

<b>ORDINARY COUNCIL MEETING</b>	<b>5.8</b>
<b>24 JUNE 2014</b>	

## CONCEPTUAL ASSET MANAGEMENT FRAME WORK

**Michael Matthews Project Engineer**

**Paul Hoye General Manager: #422890**

### **RECOMMENDATION:**

**Council adopt and develop a conceptual framework for asset management in accordance with the Eleven (11) Asset Management Framework Principles contained in the report.**

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### **EXECUTIVE SUMMARY:**

The 2013 to 2014 Operational Plan I1- contains a Key performance indicator for a “conceptual framework for Asset management to be adopted by Council for civil infrastructure”.

This report provides a basis for the further development and management of Council’s asset management systems based on 11 asset management principles. Adoption of the recommendation will give staff the necessary confirmation to continue to develop an asset management systems based on the framework principles contained in the report.

### **BACKGROUND:**

In accordance with the Local Government Regulation 2012 s.167:

- (1) A local government must prepare and adopt a long-term asset management plan.
- (2) The long-term asset management plan continues in force for the period stated in the plan unless the local government adopts a new long-term asset management plan.
- (3) The period stated in the plan must be 10 years or more.

Within the Local Government Regulation, a *long-term asset management plan* is a document that must.

- (a) Provide for strategies to ensure the sustainable management of the assets mentioned in the local government’s asset register and the infrastructure of the local government.

Council staff, on behalf of Council as the asset owner, , are developing systems and procedures to ensure that Council meets its obligations in regards to the sustainable management of Council assets throughout the Shire.

**PROPOSAL:**

It is proposed that Council implements a systematic asset management methodology to ensure that all Council assets are planned, created, operated, maintained, replaced and disposed of in accordance with Council's priorities for service delivery. On this basis and in accordance with State Government requirements, Council will develop its Asset Management Systems, being policy, plans and strategies in accordance with the following Eleven (11) Conceptual Framework Principles:

- A consistent framework must exist and be used for implementing systematic asset management to all asset classes throughout all of Council.
- Asset management decisions shall be based on service delivery needs.
- Asset renewal plans will be prioritised and implemented progressively based on the required service levels, and the effectiveness of the current assets to provide that level of service.
- Relevant legislative requirements and political, social and economic environments are to be taken into account in asset management decision making.
- Asset management must be integrated into existing planning and operational processes.
- Asset management data shall be used to inform the Long-term financial plan for Council.
- Asset depreciation is to be used to fund renewal and/or rehabilitation of assets.
- All asset renewal upgrade or new upgrade projects are to include full lifecycle costs including maintenance as part of project evaluation phase.
- Systematic and cyclic reviews will be undertaken for all asset classes to ensure that the assets are managed, valued, and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- Staff with asset management responsibilities will be appropriately trained in relevant asset and financial management principles, practices and processes.
- Council's Asset Management Strategy will be overseen by an Asset Steering Committee comprised of Executive Management or their delegates.

The framework principles have been incorporated into the development of Council's "Pontoon". The Pontoon is an information portal for the management of Council's assets and asset related projects. The Pontoon and the asset management conceptual framework were workshopped with Council on June 17, 2014. An outline of the Pontoon and the platforms that form it are shown below:-



Engineering Services

**PONTOON**

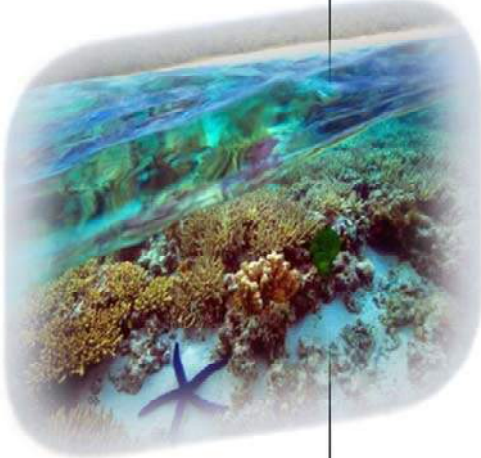
DSC Staff Phone List [D1281](#)

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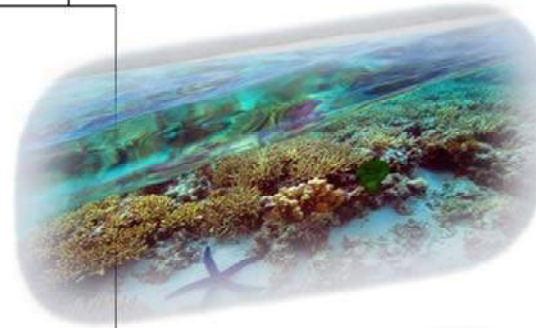
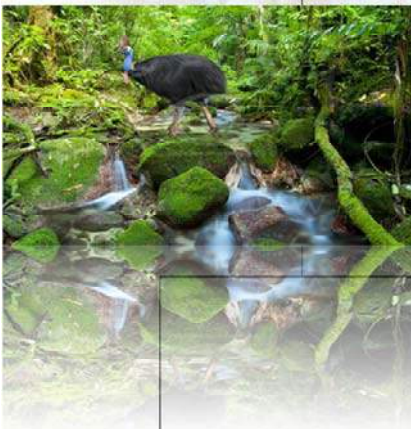
<b>Portfolio</b>	DSC Corporate Plan	<a href="#">D422512</a>
	DSC Policies	<a href="#">TBA</a>
	DSC Overarching Strategies	<a href="#">LIVE #417921</a>
	Legislation	<a href="#">TBA</a>
	FNQROC	<a href="#">TBA</a>



