



1. Intent of Policy

This policy and the processes that support it will facilitate:

- Councils accountability
- Achievement of the management objectives for community, infrastructure and operational assets to meet the present and future needs of the community;
- Custodianship of natural and heritage assets in perpetuity;
- The rationalisation of existing assets and the development of appropriate new assets to meet the needs of the community for services at an appropriate level now and in the future;
- The development or enhancement of the community capital of the Oberon Local Government Area (LGA);
- Delivery of assets at the right cost, at the right time, with the right standard;
- A service planning approach becoming a way of life at Oberon Council; and
- Development of appropriate systems, procedures and controls to enable the above.

2. Scope of Policy

This policy applies to all assets owned or administered by Oberon Council and encompasses:

- Community and infrastructure assets;
- Operational assets used in the provision of community services and other Council operations; and
- Natural and heritage assets within the Council boundaries.

3. Objectives

This policy has been produced to ensure the responsible management of assets owned and/or administered by Council, in terms of sustainable social, environmental, economic and governance outcomes, for the ongoing benefit of the Oberon Local Government Area (LGA).

Methodologies and processes adopted by this Policy will conform to the requirements of NSW Integrated Planning and Reporting (IP&R) framework. One of Council's key objectives is to shift from an asset centric focus to a service centric focus.

Definitions

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| Asset: | A physical item which has value, enables services to be provided and has an economic life of greater than 12 months. Items considered to be assets include Plant, Equipment, Property, Buildings, Facilities, Infrastructure, Commercial Investments, Natural and Heritage Items owned or controlled by Council. |
| Community Asset: | An asset that is used to enable a service or to provide a service to the community, e.g. community centres, libraries and sports complexes. |
| Infrastructure Assets: | Stationary systems forming a network and serving whole communities where the system as a whole is intended to be maintained indefinitely by continuing replacement and refurbishment of its components, e.g. roads, traffic facilities, footpaths, drains, parks and sports fields. |
| Operational Asset: | An asset utilised to administer and facilitate the operations of the council, e.g. plant & equipment and Council administration facilities. |
| Natural or Heritage Asset: | Bushland, wetlands, lake foreshores, river frontages and/or historical buildings and facilities of significance which Council seeks to preserve for future generations. |
| Asset Management Plan: | A document outlining the full physical and financial life cycle of an asset. This includes details of the asset components, asset values, depreciation rates, lifecycle expectations, maintenance and renewal plans for the whole of the life of the asset and its separable components together with any necessary plans for the ultimate sale or disposal of the asset. |
| Capital Expenditure: | Expenditure for new assets and for the renewal or upgrade of existing assets that enhances the service potential of the assets. |
| Routine Maintenance: | Expenditure which does not meet the definition of Capital Expenditure but is incurred to ensure that the asset continues to provide its pre-determined service capacity and quality and achieves its expected useful life. Routine maintenance expenditure is of a regular and an on-going nature. |
| Community Capital: | The natural, human, social, and built capital from which a community receives benefits and on which the community relies for continued existence. |
| Financial Sustainability: | The financing of the full life cycle costs of Council's assets so as to not unreasonably burden future generations or unreasonably reduce the asset choices of future generations. |

Details of Policy

Assets owned or controlled by Oberon Council must:

- Have an identified strategic purpose that contributes to Council's community infrastructure and/or service delivery objectives as defined in Council's Community Strategic Plan;
- Be managed so that the assets are structurally sound (fit for service), functionally sound (fit for purpose), aesthetically sound (look good), environmentally sustainable and financially sustainable;
- Be managed with a real life cycle approach where the total life cycle cost of new assets is factored into the creation of new assets in the future;

- Be accessible, adaptable and have sufficient capacity to meet the varying needs of the region's residents, businesses and visitors over time;
- Add to or enhance the community capital of the Oberon LGA;
- Have clearly defined custodianship and operational accountabilities for their management;
- Be identified and recorded in accordance with relevant legislation and accounting standards;
- Have a current Asset Management Plan detailing the whole life cycle of the asset including responsibilities and accountabilities for the delivery, routine maintenance and, as required, the renewal or disposal of the asset;
- Have a current Asset Accounting Policy detailing the methodology of valuations and the calculation of the key financial ratios;
- Have a structured Long Term Financial Plan supported by Service Levels from the Asset Management Plan;
- Be managed within a service centric framework of clear and transparent processes and records so that it can be demonstrated that responsible management practices have been followed.

Responsibilities

Council recognises that the nature of asset management requires input from, and interaction between, all facets of the organisation including areas that do not have specific responsibility for asset management but make use of Council owned or managed assets in the delivery of services.

The responsibilities and relationships associated with Asset Management within Oberon Council are:

- Council
 - To act as overall stewards for all assets that are owned or controlled by Council.
 - To adopt the corporate Asset Management Policy and Asset Management Strategy.
 - To agree to levels of service, risk and cost standards via the annual Business Planning process.
 - To approve appropriate resources for asset management activities in the Long Term Financial Plan and the annual budget.
- Executive Management Team
 - To fulfil the role of the Asset Management Steering Group for Oberon Council.
 - To ensure that adequate resources are provided to implement approved the Asset Management Strategy and Asset Management Plans.
- Asset Management Steering Group
 - To represent the key asset management and service provision functions of Council;
 - To monitor the application of the Asset Management Policy;
 - To monitor the development and implementation of the Asset Management Strategy;
 - To ensure the community needs and expectations are considered in the development of Asset Management Plans;
 - To review the performance of asset management programs such as maintenance programs and capital works programs;
 - Ensure efficient and effective use of Council funds and optimising "life cycle" cost of all assets;
 - To evaluate and prioritise Renewal Capital Works projects and recommend the annual and 10 year program to Council.

- Council Staff
 - Council staff who are responsible for the management, acquisition (including gifted assets), upgrade or disposal of any asset must perform their duties in accordance with the principles and values of this Asset Management Policy.

Policy Review

This policy shall be reviewed at an interval not exceeding four (4) years. Accountability for reviewing this policy rests with the Executive Management Team

References

1. NSW Office of Local Government – Integrated Planning and Reporting Framework.

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| Approving Authority | Oberon Council |
| Contact | Director of Corporate Services |
| Approval | Ordinary Meeting – 21 November 2023: Item 13.5, Minute 14 21/11/2023 |
| Revision Date | November 2025 |
| Issue Date to Staff | December 2023 |