

# Asset Management Policy

April 2017

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## *PURPOSE*

The Asset Management Policy supports Council's vision and strategic objectives, set guidelines for implementing consistent asset management processes throughout the Central Coast Council to manage assets so they provide the appropriate level of service to meet the community's needs and expectations in a financially sustainable manner.

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

## *OBJECTIVE*

To provide and promote a constructive environment for undertaking asset management in such a way as to:

- . Ensure that the Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- . Safeguard the Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- . Create an environment where all Council employees take an integral part in overall management of the Council's assets by creating and sustaining asset management awareness throughout the organisation by training and development.
- . Ensure compliance with legislative requirements for asset management.
- . Ensure resources and operational capabilities are identified and responsibility for asset management is allocated.
- . Demonstrate transparent and responsible asset management processes that align with demonstrated best practice.
- . Continuous improvement and to seek innovative ways of meeting service delivery requirements.
- . Ensure risk management is considered.

The policy also defines the principles upon which the Council will consider asset issues within its decision-making process and to clarify the roles and responsibilities within the organisation for asset management.

## *SCOPE*

This policy applies to all Council activities.

## *POLICY*

- . The Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practice across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with the Council's priorities for service delivery.
- . The Council owns and uses approximately \$504million (2016–2017) 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 the organisation and appropriate asset management is required to achieve our strategic service delivery objectives.
- . The Council will ensure that the Asset Management Plans are reflected in the Long-term Financial Plan.
- . The Council will plan for climate change adaptation and mitigation in the preparation of Asset Management Plans.

## *DEFINITIONS*

**Infrastructure Asset** – a fixed asset that is controlled by the Council for the purpose of satisfying a service potential or enabling the Council to meet its corporate objectives.

**Asset Management** – combined, financial, economic, engineering and social planning management as applied to fixed assets.

**Risk** – probability and consequence of an event that could impact on the Council's ability to meet its corporate objectives.

**Maintenance** – all actions necessary for retaining an asset as near as practical to its original condition.

**Rehabilitation** – works to rebuild or replace parts or components of an asset to restore it to a required functional condition and extend its life.

**Renewal** – works to upgrade, refurbish or replace existing assets of equivalent capacity or performance capability.

**Whole of Life** – total cost of an asset throughout its life including planning, design, construction acquisition, operation, maintenance, renewal/ rehabilitation and disposal.

## *PRINCIPLES*

**Asset Management** – objective is to meet the required level of service, in the most effective and efficient manner now and into the future.

**Level of Service** – meeting community expectations in relation to the quality and quantity of services delivered by the Council. In the context of asset management, this applies to the following asset classes: roads, bridges, sewerage, water supply, parks and recreation, waste management, buildings and facilities, stormwater, footpaths.

**Whole of Life** – when considering new assets whole of life funding needs to be allocated for the complete lifecycle of the asset.

**Renew before New** – emphasise integrating services while maintaining/upgrading/replacing existing assets rather than adding new asset to the Council’s inventory, unless otherwise justified.

**Financial Management** – provide financial information in a responsible manner and in accordance with Australian accounting Standards and the Auditor Generals requirements.

**Risk Management** – the allocation of resources for and the setting of priorities for asset management practices will include a risk assessment.

## *CORPORATE FRAMEWORK*

The Councils Asset Management Policy complements and builds upon the Council’s Strategic Plan with its continued implementation and more formalised approach to asset management, principles and methodology, the Council will achieve significant benefits including:

- . A whole-of organisation approach to Asset Management;
- . Clear direction and responsibility for Asset Management;
- . A guide to better and more informed decision-making by Council, staff and community;
- . Integration of resources and knowledge and ability to plan for the present and future generations;
- . A framework to implement continuous improvement in Asset Management;
- . Meeting community needs and expectations;
- . Management of Council’s risk;
- . Achievement of better resource efficiency through the use of integrated systems; and
- . Compliance with State and Federal legislation.

In developing this Policy, the Council recognises the importance of Infrastructure assets to its community as:

- . They are vital to the performance and growth of the local, state and national economy;
- . The quality of assets effects every member of the community and is critical to the community's standard of living;
- . Decisions today impact on future generations;
- . Infrastructure assets represent a large community investment; and
- . The Council has limited financial resources therefore it is imperative that these limited funds are spent wisely.

### ***RESPONSIBILITY***

The Council:

- . This policy is enacted through the Council, as custodians of the community assets, to demonstrate the organisation's commitment to the Council's vision and strategic objectives through an integrated and resourced asset management framework, set of processes and practices.

The Asset Management Team:

- . The function of the team is to overview the implementation of this policy and to provide the strategic direction for Asset Management. The Core function of the team is to ensure the needs and obligations of the Council are being fulfilled on behalf of the community.

The Asset Management Team consists of the following:

- . General Manager
- . Director Community Services
- . Director Infrastructure Services
- . Director Organisational Services
- . Asset & Facilities Group Leader
- . Finance Group Leader

### ***STANDARD (INCLUDING RELEVANT LEGISLATION)***

This Asset Management Policy has been developed in accordance with the International Infrastructure Management Manual 2015 and associated documents, , the National Asset Management Strategy (NAMS) and the Local Government Act 1993 sections 70C and 70F and the Local Government (Content of Plans and Strategies) Order 2014.

### ***REVIEW***

This policy will be reviewed every three years, unless organisational and legislative changes require more frequent modification.

### ***RELATED DOCUMENTS***

- . Central Coast Council Strategic Plan 2014–2024
- . Corporate Folder (incl. LTFP)
- . Risk Management Policy

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17 July 2017