

MCKINLAY SHIRE COUNCIL



Asset and Services Management Policy

AUTHORITY: Organisation

VERSION: 1.0

ADOPTED BY COUNCIL: April 2009

REVISED: Annually

NEXT REVISION DUE: April 2010

CORPORATE PLAN REFERENCE: 2.0

POLICY PURPOSE

Council's Corporate Plan includes the following statement:

'A Sustainable Environment'

'A focus on the Shire's built and natural environments and supporting infrastructure.'

It is recognised that assets are integral to that role. Assets must be planned for, provided, maintained and renewed so that they continue to meet the service needs of the community.

The total replacement value of assets held for the delivery of services to meet the communities needs is currently \$85 million, (2006 figures). The assets have the following characteristics:

- Infrastructure assets that vary in age from new to very old;
- Council is involved in the management of 'Community Assets' that are located on land not owned by Council.

Significant growth in assets over recent years has further accentuated the need to ensure all assets are maintained and renewed to meet community needs. New facilities such as the proposed Interpretive Centre will further expand the asset network.

This growth, coupled with the demands of aging infrastructure requires continual renewal and maintenance to ensure the service delivery requirements of the community and its many visitors, now and for future generations

AUTHORITY (LEGISLATION OR OTHER)

Local Government Finance Standard 2005

POLICY STATEMENT

A whole of organisation approach to best appropriate asset and services management which will sustain services according to community needs.

SCOPE

This policies applies to all Council assets.

POLICY CONTENT

The Council proposes best appropriate asset and services management for its asset portfolio which acknowledges:

- assets and services provided according to community needs;
- sustainability for all assets and services - physical and financial;
- legislative compliance; and
- protection for the community.

The following criteria apply to the management of all assets and services eithin the scope of normal programs;

- The council facilitates the structured and coordinated management of assets and services;
- All corporate responsibilities are identified and acknowledged;
- All relevant legislative and regulatory requirements are acknowledged;
- Risk management is an integral component of total asset and services management;
- Sustainability of the Service Standards provided is a key driver for competent asset and services management; and

- The asset Management Practices Improvement Plan provides a framework of continuous improvement, including seeking innovative ways of meeting service requirements and reporting performance.

Best appropriate asset and services management means that the council:

- clearly articulates in the Corporate Plan and Operational Plan that Council will provide quality infrastructure and assets that support services that are appropriate, accessible, responsive and sustainable to the community;
- applies this Policy to all proposals for asset and services renewal and development;
- involves and consults with the community and key stakeholders in determining Levels of Service and Service Standards related to use of the assets;
- maintains current Asset Management Plans for each asset class and competently applies the criteria from those plans;
- diligently applies the Asset Management Practices Improvement Plan and Performance Management Framework;
- maintains up to date and accurate asset information providing for competent asset planning and informed decision making, both in the short and long term;
- supports a whole of organisation and team approach to asset and services management;
- allocates appropriately skilled and trained resources to ensure that asset management practices optimise 'life cycle' costs for all existing and new assets;
- ensures that 'whole-of-life' costs are formulated for all asset based proposals prior to consideration of any major works/renewal or improvement of an asset, including a critical review of the need for and the application of that asset;
- applies the philosophy of 'Renew before New' for all asset related programs;
- applies risk management criteria in all asset related proposals and programs;
- continually seeks opportunities for multiple uses of assets;
- examines non-asset based solutions for service provision;
- defines roles and responsibilities for all asset users;
- applies an evaluation and prioritisation framework for all capital works projects; and
- consistently applies asset and services management criteria to Council and community programs.

Responsibilities

Defining and applying standards for asset and services management means that the Council:

- Establishes appropriate affordable Levels of Service and Services Standards for the type and use of assets, in consultation with the community;
- Identifies and assesses asset and services needs and sets priorities within the total Council program;
- Allocates public money to meet those needs and priorities within the total Council program;
- Allocates public money to meet those needs and priorities; and
- Consistently applies the relevant asset and services management Criteria to all operations.

Implementation of asset and services management as an organisational philosophy will occur through the Asset Management Practices Improvement Plan.

Council's Executive shall ensure application of this policy by the Council and whole of organisation, and shall review compliance with this policy on an on-going basis, including reporting to Council on a quarterly and annual basis as part of the Asset and Services Management Performance Management Framework. The review will include:

- Application of this policy;
- Audit and review of asset management implementation and improvement as set out in the Asset Management Practices Improvement Plan; and
- Reporting against the Asset and Services Management Performance Framework.

DEFINITIONS

sets - Non current assets are defined as

- A physical item of significant value;
- Possessing service potential or future economic benefit;
- Controlled by the entity; and
- Originating as a result of a past transaction or event.

Asset Management - 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 their entire life.

Service Management - The supply of appropriate services to the community, which is consistent with the Council's corporate goals and community needs.

