

LEADERSHIP

1.2 Wingecarribee leadership is visionary through creative thinking and practical planning

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Related Policies/Legislation:	Local Government Amendment (Planning and Reporting) Act 2009. Local Government Act 1993. Local Government Code of Accounting Practice. Civil Liability Act 2002
Related Documents:	Integrated Planning & Reporting Guidelines & Manual. NSW Office of Water Best Management Practice Guidelines. Community Strategic Plan – Wingecarribee 2031+. Strategic Asset Management Plan. Individual Asset Management Plans

OBJECTIVES

The objective of this policy is to ensure that adequate provision is made for the sustainable management of Council's infrastructure assets 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 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.

POLICY STATEMENT

Purpose

To outline the asset management (AM) principles and requirements for undertaking AM across Wingecarribee Shire Council (Council) in a structured and coordinated way, consistent with the Community Strategic Plan – Wingecarribee 2031+.

Background

Council owns and uses approximately \$1.6B (replacement cost as on 1 July 2014) of infrastructure/non-current assets to support its core business of delivery of service to the community.

Many services provided by Council are supported and provided by infrastructure assets. Provision and maintenance of those assets to meet agreed and affordable level of service to the present and future consumers in a sustainable manner is a key function of Council. Council is committed to implementing systematic AM practices to ensure that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

Local Government Amendment (Planning & Reporting) Act 2009 requires Council to have a long-term resourcing strategy including AM planning as per the Integrated Planning & Reporting Guidelines. AM planning requirements include the development of an AM policy endorsed by Council. This AM policy states the principles and requirements for the development of Council's Strategic Asset Management Plan (AM Strategy).

AM Policy: Principles

1. Council shall adopt and implement an AM policy, Strategic AM plan, AM plans (for each asset class), Long term financial plan/s, AM processes/procedures and work plans in compliance with the following legislations, requirements and standards:
 - Local Government Act 1993.
 - Local Government Code of Accounting Practice
 - Council's AM framework
 - Community strategic plan
 - International infrastructure management manual
 - ISO 55001 International AM standard
 - Financial Reporting Guidelines
 - Fit for the Future benchmarks.



Asset Management Policy

In the case of water & sewer assets, in addition to the above all criteria stipulated in DPI Water's Best Management Practice Guidelines will be complied with.

2. Risk management, best practice and sustainability together with economic, environmental, social & political environments will be taken into account in AM.
3. Levels of service (LOS) will be determined in consultation with the community, integrating customer expectation, financial affordability & works planning.
4. Council will follow a corporate approach to AM and integrate AM principles within existing planning and operational processes.
5. Service levels defined in adopted AM plans will form the basis of annual work programs and budget estimates.
6. A capital works prioritising system for various asset and work types shall be adopted and implemented. That system will be based on economic, technical, risk, asset utilisation, future demand, environment, social & cultural multi criteria approach. Selection of capital works shall be based on overall priority score and availability of funds. Council's preference will be to allocate resources to maintain and renew existing assets that effectively deliver the agreed level of service.
7. Additional new & upgrade capital works that need to be undertaken by Council to meet future growth, demand or requirements will be identified and incorporated in the capital works program.
8. Acquisition of new assets or upgrading existing assets shall include consideration of 'life cycle cost' including initial construction/acquisition, operation, maintenance, rehabilitation, renewal and disposal costs.
9. Adequate and dedicated resources shall be allocated for asset inspection and for undertaking programmed maintenance works. Asset inspection includes identifying maintenance works and assigning risk based priority ratings; programmed condition assessment; and confirming requirements and priority of renewal works.
10. Council will strive to achieve the 'Fit for the Future' benchmark criteria in terms of renewal ratio >100%, maintenance ratio >100% and backlog ratio <2% by 2020.
11. Annual operation/maintenance budgets shall include an allowance for additional costs arising from addition of new assets and an allowance to cover cost increases in line with relevant indices.
12. Internal and external reviews at least on a two yearly basis will be undertaken to ensure assets are accurately recorded in the asset register, valued and depreciated in accordance with best practice applicable Australian/International standards.



