

POLICY

TITLE:	Asset Management Policy		
DIRECTORATE:	Finance		
ADOPTED BY:	Chief Executive Officer (CEO)		
DATE OF ADOPTION:	29 Nov 2024	DATE OF REVIEW:	29 Nov 2026
POLICY NUMBER:	127		
LEGISLATIVE REF:	<i>Local Government Act 2019; Section 342, Guideline 4</i> <i>Local Government Regulations 2021; Division 9</i>		

1. INTRODUCTION

1.1. Purpose

Barkly Regional Council (BRC) is committed to implementing a responsible and consistent approach to asset management practices to support the delivery of Council services efficiently and effectively.

1.2. Scope

This Policy applies to all identified assets of Council for use by the community, Elected Members, staff, volunteers, ratepayers and members of the public.

This Policy should be read in conjunction with Guideline 4.

1.3. Definitions

Asset means any physical infrastructure defined under the asset class owned or controlled by the Council.

Major asset means an asset with a value of or above \$10 000 (exclusive of GST); or another amount less than \$10 000 (exclusive of GST) as determined by resolution by the Council or local government subsidiary.

Portable and Attractive Asset means an asset with a value below the value of a major asset, also referred to as a **Minor Asset**.

Asset Class refers to a group of assets with a similar nature or function in the operations of the Council and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Disaster Recovery Funding Arrangements (DRFA) is an agreement between the Australian Government and State/Territory governments outlining Disaster Recovery Funding Arrangements where assistance is provided to alleviate the financial burden on states and territories. It also supports the provision of urgent financial assistance to disaster-affected communities. Where the arrangements have been activated, the Australian Government may fund up to 75% of the support available to individuals and communities.

Useful Life is the period over which a depreciable asset is expected to be used.

Asset Management Plan: A plan developed for the management asset category that combines multi-disciplinary management techniques over the lifecycle of an asset.

Asset management techniques: The established asset Management Plan for Asset type, service levels, future demand, Life cycle management, financial requirements for maintenance,

repairs and replacement information, overall procedures guiding management of asset type, and overall plan for asset monitoring.

BRC Asset Management Team: A group consisting of BRC's different asset Managers and their Directors, plus the CEO or their delegate.

1.4. Responsibilities

The CEO (for BRC) and Chief Executive (for local government subsidiaries) are both responsible for the safekeeping of all council assets or local government subsidiary assets.

The CEO (for BRC) and Chief Executive (for local government subsidiaries) must both ensure that adequate records are kept of assets.

All persons within scope of this Policy are required to adhere to this Policy and its associated procedures, including acting as a steward for all Council assets under a person's use or care.

The CEO is accountable for the overall management of this Policy.

1.5. Policy Objectives

- 1) This Policy provides the framework for appropriately managing assets owned, managed, leased or under the control of BRC in order to:
 - a. Ensure that assets are planned, created, operated, maintained, renewed, and disposed of by the Council's priorities for service delivery.
 - b. Give clear direction, stewards, and "ownership" of Council asset management.
 - c. Provide a guide for more informed decision-making by staff and elected members.
 - d. Ensure Integration of resources and knowledge and ability to plan for the present and future generations.
 - e. Establish a solid asset and financial management framework that meets the community's current and future needs.
 - f. To establish a framework to foster continuous improvement in Asset Management.
 - g. Ensure that the precise community needs, and expectations are met.
 - h. Minimize the Council's exposure to risk which could result from assets.
 - i. Ensure that there is resource efficiency using best-integrated systems.
 - j. Measure the outcomes and impacts of the Council Asset policy's strategies and actions.
 - k. Increase the transparency and accountability of BRC Asset Management activities.
 - l. Ensure Compliance with Territory and Federal legislation as well as Council policies and procedures.

2. POLICY STATEMENT

2.1 Policy

- 1) It is a requirement for Council to have a clear approval process and procedures for all actions as set out in this Policy.
- 2) The CEO is responsible for ensuring that Council maintains a Register of major, portable and attractive assets as outlined in the Regulations.
- 3) This Policy aims to provide linkages between community, Elected Members and all stakeholders involved or affected by the management of assets by Council.
- 4) This Policy aims to ensure that Elected Members receive correct and timely information required for effective decision making about asset management.
- 5) Council will implement an Asset Management Plan which comprises annual maintenance plans using asset condition data supplied internally.
- 6) Council is responsible for ensuring that a program of regular inspections of assets occurs.
- 7) Council must undertake a stock take of its inventory once each year.

