



**Southern Downs**  
REGIONAL COUNCIL

# **Design & Assets Policies**



# Bonding of Engineering Works for Development Works

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<b>Policy Category:</b>	Engineering - Design & Assets
<b>Policy Number:</b>	28
<b>Date Adopted:</b>	25 May 2009
<b>Date to be Reviewed:</b>	
<b>Date Reviewed:</b>	
<b>Date/s Amended:</b>	
<b>Date Rescinded:</b>	
<b>Related Document/s:</b>	
<b>Responsible Officer:</b>	Director of Engineering Services

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## **Purpose**

The purpose of this policy is to establish the reasons for which a bond can be accepted for incomplete engineering works associated with approved development works.

## **Scope**

This policy applies to all works approved under the requirements of the Integrated Planning Act by Council for developments where the Decision Notice requires engineering works and where a bond for incomplete or unstarted works may be requested.

## **Policy Content**

Bonds will only be accepted by Council for connections to live water and sewerage and for maintenance of completed works. Consideration of accepting a bond may be considered under extraordinary circumstances.

Bonds will not be accepted for cash flow reasons for a developer's benefit.

Council may accept bonds for engineering works where extraordinary circumstances exist.

## **Extraordinary Circumstances**

### 1. **Subdivisions or Developments**

Extraordinary circumstances for bonding for subdivision or development may apply:

- Where the required infrastructure will be made redundant by future stages of the development.

- Where a delay in construction will suit Council's capital works program; ie Council works will effect or change the developer's work eg stormwater drainage downstream of the development may be proposed by Council therefore a delay to infrastructure construction would benefit Council's program of works.

2. Not for Profit or Charity Organisation

Extraordinary circumstances for bonding for works that are required to be carried out by Not for Profit or Charity organisations may be considered if it is in the community's interest. This may occur if works at one time may not be achievable within a shorter period of time. Consideration of this will be on an individual case basis and by Council decision.

# ASSET MANAGEMENT POLICY

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<b>Policy Category:</b>	Engineering - Design & Assets
<b>Policy Number:</b>	30
<b>Date Adopted:</b>	7 September 2009
<b>Date to be Reviewed:</b>	Review of this Policy will take place annually. The annual review will incorporate: <ul style="list-style-type: none"><li>• Audit and review of Asset Management Implementation and Improvement Plans as set out in the Asset Management Strategy.</li><li>• Review the Asset Management Implementation Strategy.</li></ul>
<b>Date Reviewed:</b>	August 2010
<b>Date/s Amended:</b>	
<b>Date Rescinded:</b>	
<b>Related Document/s:</b>	Asset Management Strategy
<b>Responsible Officer:</b>	Manager Design & Assets

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## **Background**

Council manages approximately \$680M worth of infrastructure, buildings and other assets that are essential to the delivery of services to meet the community's needs.

As a result of its long history and continued growth, these assets vary in age from those recently constructed to the many significant facilities with heritage value. In addition Council also manages and maintains a variety of community assets that are located on land not owned by Council.

Over recent years significant growth in assets has occurred further accentuating the need to ensure all assets are maintained and renewed to meet the community needs. Additional services infrastructure plus the construction of new facilities such as Yangan Water Pipeline, Stanthorpe Recycled Water scheme, Darlington Park Estate, Bisley Street Stormwater Stage 1, Warwick Class A Recycled Water scheme and expansion of the bike and footpath network continue to expand the infrastructure asset base.

This growth and the demands of an aging infrastructure stock means that this infrastructure needs to be continually maintained and renewed to ensure that it continues to meet the service delivery requirements of the community and its many visitors, now and for future generations.

## **LEGISLATIVE FRAMEWORK**

Recent and ongoing changes to Local, State and Federal government legislation has increased the accountability of local government with regards to the assets they manage and increased transparency in decisions made by Councils.

