

Diamantina Shire Council

Policy Document



ASSET MANAGEMENT POLICY

CONTROL	
<i>Policy Number</i>	67
<i>Policy Type</i>	Council
<i>Authorised by</i>	Council
<i>Head of Power</i>	Local Government Act 2009
<i>Responsible Officer</i>	Chief Executive Officer
<i>Adopted / Approved</i>	20 January 2025, Resolution CNL/25/008
<i>Last Reviewed</i>	Nil
<i>Next Review Due</i>	June 2026
<i>Version</i>	1

1. INTRODUCTION

1.1 PURPOSE

The purpose of this policy is to provide the overall framework for the strategic management of Council's infrastructure assets in a co-ordinated and structured manner by.

- establishing corporate and community objectives for asset management based on service delivery needs;
- integrating asset management with the Council's corporate planning utilising an integrated multidisciplinary approach;
- maximising value for money by adoption whole of lifecycle costing combined with disciplined performance management;
- assigning accountability and responsibility for service delivery together with asset management;
- identification, recording and remediation of asset defects;
- maintain a robust data system that records Council's current assets with the aim of promoting effective service gap analysis and future planning; and
- promoting sustainability to plan for the needs of future generation.

1.2 POLICY OBJECTIVES

This policy governs the strategic management of Council's infrastructure assets. It applies to all Councillors and Council employees.

This is a discretionary policy, resolved by Council under its powers in accordance with the *Local Government Act 2009* (Qld) Chapter 2, Section 9 which states:

9 Powers of local governments generally

(1) A local government has the power to do anything that is necessary or convenient for the good rule and local government of its local government area.

1.3 COMMENCEMENT OF POLICY

This Policy will commence on adoption, and it replaces all other asset management policies of Council (whether written or not).

1.4 HUMAN RIGHTS COMMITMENT

Council has considered the human rights protected under the *Human Rights Act 2019* (Qld) (the Act) when adopting and/or amending this policy. When applying this policy, Council will act and make decision in a way that is compatible with human rights and give proper consideration to a human right relevant to the decision in accordance with the Act.

2. POLICY

2.1 CONTEXT

This policy applies to Councillors and Council employees in managing Council's infrastructure assets.

2.2 POLICY STATEMENT

2.2.1 General

Council recognises that infrastructure assets are important to the local community and are fundamental to Council's overall service delivery. Planning and responsibility for these infrastructure assets requires strong and informed Councillor and executive oversight which is crucial to achieving strategic asset management and related financial management.

Asset management processes must be based on maintaining an up-to-date database of Council assets, including a record of condition and improvements.

A collaborative effort and strong communication between Council employees is required, particularly in the area of new acquisitions.

2.2.2 Asset Management Principles

Council acknowledges the following principles in determining its approach to

asset management:

- service delivery forms the basis for asset management;
- asset management will be integrated with corporate, financial, business, maintenance and budgetary planning;
- the asset management plans are developed and updated for each asset class;
- service levels will be developed and defined in each asset management plan. The service levels will form the basis of budget estimates;
- an inspection process will be developed for each asset class to ensure agreed service;
- levels are maintained, and to identify asset renewal priorities;
- renewal plans will be based on service levels, condition and risk;
- informed decision making, incorporating a life cycle approach to asset management;
- establishing accountability and responsibility for asset condition, use and performance; and
- sustainability in providing for present needs while sustaining resources for future generations.

2.2.3 Asset Management Measures

In order to achieve Council's stated corporate and community objectives, Council is committed to achieving financial sustainability of its assets over a period of time through the following measures.

- ensuring that the asset base is not increased without considering the impact on Council's ability to fund future maintenance and renewal of the asset;
- not replacing those assets that are determined to be underutilized, at the end of their useful lives, following consultation with the community and determining the impact of not replacing the asset will have on the community;
- continually improving Council's maintenance and renewal practices and adopting best practice wherever possible;
- basing contributions and other funding levels to ensure that assets are maintained in their service level prescribed by Council;
- Utilising technology advances and innovative solutions that assist and are relevant to asset preservation and maintenance;
- maintaining and renewing Council's existing assets in a manner which is acceptable to Council and the community in terms of safety, access, quality, impact on the environment, meeting community needs and Council's ability to fund those works;
- maximising resources to achieve the best outcome for the community;
- regularly consulting with the community to determine whether its needs are being met;
- preparation and review of detailed asset management plans for all major classes of assets and using these plans to assist Council to determine the priorities for expenditure;
- appropriate insurance cover will be taken on all insurable council assets. The level of insurance cover taken will be based on the asset location, attributes (e.g. brick or cladding, near new or poor condition etc.) and a risk assessment of the likelihood of an event occurring that

- would cause the insurance cover to be activated;
- following an insurable event where an asset is damaged, the insurer is to be promptly advised by the responsible council employee and an insurance claim is to be made as soon as practicable, within the claim timeframe; and
 - where Council decides not to replace the damaged asset, but instead accepts the insurer's payout in lieu, the money is to be banked until a replacement asset, according to the business needs of the council, is to be acquired.

2.2.4 Plant replacement thresholds and trigger timeframes

In accordance with Plant Replacement Strategy.

