



Bundaberg City Council
Corporate Services
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Asset Management Policy

OP-3-017

Rev. No. 1

1.0 INTRODUCTION

Bundaberg City Council recognises that prudent Asset Management is essential to achieve its vision of being the leading regional City through economic, social and environmental prosperity and to provide the desired level of service in the most cost effective manner for the present and future community.

Council acknowledges that assets must be planned, maintained and refurbished so that they continue to meet the service delivery needs of the community.

Council manages infrastructure assets with a gross value of \$498m that are essential to the delivery of road transport, water, sewerage and stormwater drainage services. This equates to approximately \$10,375 per capita (30 June 2006).

In addition Council also manages and maintains non infrastructure assets including land, buildings and, plant and equipment, to the gross value of \$112m.

The costs associated with the maintenance, depreciation, and replacement of these assets form a material part of Council's annual expenditure. Effective management of these assets will help to ensure there is intergenerational equity among ratepayers with no generation unnecessarily subsidising or being subsidised by another.

Council, in accordance with the Local Government Act 1993 and the Local Government Finance Standard 2005 is, *inter alia*, required to:

- show that its capital base is not consumed at a rate that will adversely affect the service potential
- show that sufficient funding is available for the planned asset replacement
- consider the equity between different generations
- consider the efficient, effective and proper management of its operations
- consider planning for the future

2.0 POLICY STATEMENT

The Councillors, as custodians of the city's assets, will:

- Ensure the Council's legal obligations are met
- Represent the community as the asset owners
- Ensure the asset / service is maintained for the present and future generation at an equitable cost.

The staff have a corporate responsibility to provide the correct technical and professional advice to the Councillors, enabling them to make informed decisions on behalf of the community.

3.0 POLICY OBJECTIVES

The purpose of this policy is to broadly outline why asset management is relevant and what needs to be considered within the policy to ensure:

- Corporate responsibility and resources are identified
- Management of assets is undertaken in a structured and co-ordinated way
- Risk management is considered
- Financial, social and environmental sustainability
- Continuous improvement and seeking innovative ways of meeting service requirements
- Legislative and regulatory requirements are achieved.
- Ensure that the roles and responsibilities of all asset users are well defined and understood

4.0 POLICY PRINCIPLES

Council will, as part of its consideration of asset management:

- In accordance with its Corporate Plan and Operational Plan, provide quality infrastructure assets that support services that are appropriate, accessible, responsive and sustainable to the community
- Undertake to develop industry standard, affordable and financially sustainable asset management plans that:

- a. Assess the capacity of the infrastructure assets to provide the required level of service
 - b. Assess future asset needs based on likely changes in population, demand and technology
 - c. Assess future asset replacement needs
 - d. Assess future asset maintenance needs to provide approved service levels
 - e. Identify likely sources of funding for future asset requirements
- Undertake a critical needs analysis and whole-of-life cost before allocation of funds on all major capital projects for new or existing assets
 - Develop and implement a framework for the evaluation and prioritisation of capital projects
 - Allocate appropriate resources for asset management practices
 - Involve and consult with the community and key stakeholders on determining service standards
 - Ensure asset information is timely and accurate allowing for informed decision making and appropriate asset planning, both in the short and long term
 - Manage its assets utilising a multi-discipline cross-functional asset management group.

Roles and responsibilities

To achieve this policy the following key roles, responsibilities, and commitments are identified.

Councillors

- To act as stewards for infrastructure assets
- To set corporate Asset Management Policy and vision with linkage to the Corporate Plan
- To set levels of service, risk and cost standards
- Approve and review Asset Management Plans and monitor the outcomes
- To ensure appropriate resources and funding for asset management activities are made available to integrate Asset Management Policies, Asset Management Strategies and Asset Management Plans into the corporate governance framework
- Provide consistent and transparent decision making based on adopted criteria; and
- To provide an advocacy role with State and Federal Governments and the community.

Chief Executive Officer and Management Team (MT)

- To continually promote asset management across the Council and with the community
- To validate and challenge proposals to ensure they meet the Corporate Plan objectives and community service needs
- To develop and continue to refine the overarching Asset Management Policy and Asset Management Strategy with linkage to the Corporate Plan for consideration by Council
- To foster and support the multi discipline cross functional Asset Management Group
- To monitor the performance of the staff in implementing asset management
- To ensure the community and key stakeholders inputs are integrated into Asset Management Plans
- To ensure staff are appropriately trained and skilled to perform the required asset management functions
- To ensure that accurate and reliable information is presented to Council for decision making
- To provide effective communication between staff, Council and the community.

Asset Management Group

- Development and implementation of Asset Management Strategy
- To develop, implement and review Asset Management Plans using the International Infrastructure Management Manual as a guide, documenting required allocation of funding and improvement plans for individual asset groups, using the principles of lifecycle analysis
- Continually seek innovative ways of meeting service needs
- Continual review of Asset Management Policy
- In consultation with the community and key stakeholders identify asset management Levels of Service for Council consideration
- In accordance with Council's approved service levels, deliver levels of service

to agreed risk and cost standards

- Ensure efficient and effective use of Council funds and optimise life cycle cost of all assets
- To provide effective communication between staff and Senior Management
- To develop and implement maintenance, refurbishment and capital works programs in accordance with Asset Management Plans and report to Senior Management and Council
- To develop and implement procedures that ensure the asset database is maintained and updated and provide required reports to Council to meet their statutory and legal responsibilities
- Promote and raise awareness of asset management to the Council, staff, users and the community.

Implementation and Review

Review of this Policy will take place annually. The annual review will incorporate:

- Audit the Asset Management Implementation and Improvement Plans as set out in the Asset Management Strategy
- Review the Asset Management Strategy
- The Senior Management Group will review compliance with this Policy on an on-going basis and report to Council annually.

5.0 ASSOCIATED DOCUMENTS

Not Applicable

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