

1 PURPOSE

The purpose of the Asset Management Policy is to ensure that the City has information, knowledge and understanding about the long-term and the cumulative consequences of being the custodians of public infrastructure.

This is achieved by ensuring that there are asset management systems and processes in place to enable determination of the most effective and efficient options for delivering infrastructure related services while controlling exposure to risk and loss.

2 OBJECTIVE

This policy ensures that Burnie City Council's asset management system is embedded within the City's decision making and delivers outcomes that:

- a) are consistent with Council's Strategic Plan – *Making a Better Burnie 2044*; Long-Term Financial Management Plan (LTFMP) and Long-Term Asset Management Plan (LTAMP) as required by the *Local Government Act 1993* (the Act);
- b) deliver a total cost of ownership approach, as far as practicable, in the acquisition, management and disposal of the City's assets;
- c) ensures transparency and accountability in the management of the City's assets through the development, approval and implementation of asset management strategies and service level standards for asset classes and/or individual assets, that meet the expectations of the community;
- d) provides informed decision making through the integration of risk management into asset considerations;
- e) ensures continuous focus and improvement in strategic management of all Council's assets;
- f) complies with legislative and regulatory requirements; and
- g) supports decision making to expend the right money, at the right time, on the right assets to ensure the Burnie City Council can sustainably provide the required services for current and future generations.

3 SCOPE

This policy applies to all physical assets owned and/or controlled by the City of Burnie. The policy applies to the design, construction, acquisition, operations, maintenance, renewal and disposal of assets.

4 DEFINITIONS

Asset Custodian An asset custodian is a person within the Council’s employ that is responsible for an asset’s lifecycle, condition, an accurate record of asset information, and the presentation of an asset, or class of assets.

5 POLICY

5.1 Asset Management System

The asset management system in which this policy operates is defined by the City of Burnie’s Strategic Plan, *Making a Better Burnie 2044* and the integrated planning and reporting requirements under the *Local Government Act 1993*. The components of the asset management system are:

- The Asset Management Policy which sets the framework for the asset management systems and processes.
- The 15-year Long-Term Strategic Asset Management Plan which accords with the Council’s Long-Term Financial Management Plan.
- The Asset Management Strategy which draws together the high-level view of the individual sub-asset management plan requirements into a 4-year plan, and that accords with the deliverables of the Council Plan and the Financial Management Strategy.
- The Sub-Asset Management Plans for each class of assets, in detail.

5.2 Asset Terminology

There will be consistent terminology applied across the asset management system regarding the thematic categories of asset works that is undertaken by the Council:

Renewal	An asset is renewed when the service level of that asset is restored to its original standard, but includes works needed to ensure it complies with modern requirements.
Upgrade	Upgrade occurs when a service level is enhanced for an existing asset, or significant additional functionality is added.
New	An asset is considered to be new if it has never been put into service before.

5.3 Asset Classes

The asset classes that will be the subject of Council's Sub-Asset Management Plans include:

Bridge Assets	Bridges and culverts
Buildings	Buildings and sporting facilities
Information Technology	Council's ICT assets, community technology assets and fibre optic network
Land	All land including public open space
Plant and Equipment	All major plant, equipment and vehicles
Space and Recreation	Playgrounds, BBQ, park furniture, street art
Transport Assets	Roads, footpaths, kerb, channel, stormwater, lights, street furniture

5.4 Service Levels

There are three separate service levels that are considered by the Council, in determining the overall service standard of an asset.

Customer Service Levels

The City will undertake community consultation every 3 to 4 years to identify community needs and satisfaction levels for the asset services provided by the Council.

Findings will be reviewed following a consultation to ensure that as far as practicable, the City's service levels adequately support the service delivery needs of the community.

Technical Service Levels

Asset class service levels based on technical evaluations will be recommended by asset custodians, in consultation with respective unit managers and the Executive Management Team.

Technical service levels will be financially supported where deemed appropriate, by the Council.

Utilisation Levels

Council will use utilisation data to support and inform both the determination of service levels, and the strategic need of its assets.

5.5 Service Standards

In taking account of the service level required for each class of asset and/or individual asset, the Council will determine the service standard.

The Service Standard will be one of three categories:

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The Service Standard will be one of three categories:

Bronze Standard	Meets legislative and regulatory requirements.
Silver Standard	Is a strategic asset that requires a high level of service, maintenance and renewal.
Gold Standard	Is a critical asset that requires a premium level of service, maintenance and renewal.

5.7 Useful Life of Assets

The useful life of Council's assets will be determined by the respective asset custodians.

A review of the useful life of each asset will be undertaken by the asset custodian on an annual basis.

5.8 Impairment

The impairment of a Council's assets will be determined by the respective Business Unit Manager or asset custodian.

A review of the impairment will be undertaken by the Business Unit Manager or asset custodian on an annual basis, and on an as needs basis when an asset fails or during an event such as a natural disaster.

Notification of impairments are to be made by the Business Unit Manager in accordance with the relevant processes.

5.9 Condition Data

Condition data will be captured for each asset on the Council's Asset Management Register.