3. CATEGORIES OF COUNCIL ASSETS

- **Land:** All Council-owned lands, including roads, recreational, domestic, civil and other land assets.
- **Buildings:** All Council-owned or managed buildings through agreements, including all buildings, structures, and civil improvements.
- **Motor Vehicle:** All Council-owned or managed registered vehicles.
- **Plant & Equipment:** All Plant, IT Equipment and all sundry equipment used for building and maintaining Council roads and Infrastructure.
- **Infrastructure:** Council Road improvements, bridges, water sources, parks improvements and recreational improvements.
- **Office Equipment & Furniture:** All other office support equipment, including housing furniture and chattels.
- **Other:** Council-owned or managed artworks, statues, monuments, and intellectual property.

4. ACQUISITION AND IDENTIFICATION OF ASSET

- 1) The acquisition of a physical asset must be by the procurement provisions of the Local Government Act 2019 and Local Government (General) Regulations 2021, the Council's procurement policy, and approved delegations.
- 2) Before any acquisition, an approved budget for the asset's purchase must cover its total acquisition cost (including freight, installation, and registration). Future life cycle costs should be considered in
- 3) All decisions relating to new and upgrading services and assets and details of all acquisitions are to be recorded in the relevant *Asset Register*.
- 4) All Council physical assets must be clearly identified, and, where appropriate, the name of the Council should be displayed (such as council logo, signage and labelling) as the asset owner.
- 5) By allocating and maintaining a unique identification for each council asset, the asset verifier (who may be the Council's auditor, the insurer, the asset valuer, the service mechanic or the responsible council staff member) will then have the ability to review the Council's associated asset management records and registers to ensure records are kept up to date.
- 6) Council must maintain an up-to-date electronic register of the Council's major assets and an electronic register of the Council's minor assets.

5. OPERATION AND MAINTENANCE OF ASSETS

- 1) Details of all personnel with access to keys, security passes, and security codes will be recorded and updated in the Council's information management system log.
- 2) Keys of assets, including vehicles and Buildings, must be kept in an officially designated safe location as approved by the directors.
- 3) Keys, access security passes and codes must only be left in the office if approved as a safe location for such asset keys and security passes.
- 4) An inspection regime will be applied to maintain agreed service levels and identify asset renewal priorities and maintenance requirements. Appropriate maintenance will be carried out, and logs will be kept where necessary to meet warranty or insurance requirements.
- 5) Council plant and equipment operators will receive appropriate training and supervision, and all necessary licenses will be kept up to date.
- 6) The asset Management Team will develop an asset management plan for major asset categories for the area of the assets they oversee. The plan will be informed by community consultation where relevant and technical service levels are required and financial planning and reporting.

6. RATEPAYER AND STAKEHOLDER EXPECTATIONS

- 1) Asset management teams must have an understanding of its land and infrastructure assets to meet community service standard expectations including all stakeholders.
- 2) The term of useful life expectancy will be calculated and applied to each asset, documented and depreciation values determined by current applicable accounting regulations.
- 3) Depreciation will be calculated using a method that reflects the actual consumption of the asset.
- 4) Annual maintenance plans shall be developed using asset condition data supplied internally, and a program of regular inspection of assets will be put in place to minimize risk and maximize capital value.
- 5) Council will regularly review its asset stock (at least once per year) and identify opportunities for asset rationalization and condition improvement or asset replacement as required.
- 6) Council will adopt a life cycle cost analysis approach for assets. Each asset will be assessed and included in a database from which current condition and forecast maintenance data is extrapolated.
- 7) Council will maintain Quality and Work, Health and Safety Standards when handling asset processes.
- 8) Council may maintain program capital expenditure/leasing arrangements of assets it owns following the right approval processes and best practices.
- 9) Whenever a ratepayer or other stakeholder raises a concern relating to assets, Council will endeavour to resolve or provide necessary answers/information according to established process.

7. DISASTER RECOVERY FUNDING ARRANGEMENTS (DRFA)

- 1) When a natural disaster occurs, disaster recovery measures must be taken for the protection of the community and to restore local government service delivery and infrastructure as soon as practical.
- 2) Council will maintain appropriate asset records, with information about essential public assets reviewed at least every four years, to support a DRFA claim and be eligible for funding assistance. The Council will ensure all DRFA claims to the NT Government are submitted within the required timeframe.
- 3) Council's emergency planning team will coordinate with the Council's asset management team to ensure that assets required for emergency and disaster response are kept and maintained in a proper and working condition, readily available to respond to emergencies and restore service to the community promptly.
- 4) The CEO will ensure that the asset management and emergency planning teams are properly coordinating by directing one member to coordinate assets needed during disaster response.

8. INSURANCE COVER

- 1) Appropriate insurance cover will be taken on all insurable Council assets. The level of insurance cover taken will be based on the asset location, its attributes such as physical construction and condition, and a risk assessment of the likelihood of an event occurring that would cause the insurance cover to be activated.
- 2) Following an insurable event where an asset is damaged, the insurer is to be promptly advised by the responsible Council Officer, and an insurance claim is to be made as soon as practicable, within the claim timeframe.
- 3) 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 Council's business needs, is to be acquired.

