

**POLICY**

**ASSET MANAGEMENT**

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<b>RESPONSIBLE OFFICER</b>		Director of Engineering	

## I. INTRODUCTION

The purpose of this policy is to outline a framework which provides for the sustainable management of Councils water supply infrastructure to ensure it meets the current and future planned needs of its consumers.

## 2. POLICY OBJECTIVES

This policy sets the broad framework for undertaking infrastructure asset management in a structured and coordinated way. It outlines why and how asset management will be undertaken. It provides a clear direction for asset management and defines key principles that underpin asset management for Council.

Accordingly the policy has the following objectives;

- Provides a link between asset management and a platform for service delivery
- Integrates asset management with Council's strategic planning
- Maximises value for money by adoption of lifecycle costing ,combined with performance management
- Assigns accountability and responsibility for service delivery together with asset management
- Promotes sustainability to protect the needs of future generations.

## 3. DEFINITIONS

- **Infrastructure Assets** – Include all components of the water reticulation network, plant and building assets owned or managed by Council.
- **Life Cycle Cost** – The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
- **Asset Register** – A record of asset information considered worthy of separate identification including inventory, historical, financial, condition, construction and technical.
- **Useful Life** – The period over which a depreciable asset is expected to be used.
- **Asset Management Plan** – A plan developed for the management of an infrastructure asset or asset category that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset. The Asset Management Plan establishes, for each Asset Category and sub category:
  - Levels of service – specifies the services and levels of service to be provided by Council
  - Future demand – how this will impact on future service delivery and how this is to be met.

## **4. RELATED DOCUMENTS**

This policy is supported and linked with the following documents;

Asset Management Strategy  
Riverina Water County Council Asset Management Plan  
Strategic Business Plan and Resourcing Strategy for Water Supply  
Integrated Water Cycle Management (IWCM)  
Four (4) Year Capital Works Program  
Rolling Thirty (30) Year Capital Works Program  
Drought Management Plan  
Assets Register  
Workforce Plan  
Financial Plan  
Maintenance plan

## **5. APPLICABLE LEGISLATION**

Local Government Act 1993 and subsequent Regulations under the Act.  
NSW Water Management Act 2000  
Water Act 1912

## **6. ASSET MANAGEMENT**

### **6.1 Background**

Riverina Water County Council (Riverina Water) is responsible for the water supply functions within the local government areas of Wagga Wagga City Council, Lockhart Shire, Urana Shire and parts of Greater Hume Shire Council's area. There are currently some 32,000 service connections within a service area of approximately 15,400 sq. kms.

Riverina Water core assets include;

- Sources
- Water Treatment Plants
- Pumping Stations
- Distribution Mains
- Reservoirs
- Land & Buildings
- Plant & Equipment

These assets are listed in detail within Councils Asset Management Plan and Councils Asset Register.

### **6.2 Policy Principles**

The purpose of this policy is to outline a framework for the sustainable management of Councils infrastructure.

Council is committed to delivering financial sustainability by making decisions that lead to cost effective management of its asset base, by focusing on asset renewal, rationalising

under-utilised assets and limiting asset expansion unless justified. The principles supporting this policy are;

- Providing a level of service to the community that is affordable and responds to changing community needs
- Ensuring asset condition and development meets the future needs of the communities served by Riverina Water County Council.
- Identifies funding to support and maintain necessary infrastructure development and maintenance.

### **6.3 Policy Integrating with Asset Strategy and Planning**

This asset management policy sets out the framework, goals and objectives for Riverina Water Service delivery. It also sets the context for asset management systems and identifies key performance measures, timeframes and responsibilities.

These policy provisions are supported by an Asset Management Strategy and an Asset Management Plan.

The purpose of an Asset Management Strategy is to detail where Riverina Water is currently positioned in regard to asset management, its future targets for asset management and the means to achieve these targets. This information is set out in Section 1 of the Riverina Water County Council Asset Management Plan. The Strategic Business Plan is an integral part of this strategy, as it is linked with the rolling 30 year capital works program and includes forecasting of necessary renewal investment. The Riverina Water Long Term Financial Plan demonstrates the financial sustainability of the organisation and its ability to meet the funding of the Asset Management Plan.

The aim of an asset management plan is to provide, operate and maintain physical assets over the whole life cycle to achieve the required levels of service at least cost, while still satisfying statutory, regulatory and sustainability requirements. When the “reason” for and “resources” available to asset management change (as a result of changes in community priorities), Councils asset management plans will be modified to suit. The asset management plans will be reviewed over time with improved information on assets (condition and costs) and as asset condition changes over time.

### **6.4 Policy Statement**

In the process of planning for asset management involving the principles outlined in this policy the following Policy Statement was developed;

#### **Context**

Riverina Water uses a large asset base to deliver water supply services to residential, rural, industrial, commercial and municipal customers in the Riverina Region. The water supply system is critical to the development, the economic viability and the way of life of the community.

## **Criticality**

The ability of Riverina Water to deliver water at the appropriate quality and quantity is reliant on the effective operation, maintenance and replacement of the existing assets and the development of new assets. Riverina Water will rely on a robust asset management system to successfully manage the assets. The system will be reviewed annually and audited as required.

## **Objectives**

Riverina Water assets will continue to deliver the levels of service adopted by Riverina Water and accepted by the community.

## **Strategic Direction**

Riverina Water County Council reviews the levels of service for its consumers through its strategic planning process. The asset management strategy and asset management plan together with this policy will ensure that the adopted levels of service are achieved.

This asset management planning process is part of Riverina Water Strategic Business Plan which also satisfies Integrated Planning and Reporting and Best-Practice Management requirements.

## **Value**

Riverina Water will maximise value for money over the asset life cycle. This objective will also involve development of fees and charging regimes that will ensure acceptable cost recovery of assets provided.

## **Sustainability**

Riverina Water assets will continue to support the community and protect the environment now and in the future. Riverina Water will review its Business Plan on an annual basis to ensure that sufficient funding is available to achieve a sustainable asset management strategy and plan.

## **Community Input**

The asset management policy will be included in Riverina Water community consultation activities, providing opportunity for community input.

## **Responsibility**

The Elected Councillors are responsible for the implementation of the asset policy.

The Executive (General Manager and Director) are responsible for the implementation of the asset strategy.

The Managers are responsible for the implementation of the asset plan.