

# Kyogle Council

## Asset Management Policy



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## **1 PURPOSE**

To set guidelines for implementing consistent asset management processes across all Kyogle Council assets.

## **2 VALIDITY**

This policy obtains its validity from Council resolution CO/0719/12.

## **3 OBJECTIVES**

To ensure adequate provision is made for the long-term replacement of major assets by:

- 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.
- Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the Council.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

## **4 SCOPE**

This policy applies to all Council activities.

## **5 RELATED DOCUMENTS**

Council will develop and implement the following documents in relation to this policy;

- Asset Management Strategy
- Asset Management Plans.
- Long Term Financial Plan
- Community Strategic Plan

The following legislation is relevant to this policy;

- Local Government Act 1993 and Regulations under the Act.
- Roads Act 1993
- Civil Liability Act 2002

## **6 BACKGROUND**

Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of Council. 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 approximately \$525M of non-current assets to support its core business of delivery of service to the community.

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

Sustainable Service Delivery ensures that services are delivered in a socially, economically and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.

Sound Asset Management practices enable sustainable service delivery by integrating customer values, priorities and an informed understanding of the trade-offs between risks, costs and service performance.

## **7 PRINCIPLES**

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

Council's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets.

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

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

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 infrastructure and asset management plans and long term financial plans will be fully funded in the annual budget estimates.

Service levels agreed through the budget process and defined in Infrastructure and Asset Management Plans will be fully funded in the annual budget estimates.

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 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 and associated delivery costs will be determined in consultation with the community.

Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;

Creating a corporate culture where all employees play a part in overall care for the Organisation's/Organization's assets by providing necessary awareness, training and professional development; and

Providing those we serve with services and levels of service for which they are willing and able to pay.

## **8 RESPONSIBILITY**

**Councillors** are responsible for adopting the policy, allocating resources, and providing high level oversight of the delivery of the Council's asset management strategy and plans. The council is also responsible for ensuring that Council resources are appropriately allocated to ensure sustainable service delivery.

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.

## **9 REVIEW**

This policy will be reviewed from time to time in accordance with Councils Governance Policy.