 2. Scope

This policy applies to all Council activities.

### 3. Policy Objectives

To ensure adequate provision is made for the long-term replacement of major assets within Council resources by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment
- Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the organisation by training and development
- Meeting legislative requirements for asset management
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice

### 4. Policy Statement

#### a. Background

- i. Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best 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
- ii. Council owns and uses non-current assets to support its core business of delivery of service to the community
- iii. Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve our strategic service delivery objectives
- iv. Adopting asset management principles will assist Council in achieving its Strategic Longer-Term Plan and Long Term Financial objectives

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v. A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:

- Members of the public and staff
- Council's financial position
- The ability of Council to deliver the expected level of service and infrastructure
- The political environment in which Council operates; and
- The legal liabilities of Council

### **b. Principles**

- i. A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council
- ii. All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management
- iii. Asset management principles will be integrated within existing planning and operational processes
- iv. Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting
- v. An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities
- vi. Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long term financial plans will be fully funded in the annual budget estimates
- vii. Service levels agreed through the budget process and defined in adopted Asset Management Plans will be fully funded in the annual budget estimates
- viii. 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
- ix. 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 appropriate best practice and applicable Australian Standards
- x. 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
- xi. Future service levels will be determined in consultation with the community
- xii. Training in asset and financial management will be provided for councillors and relevant staff

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### 5. Legislation and References

Related Legislation	<i>Local Government Act</i> and associated Guidelines
Related Policies	Disposal of Assets Policy, Delegations Manual
Related Procedures	Accounting and Policy Manual, Fleet Management Plan
Associated Documents	Asset Disposal Form

### 5. Delegation and Implementation

Delegate	Director Corporate Services
Implementation Officer	Manager Finance

### 6. Administration

InfoXpert file number	
On Internet (Council Policy)	16 <sup>th</sup> October 2017
On Intranet (Operational Policy)	