9. ASSET RENEWAL

- 1) Council, through the respective asset management team, will ensure that assets are safeguarded to minimize the risk of theft, vandalism, or inappropriate or unauthorized use.
- 2) Assets must be maintained and repaired as required (subject to budget availability) to maintain their physical condition at a standard appropriate for use.
- 3) Records relating to asset management techniques will accurately represent its asset information, including information in the relevant *Asset Register*.
- 4) Current and future environmental, economic, cultural, and social outcomes will be considered when investing in high-value assets.
- 5) Asset renewal plans will be prioritized and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- 6) Systematic reviews will be applied to all asset classes to ensure that the assets are managed, valued, and depreciated in accordance with appropriate best practices.

10. SALE AND DISPOSAL OF ASSETS

- 1) Before choosing a method of sale or disposal of an asset as detailed in *The Local Government Regulations Guideline 4: Assets*. Council must consider the criteria listed in Guideline 4: Assets and any additional preferences set by the Council.
- 2) All sale and disposal of council assets will follow sound disposal principles and will be conducted fairly and transparently. Council's asset sale and disposal process must be capable of withstanding public scrutiny following the appropriate procurement policies and Ministerial Guideline in place (Assets).

11. WRITE OFF OF ASSETS OR MONEY

- 1) Council assets are to be written off and removed from the relevant Asset Register when one of the situations listed in *Ministerial Guideline 4: Assets occurs or transpires*
- 2) An asset with a zero written-down value in Council's accounting records is not to be written off and removed from the relevant asset register if the asset is still in use. For an item to be removed from the register, the write-off criteria provided in *Guideline 4: Assets will first be satisfied*.
- 3) The CFO must conduct inquiries and investigate the asset management process to understand what led to asset damage, loss, theft, or misappropriation and inform the Council of the same, and the Council may direct the CEO if they would like different action taken.
- 4) The CEO or delegate must report to the Police any loss or damage considered attributable to fraud, theft, misappropriation, or the commission of an offence resulting in a loss or damage to an asset as required under the Local Government (General) Regulation 2021.
- 5) Where the asset is damaged or can't be found due to normal wear and tear, or appropriate procedure was followed before the Council asset is stolen, then the CEO may only inform the Council in the standard reporting period for Council awareness.
- 6) If Council is satisfied, on certification in writing from the CEO, that money has been misappropriated, or cannot be found, then Council may authorise the writing off of the relevant amount in the accounts of the council accounting records and removed from the relevant *Asset Register*.
- 7) Certification from the CEO under this section must be accompanied by a report detailing the improvements to internal controls to avoid the write off of money or assets of the type detailed in the certificate in the future.
- 8) If required to be reported under Regulation 27, a statement must be included that the misappropriation, loss, destruction or damage has been reported to the Police.
- 9) The CEO or delegate must then put appropriate measures, including procedures, in place to prevent the same from re-occurring.

USE OF COUNCIL ASSETS

- 1) Asset management practices and correct asset use directly impact the Council's core business in achieving its strategic service delivery objectives in the community and the Council.
- 2) Council may hire out Council land and premises. When determining the length of the hire / rental agreement and the fee to be charged, Council must consider the general benefit and loss to the community.
- 3) Council delegate to the CEO to grant certain categories of community activities, or persons to use its assets for a specific purpose and for a specific time without paying normal required Council fees or at a reduced fee.
- 4) If no fees or reduced fee are applied, the CEO must ensure that the use must have community benefit and not be used for private/personal or commercial gain.
- 5) Any agreement of use will have a regular renewal/reconsideration date.
- 6) Council assets will not be used for private purposes unless they form part of an employment contract or agreement.

12. RELEVANT POLICIES

Policies and procedures to be read in conjunction with this policy are:

- 1) Asset Management Plan
- 2) Asset Registers (Major and Minor)
- 3) Procurement Policy
- 4) Asset Class Disposal Procedures
- 5) Asset Re-evaluation Procedures
- 6) Codes of Conduct

13. IMPLEMENTATION AND REVIEW

13.1. Implementation

Relevant personnel will be made aware of this Policy. It is not a requirement of the Act for this Policy to be published on the Barkly Regional Council website.

13.2. Review

This policy will be reviewed on or before 29 Nov 2024.


14. VARIATIONS, REVOCATIONS AND/OR CHANGES

Barkly Regional Council reserves the right to revoke and/or amend this policy from time to time as is considered necessary to better manage its business and/or to comply with any legislative requirements. Employees will be given sufficient notice of any such revocations, amendments, or changes.

15. APPROVAL

This policy is approved.

Chris Kelly
Chief Executive Officer


Signature

29 Nov 2024
Dated

END