

# ASSET MANAGEMENT POLICY

## ADMINISTRATIVE POLICY



### 1 Scope

This policy applies to all Rockhampton Regional Council departments responsible for the operation, maintenance, renewal, upgrade and expansion of Council's asset portfolio.

### 2 Purpose

The purpose of this policy is to establish clear principles for the implementation of consistent asset management practises throughout Council.

### 3 Related Documents

#### 3.1 Primary

Nil

#### 3.2 Secondary

*Local Government Act 2009*

Asset Capitalisation Policy

Asset Disposal Policy

Asset Management Improvement Plan

Asset Management Plans

Asset Management Responsibilities Policy

Asset Management Strategy

Asset Management Standards (ISO 55000) – International Standard

Corporate Plan

Corporate Risk Register

Framework for the Preparation and Presentation of Financial Statements

International Infrastructure Management Manual

Long Term Financial Plan

Operational Plan

### 4 Definitions

To assist in interpretation, the following definitions apply:

AMP	Asset Management Plan AMPs are compiled for asset classes, asset sub-classes or operational areas. An AMP includes levels of service, future demand, asset lifecycle management requirements, risk management strategies and long-term financial projections.
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AMSC	Asset Management Steering Committee
Asset	As defined in paragraph 49(a) of the Framework for the Preparation and Presentation of Financial Statements, a resource controlled by Council as a result of past events and from which future economic benefits are expected to flow to Council. Key features of an asset include: (a) Council must have control over the asset; (b) There was a past transaction or event which gave rise to the control; and (c) There must be future economic benefits expected to flow to Council.
Asset Class	A grouping of assets of a similar nature and use in an organisation's operations.
Asset Management	The coordinated activities and practises of an organisation (technical, financial and operational) that collectively enable the organisation to realise value from its assets and sustainably deliver on its objectives.
Council	Rockhampton Regional Council
Employees	Local government employee: (a) The Chief Executive Officer; or (b) A person holding an appointment under section 196 of the <i>Local Government Act 2009</i> .
Leadership Team	Chief Executive Officer, Deputy Chief Executive Officer, general managers, executive managers, Manager Office of the Mayor and Manager Strategy and Planning.
LTFP	Long Term Financial Plan The LTFP is developed for a minimum of 10 years, and is updated annually to ensure the Operational Plan remains current. The LTFP includes: (a) Projected maintenance and capital budget expenditure; and (b) Long term strategic planning directions and decision for new assets.

## 5 Policy Statement

Council is committed to the sustainable development and management of its asset portfolio.

Council acknowledges that asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve Council's strategic service delivery objectives.

Adopting clear asset management principles will assist Council in achieving its desired outcomes under the Corporate Plan and LTFP, and its legislative responsibilities under the *Local Government Act 2009*.

### 5.1 Asset Management Principles

Council will sustainably develop and manage its asset portfolio by:

- (a) Ensuring services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to the community.
- (b) Safeguarding infrastructure assets by implementing appropriate asset and risk management strategies and providing appropriate financial resources for those assets.
- (c) Ensuring whole-of-life costs, risks, options and service delivery objectives are reviewed before investing in new or replacement assets.
- (d) Ensuring our asset information systems contain relevant and accurate asset information (technical, financial and operational) to inform decision making.
- (e) Meeting any legislative and regulatory requirements for asset management.

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- (f) Ensuring resources and operational capabilities are identified and asset management responsibilities are allocated.
- (g) Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.
- (h) Continuously improving our asset management systems and practises.

## 5.2 Asset Management Planning

Council's Asset Management Principles will be delivered by implementing sound asset management plans and strategies and by providing sufficient financial resources to accomplish them. This will be accomplished by:

- (a) Ensuring an Asset Management Strategy is developed and implemented and supports Council's Corporate Plan.
- (b) Ensuring asset management plans are prepared for all major asset classes, asset sub-classes and operational areas.
- (c) Expenditure projections from AMPs will inform Council's LTFP.
- (d) Regular and systematic reviews of AMPs to ensure assets are managed, valued, and depreciated in accordance with appropriate best practice.
- (e) Regular inspections will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
- (f) Asset renewals required to meet agreed service levels and identified in adopted asset management plans, and when applicable 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.
- (g) Future lifecycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- (h) Future service levels with associated delivery costs will be determined in consultation with the community.
- (i) Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
- (j) Creating a corporate culture where all employees play a part in the overall care of Council's assets by providing necessary awareness, training and professional development; and
- (k) Providing the community with services and levels of service for which they are willing and able to pay.

## 5.3 Asset Management Steering Committee

For the purpose providing leadership, direction and oversight to the asset management program across Council, an AMSC will be formed. The AMSC will consist of relevant stakeholders from all Council departments and will be responsible for:

- (a) Developing appropriate policies, strategies and systems aligned with the ISO 55000 Standards for Asset Management and the International Infrastructure Management Manual to ensure effective asset management across the organisation.
- (b) Reviewing asset management related risks contained in the Corporate Risk Register and identifying program related risks.
- (c) Prioritising, implementing and reviewing asset management objectives identified through the Corporate Plan, Corporate Risk Register, Asset Management Strategy and/or Asset Improvement Plan.
- (d) Informing Council's Leadership Team of progress, and recommended organisational change as required.

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## 6 Review Timelines

This policy is reviewed when any of the following occur:

- (a) The related information is amended or replaced; or
- (b) Other circumstances as determined from time to time by the Council.

## 7 Document Management

Sponsor	Chief Executive Officer
Business Owner	General Manager Regional Services
Policy Owner	Manager Infrastructure Planning
Policy Quality Control	Legal and Governance



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