



## 1.18.4 Asset Management Policy

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### 1. BACKGROUND

The *Local Government Act 1993* imposes various responsibilities on Councils regarding asset management. Councils are required to responsibly manage and anticipate the maintenance and planning of all current assets within their jurisdiction, as well as any newly proposed assets outlined in their Community Strategic Plan (CSP) and Delivery Program (DP).

Weddin Shire Council has a track record of adopting asset management policies, with the initial policy being implemented on 21 June 2012. The latest policy was adopted on 16 March 2017.

Council is committed to implementing a systematic asset management methodology to apply best practices across the organisation. Effective asset management is crucial to achieve strategic service delivery objectives and long-term financial goals. By adopting asset management principles, Council aims to deliver a high level of service, positively impacting the public, staff, financial position, infrastructure delivery, political environment, and legal liabilities.

### 2. PURPOSE

The Asset Management Policy ('Policy') establishes an integrated and sustainable asset management framework that aligns with Council's corporate and financial planning processes. This framework aims to:

- ensure reliable infrastructure delivery,
- maintain assets at an acceptable standard,
- effectively manage risks,
- allocate resources efficiently,
- comply with best practices and legal and regulatory requirements, and
- gain a comprehensive understanding of the lifecycle costs associated with assets.

The Policy provides a comprehensive guide that outlines the roles and responsibilities of the Council in decision-making processes, benefiting the community. It encompasses sustainable acquisitions, capital work planning, operation, maintenance, asset disposal, and overall asset management practices. Moreover, the Policy strives to achieve consistent implementation of asset management practices throughout the Council.

Council must identify and prioritise essential local community needs. It should formulate activities and prioritise actions to progress toward strategic goals that stem from community requirements. These identified actions and goals should undergo



regular review and evaluation to ensure they can be accomplished within the Council's resources.

### **3. POLICY OBJECTIVES**

The objectives of this Policy are:

- To provide guidelines for implementing asset management processes throughout Weddin Shire Council, utilising the Council's Asset Management System as a framework.
- To ensure the reliable delivery of infrastructure at a level of service agreed upon by the community, considering their capacity and willingness to pay.
- To operate and maintain assets at a satisfactory standard and condition by implementing appropriate asset management strategies and financial treatments.
- To align asset management processes with best practices and legislative requirements, ensuring transparency and responsibility.
- To develop an understanding of lifecycle costs and apply risk management to high-risk / critical assets for sustainable asset management.

### **4. LEGISLATION**

According to Section 8B of the *Local Government Act 1993*, Councils are required to have effective financial and asset management, including well-defined policies and processes for asset maintenance and improvement.

Section 403 of the *Local Government Act 1993* (compilation 3) stipulates that the resourcing strategy should include asset management planning.

The Policy is a local supplement to the provisions of the Act and Regulation.

The Policy and its implementation should also refer to the Office of Local Government's Integrated Planning and Reporting Handbook and Guidelines.

### **5. APPLICATION/SCOPE**

This Policy applies at all times to the physical assets including planning, design, construction, operation, maintenance, renovation and disposal of the assets within the Weddin Shire.

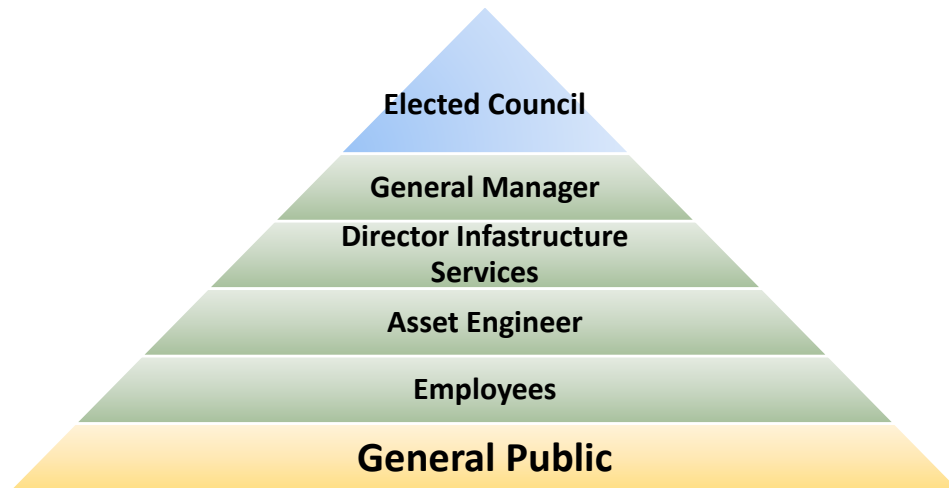
### **6. POLICY**

#### **6.1. Roles and Responsibilities**

The following table outlines the roles and responsibilities of personnel. Noting that the position titles may change, however, the responsibilities remain the same.



