

1. POLICY STATEMENT

Torres Strait Island Regional Council [Council] is committed to:

- a) Implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.
- b) Implementing consistent, transparent and effective asset management processes in accordance with the requirements set out in the *Local Government Act 2009* (Qld) and the *Local Government Regulation 2012* (Qld).
- c) Ensuring adequate provision is made for the long-term replacement of 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 community by implementing appropriate asset management strategies and appropriate financial resources for those assets;
 - creating an environment whereby all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council;
 - meeting legislative requirements for asset management;
 - ensuring resources and operational capabilities are identified and responsibility for asset management is allocated; and
 - demonstrating transparent and responsible asset management processes that align with recognised best practice.

2. SCOPE

This Policy shall apply to all activities of Council.

3. PROCEDURES

Adopting asset management principles will assist Council in achieving its strategic longterm plan and long term financial objectives.

4. PRINCIPLES

- a) A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- b) All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- c) Asset management principles will be integrated within existing planning and operational processes.
- d) An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.

- e) Capital expenditure will be rationed to asset renewals to meet agreed service levels and identified in asset management plans and long term financial plans where it is possible to do so.
- f) 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.
- g) 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 best practice and applicable Australian Standards.
- h) 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.
- i) Future service levels will be determined in consultation with the community.

5. DEFINITIONS

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.

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.

Capital expenditure

Expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Council's capital expenditure threshold is referenced in PR10-PR08 New Capital Project Procedure.

Asset renewal

Expenditure on an existing asset or replacing an existing asset, which returns the service capability of the asset up to that which it had originally. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time.

Life Cycle Cost

The cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

6. RESPONSIBILITIES

- a) 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 utilized to address the organisation's strategic plans and priorities.

- b) The Chief Executive Officer has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

7. AUTHORISATION

This page and the previous bearing my initials was/were duly authorised by Council as the Torres Strait Island Regional Council Asset Management Policy (PO 10) on the 25 June 2019 and shall hereby supersede any previous policies of the same intent.



Bruce Ranga
Chief Executive Officer

Date: 25 June 2019