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*Our Vision*

Nambucca Valley ~ Living at its best

*Our Mission Statement*

'The Nambucca Valley will value and protect its natural environment, maintain its assets and infrastructure and develop opportunities for its people.'

**1.0 Purpose**

The purpose of the policy is to articulate Nambucca Shire Council's commitment to sound asset management in an integrated, consistent, co-ordinated and financially sustainable manner. The policy provides a clear direction by defining the key principles that underpin the management of assets.

**2.0 Policy objective**

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

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and 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 and sustaining 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.

**3.0 Scope**

To meet the Principles of Local Government, Council shall be the custodian of assets it has control of and manage them through their lifecycle. Asset Lifecycle Management is the term used to describe the management of an asset through the stages of life from planning and creation to disposal. The management of assets is to be documented within the Strategic

Asset Management Plan and should ensure that issues addressed are prioritised in line with organisational objectives and aligned with the Community's goals as detailed in the Community Strategic Plan. The Strategic Asset Management Plan shall address the asset lifecycle by documenting:

- Background Data of the Asset
- Planning
- Creation/Acquisition/Augmentation Plan
- Financial/Risk Management Plan
- Operations and Maintenance Plan
- Condition and Performance Monitoring
- Rehabilitation/Renewal/Replacement Plan
- Consolidation/Rationalisation Plan
- Audit Plan/Review

Key elements that drive the above asset lifecycle management processes include:

- Levels of Service
- Future Demand
- Lifecycle Management Plan
- Financial Summary
- Asset Management Practices
- Plan Improvement and Monitoring

Council will maintain and regularly review the Strategic Asset Management Plan within the term of a Council.

#### **4.0 Background**

Nambucca Shire Council is responsible for a large and diverse asset base. These assets include, but not limited to; parks, pools, wharves, jetties, foreshores, roads, bridges, footpaths, drains, library resources, community buildings, sporting facilities, fleet, transport infrastructure, land, commercial business assets, water, sewerage and information communication technology-related assets. These assets are used to provide facilities and services to the community, visitors and persons undertaking business in our Local Government Area.

The Local Government Act 1993, section "Principles of Local Government" legislates Council's responsibility and manner in which Council must conduct itself when providing services to the community. These Principles include Council's asset management responsibility.

- 4.0.1 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.

- 4.0.2 Council owns and uses approximately \$425M of non-current assets to support its core business of delivery of service to the community.
- 4.0.3 Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve our strategic service delivery objectives
- 4.0.4 Adopting asset management principles will assist Council in achieving its Strategic Longer-Term Plan and Long Term Financial objectives.
- 4.0.5 A strategic approach to asset management will ensure that the Council delivers the highest 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; and
  - The political environment in which Council operates; and the legal liabilities of Council.

## **5.0 Related legislation**

Local Government Act, (1999), Sections 402-6  
Local Government (Integrated Planning & Reporting) Act 2009

## **6.0 Related documents**

- 1 Asset Management Planning for NSW Local Government (Office of Local Government)
- 2 Asset Management Strategy and associated Asset Management Plans
- 3 NAMS
- 4 Planning and reporting guidelines for Local Government in NSW 2010

## **7.0 Policy statement**

Council is committed to undertake the management of assets in accordance with current global best practice and Asset Lifecycle Management as noted in the scope of this policy

### **7.1 Principles**

- 7.1.1 A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- 7.1.2 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.

- 7.1.3 Asset management principles will be integrated within existing planning and operational processes.
- 7.1.4 Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.
- 7.1.5 An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 7.1.6 Asset renewals required to meet agreed service levels and identified in 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.
- 7.1.7 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.
- 7.1.8 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.
- 7.1.9 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.
- 7.1.10 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.
- 7.1.11 Future service levels will be determined in consultation with the community.
- 7.1.12 Training in asset and financial management will be provided for councillors and relevant staff.

## **8.0 Responsibility**

**Councillors** are responsible for adopting the policy, allocation of resources, providing high level oversight of the delivery of the organisation's asset management strategy and plan and maintaining accountability mechanisms to ensure that organisational resources are appropriately utilised to address the organisation's strategic plans and priorities.

The **General Manager** has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

The **Assistant General Managers** and **Asset Manager** to develop asset management plans for assets categories under their control and provide leadership in implementing and monitoring asset management principles across the organisation.

**All Staff** are to have an understanding of asset management principles and the effect of the work undertaken to enhance or maintain the asset.

## **9.0 Sustainability Assessment**

### **Environmental Implications**

The policy impacts on protection and conservation of environmental assets, resource use, energy and water conservation.

### **Social Implications**

This policy has implications of community safety, needs and priorities, equity, amenity and utilisation.

### **Economic Implications**

The provision of assets such as roads, drainage and lighting facilitates economic development and employment locally. Of particular economic impact are assets such as sports grounds, parks, beaches and open space in the Nambucca Shire. Asset condition, availability of external funds, user and owner costs have local economic implications. Maintaining quality infrastructure facilitates transport and attracts businesses and tourists to the LGA. This policy recognises the contribution these assets make to the economy of the LGA.

### **Risk Implications**

Maintaining quality infrastructure facilitates and transport attracts a level of risk with respect to levels of service, budget constraints and Council risk appetite for an acceptable risk. Detailed levels of service for all its asset groups will be developed in partnership with the community to ensure that the needs of the Community and the Council are met.

The agreed level of service for each service area shall take into account the capability of Council to maintain that infrastructure in an economically sustainable fashion. Council will implement Maintenance Management Systems and inspection regimes for all its assets to ensure agreed levels of service are maintained.

## **10.0 Definitions**

### *Assets*

An item that has potential value to an organisation and is used to provide a service to community, customers or stakeholders

### *Strategic Asset Management Plan*

Plan that documents the assets activities and programs for each service area and resources applied to provide a defined level of service in the most cost effective way based on the services required

## **11.0 History**

This is the fourth policy review for Asset Management within Nambucca Shire Council. As with previous versions this policy is based on the IPWEA's Asset Management Policy, which has been developed over a number of years in consultation with local governments across Australia and New Zealand.

The new revision includes defined responsibilities and sustainability assessment.

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