

MURRAY RIVER COUNCIL
COUNCIL POLICY

ASSET MANAGEMENT POLICY

POL-305.V#3



murray river
council

1. INTRODUCTION

The purpose of this Asset Management Policy (the 'Policy') is to set guidelines for implementing consistent asset management processes throughout Murray River Council (the 'Council').

2. OBJECTIVES

The objectives of this Policy are to ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring that services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to customers and the environment;
- Safeguarding infrastructure assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets;
- Creating an environment where all employees take an integral part in overall management of infrastructure assets by creating and sustaining an asset management awareness throughout Council by training and development;
- Meeting any legislative and regulatory requirements for asset management;
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated; and
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

3. SCOPE

This Policy applies to all Council departments, officers, employees and contractors.

4. LEGISLATION

- Local Government Act 1993
- Local Government (General) Regulations 2021

5. POLICY STATEMENT

5.1 BACKGROUND

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 asset management principles will assist in achieving Council's Strategic Long-Term Plan and Long-Term Financial objectives.

Sustainable service delivery ensures that services are delivered in a socially, economically and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.

Sound asset management practices enable sustainable service delivery by integrating customer values, priorities and an informed understanding of the trade-offs between risks, costs and service performance.

5.2 PRINCIPLES

Council's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets by:

- ▶ Ensuring that Council's capital assets are provided in a manner that respects financial, cultural, economic and environmental sustainability;
- ▶ Meeting all relevant legislative and regulatory requirements;
- ▶ Demonstrating transparent and responsible asset management processes that align with demonstrable best-practices; and
- ▶ Implementing sound asset management plans and strategies and providing sufficient financial resources to accomplish them by:
 - Asset Management Plans will be completed for all major asset/service areas.
 - Expenditure projections from Asset Management Plans will be incorporated into Council's Long-Term Financial Plan (LTFP).
 - Regular and systematic reviews will be applied to all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice.
 - Regular inspection will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
 - 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.
 - Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
 - Future service levels with associated delivery costs will be determined in consultation with the community.
 - Ensuring necessary capacity and other operational capabilities are provided and asset management responsibilities are effectively allocated.
 - Creating a corporate culture where all employees play a part in overall care for Council's assets by providing necessary awareness, training and professional development.
 - Providing those who Council serve with services and levels of service for which they are willing and able to pay.

6. ROLES AND RESPONSIBILITIES

Position	Responsibility
Councillors	<p>Councillors are responsible for adopting this Policy, allocating resources, and providing high level oversight of the delivery of Council's <u>Asset Management Strategy and Plans</u>.</p> <p>The Council is also responsible for ensuring that Council resources are appropriately allocated to ensure sustainable service delivery.</p>
CEO	<p>The CEO has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.</p>

7. EVALUATION AND REVIEW

It is the responsibility of the Manager Strategic Assets to monitor the adequacy of this Policy and recommend appropriate changes.

This Policy will be formally reviewed every four (4) years or as needed, whichever comes first.

8. ASSOCIATED DOCUMENTS, DEFINITIONS & ACRONYMS

External:

- › Institute of Public Works Engineering Australasia Limited – Asset Management Templates - 2018.
- › Office of Local Government (OLG) - Integrated Planning and Reporting guidelines for NSW (IPR)

Internal:

- › MRC Document - Asset Management Plans
- › MRC Document - Asset Management Strategy
- › MRC Document - Community Strategic Plan
- › MRC Document - Long Term Financial Plan

Definitions:

Term	Definition
Councillor	a person elected or appointed to civic office and includes a Mayor
LTFP	Council's Long Term Financial Plan

9. DOCUMENT CONTROL

Version No.	Details	Date	Resolution No.	CM9 Reference
1	Initial Issue	11 Dec 2018 to Dec 2022	561218	VF/17/102858
2	Policy reviewed and updated	Dec 2022 to DRAFT		VF/17/102858
3	Policy reviewed and updated	DRAFT	TBA	VF/17/102858

Council reserves the right to review, vary or revoke this policy at any time
This Policy is scheduled for review in April 2029

NOTE:

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DISCLAIMER:

This document was formulated to be consistent with Murray River Council's legislative obligations and with the scope of Council's powers. This document should be read in conjunction with relevant legislation, guidelines and codes of practice. In the case of any discrepancies, the most recent legislation should prevail. This document does not constitute legal advice. Legal advice should be sought in relation to particular circumstances and liability will not be accepted for losses incurred as a result of reliance on this document.

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this, such a change may be made administratively. Examples include a change to the name of a Business Unit, position title or a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. When such changes are made the version number will be amended and an extension added (eg V#1.1)

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