

Asset Management

Purpose

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

Policy Statement

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 its assets. The system will be reviewed annually and audited as required.

Scope

This policy applies to all infrastructure assets owned or maintained by Council for the purpose of water supply.

Riverina Water is committed to applying the key principles outlined within this policy to effectively manage its infrastructure assets throughout their lifecycle.

Definitions

Infrastructure Assets	Includes 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.

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 Council, and parts of Greater Hume Council and Federation Council areas.

There are currently some 34,000 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 Council's Asset Management Plan and Council's Asset Register.

Principles

1. Financial Sustainability

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.
- ☐ Identifying funding to support and maintain necessary infrastructure development and maintenance.

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), Council’s 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.

2. Environmental Sustainability

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

3. Strategic Alignment

Riverina Water reviews the levels of service for its consumers through its strategic planning process. The Integrated Water Cycle Management (IWCM) strategy and Total Asset

Management Plan (TAMP), together with this policy will ensure that the adopted levels of service are achieved. This asset management planning process is part of the Riverina Water Business Activity Strategic Plan which also satisfies the Integrated Planning and Reporting, and Best-Practice Management requirements.

4. Integration of 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 and timeframes.

This policy is supported by the IWCM strategy and the TAMP. The purpose of the IWCM strategy is to detail where Riverina Water is currently positioned with 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 Riverina Water's TAMP.

The TAMP establishes the following 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.

The Business Activity Strategic 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.

5. Managing Levels of Service

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.

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

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

6. Value for Money

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.

7. Community Consultation and Feedback

The asset management policy, IWCM strategy and TAMP will all be included in Riverina Water community consultation activities, providing opportunity for community input.

Policy Implementation

This policy will be implemented through the IWCM and TAMP.

Non Compliance

Non-compliance with adopted policy may be considered a breach under the Code of Conduct. As such, any suspected or known non-compliance will be reported to the CEO.

Policy number**2.00**

Responsible area	Engineering
Approved by	Riverina Water Board – Res 22/138
Approval date	24 Aug 2022
Legislation or related strategy	NSW Local Government Act 1993 NSW Local Government Regulations 2021 NSW Water Management Act 2000 Water Act 1912 Integrated Planning and Reporting Framework
Documents associated with this policy	IWCM Strategy incorporating the TAMP
Policy history	Reviewed 30 Jan 2018 – Res 28 Feb 2018 (known as Policy 3.1) Adopted 14 Dec 2012 – Res 12/176
Review schedule	Every 4 years – next review Aug 2026

Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

END OF POLICY STATEMENT