

Warringah Council Policy

Policy No. PL 550 Asset

Asset Management Policy

1 Purpose of Policy

- To provide a broad framework, guidelines and principles for implementing consistent and coordinated asset management processes throughout Council.
- To ensure that the management of Council's assets is consistent with Council's Corporate Vision, Goals and Objectives.
- To ensure that a sustainable approach is adopted in the provision and management of Council's assets.

2 Background

Council is the custodian of a large number of physical assets that support core business, which is the delivery of service to the community. Council is committed to implementing a systematic asset management methodology to facilitate best practice asset management processes across all areas of Council.

In its commitment to manage assets in accordance with recognised best practice, Council regularly reviews and updates its Asset Management Plans, Policies and Procedures. Council endorsed an Asset Management Policy (GOV-PL 550) on 23 November 1999 which superseded Council's Asset Management Policy MG-PL 704. Council's current Asset Management Policy (PL 550 Asset) has been reviewed and updated to ensure compliance with the Division of Local Government's Integrated Planning and Reporting requirements and to ensure consistency with the criteria set by the National Framework for Asset Planning and Management.

3 Commitment to Asset Management

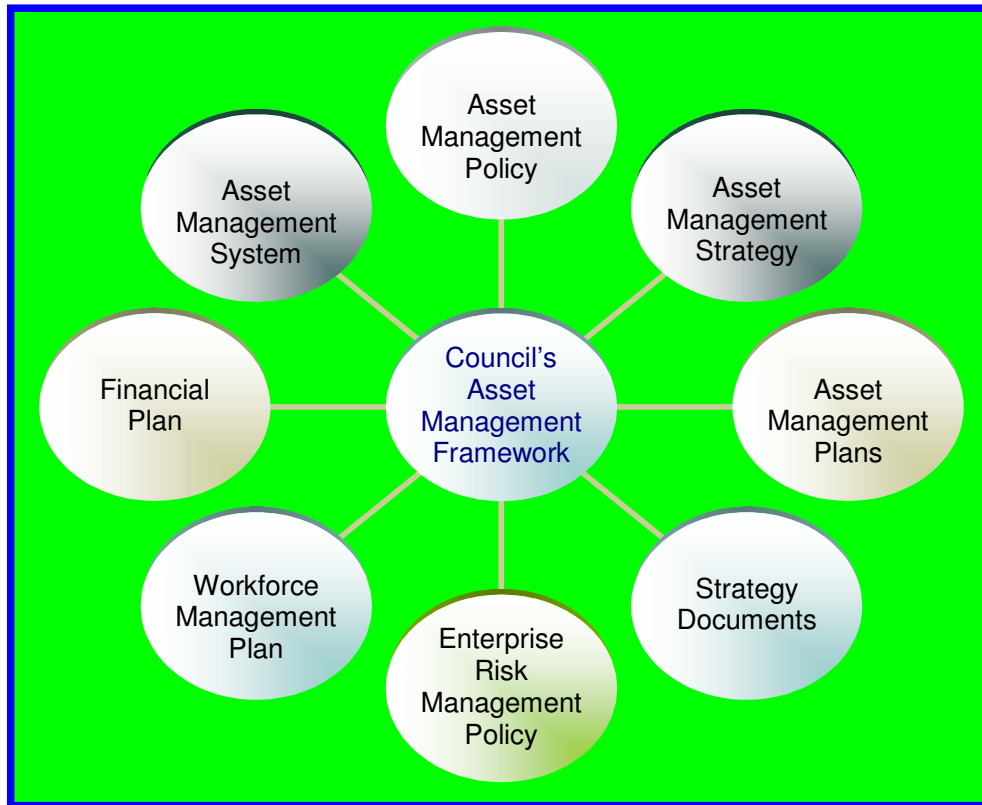
Council is committed to managing its assets in accordance with recognised best practice. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's current priorities for service delivery, as identified in Council's Community Strategic Plan. Council will review and manage its assets in accordance with the principles of this Policy.

