

POLICY

TITLE:	Asset Management Policy		
DIRECTORATE:	Corporate		
ADOPTED BY:	Council Resolution:		
DATE OF ADOPTION:	December 2023	DATE OF REVIEW:	December 2025
POLICY NUMBER:	CP01		
LEGISLATIVE REF:	Regulation (1)(d)(v) OF Local Government (General)Regulation 2021 Local Government Act 2019 Guideline 4: Assets (made under section 342 of LGA 2019)		

1. INTRODUCTION

1.1. Purpose

This policy is to provide a framework for appropriately managing Barkly Regional Council assets, including safeguarding, identifying, acquiring, and disposing of assets as required under legislation. There must be full accountability for the acquisition, management, sale, disposal, and write-off of any Council asset. This requires a council to have transparent approval processes and procedures for each of their asset category.

The council is committed to implementing a responsible, consistent approach to asset management practices to support the delivery of council services most efficiently and cost effectively to optimize long-term financial sustainability, managed risk, social responsibility, operational capabilities, and legislative compliance.

1.2. Definitions

Subject to the definition of asset under regulation 3 of the Local Government (General) Regulation 2021, in this policy document,

- a) **Asset** means any physical infrastructure defined under the asset class owned or controlled by the Council.
- b) **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.

- c) **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.
- d) **Useful Life:** The period over which a depreciable asset is expected to be used.
- e) **Asset Management Plan:** A plan developed for the management asset category that combines multi-disciplinary management techniques over the lifecycle of an asset.
- f) **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.
- g) **BRC Asset Management team:** A group consisting of BRC's different asset managers and their directors, plus the CEO or his delegate.

2. Asset Management teams roles and responsibilities include;

- Acting as stewards for all Council Assets under their care.
- Implementing the Council policies and plans referring to Council Assets.
- Ensuring timely, accurate & reliable information is presented to the elected members for decision-making about assets management, including acquiring and disposal.
- Support and attend Council meetings in an asset management role and provide clarifications on issues raised by elected members where CEO determines so, or where Council directs.
- Provide linkages between community, elected members and all stakeholders on Asset Management of Council assets.
- Review, refine, and encourage continuous improvement, innovation, and cost-effective methods to improve the Asset Management Policy.
- Maintain a detailed asset register of all owned assets under their care.
- Develop and maintain annual maintenance plans using asset condition data supplied internally and program regular inspection of assets.

3. Scope

This policy applies to all identified assets of Barkly Regional Council for use by the community, elected members, staff and visitors.

4. Policy Objectives

The Council is committed to implementing an asset management methodology incorporating best practices so as 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 asset.
- 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 Shire Asset Management activities.
- l) Ensure Compliance with Territory and Federal legislation as well as Council policies and procedures.

5. Category of Council Assets:

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

6. Policy Statement

6.1. Acquisition and Identification of Asset

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.

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

all decisions relating to new and upgrading services and assets. Details of all acquisitions are to be recorded in the relevant asset register.

All Council physical assets must be clearly identified, and, where appropriate, the name of the Council should be displayed (such as through signage and labelling.) as the asset owner.

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.

The Council will maintain an up-to-date electronic register of the Council's major assets and an electronic register of the Council's minor assets.

6.2. Operation and Maintenance of Assets

- a. 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.
- b. Keys of assets, including vehicles and Buildings, must be kept in an officially designated safe location as approved by the directors.
- c. 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.
- d. 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.
- e. Council plant and equipment operators will receive appropriate training and supervision, and all necessary licenses will be kept up-to-date.
- f. 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.

6.3. Ratepayer and Stakeholders Expectations:

The asset teams are to make an effort to have an understanding of its land and infrastructure assets to meet community service standard expectations including all stakeholders.

- a. The Barkly Regional Council will maintain a detailed asset register of all owned assets.
- b. The term of useful life expectancy will be calculated and applied to each asset, documented and depreciation values determined by current applicable accounting regulations.
- c. Depreciation will be calculated using a method that reflects the actual consumption of the asset.

- d. 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.
- e. The Council will regularly review its asset stock and identify opportunities for asset rationalization and condition improvement or asset replacement as required.
- f. The 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.
- g. All outsourced services shall be procured by a competitive process following the BRC procurement policies and delegation approval manual.
- h. All services shall be regularly benchmarked to ensure the Council adopts best practices as required under the Act.
- i. The council will maintain Quality and Occupational Health and Safety Standards when handling Assets processes.
- j. The council may maintain program capital expenditure/leasing arrangements of assets it owns following the right approval processes and best practices.
- k. Whenever a ratepayer or other stakeholder raises a concern, the Council will endeavour to listen, make appropriate inquiries, and resolve or provide necessary answers/information to the stakeholder following the Council policies and procedures.

6.4. Disaster Recovery Funding Arrangements (DRFA)

- a. 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.
- b. The 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.
- c. The 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.

- d. 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.

6.5. Insurance Cover

- a. 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.
- b. Following an insurable event where an asset is damaged, the insurer is to be promptly advised by the responsible council staff member, and an insurance claim is to be made as soon as practicable, within the claim timeframe.
- c. Where the 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.

6.6. Asset Renewal, Sale, disposal and write off

- a. 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. Assets must be maintained and repaired as required (subject to budget availability) to maintain their physical condition at a standard appropriate for use. Records relating to asset management techniques will accurately represent its asset information, including information in an asset register. Current and future environmental, economic, cultural, and social outcomes will be considered when investing in high-value assets.
- b. 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.
- c. 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.
- d. Before choosing a method of sale or disposal of an asset as detailed in *Guideline 4: Assets*, the Council will consider the criteria listed in *Guideline 4: Assets* and any additional preferences set by the Council.
- e. All sale and disposal of council assets will follow sound contracting principles and will be conducted fairly, accountable, and transparently. The 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)*.

- f. 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
- g. 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.
- h. The Chief Executive Officer 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.
- i. Following a council resolution accepting that an asset cannot be located or has been misappropriated, destroyed, or damaged beyond economical repair, the Council may authorize the writing off of the asset in Council's accounting records. Upon receipt of the appropriate Council authorization, the lost or damaged asset will be written off and removed from the relevant asset register.
- j. The CEO or delegate 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.
- k. The CEO or delegate must then put appropriate measures, including procedures, in place to prevent the same from re-occurring.
- l. 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.

6.7. Use of Council Assets

- a. 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.
- b. The Council may hire out council land and premises. When determining the length of the hire / rental agreement and the fee to be charged, the Council must consider the general benefit and loss to the community.

- c. Council may by way of a resolution and at its discretion allow 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.
- d. Where Council makes such a resolution, the CEO will ensure that a policy and procedure is in place guiding the resolution. The use must have community good and not private personal benefit.
- e. Any agreement of use will have a regular renewal/reconsideration date.
- f. Council assets will not be used for private purposes unless they form part of an employment contract or agreement.

7. Relevant Policies

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

- a. Asset class disposal procedures
- b. Procurement policy
- c. Asset revaluation procedures
- d. Register of major assets
- e. Register of portable and attractive assets
- f. Code of conduct
- g. Asset Management Plan

8. Review

This policy will be reviewed on or before December 2025

9. Variations and Changes

Barkly Regional Council reserves the right to revoke and amend this policy from time to time as necessary to manage its assets and business better and comply with any legislative requirements.

10. Approval

This policy is approved.

Ian Bodill

Ian Bodill
Chief Executive Officer

Signature

01.12.2023

Dated

END