As part of Council's requirement to comply with new legislation and to protect its community Council must establish a clear direction to ensure appropriate asset management practices for its asset portfolio now and into the future.

### **Purpose**

The purpose of this policy is to broadly outline why asset management is relevant and what needs to be considered within the policy to ensure:

- Corporate responsibility and resources are identified;
- Management of assets is undertaken in a structured and co-ordinated way;
- Risk management is considered;
- Financial, social and environmental sustainability;
- Continuous improvement and seeking innovative ways of meeting service requirements; and
- Legislative and regulatory requirements are achieved.

The policy also ensures that asset management and the importance of managing Council's infrastructure assets for present and future generations is clearly understood and recognised by Council and its community. It provides an essential framework and rationale for best practice asset management decision-making (function and standard) and informs the organisation on how it will maintain its assets to meet service delivery requirements.

The policy complements and builds upon Council's Corporate Plan 2009-2014 and provides a more formalised approach to asset management, principles and methodology. It also provides the ability to plan for present and future generations, an essential ingredient to achieving Council's vision for asset management.

### **Scope**

*“To provide the desired **level of service (function and presentation)** in the most **cost effective manner** for **present and future** members of the community”.*

To achieve this Council recognises that assets must be planned, provided, maintained and refurbished so that they continue to meet the service **delivery needs** of the community.

### **Policy Content**

## **ASSET MANAGEMENT POLICY**

Councillors, as custodians of Council assets, in accordance with the Local Government Act 2009 and any other Acts are required to:

- Ensure the Council's legal obligations are met;
- Represent the community as the asset owners; and
- Ensure the asset/service is maintained for present and future generation at an equitable cost.

Council staff has a corporate responsibility to provide the correct technical and professional advice to Councillors so that they may make the best decisions on behalf of the community they represent.

## **ASSET MANAGEMENT DECISION MAKING PRINCIPLES**

As part of Councils consideration of infrastructure asset management, Council will;

- As custodians/stewards of community assets and as part of providing quality infrastructure and community facilities, undertake to develop industry standard, affordable and financially sustainable asset management plans;
- In accordance with its Corporate Plan 2009-2014 and Long Term Financial Plan, provide quality infrastructure assets that support services that are appropriate, accessible, responsive and sustainable to the community;
- Manage the infrastructure and assets in a systematic and sustainable manner;
- Involve and consult with the community and key stakeholders on determining service standards;
- Ensure asset information is accurate and up to date allowing for appropriate asset planning, both in the short and long term, and for informed decision making to occur;
- Manage its assets utilising a team approach using a multi discipline cross-functional asset management working group;
- Allocate appropriate resources to ensure asset management practices can be undertaken and the timely maintenance and renewal of those assets so that “life cycle” costs are optimised (existing and new assets);
- Prior to consideration of any major works/renewal or improvement to an asset, undertake a critical review of the need and the “whole-of-life” cost of that asset;
- Continually seek opportunities for multiple use of assets;
- Ensure that the roles and responsibilities of all asset service managers are well defined and understood;
- Develop and implement a framework for the evaluation and prioritisation of capital projects;  
and
- Develop and apply consistent construction standards to Council, community and developers.

## **APPLICATION**

This policy applies to Council, Councillors, Senior Management, Staff, Committees of Management and the Community involved in the operations, maintenance, refurbishment, renewal, upgrading and development of Council’s existing and new infrastructure assets.

## **ASSET MANAGEMENT ROLES AND RESPONSIBILITIES**

To achieve this policy the following key roles and responsibilities and commitments are identified:

## **Councillors**

- To act as stewards for infrastructure assets;
- To set corporate Asset Management Policy and vision with linkage to the Corporate Plan;
- To set levels of service, risk and cost standards;
- Approve and review Asset Management Plans and monitor the outcomes;
- To ensure appropriate resources and funding for asset management activities are made available to integrate Asset Management Policies, Asset Management Strategies and Asset Management Plans into the corporate governance framework;
- Provide consistent and transparent decision making based on adopted criteria; and
- To provide an advocacy role with State and Federal Governments and the community.