4 Asset Management Framework

To facilitate best practice and effective asset management, Council has established a framework for asset management that promotes clear linkages between the Asset Manager, the Service Provider and the Provider of Maintenance Services. Asset Management shall embrace a "Whole of Council" approach and apply to all assets managed by Council, with Council responsible for delivering sustainable services to the community.



The eight (8) key components of Council’s Asset Management Framework are as follows:



1. Asset Management Policy

The Asset Management Policy provides a broad framework, guidelines and principles for implementing consistent and coordinated asset management processes throughout Council.

2. Asset Management Strategy

The Asset Management Strategy is Council’s high level, 10-Year Action Plan to deliver the Asset Management Policy. The Asset Management Strategy analyses the current situation, specifies asset management objectives and articulates how Council will achieve these objectives. Council is required to prepare a Community Strategic Plan every four years and the Asset Management Strategy will be reviewed every four years to ensure consistency with Council’s Community Strategic Plan.

3. Asset Management Plans

Long term asset management plans, for all of Council’s major asset classes, will identify agreed Levels of Service (LOS) and costs to deliver services now and in the future (20 year Plans). There will be consistency between Council’s Major Asset Management Plans and the Strategic Delivery Program that is contained within Council’s Community Strategic Plan.

4. Strategy Documents

Council has prepared a large number of strategy documents that provide long term guidelines and strategic directions for Council (e.g. Recreation Strategy 2009 and Environmental Sustainability Strategy 2012-2022). These Strategy documents provide an invaluable insight into current and future trends and assist in determining asset management priorities.



5. Enterprise Risk Management Policy

In compliance with Australian Standards, Council has developed a Enterprise Risk Management (ERM) Policy which encourages a coordinated approach across the organisation to manage risks, leading to a well-defined strategic, operational and project related risk actions. Council will continue to review its methods and processes for the management of risk and adopt a proactive and strategic approach in the identification of events that have the potential to compromise Council in achieving its Corporate and Community Objectives. All of Council's Major Asset Management Plans will incorporate risk management strategies.

6. Workforce Management Plan

Council's Asset Management Plans will provide information to support the Workforce Planning process in keeping with Council's long term commitment to good asset management practice. An emphasis will be on training to support people in their roles, retain corporate knowledge, and facilitate business excellence.

7. Financial Plan

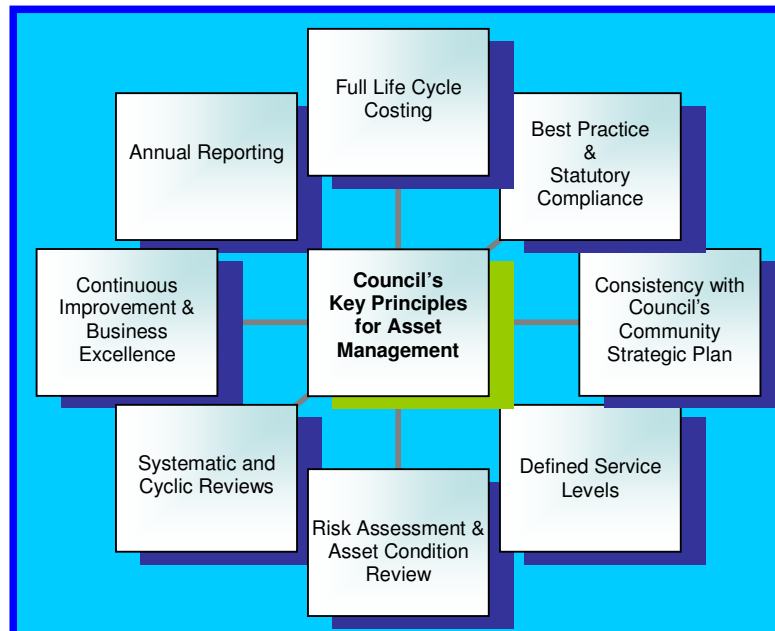
Council's Asset Management Plans will provide information and data required to prepare long term financial forecasts regarding asset management and service sustainability. This information will be used to inform Council's Long Term Financial Plan.

