



BYRON SHIRE COUNCIL

POLICY 07/104

ASSET MANAGEMENT POLICY

**INFORMATION ABOUT THIS DOCUMENT
(INTERNAL USE ONLY)**

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Further Document Information and Relationships

Related Legislation	The Institute of Public Works Engineering Australia (IPWEA) Infrastructure Management Manual (2006)
Related Policies	
Related Procedures/ Protocols, Statements, documents	

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POLICY TITLE ASSET MANAGEMENT POLICY

FILE REFERENCE COR050505

1. OBJECTIVES

1.1. Policy Purpose

The purpose of this policy is to guide the strategic management of Council's infrastructure assets. It will be complemented by:

- a) An Asset Management Strategy
- b) Individual Asset Management Plans for specific asset classes
- c) Operational Plans for specific asset classes
- d) An Asset Management Information System

Together these documents, processes, software and data make up Council's Asset Management Framework.

1.2. Policy Objective

To provide and promote a constructive environment for undertaking asset management in such a way to ensure that:

- a) Assets are managed in accordance with relevant legislation
- b) Assets are managed in accordance with recognised best practise and The Institute of Public Works Engineering Australia (IPWEA) Infrastructure Management Manual (2006)
- c) Future funding needs are identified and allocated so that assets can meet their defined levels of service
- d) A lifecycle approach is taken in the development of operational, maintenance, renewal/rehabilitation, augmentation and investment strategies
- e) Risk is considered in the development of asset strategies
- f) Asset performance is measured against defined levels of service
- g) Assets are accounted in accordance with the requirements of the appropriate asset accounting standards and reporting requirements.

2. POLICY STATEMENT

Asset management is a systematic process to guide the planning, acquisition, operation, maintenance, renewal and disposal of assets. Its objective is to maximise asset service delivery potential and manage related risks and costs over their entire lives.

Council recognises that infrastructure assets are important to the local community and are fundamental to Council's overall service delivery. Planning and responsibility for them requires strong and informed Councillor and executive oversight which is crucial to achieving strategic asset management and financial management.

3. DEFINITIONS

Asset Management

Asset Management (AM) is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets.

Asset Management Strategy

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. The AM Strategic Plan typically has a 10-25 year horizon and aligns Asset Management with the corporate business plan (IPWEA, 2006).

Asset Management Plan

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. A significant component of the plan is long-term cash flow projection for the activities (IPWEA, 2006).

Operational Plan

Operational plans generally comprise detailed implementation plans and information with a 1-3 year outlook (short-term). The plans typically cover operational control to ensure delivery of Asset Management Policy, Strategy and Plans. The plans also detail structure, authority, responsibilities, deliver defined levels of service and emergency preparedness/ response (IPWEA, 2006).

Asset Management Information System

An Asset Management Information System is the foundation of all Asset Management Practices. It is a combination of processes, data and software applied to provide the essential outputs for effective asset management such as reduced risk and optimum infrastructure investment. The AM Information System links to other information systems within Council such as the Property System, Geographic Information System, Finance System and Document Management System integrating AM with the rest of Council's operations.

Asset

A physical component of a facility which has value, enables services to be provided and has an economic life of greater than 12 months. They represent not only physical objects or rights which have some monetary value, but also result from expenditure from which the benefit is yet to be derived.

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 cycleways; water reticulation infrastructure; bridges; and municipal buildings.

Asset Life Cycle

This is the period of ownership of an asset from the planning and design phase through to decommissioning or disposal.

Useful Life of an Asset

The useful or economic life of an asset is the estimated or expected time between placing the asset into service and removing it from service.

Level of Service

Defining and meeting community expectations in relation to the quality and quantity of services delivered by Council. In the context of asset management, this applies to assets such as roads.

4. POLICY IMPLEMENTATION

Council will develop and maintain assets in the most cost effective manner, driven by defined service levels and performance standards. To do this the following will need to be addressed:

- a) Customer Expectations;
- b) Strategic and Corporate Goals; and
- c) Legislative Requirements.

This should be achieved through strategic planning, service level review, output review, and development/implementation of a asset management strategy, plans and an information system. An Asset Management Working Group (AMWG) has been formed to progress and co-ordinate Asset Management issues. The Asset Management Working Group will oversee all asset management tasks seen in Figure 1. The Corporate Asset Management Framework.

4.1 Asset Management Strategy

Council's Asset Management Strategy will:

- a) Link and integrate Council's plan and resources, indicating which services are to be delivered through which assets;
- b) Forecast future service delivery needs and the capacity of assets to meet those, on short, medium and long-term bases;
- c) Provide a full overview of expenditure on new assets and the existing asset base;
- d) Specify asset management procedures, systems, resources and training; and
- e) Establish systems for asset performance measurement and to ensure theoretical system implementation is realised in practice.

