



# KENTISH COUNCIL POLICY

## ASSET MANAGEMENT

### Policy Number 02:22:2005

<b>POLICY NUMBER</b>	02:22:2005	
<b>OBJECTIVE</b>	<p>To provide the framework to ensure that Council assets are effectively and efficiently managed whilst meeting community needs and expectations for current and future generations</p> <p>To ensure adequate provision is made for the long-term replacement of major assets by:</p> <ul style="list-style-type: none"> <li>• Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.</li> <li>• Safeguarding Council assets by implementing appropriate asset management strategies and appropriate financial resources for those assets.</li> <li>• Creating an environment where Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the organisation by training and development.</li> <li>• Meeting legislative requirements for asset management.</li> <li>• Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.</li> <li>• Demonstrating transparent and responsible asset management processes.</li> <li>• Striving for continual improvement in asset management practices and outcomes.</li> </ul>	
<b>STATUTORY AUTHORITY</b>	<ul style="list-style-type: none"> <li>• <i>Local Government Act 1993 Section 70C</i></li> <li>• <i>Local Government (Content of Plans and Strategies) Order 2014, Clause 8 (2)</i></li> </ul>	
<b>POLICY</b>	Adopted 18/10/2005	Minute No 7.1.1
	Reviewed 21/09/2010	Minute No 7.3.2
	Reviewed 20/01/2015	Minute No 11.3.3

## GENERAL

Kentish Council is custodian of a broad range of community assets. This policy provides the framework to ensure that Council assets are effectively and efficiently managed whilst meeting community needs and expectations for current and future generations. The importance of these assets to the community and their significance in terms of Council budgets and operations means that asset management must be at the forefront of Council planning.

Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

Council owns and uses non-current assets with an approximate replacement cost of \$155 million to support its core business of delivery of service to the community.

Some of the themes which underpin the Council's Strategic Plan 2014-2024 include:

- Matching service delivery with community expectations
- Financial sustainability

Asset management practices impact directly on the core business of the Council and appropriate asset management is required to achieve our strategic service delivery objectives.

Adopting asset management principles will assist Council in achieving its Strategic Longer-Term Plan and Long Term Financial objectives.

A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:

- Members of the public and staff;
- Council's financial position;
- The ability of Council to deliver the expected level of service and infrastructure;
- The political environment in which Council operates; and
- The legal liabilities of Council.

## SCOPE

This policy applies to all Council activities.

## DEFINITION

For the purpose of this policy, “assets” include all Council assets namely;

- Roads and associated footpaths, kerb and channel, bridges and car parks
- Storm water infrastructure
- Buildings
- Land including leased land
- Land improvements including all assets not recognised by the above classifications where the structure or improvement increases the value of the land
- Office furniture and equipment
- Plant and minor plant

Other terms relating to asset management have the same meaning as defined in the *International Infrastructure Management Manual (Australia/New Zealand Edition)*.

## POLICY STATEMENT

A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management practice throughout all Departments of Council.

Council’s Asset management activities should promote sustainability and community resilience.

Planning for adaption to and mitigation of the impacts of climate change must be included in Council’s Asset Management Strategy.

Council’s information systems must record and maintain sufficient information about its assets to enable the development and implementation of an effective asset management strategy.

All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.

Asset management principles will be integrated within existing planning and operational processes.

Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.

An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.

Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long term financial plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented in budget documentation.

Service levels defined in adopted asset management plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined services levels and budget resources documented in budget documentation.

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 practice and applicable Australian Standards.

Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.

Future service levels will be determined in consultation with the community.

Training in asset and financial management will be provided for councillors and relevant staff.

An asset management improvement plan will be documented and regularly monitored and reviewed.

## RESPONSIBILITIES

### Councillors

Councillors are responsible for adopting the policy, allocation of resources, providing high level oversight of the delivery of the organisation's asset management strategy and plan and maintaining accountability mechanisms to ensure that organisational resources are appropriately utilised to address the organisation's strategic plans and priorities.

### General Manager

The General Manager has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

### Senior Management Team (General Manager and Managers)

- To recognise and adopt Asset Management as a key function of the organisation.
- To implement and review Council's Asset Management strategy with agreed resources.
- To monitor and review the performance of Council staff in achieving the Asset Management Strategy.
- To ensure that community and key stakeholder inputs are reviewed and integrated into the Asset Management plan if necessary.
- To ensure that accurate and reliable information is presented to Council for decision-making.

**Asset Management Steering Group** (General Manager, Corporate Services Manager, Works Manager, Asset and Infrastructure Manager and Technical Staff)

- To develop and implement the Asset Management Strategy with agreed resources
- To monitor development and review of Asset Management plans for individual asset groups detailing required allocation of funding, improvements required and utilise the principles of lifecycle analysis
- To review the implementation of maintenance, refurbishment and capital works programs in accordance with Asset Management Plans and budget and report to Council and Senior Management.
- To develop and implement procedures to ensure that Council's asset database is maintained and updated.
- To prepare and regularly monitor and review an asset management improvement plan.

**Staff**

- To develop and implement maintenance, refurbishment and capital works programs in accordance with Asset Management Plans and budget and report to Council and Senior Management.
- To deliver levels of service to agreed risk and cost standards
- To develop Asset Management plans for individual asset groups detailing required allocation of funding, improvements required and utilise the principles of lifecycle analysis
- To ensure that Council's asset database is maintained and updated.
- To present information to Council and Senior Management Team in terms of Asset Management lifecycle risks and costs.

## IMPLEMENTATION AND REVIEW

This policy will be reviewed at least every two years to ensure its relevance in terms of community needs and expectations and Council goals, targets and statutory requirements.