8. Asset Management System

Asset management software has been installed to support the efficient and effective delivery of Council's service obligations, the delivery of critical data for long term financial and workforce management planning, and provide for continuous improvement in asset management by monitoring adherence to legislative requirements and agreed standards. The system will monitor the progress of all key asset management functions and monitor the condition of all key assets and provide a condition report annually in accordance with legislative requirements.

5 Principles

To ensure that all decisions and actions relating to asset management are conducted in accordance with best practice and in a consistent manner, Council has adopted eight (8) Key Principles for the management of its assets, as follows:



1. Full Life Cycle Costing

Full life cycle costs will be used as the basis for decisions on asset maintenance and asset selection, acquisition, renewal, replacement and disposal.

2. Best Practice & Statutory Compliance

Asset Management Plans will be developed that will ensure systematic and appropriate asset management best practice is implemented throughout Council and ensure compliance with statutory requirements.

3. Consistency with Council's Community Strategic Plan

Council's Asset Management Plans will be aligned to the Community Strategic Plan and the Long Term Financial Plan.

4. Defined Service Levels

Service levels will be defined by the community consultation and engagement processes, in accordance with Council's Community Engagement Policy, and will be reflected in Council's Asset Management Plans.

5. Risk Assessment & Asset Condition Review

Council's Asset Management Plans will include initiatives to reduce the exposure to asset failure by the continued application of risk management and asset condition assessment. The need for regular condition assessment is mandated in legislation.

6. Systematic and Cyclic Reviews

Systematic and cyclic reviews will be applied across all asset classes to ensure that the assets are managed, depreciated and valued in accordance with appropriate best practice and applicable Australian Standards.

7. Continuous Improvement & Business Excellence

Council will undertake 'Continuous Improvement' and pursue 'Business Excellence' to ensure that Council identifies opportunities to improve processes and procedures, and implements best practice across the organisation. It is imperative that Council continues to explore opportunities to improve its asset management processes.

8. Annual Reporting

Current asset performance and future life cycle costs will be reported as part of the decision making process for new services and upgrading of existing services (assets). Council's Long Term Financial Plan will encompass all cost elements explored under lifecycle costing and assist in the preparation of Council's annual budget process. A measurement of overall sustainability will be made and reported annually as part of the monitoring process for good asset management practice.

6 Authorisation

This Policy was adopted by Council on 28 August 2012.

It is effective from 29 August 2012

It is due for review in August 2016.

7 Amendments

This Policy was last amended in 28 August 2012.



8 Who is responsible for implementing this Policy?

The elected Council, Executive Management Team, and Group Managers are responsible for ensuring the application of this Policy.

9 Document owner

Deputy General Manager – Environment.

10 Related Council Documents

- a) Warringah Council Asset Management Strategy 2013 - 2023
- b) Warringah Council's Asset Management Plans.
- c) Warringah Council Community Strategic Plan 2011.

11 Legislation and references

- a) Local Government Act 1993.
- b) Planning and Reporting Manual for Local Government in NSW 2010 (dlg).
- c) International Infrastructure Management Manual 2011.
- d) National Framework for Asset Planning & Management.
- e) Warringah Council Community Engagement Policy (PL520).
- f) Warringah Council Community Engagement Toolkit (February 2011).
- g) Warringah Council Community Engagement Matrix (as amended November 2011).

12 Definitions

Critical Assets: Those assets that are likely to result in more significant financial, environment and social cost in terms of impact on organisational objectives.

Major Asset

Management Plans: Council's major Asset Management Plans include the following:

- Building;
- Roads;
- Stormwater;
- Parks, Reserves and Foreshores.

Physical Assets: An item that has potential value to Council such as plant, machinery, and buildings.

