

	CENTRAL HIGHLANDS REGIONAL COUNCIL POLICY	
	Asset Management	POLICY REF NO CHRCP: 0005

1.0 Policy Purpose

1.1 This policy:

- 1.1.1 Ensures council's compliance with the financial planning and accountability, and long-term asset management plan obligations under section 104(5)(a)(ii) of the *Local Government Act 2009* (the Act) and sections 167 and 168 of the Local Government Regulation 2012 (LG Regulation).
- 1.1.2 Specifies council's overarching intentions and guiding principles for asset management.
- 1.1.3 Complies with the National Asset Management and Planning Framework as agreed by all state and territory Planning Ministers in May 2009.
- 1.1.4 Informs council's strategic asset management planning and enables the development and implementation of long-term asset management plans.
- 1.1.5 Includes requirements for commitment to funding infrastructure renewal, legislative compliance and to the continual improvement of council's asset management performance.

1.2 Asset Management at council is the combination of management, financial, economic and technical practices applied to physical assets, with the objective of meeting the required levels of service in the most cost-effective and fit for purpose manner.

1.3 This policy applies to all physical assets owned or controlled by council, however in keeping with the Queensland state government requirements, the initial focus will be given to council's long life infrastructure assets. Therefore, the physical asset classes are covered by this policy are categorised as followed:

- Transport (roads, bridges, flood mitigation, pathways, drainage and major culverts)
- Water infrastructure
- Sewerage infrastructure
- Buildings
- Site improvements
- Land
- Plant and vehicles

Note: This policy does not include intangible assets, people, intellectual property and financial instruments.

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2.0 Policy Statement

- 2.1 Council acknowledges that assets (particularly infrastructure assets) support its core business of delivering services to the Central Highlands community. Council is committed to ensuring that infrastructure and services are provided in a sustainable manner, with appropriate levels of service to residents and visitors.
- 2.2 Council is committed to the adoption of sound asset management practices and processes that will significantly contribute to the achievement of the regions' vision.
- 2.3 Significant and on-going expenditure is required to maintain existing infrastructure and it is important that council employs high-level asset management skills and practices to ensure that its asset-intensive services are delivered economically and sustainably.
- 2.4 Council is also committed to managing its assets from a 'whole of life' perspective in accordance with recognised industry practice. Council recognises the need to establish an appropriate balance between the creation of new assets and the maintenance of its existing asset base. This includes reducing the gap between current expenditure on infrastructure maintenance and renewal and the level of expenditure required to ensure on-going infrastructure sustainability.
- 2.5 This will require the integration of council's asset management plans with its long-term community and financial plans and the consideration of total life cycle costs for new or enhanced services. Furthermore, council recognises that levels of service need to be set via a process that balances the community's needs and expectations with council's ability to fund both now and in the future.
- 2.6 In view of the above council aspires to the following:
- “To develop and maintain asset management governance, skills, processes, technology and data in order to provide the desired level of service for present and future customers in the most cost effective and fit for purpose manner”.*
- 2.7 Asset custodians must adhere to asset management principles that are classified according to the four domains as illustrated in Table 1.

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Table 1

Asset Management Domain	Guiding Principles
<p>Accountability and Direction</p>	<ul style="list-style-type: none"> • The management of assets aligns with the council’s vision of providing maximum value to the organisation and its stakeholders and conforms to corporate policy, strategy and plans for the provision of asset-based services to the community. • An enterprise first, multi-disciplinary and consistent approach is taken to asset management. • Accountability for the management of council owned or controlled assets is unambiguous, accepted and met. • Asset management industry standards are used where appropriate and adapted if necessary to maintain organisational consistency. • Asset management translates the organisational objectives into technical and financial decisions, plans and activities.
<p>Asset Information Management</p>	<ul style="list-style-type: none"> • Asset information is managed within an asset management system in accordance with council’s information management and asset management standards and policies. • Assets under the control of council are identified and recorded in a register with the level of detail and accuracy being based on: <ol style="list-style-type: none"> 1) Statutory requirements, and then 2) Risk management requirements, and then 3) Cost/benefit. • Statutory requirements for external reporting are met (as a minimum).
<p>Lifecycle Management</p>	<ul style="list-style-type: none"> • Assets are managed from a whole-of-life perspective (i.e. from planning and design to disposal). • Assets are managed to achieve the maximum value to the organisation at the lowest possible whole-of-life cost whilst controlling exposure to risk and loss of service. • Assets are managed in support of the development of sustainable communities and can adapt to changing environmental and social conditions. • Statutory requirements for asset management planning are met (as a minimum).

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Asset Management Domain	Guiding Principles
Service Level Management	<ul style="list-style-type: none"> • A planned approach is taken to the impacts of growth and demographic change through demand management and asset investment using an agreed growth and demographic model. • Current and desired levels of service are defined for asset-based services that consider: community expectations; legislative and technical requirements; the cost of service and economic, environmental, and social sustainability. • Council is committed to funding infrastructure renewal requirements stated in the annually updated Total Asset Management Plan which is a collation of the individual asset class Asset Management Plans to ensure the sustainability of the region's infrastructure base. • Investment decisions for new/upgraded infrastructure will consider whole-of-life costs, including specifying additional annual operations and maintenance costs as part of the defined approval process.

3.0 Definitions

TERM	DEFINITION
Asset	shall mean an item that has potential or actual value to an organisation.
Asset Life Cycle	refers to the life of an asset, beginning with the establishment of a need for it, through its acquisition, operation and any maintenance or upgrading, to its disposal.
Asset Management	refers to the systematic approach to manage assets through all life cycle phases. This involves applying a combination of engineering, financial and other technical practices to the management of infrastructure; costs; opportunities; risks and performance.
Council	refers to Central Highlands Regional Council.
The Act	shall mean the Local Government Act 2009 (as amended).
The Regulation	shall mean the Local Government Regulation 2012 (as amended).

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Strategic Link	s 104 , <i>Local Government Act 2009</i> (Qld) s 167 , s168 , <i>Local Government Regulation 2012</i> (Qld) Project Decision Framework Policy Asset Management Strategy Asset Management Plans Total Asset Management Plan
Category	Council Assets and Maintenance
Lead Business Unit	Asset Management
Public Consultation	No
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Next Review Due	
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Record Keeping	ECM, Vine and Council Website
Related Documents	Asset Disposal Policy CHRCP0001 Budget Policy CHRCP0009

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