## **Chief Executive and Directors**

- To continually promote asset management across the Council and with the community;
- To validate and challenge proposals to ensure they meet the Corporate Plan objectives and community service needs;
- To develop and continue to refine the “overarching” Asset Management Policy and Asset Management Strategy with linkage to the Corporate Plan for consideration by Council;
- To foster and support the multi discipline cross functional Asset Management Working Group;
- To monitor the performance of the staff in implementing asset management;
- To ensure the community and key stakeholders inputs are integrated into Asset Management Plans;
- To ensure staff are appropriately trained and skilled to perform the required asset management functions;
- To ensure that accurate and reliable information is presented to Council for decision-making; and
- To provide effective communication between staff, Council and the community.

## **Asset Management Working Group / Service Managers / Manager Design & Assets / Asset Engineer and Staff:**

- Development and implementation of Asset Management Strategy;
- To develop, implement and review Asset Management Plans using the International Infrastructure Management Manual as a guide, documenting required allocation of funding and improvement plans for individual asset groups, using the principles of lifecycle analysis;
- Continually seek innovative ways of meeting service needs;
- Continual review of Asset Management Policy;
- In consultation with the community and key stakeholders identify asset management "levels of service" for Council approval;
- In accordance with Council approved service levels deliver “levels of service” to agreed risk and cost standards;
- Ensure efficient and effective use of Council funds and optimising “life cycle” cost of all assets;

- To provide effective communication between staff and Senior Management;
- To develop and implement maintenance, refurbishment and capital works, (refurbishment/renewal), programs in accordance with Asset Management Plans and report to Senior Management and Council;

To develop and implement procedures that ensure the asset database is maintained and updated and provide required reports to Council to meet their statutory and legal responsibilities; and

- Promote and raise awareness of asset management to the Council, staff, users and the community.



# ***SOUTHERN DOWNS REGIONAL COUNCIL ASSET MANAGEMENT STRATEGY***

Prepared by Manager Design & Assets – Adam Colrain



## **SOUTHERN DOWNS REGIONAL COUNCIL ASSET MANAGEMENT STRATEGY**

### **Introduction**

The Asset Management Strategy provides the framework for management of all asset classes across Council, including relevant strategic planning, continuous improvement and operational aspects for Asset Management (AM), which refer to the following key factors:

- Accountability for Assets;
- Planning and Budgeting;
- Acquiring Assets;
- Operating and Maintaining Assets;
- Disposing of Assets;
- Asset Recording, Asset Condition Assessment, Valuing and Reporting; and
- Asset Costing and Charging.

The strategy focuses on implementation of the Council's Asset Management Policy as a framework for the consumption of assets, inextricably combined with the provision of services to the community. The strategy provides the appropriate corporate level guidelines to be incorporated into Asset Management Plans for the individual asset classes.

The overall intention is to provide a higher level of awareness of the importance of the application of asset management principles. It is a declaration on the commitment of how council will manage its assets to provide the best affordable, efficient and effective level of service.

### **Levels of Service**

The needs of the individual service programs and Levels of Service / service standards will be recorded in Asset Management Plans, and the planning and management criteria from those plans applied consistently across all programs.

An important component of determination of the Levels of Service will be achieved through increased community consultation to ascertain the service standards to be applied with the various assets.

Initially, service standards will be based on historical standards, bench marking plus the essential legislative and statutory provisions, coupled with community expectations as they become known through various community forums and feedback from the Councillors and community.

### **Link to Corporate Plan and Operational Plan**

References to the Corporate Plan, Operational Plan and relevant Council strategies will be included in all reports and statements to and from Council when related to service provision and the management of assets.