4.2 Asset Management Plans

Council's individual Asset Management Plans will:

- a) Define levels of service within financial/resource/risk constraints;
- b) Present forecasts for acquisition, operation, maintenance and capital expenditure, and for revenue, where relevant;
- c) Specify the capital expenditure for renewing, upgrading or extending assets;
- d) Justify the contribution of each asset in terms of value for money for the Council; and
- e) Establish the targets and measures that will be used for monitoring progress with its implementation.

5. ROLES AND RESPONSIBILITIES

5.1 Council

This policy is enacted through Council, as the custodians of community assets, to demonstrate the organisation's commitment to Council's vision and strategic objectives through an integrated and resourced asset management framework, set of processes and practices.

5.2 The Asset Management Working Group (AMWG)

Management of Council's assets is overseen by the Asset Management Working Group. The group consists of directors and managers from each division, responsible for the development and implementation of asset management plans and policies. This group will be supported by council officers, providing specialist / technical information and assistance with system implementation.

The function of the group is to overview the implementation of this policy and to provide the strategic direction for Asset Management by developing Council's Asset Management Strategy and Asset Management Plans. The core function of the group is to ensure the needs and obligations of

the Council outlined above are being fulfilled on behalf of the community.

6. REVIEW

This policy shall be reviewed every three years to ensure that it meets the requirements of legislation and the needs of Council.

7. TOTAL ASSET MANAGEMENT PLANNING FLOWCHART

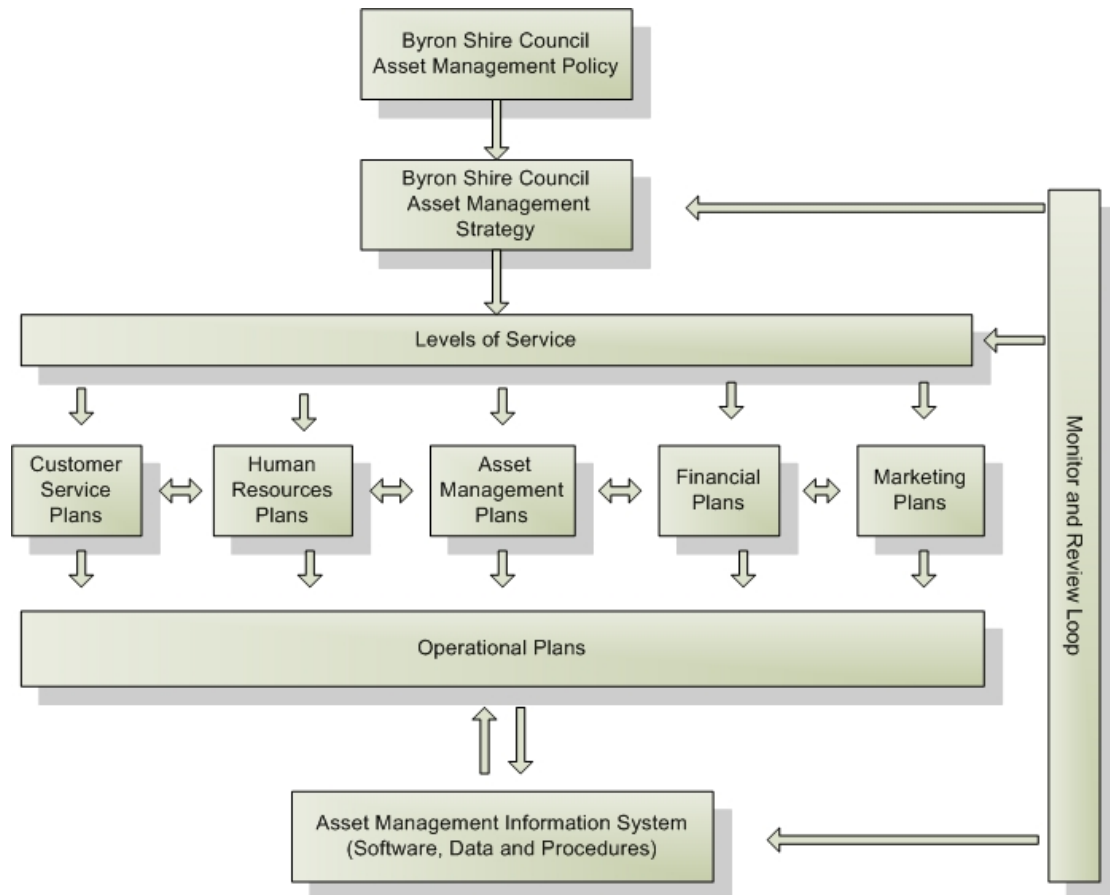


Figure 1. The Corporate Asset Management Framework.
 How the AM Policy, AM Strategy, AM Plans, Operational Plans, and Asset Management Information System interact with each other.

Reference: International Infrastructure Management Manual 2006 Version 3.0, Institute of Public Works Engineering Australia (IPWEA).