<b>Program</b>	Legal Register	<a href="#">LIVE #417926</a>
	Land Acquisition Register	<a href="#">LIVE #417939</a>
	Program Strategies	<a href="#">F21072</a>
	Flood Studies	<a href="#">F21110</a>
	Risk Register	<a href="#">LIVE #D417926</a>
	Environmental Management System	<a href="#">F21102</a>
	Indigenous Cultural Heritage Finds Procedures	<a href="#">LIVE #417934</a>
	W&W and IM SAMP	<a href="#">LIVE #417922</a>
	SAMP Sub-Plans	<a href="#">LIVE #417924</a>
	Capital Works Approval Management Plans (CWAMP)	<a href="#">LIVE #417225</a>
	Asset Management Plans (AMPs)	<a href="#">LIVE #417234</a>
	Project Management Plan (PMP) containing Consultancy and Contract Register	<a href="#">LIVE #D422155</a>



<b>Project</b>	Project Register	<a href="#">LIVE #D422155</a>
	Overview Project Content (OPC) Template	<a href="#">LIVE #417929</a>
	OPC Supporting Information	<a href="#">LIVE #417257</a>
	Links to Photo	<a href="#">F:\Photodata</a>



<b>External Funding Opportunities</b>	Grants Folder - Programs	<a href="#">F4665</a>
	Grants and Subsidy Register	<a href="#">LIVE #421898</a>

<b>Development Assessment and Development Engineering</b>	Development Applications	<a href="#">LIVE #416344</a>
	Operational Works Register	<a href="#">LIVE #416344</a>
	Operational Works Overview Template and Checklists	<a href="#">LIVE #418743</a>

<b>Asset Performance</b>	Asset Management Plans	<a href="#">LIVE #417234</a>
	Parent and Components	<a href="#">TBA</a>
	Asset Condition	<a href="#">TBA</a>
	Attributes (Consistency between programs)	<a href="#">TBA</a>
	Revaluations	<a href="#">TBA</a>



<b>Planning</b>	Sewerage Catchment Planning	<a href="#">TBA</a>
	Water Supply Modelling	<a href="#">TBA</a>
	Road and Safety Audits	<a href="#">TBA</a>
	Drainage Studies	<a href="#">TBA</a>

<b>Information Platform</b>	GIS - CIVICA - Project Management - Financial	<a href="#">LIVE #D417251</a>
	Attribute Review - Consistent between programs and listed in FNQROC Development Manual CP1	<a href="#">F21315</a>

<b>Professional Development</b>	Structured System	<a href="#">HR Training Schedule</a>
	Supporting information linked to decision	<a href="#">LIVE #D417257</a>

Business Classification Scheme

**CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE:**

I1 - Inform development of an Asset Management Strategy and adopt a conceptual asset management framework for civil infrastructure

**COUNCIL'S ROLE:**

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Information Provider	Advocate	Facilitator	Agent	Part Funder	Asset Owner
					<input checked="" type="checkbox"/>
					Fully Responsible
					<input type="checkbox"/>
					Regulator

<b>Asset Owner:</b>	Meeting the responsibilities associated with owning or being the custodian of assets such as infrastructure.
<b>Fully Responsible:</b>	Funding the full cost of a program or activity.

**FINANCIAL/RESOURCE IMPLICATIONS:**

- Customers increasingly expect financial accountability from service providers, as well as fair value in service pricing and full justification of price increases.
- The framework will ensure that depreciation is adequately funded for long life assets

**RISK MANAGEMENT IMPLICATIONS:**

A well developed and asset management strategy and will reduce Council and community risk including public liability risk, environmental risk, workplace safety and will ensure that community needs are being met.

**SUSTAINABILITY IMPLICATIONS:****ECONOMIC:**

Will provide for strategically planning for and optimise the long term investment in civil, water, wastewater and solid waste infrastructure required to meet existing and future service demands.

**ENVIRONMENTAL:**

To provide services in an environmentally responsible manner, and to a standard that meets government and community expectations.

**SOCIAL:**

Maintain and improve customer satisfaction through the provision of quality, reliable and affordable services.

**INTERNAL/EXTERNAL CONSULTATION:**

Review of Supporting Non Profit Organisations Asset Management Frameworks:

- National Asset Management (NAMs)
- Institute of Public Works Engineering Australia (IPWEA)
- Water Service Australia Association (WSSA)
- Queensland Water Directorate (QWD)
- Far North Queensland Organisation of Regional Councils (FNQROC)