## **Links with Corporate Strategies and Programs**

This strategy is directly aligned with the Council strategies for:

- Service Delivery and Infrastructure;
- Planning;
- Organisational Frameworks;
- Community and Lifestyle; and
- Growth and Opportunity.

and relies on the alignment with those Council strategies to ensure that all relevant issues are addressed in the provision of services and management of assets.

The AM Management Framework outlines the links, the evaluation processes and reporting requirements.

## **Asset Management Roles and Responsibilities**

Roles and responsibilities for the organisation to provide best appropriate asset management are described below:

### **Councillors**

- *To act as stewards for infrastructure assets;*
- *To set corporate asset management policy and vision with linkage to the Operational Plan;*
- *To set levels of service, risk and cost standards;*
- *Approve and review Asset Management Plans and monitor the outcomes;*
- *To ensure appropriate resources and funding for Asset Management activities are made available to integrate Asset Management policies, Asset Management strategies and Asset Management plans into the corporate governance framework;*
- *Provide consistent and transparent decision making based on adopted criteria; and*
- *To provide an advocacy role with state and federal governments and the community.*

### **Chief Executive Officer and Directors**

- *To continually promote asset management across the Council and with the community;*
- *To validate and challenge proposals to ensure they meet the Operational Plan objectives and community service needs;*
- *To develop and continue to refine the "overarching" Asset Management Policy and Asset Management Strategy with linkage to the Operational Plan for consideration by Council;*
- *To foster and support the multi discipline cross functional Asset Management Working Group;*
- *To monitor the performance of the staff in implementing asset management;*



- *To ensure the community and key stakeholders inputs are integrated into Asset Management Plans;*
- *To ensure staff are appropriately trained and skilled to perform the required Asset Management functions;*
- *To ensure that accurate and reliable information is presented to Council for decision-making;*
- *To provide effective communication between staff, Council and the community.*

#### **Asset Management Working Group / Service Managers / Manager Design & Assets / Asset Engineer and Staff:**

- *Development and implementation of Asset Management Strategy;*
- *To develop, implement and review Asset Management Plans using the International Infrastructure Management Manual as a guide, documenting required allocation of funding and improvement plans for individual asset groups, using the principles of lifecycle analysis;*
- *Continually seek innovative ways of meeting service needs;*
- *Continual review of Asset Management Policy;*
- *In consultation with the community and key stakeholders identify asset management "levels of service" for Council approval;*
- *In accordance with Council approved service levels deliver "levels of service" in to agreed risk and cost standards;*
- *Ensure efficient and effective use of Council funds and optimising "life cycle" cost of all assets;*
- *To provide effective communication between staff and CEO and Directors;*
- *To develop and implement maintenance, renewal and capital works, (refurbishment/renewal), programs in accordance with Asset Management Plans and report to CEO, Directors and Council;*
- *To develop and implement procedures that ensure across departmental flow of information and ensure the asset database is maintained and updated and provide required reports to Council to meet their statutory and legal responsibilities; and*
- *Promote and raise awareness of asset management to the Council, staff, users and the community.*

#### **Asset Management Policy / Position**

The Council will develop and apply a policy to ensure a consistent, whole of organisation approach to asset management best suited to the organisation and community needs. The policy will be based on best appropriate management of all assets and describe the framework of application of the relevant asset management practices.

The policy will be subject to annual review to confirm suitability and application.

## Asset Management Plans

Asset Management Plans are the essential record of the management practices to be applied to the various asset classes, based on the framework within the strategy outlined above.

Asset Management Plans will be developed for the following non-current asset classes:

- Roads (inclusive of Footpaths, Kerb & Channel, Bridges)
- Drainage (including Storm water harvesting & treatment)
- Sewerage Infrastructure (including Effluent Reuse)
- Water Supply Infrastructure
- Buildings
- Land
- Facilities, eg Parks, Swimming Pools, Waste Management Facilities
- IT Property and Systems
- Fleet

The Asset Management Plans will have regard to the following factors:

- The current situation;
- Improvement opportunities; and
- Asset management details for the specific asset class.

