



Asset Management Policy

Responsible Manager	Executive Director, Financial Services
Head of power	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i>
Authorised by	Council
Authorised on	28 June 2022
Implemented from	1 July 2020
Last reviewed	30 June 2022
Review history	2013, 2014, 2017, 2019, 2020
To be reviewed	June 2025
Corporate Plan	People, Sustainability and Prosperity

1. Purpose

Torres Strait Island Regional Council (**Council**) is strongly committed to ensuring assets are provided to support the delivery of services to the community in a sustainable manner.

It is the intention of Council to manage assets by incorporating good governance, economic, environmental and socially responsible principles whilst ensuring the most cost-effective methods for delivery of Council services results in value-for-money for the community.

Therefore, Council is committed to the development of sound asset management practices, processes and systems which will significantly contribute to the achievement of the strategic objectives identified in the Corporate Plan.

2. Application

This policy applies to all staff, Councillors and activities.

3. Legislation/Policies

This policy is established with reference to obligations specified in the *Local Government Act 2009* and the *Local Government Regulation 2012*.

4. Definitions

4.1 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.

4.2 Service level/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.

4.3 Capital expenditure

Expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade that exceeds Council's current threshold

4.4 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.

4.5 Whole of life cost

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

5. Principles

5.1 Ensure that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.

- 5.2 Ensure capital expenditure aligns with strategic objectives set out in the Corporate Plan and risks are assessed according to the enterprise risk framework.
- 5.3 Ensuring that a whole-of-life cost approach is taken when investing in renewal or new assets; from planning and design through to disposal.
- 5.4 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.
- 5.5 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.
- 5.6 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.
- 5.7 Asset management principles will be integrated within existing planning and operational processes.
- 5.8 An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 5.9 Safeguarding Council assets including physical assets and community by implementing appropriate asset management strategies and appropriate financial resources for those assets;
- 5.10 Future service levels will be determined in consultation with the community.
- 5.11 All relevant legislative requirements together with political, social and economic environments are to be considered in asset management.


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 to Council on the status and effectiveness of asset management within Council.

Manager Responsible for Review:

Executive Director, Financial Services

Adopted: 28 June 2022
Due for revision: 30 June 2025


James William
Chief Executive Officer