



ASSET MANAGEMENT POLICY

Type:	Corporate Policy		
Owner:	Director, Infrastructure and Environment		
Responsible Officer:	Director, Infrastructure and Environment		
Approval Date:	April 2022	Next Review:	April 2023
Records Number:		Council/CEO Decision:	CEO
Legislation Reference:	Regulation 6(1)(d)(v) of Local Government (General) Regulations 2021		

1 PURPOSE

This policy provides a framework for the appropriate management of Katherine Town Council physical assets, including safeguarding, identification, acquisition and disposal 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 clear approval processes and procedures for all of these actions set out in this policy.

Council is committed to implementing a responsible, consistent approach to asset management practices to support the delivery of council services in the most efficient and cost-effective manner to optimise long-term financial sustainability, managed risk, social responsibility, operational capabilities and legislative compliance.

Assets are to be safeguarded to minimise the risk of theft, vandalism, or inappropriate or unauthorised use and will be maintained and repaired as required (subject to budget availability) to ensure their physical condition is maintained at a standard appropriate for their use. Council records will accurately represent its asset information, including information maintained in an asset register. Current and future environmental, economic, cultural and social outcomes will be considered when making investment decisions in relation to acquiring high-value assets.

2 SCOPE

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

3 DEFINITIONS

Asset means any physical infrastructure defined under the asset class that is owned or controlled by Council.

Asset class refers to a group of assets that have similar nature or function in the operations of Council, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

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 per cent of the assistance available to individuals and communities.

4 DETAILS

Council is committed to implementing an asset management methodology incorporating asset management best practices. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

Investment in assets will support the delivery of council services and outcomes. Asset management needs and investment requirements will be considered when developing or reviewing council's strategic plan, municipal plan, annual budget, and long-term financial plan.

Council infrastructure assets are categorised by the following classes:

- Land
- Transport (including roads and car parking facilities)
- Pathways and laneways
- Buildings and Structures
- Stormwater Infrastructure
- Land Under Roads
- Plant and Equipment
- Waste Management
- Street and Public Lighting
- Parks and Reserves Infrastructure
- Public Art and Heritage

Asset management practices directly impact the core business of Council and appropriate asset management is required to achieve its strategic service delivery objectives. Adopting sound asset management principles will assist Council in achieving its strategic plan and long-term financial objectives and deliver the appropriate level of service through its assets, providing a positive impact on the community and Council.

ACQUISITION AND IDENTIFICATION OF ASSETS

The acquisition of a physical asset must be in accordance with the procurement provisions of the *Local Government Act 2019* and Local Government (General) Regulations 2021, Council's procurement policy, and approved delegations.

Prior to any acquisition, there must be an approved budget for the purchase of the asset covering its full acquisition cost (including freight, installation and registration). Future life cycle costs should be considered in all decisions relating to new services and assets and upgrading of existing 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, labelling etc.) as the owner of the asset.

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.

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

OPERATION AND MAINTENANCE OF ASSETS

Details of all personnel with access to keys, security passes and security codes will be recorded and kept up to date in the Council's information management system.

An inspection regime will be applied to ensure agreed service levels are maintained and to identify asset renewal priorities and maintenance requirements. Appropriate maintenance will be carried out, and logs kept where this is necessary, to meet warranty or insurance requirements.

Operators of council plant and equipment will receive appropriate training and supervision and all necessary licences will be kept up-to-date.

Asset Management Plans will be developed for major asset categories. The plans will be informed by community consultation where relevant and technical levels of service as required and financial planning and reporting.

DISASTER RECOVERY FUNDING ARRANGEMENTS (DRFA)

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.

Council will keep and maintain appropriate asset records, with information in relation to essential public assets reviewed at least every 4 years, to support a DRFA claim and be eligible for funding assistance. Council will ensure all DRFA claims to the NT Government are submitted within the required timeframe.

INSURANCE COVER

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.

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.

Where 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 business needs of the council, is to be acquired.

ASSET RENEWAL, SALE, DISPOSAL AND WRITE-OFF

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.

Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice.

Before choosing a method of sale or disposal of an asset as detailed in *Guideline 4: Assets*, Council will first consider the criteria listed in *Guideline 4: Assets* and any additional preferences set by Council.

All sale and disposal of council assets will follow sound contracting principles and will be conducted in a fair, accountable and transparent manner. The Council's asset sale and disposal process must be capable of withstanding public scrutiny, as required in *Guideline 4: Assets*.

Council assets are to be written off and removed from the relevant asset register when one of the situations listed in *Guideline 4: Assets* occurs.

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.

In accordance with the Local Government (General) Regulations 2021, the Chief Executive Officer 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 or assets that exceeds \$2 000.

Following a council resolution that accepts that an asset cannot be located or has been misappropriated, destroyed, or damaged beyond economical repair, the Council may authorise the writing off of the asset in Council's accounting records. On receipt of the appropriate Council authorisation, the lost or damaged asset is to be written off and removed from the relevant asset register.

USE OF COUNCIL ASSETS

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/or loss to the community. Any agreement will have a regular renewal / reconsideration date.

Council assets are not to be used for private purposes unless part of an employment contract or agreement.

5 ASSOCIATED POLICIES/DOCUMENTS

Katherine Town Council annual Municipal Plan

Procurement Policy

Asset Capitalisation and Depreciation Procedure

Asset Disposal Procedure

Asset Revaluation Procedure

Register of major assets

Register of portable and attractive assets

Code of Conduct

6 REFERENCES AND RELATED LEGISLATION

Local Government Act 2019

Local Government (General) Regulations 2021

Guideline 4: Assets (made under section 342 of the Local Government Act 2019)

Revision History

Version	Approval date	Details of change	Responsible officer
1	April 2022	Creation	Dir, Infrastructure and Environment