



ASSET MANAGEMENT STRATEGY

GILGANDRA SHIRE COUNCIL

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1. Background

Gilgandra was proclaimed as a local government area on 6 March 1906.



The villages of Armatree and Tooraweenah are also included in Gilgandra Shire.

The Shire has a population of 4564 (ABS Census 2006 figure) within an area of 4836km².

The road network of Gilgandra Shire comprises:

123 km of highways
238 km of sealed roads

60 km regional roads
982 km of unsealed roads

Water and Sewer is managed as two individual business units, both being totally self supportive and both provide for immediate maintenance and future asset requirements.

Council manages a Library, Swimming Pool, Youth Service, Community Care Service, Government Access Centre, Heritage Centre and Tourist Information Centre. In addition, Council is involved in Aged Care and Disability Services.

2. Context

The Asset Management Policy and Strategy will interact and support Council's long term strategic, resourcing and financial planning indicated in Diagram 1.

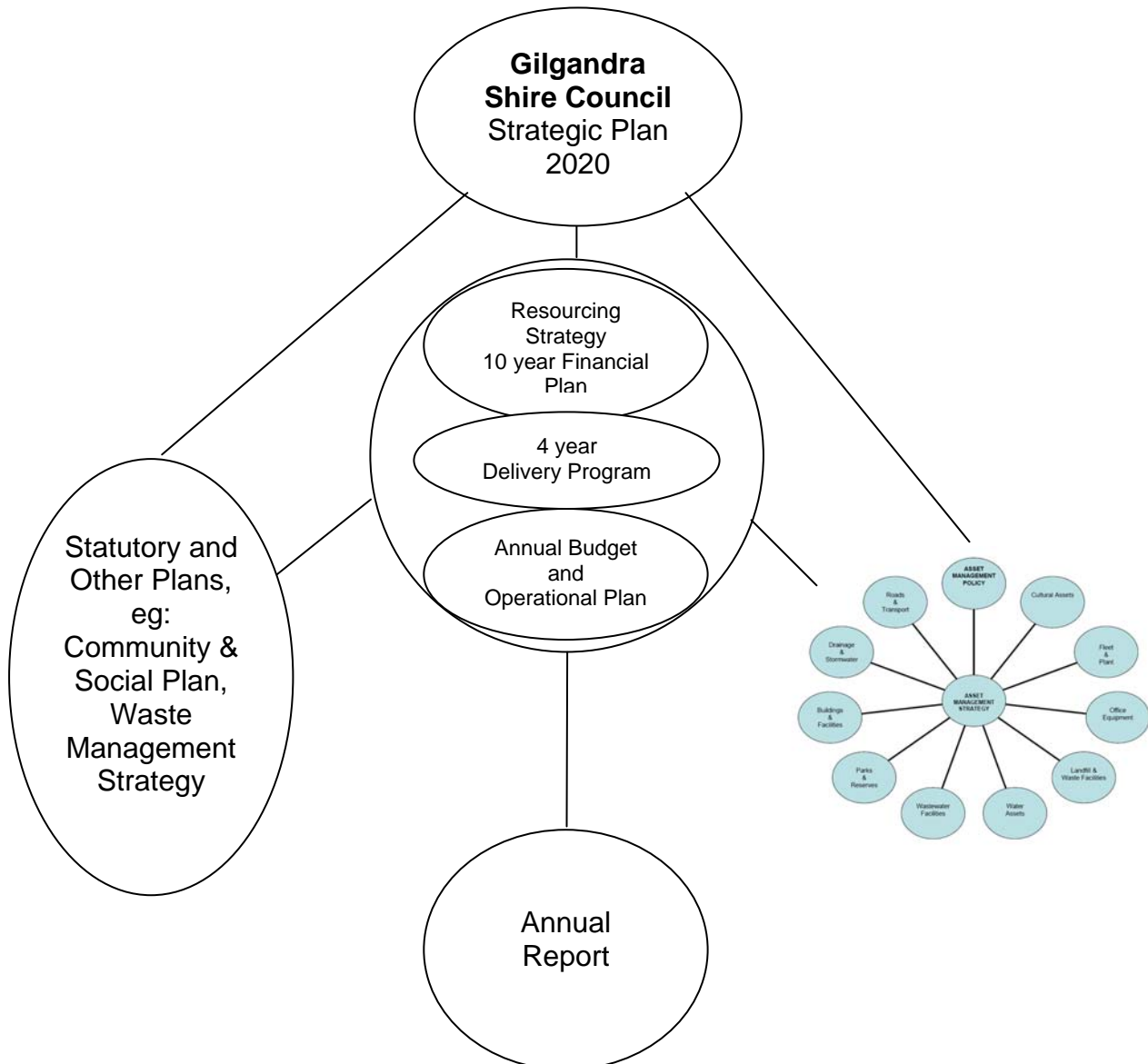


Diagram 1

The Asset Management Strategy provides the framework for decisions that impact different asset classes as depicted by the following diagram:

