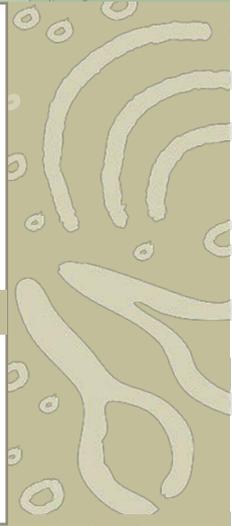




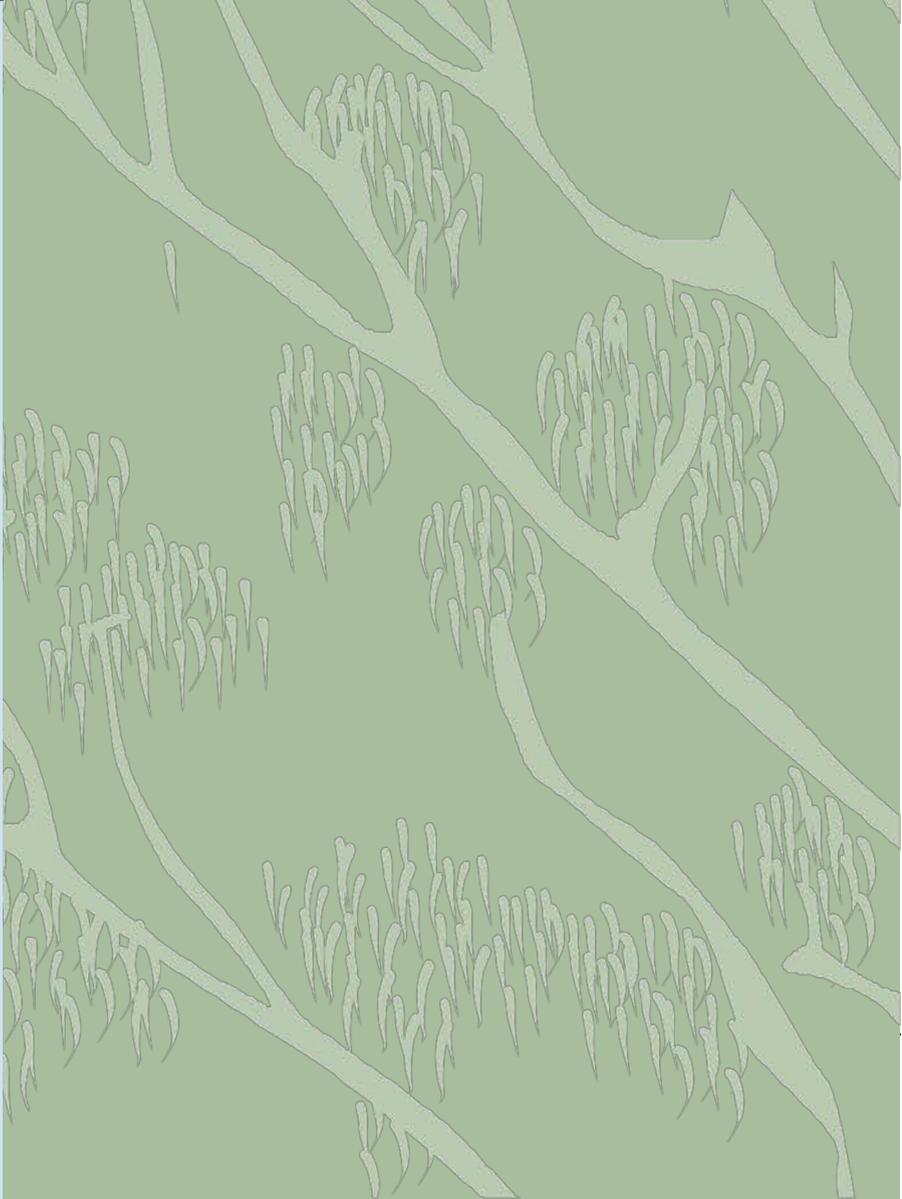
Ku-ring-gai Council

Asset Management Policy



Version No. 2

Adopted 26 August 2014





Council Policy

Asset Management Policy

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Controlled Document Information

Authorisation Details

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Related Document Information, Standards & References

Related Legislation:	Local Government Act 1993 (NSW) Local Government Amendment (Planning and Reporting) Act 2009	Section 8 of the act outlines councils responsibilities for accounting and managing public assets Section 403 of the act requires Council to have a Resourcing Strategy which includes an Asset Management Planning component
Related Documents	Community Strategic Plan 2030 Resourcing Strategy 2014 -2023 Delivery Program 2013-2017 and Operational Plan 2014/2015 Asset Management Strategy 2014 – 2023 Asset Management Plans Procedure for New, Upgraded, Renewed and Disposed assets	The policy integrates with Council's Integrated Planning and Reporting documents. The Asset Management Policy guides the asset management strategy, plans and procedures
Other References	Integrated Planning and Reporting Guidelines for Local Government in NSW March 2013 Local Government Code of Accounting Practice and Financial Reporting 2013 Australian Accounting Standards - AAS116	The Policy was developed in line with the IP&R guidelines and manual. The accounting standards and code define how our assets are accounted for.