13. Council will allocate adequate resources and improve and refine the asset data captured in Council's Asset Management Information System (AMIS) in terms of asset inventory, economical life, valuation, condition, utilisation and maintenance work history. Council will advance the AM maturity level from 'Core' to 'Appropriate' level as outlined in the Strategic AM Plan.
14. The AM Information System will be integrated with the other corporate information systems such as GIS, Finance, Customer Service Request, Maintenance Management systems and Property. The integrated system should be able to report on operation, maintenance, renewal and new/upgrade costs at asset, activity or project levels.
15. Utilisation and life cycle cost of major assets such as buildings and recreational facilities shall be analysed and assets will be rationalised in consultation with the affected communities.
16. AM will be overseen and supported by an AM Steering Committee appointed by the General Manager.
17. Training in asset and financial management will be provided for councillors and relevant staff.
18. The AM policy, Strategic AM plan (strategy) and the individual AM plans (for each asset class) shall be reviewed and adopted every four years or as directed by Council.

Rescinding Policy

This policy will replace the existing 'Asset Management Policy – 28 July 2011'.

SCOPE

This policy applies to the following asset classes:

1. Buildings
2. Parks and Recreation
3. Roads & Drainage
4. Water
5. Sewerage.



DEFINITIONS

Asset Management Strategy (AMS) or Strategic Asset Management Plan (SAMP)

A strategy for asset management covering development and implementation of plans and programs for asset creation, operation, maintenance, rehabilitation/replacement, disposal and performance monitoring to ensure desired level of service and other operational objectives are achieved at optimum cost.

Asset Management Plan (AMP)

A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the assets in the most cost effective manner to provide a specified level of service.

Asset Management Information System (AMIS)

An Asset Management Information System is the foundation of all Asset Management practices. It is a combination of processes, data, software and hardware applied to provide the essential outputs for effective asset management such as reduced risk, optimised decision making. The Asset Management Information System should integrate with other information systems within Council.

Asset Management Improvement Plan (AMIP)

This plan identifies the gap between current and the desired asset management practices.

Infrastructure Asset

Infrastructure assets are typically large, interconnected networks or portfolios of composite assets, comprising components and sub-components that are usually renewed or replaced individually to continue to provide the required level of service from the network. Some examples are: roads; footpaths and cycle-ways; bridges; and community buildings.

Level of Service (LOS)

Defining and meeting community expectations in relation to the quality and quantity of assets and services delivered by Council.

RESPONSIBILITIES

Responsibilities for implementing this policy are shared between Councillors, Executive, AM Steering Committee and staff as follows:

Councillors

- Provide sustainable assets for the community by recognising and considering the life cycle cost of assets in making asset related decisions.



Asset Management Policy

- Provide assets that deliver sustainable services to benefit the community to a level of service that justifies the costs of owning and operating these assets
- Act as custodian for assets on behalf of the community.
- Make AM decisions in accordance with Council's Corporate and Community Strategic Directions and Asset Management Policy and Strategy.
- Approve/Adopt Council's AM Policy, AM Strategy, AM Plans & Capital Works Programs

Executive

- Reflect the corporate and community strategic planning principles embraced by Council in the Asset Management Policy, Strategy and Plans.
- Seek to ensure Council allocates sufficient resources to the development, ongoing improvement and delivery of the Asset Management Strategy, Asset Management Plans, work programs and supporting systems.
- Integrate the Asset Management Policy and Strategy with the other policies and business processes of Council.
- Comply with Council's legal AM obligations.

Asset Management Steering Committee

- Provide corporate support and oversee the management of Council's assets. The Steering Committee has cross organisation representation.

Council Staff

- Develop and maintain AM Strategy and AM Plans.
- Develop long term and annual capital works programs.
- Deliver asset maintenance, renewal, upgrade and disposal programs in accordance with Asset Management Plans and agreed levels of service.
- Periodically review the Asset Management Policy, Strategy and Asset Management Plans.
- Engage up-to-date technologies, methodologies and continuous improvement processes in the management of Council's assets.
- Implement Council's AM Improvement Program.
- Implement Councils AM Annual Program.



PERFORMANCE MEASURES

The success of this policy will be measured by the following:

- Level of improvement in community satisfaction with the services provided and condition of assets in future years.
- Level of improvement in the overall condition of assets.
- Progressive reduction in the number of customer complaints and the number of reactive repair works.
- Satisfactory audit reports.
- Number of AM improvement targets identified in the Strategic AM Plan, Annual Plan and Delivery Plan achieved.
- Progressive improvement in AM maturity score.
- Level of progress towards achieving the 'Fit for the Future' benchmark criteria.

APPROVED BY:

(For Council Policies)
WINGECARRIBEE SHIRE COUNCIL

9 September 2015