<b>Roles</b>	<b>Responsibility</b>
The Elected Council	Councillors are responsible for adopting the Policy and ensuring that sufficient resources are applied to manage the assets.
General Manager	<p>The General Manager is responsible for the overall control and implementation of the Policy.</p> <p>The General Manager is responsible for ensuring that Council prepares and adopts an Asset Management Policy, an Asset Management Strategy and Asset Management Plans for each class of assets to support the Community Strategic Plan and Delivery Program in line with the Integrated Planning and Reporting Framework.</p>
Director of Infrastructure Services	The Director of Infrastructure is responsible for providing leadership and ensuring effective implementation of the asset management policy and system.
Asset Engineer	The Asset Engineer has the responsibility of maintaining asset management plans for assets within the Council's jurisdiction.
Employees	The employees have the responsibilities of implementing and adhering to the Policy.
General Public	The general public must act in accordance with this Policy and abide by any determination made as a result of this Policy.



## 6.2. Asset Management Strategy

A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.



Each council must account for and plan for all the existing assets under its control, and any new asset solutions proposed in its Community Strategic Plan and Delivery Program.

### **6.3. Assets Management Plans**

Asset Management Plans to be developed / integrated for major service / asset categories as per the policy, informed by community consultation and financial planning and reporting. Asset Management Plans should be undertaken for the following asset categories:

- Buildings
- Sewerage
- Dams
- Roads
- Open Space and Recreation
- Transport and Stormwater Drainage
- Infrastructure.

### **6.4. Integration and Planning**

All relevant legislative requirements together with political, social, and economic environments are to be taken into account in asset management. Asset management principles should be integrated within existing planning and operational processes.

### **6.5. Levels of Service**

Levels of service for asset-based services should be established, taking into account community needs as well as financial, social, and environmental sustainability. Categories govern the levels of service includes

- Customer Service Levels
- Technical Service Levels
- Regulatory Requirements.

Council must also give due considerations to the levels of service that the community has indicated it expects. Council is required to specify each service review to be undertaken in that year in accordance to the Integrated Planning and Reporting Framework.



## **6.6. Condition Assessment**

Regular condition assessments should be undertaken during the asset's operation and maintenance phase as they provide valuable information for decision-making. Factors such as usage, maintenance, and value are considered to determine the retirement or disposal date. Technical and commercial obsolescence aspects are to be carefully evaluated. Council may explore alternative asset options based on the gathered information.

## **6.7. Asset Maintenance and Renewal Plans**

The integration of asset management planning and long-term financial planning will incorporate the service and risk implications that may arise from any discrepancies between asset plans and financial plans, thus ensuring a comprehensive planning process for asset maintenance and renewal.

The plans should align to the Integrated Planning and Reporting Framework.

## **6.8. Training**

Staff and management shall receive training and skill development programs in asset management to enhance their knowledge and capabilities in effectively managing assets.

## **6.9. Funding and Decision Making**

Systematic and cyclic reviews will be applied to all asset classes to ensure best practice management, valuation, and depreciation in accordance with applicable standards. Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and asset effectiveness. Future service levels should be determined in consultation with the community.



## 7. DEFINITIONS

Key Terms	Meaning
Asset	A resource under the control of an entity that is anticipated to generate future economic benefits for the entity.
Asset Management	Encompasses the systematic and coordinated actions and procedures undertaken to efficiently and sustainably achieve its objectives. It involves the cost-effective management of assets throughout their lifecycle, ensuring optimal performance and delivery.
Asset Management Plan	A comprehensive, long-term strategy that outlines the specific asset-related activities for each service. It is developed by the Council, taking into account the community's needs, asset conditions, performance, and legal requirements.
Integrated Planning and Reporting	The Integrated Planning and Reporting (IP&R) framework was introduced in 2009 and has transformed the way councils in NSW develop, document and report on plans for the future of their communities.
Lifecycle Cost	It is the overall cost incurred by an asset including but not limited to planning, design, construction, maintenance, renovation and disposal costs.
Level of Service	Represent the pre-determined standards of a particular service against which performance could be gauged.
Service Review	Service reviews are service performance monitoring undertaken in accordance with the Integrated Planning and Reporting framework.
Service	The activities carried out to fulfil the community's requirements or the administrative assistance involved in executing these activities.



<b>Title: Asset Management Policy</b>		
<b>Department: Department of Infrastructure Services</b>		
<b>Version</b>	<b>Date</b>	<b>Author</b>
1.18.1	Adopted 21 June 2012	
1.18.2	Adopted 21 March 2013	
1.18.3	Adopted 16 March 2017	
1.18.4	Adopted 17 August 2023 (Resolution 179/23)	Director Infrastructure Services
<p>This policy may be amended or revoked at any time and must be reviewed at least three (3) years since its adoption (or latest amendment). The Director Infrastructure Services will be responsible for the review of this policy. Review of this policy will incorporate relevant legislation, documentation released from relevant state agencies and best practice guideline.</p>		
<b>Review Date: TBC</b>		
<b>Amendments in the release</b>		
<b>Amendment History</b>	<b>Date</b>	<b>Detail</b>
<b>Annexure Attached:</b>		
<p>Noreen Vu General Manager</p>		