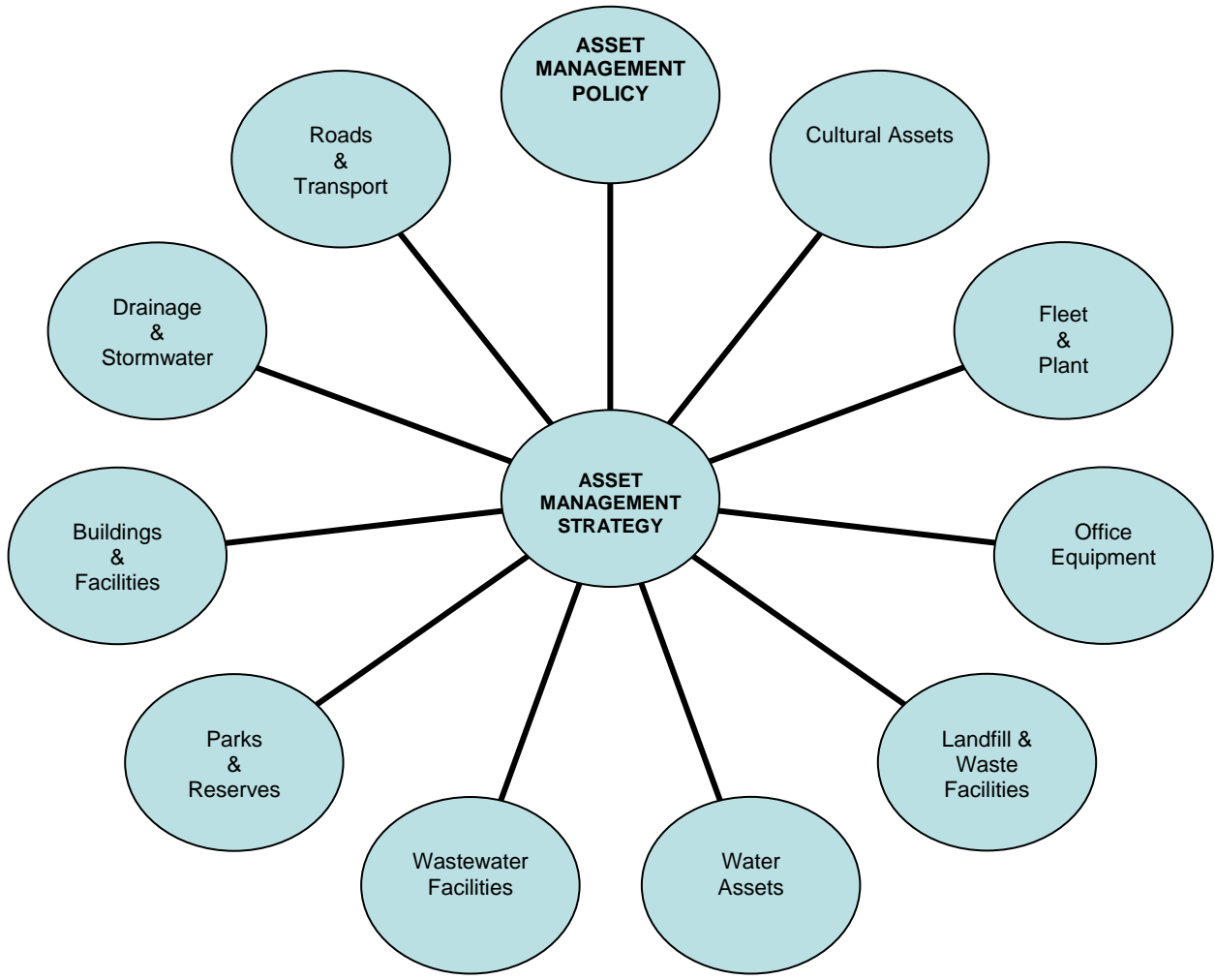