The timeframe for the development and introduction of the plans is shown below:

Asset Class	Timeframe	Responsibility (Service Managers)
Roads	March 2011	Manager Works & Parks
Drainage	March 2012	Manager Works & Parks
Sewerage	March 2012	Manager Water & Sewerage
Water	March 2012	Manager Water & Sewerage
Buildings	March 2012	Manager Cultural & Recreational Development
Land	March 2012	Manager Finance
Facilities	March 2012	Manager Works & Parks/ Manager Cultural & Recreational Development/ Manager Environmental Services
IT Property and Systems	March 2012	Manager Information Technology & Communications
Fleet	March 2012	Manager Works & Parks

Table 1: Asset Management Plan Development Timetable

Coordination of the development of the Asset Management Plans will be undertaken by the Manager Design & Assets, reporting through the Asset Management Working Group representing the whole of organisation and all individual asset classes.

Responsibility for maintaining the currency of plans will reside with the author of the plans, including the annual review and reporting process back to the Asset Management Working Group.

## Gap Analysis

Identification of the gap between the current practices of level of services and those required to achieve the Council vision for service provision is essential and provides the baseline for measurable progress. eg,

- Data collection and effort to enter & maintain data management systems & Asset Registers
- Asset Mtce, inspections and condition rating & all new Capital Works as constructed data collection & reporting systems
- Suitably skilled resources.
- Software implementation, software integration or links to improve efficiencies
- Determine financial gap for provisions of adequate levels of service over the next 10 years and manage strategically its impact on the rate revenue in each year.
- Determine gap in Asset Renewal planning and financing.
- Identify gaps between policies, strategies, plans and programs.

## Operational Programs

These programs define measurable sub levels of services programs and set out details to describe the manner in which resources are engaged with operational activities for asset management. Define links with asset management, eg Maintenance Management Plans, mandatory inspections and recording and asset data collection.

## Performance Management Framework

Whole of life analysis will become the norm for all projects and programs. This will provide the background for informed decision making on financial long term ramifications. Reporting will be achieved in two ways as described below:

## Council Agenda Items

All relevant Council agenda items will include reference to Corporate Plan, Operational Plan and Asset Management Strategy and Financial Plan criteria, eg:

Corporate Plan: The proposal has direct links to the Council Vision Statement for the provision of consistent and sustainable services to the community.

Operational Plan: The proposal was identified in the Operational Plan and budget, including the whole of life costs for maintenance and operation in the first year.

Asset Management Strategy: Development of the proposal involved the following steps:

1. confirmation against the Council Asset Management Policy provisions.
2. confirmation of consistency with the forecast program for asset replacement / renewal as described in the Asset Management Plan for this asset class.
3. Influence on continuation of the same or an improved Level of Service for the local community.



Financial Plan:

The funding for the proposal has been derived from:

1. the appropriate stages of funding identified and confirmed by provisions in the current Budget and or Ten Year Financial Plan, related to both the capital and recurrent funding programs; and
2. evaluation against the organisational standards to prioritise the program within the total program.
3. Identifying capital items as “New” or “Replacement” of existing Assets.

### **Action Plan – 1 Year**

Action Plan items to be developed to provide a structured approach to the implementation of improved asset management. The 1 Year Action Plan included the following items:

1. Develop and implement Asset Management Policy
2. Implement an Asset Management Working Group
3. Provide AM training to Asset / Service Managers & AM working group (e.g. NAMS)
4. Develop and implement an Asset Management Framework Strategy
5. Develop first draft of Asset Management Plans for each asset class and levels of service
6. Review of system needs to improve management of asset data and reporting

### **Action Plan – 2 to 3 Years**

Likewise, a longer term Action Plan be developed, acknowledging both the constraints and opportunities to be realised over the full two years of the Program.

