



Name	INF01 Asset Management
Policy Type	Council
Responsible Officer	Asset Management Officer
Approval Date	18/01/2022
Review Date	17/01/2026

### 1. Purpose

This policy sets guidelines for implementing consistent asset management processes throughout Litchfield Council.

### 2. Scope

This policy applies to all Council operations.

### 3. Definitions

For the purposes of this Policy, the following definitions apply:

Asset	A resource controlled by Council as a result of past events and from which future economic benefits are expected to flow to Council. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.
Asset Class	A group of assets having a similar nature or function in the operations of Council, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management Plan	The Asset Management Plan/s encompasses all Council assets and identifies asset service standards and contains long term projections of asset renewal/replacement cost.
Level of Service	The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

## 4. Policy Statement

### 4.1. Objective

To ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with appropriate levels of service.
- Safeguarding Council assets by implementing appropriate asset management strategies and developing appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating a sustaining an asset management awareness throughout the organisation by training and development.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

### 4.2. Background

- 4.2.1. Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.
- 4.2.2. Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives.
- 4.2.3. Adopting asset management principles will assist Council in implementing its Strategic Plan and Long Term Financial objectives.
- 4.2.4. A strategic approach to asset management will ensure that Council delivers an appropriate level of service through its assets. This will provide positive impact on;
  - Members of the public and staff;
  - Council's financial position;
  - The ability of Council to deliver the expected level of service and infrastructure;
  - The political environment in which Council operates; and
  - The legal responsibilities of Council.

4.3. Principles

- 4.3.1. A consistent asset management strategy must exist for implementing systematic asset management and appropriate asset management best practice throughout all Council operations.
- 4.3.2. All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- 4.3.3. Asset management principles will be integrated within existing planning and operational processes.
- 4.3.4. Asset management plans will be developed for major service/asset categories. The plans will be informed by community consultation where practicable and financial planning and reporting.
- 4.3.5. An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 4.3.6. Asset renewals required to meet agreed service levels and identified in the adopted asset management plans and long term financial plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented in budget documentation.
- 4.3.7. Service levels defined in adopted asset management plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined services levels and budget resources documented in budget documentation.
- 4.3.8. Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- 4.3.9. Systematic and cyclic reviews will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate practices and standards.
- 4.3.10. Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- 4.3.11. Future service levels will be determined in consultation with the community and stakeholders.
- 4.3.12. Training in asset and financial management will be provided for all relevant staff.

**5. Associated Documents**

Litchfield Council Policies

Litchfield Council Strategic Plan

Litchfield Council Long Term Financial Plan

Litchfield Council Municipal Plan

Asset Management Templates

International Infrastructure Management Manual

## **6. References and Legislation**

Northern Territory Local Government Act 2019 – Part 1.2, Part 9.1, Part 10.6

Local Government (General) Regulations 2021 – Part 1 and Part 2

## **7. Review History**

<b>Date Reviewed</b>	<b>Description of changes (Inc Decision No. if applicable)</b>
18/10/2017	New Policy
18/01/2022	Policy reviewed and minor amendments made in relation to referencing legislation