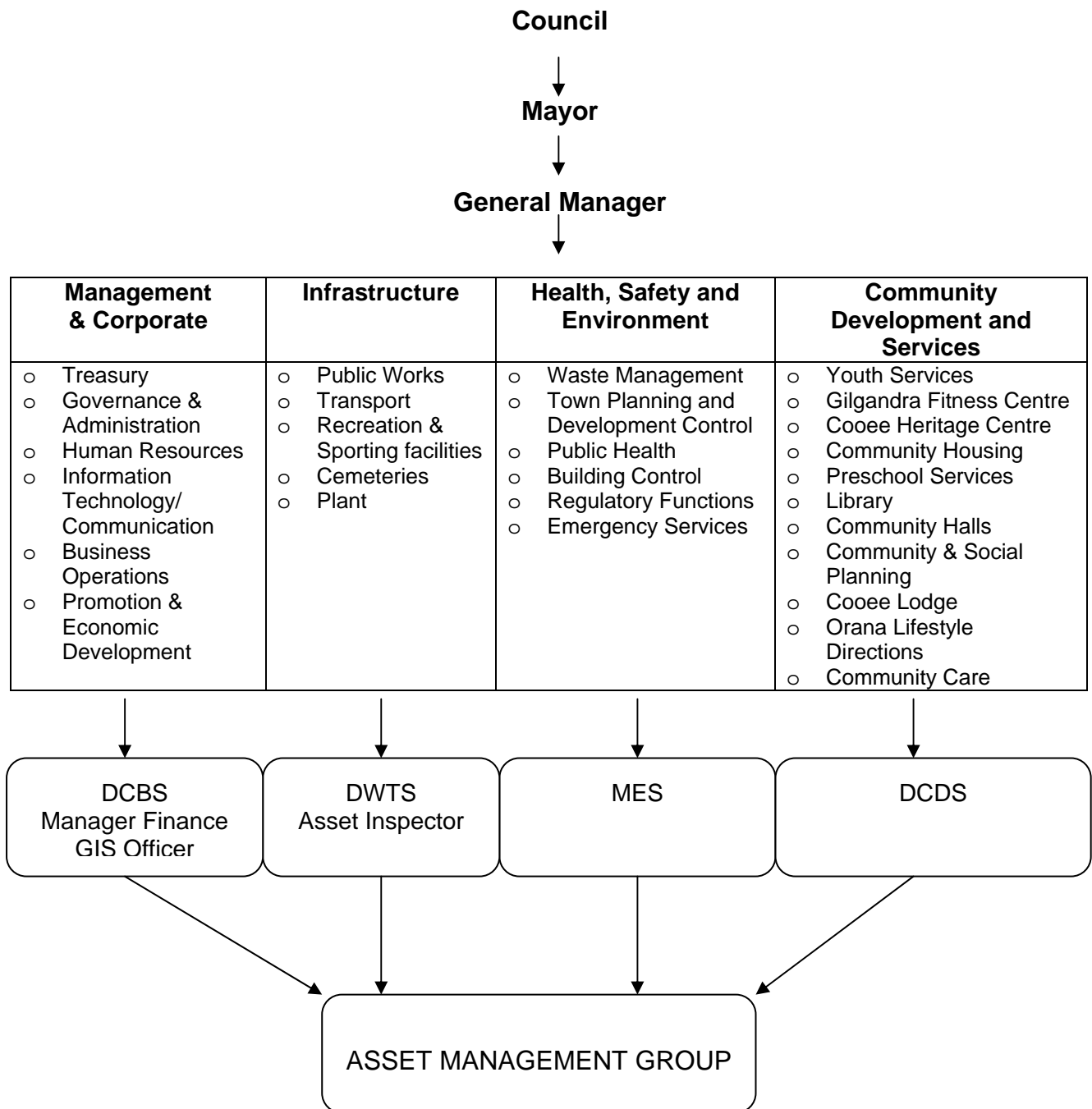