Plant Type	Trigger Hours (for renewal initiation)	Life in Hours	Life in Years / km
Yellow Plant			
Graders	6000	8,000	8 Years
Rollers	4500	6,000	8 Years
Scraper	6000	8,000	8 Years
Stabiliser	6000	8,000	10 years
Excavators	4000	6,000	8 Years
Bobcats	4000	5,000	4 Years
Wheel Loaders	7000	8,000	10 years
Trucks Tippers / Tankers			
Prime Movers		10,000	8 Years
Side Tippers		N/A	8 Years
Service Trucks			6 Years/ 200,000km
Water Tanks		N/A	10 Years
Fuel Trailers		N/A	15 Years
Tip Trucks		N/A	10 Years
Garbage Trucks		N/A	6 Years
Other Medium Trucks		N/A	6 Years
Dollies		N/A	15 Years
White Fleet			
Utilities		N/A	80,000km
Wagons		N/A	80,000km
Other Equipment			
Generators		15,000	N/A
Generator Trailers		N/A	10 Years
Water Pumps		N/A	6 Years
Water Pump Trailers		N/A	6 Years
Camps		N/A	10 Years
Telehandler		8,000	10 Years
Forklifts		N/A	15 Years
Tractors		N/A	10 Years
Message Board Trailers		N/A	15 Years
Ride-on Mowers		N/A	3 Years
Lighting Towers		N/A	15 Years
Bulk Cement Trailers		N/A	20 Years
Transport Trailers		N/A	10 Years
Float and Dolly		N/A	8 Years
Box Trailers		N/A	10 Years
Septic Pump Unit		N/A	10 Years
Column Light Tower		N/A	10 Years

2.2.5 Capitalisation Thresholds

All plant renewals will be submitted to Plant Standing Committee meetings. Plant and equipment with a total value of less than \$15,000 and infrastructure assets (road, stormwater, bridge, water and sewerage assets), other structures and buildings with a total value of less than \$15,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised. As determined by the Plant Standing Committee at its meeting on 13 September 2024, the asset capitalisation threshold is \$15,000 (refer Minute – 2024.09.13-PSCM-04).

2.2.6 Asset Disposal Processes

In accordance with *Local Government Act 2009*, (S104), *Local Government Regulation 2012* (Chapter 6 part 3) and Asset Disposal Policy.

3. STANDARDS AND PROCEDURES

3.1 SPECIFIC AND STANDARD

3.1.1 Councillors and Council Employees

- Must act consistently with this policy when undertaking asset management responsibilities.

3.1.2 Managers and Directors

- Assist the Chief Executive Officer to develop and review the Asset Management Policy and Plan;
- Develop Asset Management Plans for individual asset groups, using the principles of whole life cycle analysis;
- Implement maintenance programs, capital works programs in accordance with the Asset Management Plan, Operational Management Plan and Budget;
- Deliver levels of service to agreed service, risk and costs standards; and
- Present information to the Chief Executive Officer and Council in terms of whole of life cycle risks and costs.

3.1.3 Director Infrastructure Services

- Shall be the custodian of this policy;
- Shall facilitate regular meetings of the Asset Advisory Committee;
- Shall ensure processes are in place for:
- Identification of asset defects and/or service gaps and development of an inspection and maintenance schedule;
- Communicating with the Executive Leadership Team with service gap data who will in turn inform councillors of proposed budget considerations;
- Recording of defects and maintenance using appropriate technology;
- Maintaining a record of gravel quantities utilised from gravel pits covered under relevant State Government legislation;
- Maintaining Council's GIS program through data capture of new assets;

- Assisting Council finance officers with the collation of purchasing data of new asset acquisitions for record keeping and audit purposes.

3.1.4 Director Corporate Services

- Shall oversee financial elements of asset management, including asset register and asset valuations, in collaboration with Infrastructure Services.

3.1.5 Chief Executive Officer

- Develop and agree on the corporate Asset Management Policy with Council;
- Develop and implement the corporate Asset Management Plans with agreed resources;
- Monitor, review and report performance of the organisation in achieving the Asset Management Plan; and
- Ensure that accurate and reliable information is presented to Council for decision making.

3.1.6 Councillors and Plant Standing Committee

- Act as custodians and trustees for infrastructure assets;
- Approve the Management Plan and monitor its outcomes;
- After assessing competing priorities, set levels of service, risk and cost within available resources;
- Approve the annual budget on sound asset management principles and ensure appropriate resources for asset management activities are made available; and

4. RISK

This policy seeks to minimise the risk to Council and the community of impaired and devalued infrastructure assets and any related reduction in service levels and increased financial liability. It provides a strategic framework for organisational wide, whole of lifecycle asset management including Asset Management Plans for each asset class, maintenance of an Asset Register and regular asset condition assessments and valuations. The framework requires regular reporting to and review by the Executive Leadership Team.

5. SERVICE STANDARDS

The Asset Management Policy will be developed and presented to Council by the due dates for review.

6. REFERENCE AND SUPPORTING INFORMATION

6.1 DEFINITIONS

To assist in interpretation, the following definitions shall apply:

WORD / TERM	DEFINITION
CEO	Chief Executive Officer
Council	Diamantina Shire Council
Council Employees	Means all permanent, casual and temporary employees, contractors, volunteers, trainees and work experience students.
Executive Leadership Team	Includes CEO and Directors of Diamantina Shire Council.

6.2 RELATED POLICIES, LEGISLATION AND DOCUMENTS

LINKS TO SUPPORTING DOCUMENTATION
<i>Local Government Act 2009</i>
<i>Local Government Regulation 2012 (Qld)</i>
<i>Water Act 2000 (Qld)</i>
<i>Water Supply (Safety and Reliability) Act 2008 (Qld)</i>
<i>Water Supply (Safety and Reliability) Regulation 2012 (Qld)</i>
<i>Water Regulation 2002 (Qld)</i>
<i>Sewerage and Water Supply Act 1949 (Qld)</i>
<i>Sewerage and Water Supply Regulation 1998 (Qld)</i>
<i>Australian Accounting Standards Board – Relevant Australian Accounting Standards. Especially noting #5 (NFP) Non-current</i>

6.3 VERSION CONTROL

VERSION NUMBER	DATE ADOPTED/APPROVED
<i>Version 1 (Original)</i>	<i>January 20 2025; Resolution No. CNL/25/008</i>