This plan included:

1. Gap analysis for the current practices compared with the desired results
2. Update & refine Asset Management Plans for all asset classes;
3. Understanding the financial gap and planning to minimise the gap;
4. Improved long term financial planning; and
5. Development of the Continuous Improvement Program, including a Communication Protocol for community consultation.

The details of the Action Plans are summarised in the table 2.

### **Continuous Improvement Program**

The Continuous Improvement Program involves:

- regular reviews of processes engaged in asset management;
- development of improvement opportunities based on clear recognition of the constraints applicable;
- implementation of revised processes as appropriate; and
- reporting improved performance.

The Performance Management Framework provides the reporting and acknowledgement mechanism.



### **Financial Plan (Long term)**

The Ten-Year Financial Plan includes the following criteria:

- Funding the Asset Improvement Strategy
- Understanding and addressing the funding required for the Renewal Gap
- Application of Depreciation Criteria
- Ratio of Total Capital renewal Program and Depreciation Funding
- Non-Discretionary Funding Criteria
- Committed Capital Funding

### **Review and Reporting**

The CEO and Directors shall ensure compliance with this strategy by the Council and whole of organisation, and report to Council on a quarterly and annual basis as part of the AM Management Framework. The report will include:

- advice on the level of compliance with this strategy;
- advice on the audit and review of asset management implementation; and
- reporting against the AM Management Framework criteria.

### **Annual Report**

The Annual Report for the AM Management Framework will include:

- summaries of the status of all related asset management proposals reported during the preceding year;
- compliance summary for the Asset Management Policy;
- compliance summary for this Asset Management Strategy; and
- issues and future directions for development and improvement in the application of the Policy, Strategy, Asset Management Plans and Financial Plan.
- presented in the format nominated in the AM Management Framework Report.



The actions recorded in this strategy are summarised in the table 2:

Description	Outcomes	Tasks	Responsibility	Timeframe	Comments
1. Policy	Policy developed and consistently applied for total organisation approach to asset management	<ol style="list-style-type: none"> <li>1. Develop suitable AM Policy including organisational criteria for best appropriate asset management and service provision;</li> <li>2. Standardise AM definitions with IIMM;</li> <li>3. Council adopt and apply policy.</li> </ol>	CEO / Directors		Refer Action Plan – 1 Year
2. Strategy	Clear directions and understanding of implementation of improved asset management across the organisation	<ol style="list-style-type: none"> <li>1. Develop AM Strategy;</li> <li>2. Define roles and responsibilities for all involved in asset management;</li> <li>3. Establish AM Working Group to oversee strategy and review AM implementation, eg program and project evaluation processes;</li> <li>4. Define financial management and operational parameters for asset management;</li> <li>5. Understand resource requirements for competent asset management;</li> <li>6. Initiate community consultation;</li> </ol>	Asset Management Working Group		Refer Action Plan – 1 Year
3. Asset Management Plans	Asset Management Plans for all asset classes	<ol style="list-style-type: none"> <li>1. Prepare Asset Management Plans for all asset classes using IIMM style template;</li> <li>2. Progressively refine asset data integrity;</li> <li>3. Undertake funding gap analysis for all asset classes;</li> </ol>	Service Managers	March 2012	Table 1 above provides timeframes for AM Plan development
4. Operations	Operations integrally aligned with best appropriate asset management	<ol style="list-style-type: none"> <li>1. Systems and data management support asset management results;</li> <li>2. Staff training and development programs highlight need for asset management with total operations and service provision;</li> <li>3. Position Descriptions include asset management.</li> </ol>	All		On going
5. Performance Reporting	Quarterly and Annual Reports describing implementation of AM Strategy	<ol style="list-style-type: none"> <li>1. Monitor and review all phases of asset management implementation and report progress;</li> <li>2. Annual audit of Strategy reported to Council.</li> </ol>	CEO / Directors	Quarterly and annually	