

# ASSET MANAGEMENT POLICY

## SCOPE

This policy applies to all Council owned and/or controlled assets.

## LEGISLATION

*Local Government Act 2009*  
*Local Government Regulation 2012*

## DEFINITIONS

<b>Assets</b>	Property, plant, and equipment, including buildings and other infrastructure and other objects (such as furniture, fittings, and artwork), with benefits expected to last more than 12 months.
<b>Asset Management</b>	Is taking a systematic approach to manage assets through all lifecycle phases. This involves applying a combination of engineering, financial and other technical practices to the management of infrastructure; costs; opportunities; risk; and performance.
<b>Asset Management Plan</b>	A long-term (ten year minimum) financial plan detailing the actions required to manage the asset base in order to provide the desired levels of service over the timeframe of the plan.
<b>Asset Register</b>	A record of asset information, including unique identification, components, characteristics, condition, age and associated financial records.
<b>Capital Renewal Expenditure</b>	Expenditure on an existing asset which returns it to its original service potential.
<b>Capital Upgrade Expenditure</b>	Expenditure on an existing asset to enable an improvement to its original service level.
<b>New Capital Expenditure</b>	Expenditure that creates a new asset.
<b>Predictive Modelling</b>	Use of asset deterioration models and condition monitoring to predict asset failure and renewal.
<b>Total Life Cycle Costs</b>	Costs incurred during lifecycle of an asset, including planning, design, construction, operation, maintenance, rehabilitation, and disposal costs.

<b>Useful Life</b>	The period over which a depreciable asset is expected to be used.
<b>Written Down Value</b>	The gross replacement cost of assets less their accumulated depreciation.

## **POLICY**

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Council will provide safe assets that support services, that are appropriate, accessible, responsible, and sustainable for the community through:

### **Whole-of-Organisation Approach**

- Maintaining asset information as a team, taking into consideration the requirements of asset managers, asset users, asset providers and the community.
- Allocate sufficient resources for the development of asset strategies, management plans and service level documents.
- Identification and evaluation of risk management strategies during budget/expenditure planning and prioritisation.

### **Asset Registers and Plans**

- The maintenance of up-to-date and accurate asset information as the foundation for long and short-term predictive modelling and reporting.
- A commitment to develop and implement maintenance and capital works programs in accordance with asset management plans and budgets.
- Undertaking the critical review of the total life cycle costs prior to funding considerations.
- Application of a standard framework of evaluation and prioritisation of new capital expenditure, capital renewal expenditure and capital upgrade expenditure.

### **Understanding Customer**

- Ongoing consultation with the community and key stakeholders to determine appropriate service and intervention levels.
- An understanding and recognition of current and future levels of service by Council and the Community.
- Ongoing review to measure service delivery performance.

### **Asset Accounting**

- The provision of technical and professional advice to Councillors so they can make the best decisions on behalf of the community they represent.
- By ensuring that the asset base is not increased without considering the ability to fund future operations, maintenance, and renewal.
- The rationalisation of assets where appropriate.
- The calculation of depreciation charges using a method that reflects the true consumption of the asset or is an indication of the future cash flows necessary to sustain asset condition and maintain the required service level.

## PROCEDURE

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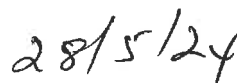
Procedures as approved and issued by the Chief Executive Officer, and subject to further revision, amendment and issue under the authority of the Chief Executive Officer.

## CERTIFICATION

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**CHIEF EXECUTIVE OFFICER**  
**BANANA SHIRE COUNCIL**



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**DATE**