The condition will be rated consistently against the Moloney Model condition rating definition as follows:

Condition Rating	Condition Rating Definition
0	A new asset or recently rehabilitated back to new condition.
1	A near new asset with no visible signs of deterioration often moved to condition 1 based upon the time since construction rather than observed condition decline.
2	An asset in excellent overall condition. There would be only very slight condition decline but it would be obvious that the asset was no longer in new condition.
3	An asset in very good overall condition but with some early stages of deterioration evident, but the deterioration still minor in nature and causing no serviceability problems.
4	An asset in good overall condition but with some obvious deterioration evident, serviceability would be impaired very slightly.
5	An asset in fair overall condition. Deterioration in condition would be obvious and there would be some serviceability loss.
6	An asset in fair to poor overall condition. The condition deterioration would be quite obvious. Asset serviceability would now be affected and maintenance cost would be rising.
7	An asset in poor overall condition. Deterioration would be quite severe and would be starting to limit the serviceability of the asset. Maintenance cost would be high.
8	An asset in very poor overall condition with serviceability now being heavily impacted upon by the poor condition. Maintenance cost would be very high and the asset would be at a point where it needed renewal.
9	An asset in extremely poor condition with severe serviceability problems and needing renewal immediately. Could also be a risk to remain in service.
10	An asset that has failed, is no longer serviceable and should not remain in service. There would be an extreme risk in leaving the asset in service.

5.10 Intervention

Intervention is the period at which Council will intervene on an asset before the asset is completely deteriorated. This is considered the optimum time to renew the asset given it almost always means a greater return on investment.

The Council will use Condition Score 7 as its primary intervention level with regard to the renewal of assets.

5.11 Asset Planning and Budgeting

Council will prioritise and fund its depreciation expense each year on the renewal of existing assets.

The Asset Management Strategy and Financial Management Strategy will provide key inputs into the Council's decision-making process in determining funding for all capital works programs, over the four-year period of a Council's term.

Acquisition or building of new assets should be supported by whole of life-cycle costs analysis and consideration of the impacts on the Council's Long-Term Financial Management Plan and the Long-Term Strategic Asset Management Plan.

Where the Council wishes to construct or acquire new assets, these funds will be provided where possible, in addition to the depreciation expense requirements, so as not to negatively impact Council's capacity to ensure an appropriate standard for its existing assets.

The City will endeavour to undertake maintenance and renewal of its assets, consistent with the applicable service standards, condition data and intervention levels.

5.10 Asset Management Responsibilities

Council

Consider and adopt the Asset Management Policy with appropriate resources and funding allocated to implement and execute the Policy.

Consider and adopt the Long-Term Strategic Asset Management Plan, the Asset Management Strategy and Sub-Asset Management Strategies.

The *Local Government Act 1993* prescribes that only the Council can determine the annual capital works budget.

To accord with this policy in making informed political decisions in relation to this policy, informed by data, information and knowledge, and trade-offs for economic social, cultural and environmental consequences.

General Manager

Has overall accountability for the creation, maintenance and renewal of assets owned by the City, and delivery of the subsequent capital works program.

Ensures that Directors are responsible for the development and implementation of asset management systems that accord with this policy, in addition the interdependent financial systems necessary.

Ensure the Council meets its statutory obligations around asset management and reporting.

Directors

Responsible for implementing the Asset Management Practices Improvement Plan.

Responsible for the delivery of the capital works program annually.

Ensure appropriate skilled resources and priority is placed on embedding and implementing the Council's policy and processes to enable the responsible management of assets for the City.

Branch Managers and Asset Custodians

Responsible for implementation, communication and compliance with all asset management policies and plans, procedures and reporting requirements relevant to their unit.

Ensuring that asset inspections to determine data such as condition, defects, intervention, useful life and impairment, are carried out periodically in line with Council's Policy and processes.

4 LEGISLATION

Local Government Act 1993, including associated Regulations and Orders



Asset Management

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 Doc Controller: **Director Operations**

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5 RELATED DOCUMENTS

- Strategic Plan: Making a Better Burnie 2044
- Council Plan
- Long Term Strategic Asset Management Plan and Strategy
- Long-Term Financial Management Plan and Strategy
- Sub-Asset Management Strategies by class of asset
- Asset Management Practices Improvement Plan

Policy Endorsement	
Responsibility:	<p>The General Manager has overall responsibility for developing an asset management system, plans and strategies as well as reporting periodically to the Council on asset management matters.</p> <p>It is the responsibility of the Director Operations to facilitate the implementation of this policy and review its content from time to time. <i>S70E of the Local Government Act 1993</i> requires this policy to be reviewed at least every four years, subsequent the review cycle is set at three years.</p> <p>It is the responsibility of Governance to maintain this policy in the Corporate Document Framework.</p>
Minute Reference:	Item AO160-23
Council Meeting Date:	24 October 2023
Strategic Plan Reference:	<p>Making a Better Burnie 2044</p> <p>Goal 2 – Making Liveable Local Communities</p> <p><i>We want our local communities to be liveable, meaning that people have ready and convenient access to services and facilities needed to enjoy daily life.</i></p>
Previous Policies Replaced:	This policy replaces the previous Asset Management Policy CP-CBS-SG-016 v5.0 adopted by the Council on 16 April 2019 (Item AO096-19).
Date of Commencement:	25 October 2023
Publication of policy:	Members of the public may inspect this policy at the City Offices, or access it on Council's website (www.burnie.net)