Diagram 2

3. Hierarchy

The following hierarchy shows the integration between asset management and Council's organisational structure:

COUNCIL'S ORGANISATIONAL STRUCTURE



4. Responsibilities

The responsibilities for asset management in relation to Council are:

Council

- To act as stewards for all municipal public assets.
- To adopt and review Asset Management Policy and Strategy.
- To approve levels of service, risk and cost standards.
- To ensure appropriate resources are made available to achieve agreed Asset Management outcomes.

General Manager

- To endorse the development and implementation of Council's Asset Management Policy and Strategy.
- To monitor and review the performance and achievements of the Asset Management Strategy.
- To ensure that accurate, timely and reliable asset management information is presented to Council.

Asset Management Working Group

The overview of Asset Management within the Council is carried out by the Asset Management Working Group.

The Working Group membership is made of the following Council Officers:

- Director Community Development & Services
- Director Works & Technical Services
- Manager Environmental Services
- Director Corporate & Business Services
- Manager Finance
- GIS Officer
- Asset Inspector

Function

The Asset Management Working Group function is to:

- Provide Council, General Manager and MANEX with a strategic overview of Asset Management
- Develop the Asset Management Strategy
- Review Activity Management Plans on an annual basis
- Recommend funding and management strategies to assist Council in achieving sustainability
- Overview the implementation of Council's Policy on Asset Management
- Determine and overview the implementation of Best Practice in Asset Management
- Keep General Manager, MANEX and Managers abreast of changes in legislation and Accounting Standards in relation to Asset Management
- Liaise with the Internal Auditors in relation to Asset Management.

Responsible Officers

Responsibility of the key asset management officers as a group include:

- To develop and implement Activity Management Plans for all categories of municipal public assets that Council maintain and control.
- To develop levels of service to agreed risk and cost standards.
- To create, monitor and present accurate, timely and reliable asset management information to the Executive Management Team and the Asset Management Working Group.
- Prepare and monitor budgets for asset replacement and maintenance
- Organise condition assessments
- Provide information on a regular basis on the addition and deletion of assets
- Ensure staff are trained in asset management responsibilities
- Maintain assets information in the Council's Asset Management System.
- Incorporate integrated planning in relation to service delivery and asset management.
- Liaise with organisation specialists in the care and maintenance of assets.

The following roles are crucial to ensuring appropriate asset management.

More specifically, the roles and key responsibilities of responsible officers are as follows:

Director Works & Technical Services

Monitor conditions and values of Works and Technical services assets
Coordinate the Asset Management Group
Provides guidance to the Asset Inspector

Manager Environmental Services

Monitor conditions and values of Environmental Services assets

Director Community Development & Services

- Monitor conditions and values of Community Development and services assets
- Monitor and update the Asset Management Policy and Strategy

Director Corporate & Business Services

- Monitor conditions and values of corporate and business services assets
- Provide guidance to Manager of Finance and GIS Officer

Manager Finance

- Provide valuation and financial support to Asset Management Group
- Quantify and record Asset Management data

Asset Inspector

- Provide condition monitoring support to the Asset Management Group and the Director of Works and Technical Services
- Inspection and assessment of assets
- Provide direction on consistency of asset conditions

GIS Officer

- Provide mapping and data support to Asset Management Group

5. Implementation Framework

A number of functions are to be adhered to in addressing actual asset management solutions. These functions include

Data Identification

Recognising the assets of Council is an important first step. Council will ensure assets are appraised, identified and valued ensuring a simple, consistent and accurate method.

In time, Council will also identify what it will cost to bring assets up to the appropriate service level

Financial

Council will ensure asset management interacts with the long-term financial plan so that assets not only can provide services that meet community needs but can also meet long term financial goals.

Taking on New Assets

New asset life-cycle costs will be scrutinised to ensure that:

- New assets are needed and that non-asset answers are possible
- New assets are within budgetary requirements

Operations

It will be clearly established what service levels the community requires and seeks

Risk Management

In establishing asset condition levels, Council will also allocate risk levels associated with this condition to define probability and consequence of an undesirable event.

Maintenance

The most effective way of maintaining assets will be established. Condition monitoring is an important element of this. Conditions of assets will be then linked with financial replacement and database tracked.

Condition Monitoring

A consistent, relevant condition monitoring system will be developed to ensure maintenance is carried out in a timely, effective and cost efficient manner.

Performance Monitoring

Assets (through maintenance/condition monitoring) will be consistently benchmarked to ensure they are meeting service level targets.

Rehabilitation/Replacement Cost

Reserves will be established for all key assets and monitored to ensure appropriate provision is made for enabling assets to hit service level targets.

Consolidation/Rationalisation

Careful consideration will be given to identifying ways of meeting service level targets whilst reducing cost burden.

Audit Plan

Regular review of the whole asset management system will be undertaken to ensure Council's asset management framework is performing effectively.