ASSET MANAGEMENT

COUNCIL POLICY

PURPOSE

The purpose of this Policy is to:

- Demonstrate Council's asset management approach across diverse infrastructure of significant value, on behalf of the Palmerston community.
- Provide a strategic approach to asset management to ensure Council delivers an appropriate level of service through its assets.
- Achieve the strategic outcome of ensuring assets are fit for purpose
- Mitigate risk relating to long term sustainability

PRINCIPLES

The City of Palmerston recognises that assets exist to provide services and value to the community and this recognition underpins Council's Asset Management Policy and practices.

The City of Palmerston is committed to the outcomes of ensuring infrastructure is fit for purpose through its strategies;

- Infrastructure is maintained and managed to meet community need and adopt innovative approaches
- Assets have multiple uses

DEFINITIONS

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

TERM	DEFINITION
Asset	An asset is physical infrastructure defined under the asset class and is owned or controlled by Council.
Asset Management (AM)	The combination of management, financial, economic, engineering and other practices applied to assets with the objective of providing the required level of service in the most cost-effective manner.
Lifecycle cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal.

TERM	DEFINITION
Level of service	The level of service is the defined service quality for a particular activity or service area against which service performance may be measured. Level of service usually refers to quality, quantity, reliability, responsiveness, environmental acceptability and cost.
Asset Class	A group of assets having similar nature or function in the operations of Council, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

POLICY STATEMENT

1. General

Council will apply a total asset management approach as one of its key strategies in demonstrating effective governance through the application of the following:

1.1. Undertake asset management activities within a strategic framework which is integrated with broader corporate and business planning, and operational processes.

1.2. A consistent Asset Management Strategy must exist for implementing systematic and appropriate asset management best-practice.

1.3. All relevant legislative requirements together with political, social, environmental, cultural and economic factors are to be considered.

1.4. Asset Management Plans will be developed for major service/asset categories.

1.5. Asset Management Plans will form part of the asset management framework and be used to make informed decisions relating to assets, including the long-term financial plan.

1.6. An asset management framework which ensures accountability for asset condition and performance with a whole-of-council approach to the continued improvement and development of asset management activities.

1.7. An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.

1.8. Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long-term financial plans will inform annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented in budget documentation.

1.9. 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.

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

1.11. Future life cycle costs should be considered in decisions relating to the new services and assets and upgrading of existing services and assets.

1.12. Asset Management Plans and renewal plans will incorporate sustainable practices wherever possible to ensure consistency with Council's policies and plans.

1.13. Ensuring a sustainable and corporate approach to Asset Management.

2. Asset Management Priorities

2.1. Assets will be planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

2.2. This will be done through the asset management fundamentals of value, alignment, leadership, and assurance for:

- Long term financial sustainability
- Improved financial performance
- Informed asset investment decisions
- Managed risk
- Improved services and costs
- Demonstrated social responsibility
- Demonstrated compliance
- Enhanced reputation
- Improved sustainability

2.3. Council will ensure adequate provision is made for the sustainable long-term provision, management and replacement of major assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service.
- Safeguarding Council assets by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- An integrated approach in acquiring, disposing of and renewing assets that ensures transparency and evaluates life cycle management of assets.

ASSOCIATED DOCUMENTS

- NA

REFERENCES AND RELATED LEGISLATION

- *Local Government Act 2019* (NT)
- *Local Government (General) Regulations 2021* (NT)

POLICY DETAILS

OWNER	General Manager Finance and Governance	RESPONSIBLE OFFICER	IT and Assets Manager
APPROVAL DATE	17 September 2024	NEXT REVIEW DUE	In the term of the 11th Council
RECORDS NUMBER	609706	COUNCIL DECISION	10/1521