Version History

Version Number	Version Start Date	Version End Date	Author	Details and Comments
1	04/02/2009		Deborah Silva	
2			Vanessa Young	This version of the policy has been updated to align with Councils current asset management practices and legislation.

Policy

Purpose and Objectives

Purpose

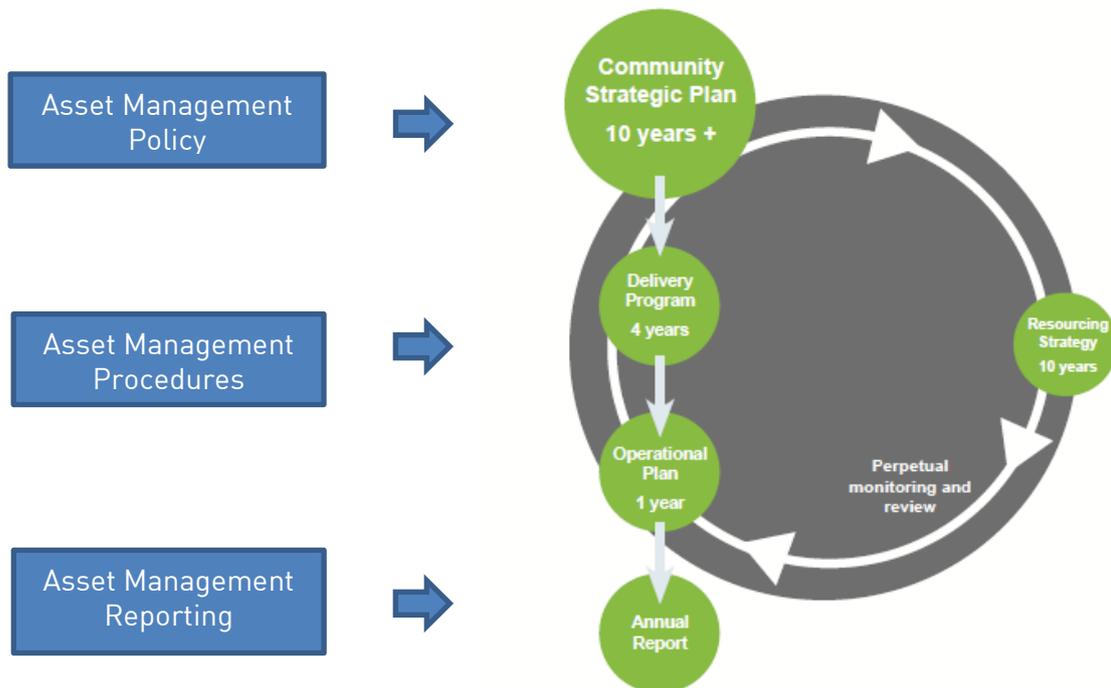
The purpose of the policy is to demonstrate Ku-ring-gai Councils commitment to the responsible management of Council's assets. The policy sets the guidelines for implementing consistent asset management processes throughout Ku-ring-gai Council.

Objective

To ensure that adequate provision is made for the long-term management of Councils 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.
- Implementing appropriate asset management strategies and appropriate financial resources for the preservation of assets.
- Creating and sustaining asset management awareness across the organisation through training and development
- 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 best practice.

Figure 1 Councils Asset Management aligns with the Integrated Planning and Reporting Framework



Scope

This policy applies to all asset classes owned by council. Council's asset classes identified in the asset hierarchy are:

- Buildings and land
- Roads and Transport
- Stormwater Drainage
- Recreational Facilities
- Fleet and Plant
- Information Technology

Other assets accounted for include library books, furniture and fittings, and office equipment.

Responsibilities

The following key roles and responsibilities are identified in the management of this policy:

Council

Council is responsible for:

- Providing stewardship
- Adopting a corporate asset management policy and strategy
- Considering the impact of financial and service level decisions on Councils assets

Asset Management Steering group

The Asset Management Steering Group is responsible for:

- Reviewing the Asset Management Policy and strategy and ensuring integration with the Long Term Financial Plan and other IP&R documents
- Monitoring the implementation of asset management policy, strategy and plans
- Developing and reviewing processes and practices to ensure assets are managed effectively
- Ensuring that asset information is captured and updated into asset registers
- Operating within the agreed Terms of Reference

Directors/Managers

Directors and Managers are responsible for:

- Allocating resources to the Implementation of the Asset Management Strategy and Plans
- Ensuring that actions identified in the Asset Management Strategy (improvement plan) are completed within timeframes
- Developing and implementing maintenance and capital works programs in accordance with the integrated planning and reporting documents
- Delivering levels of service to agreed risk and cost standards
- Managing infrastructure assets in consideration of long term sustainability
- Presenting information to Council on lifecycle risks and costs
- Ensuring that individual asset management responsibilities are identified in staff work plans

Policy Statement

Asset Management Principles

- An Asset Management Strategy exists for implementing systematic asset management and appropriate best practice throughout Council
- All relevant legislative requirements together with social, political and economic environments are to be taken into account in asset management
- The asset management plans are developed and updated for each asset class. The plans are informed by community consultation and financial planning and reporting.
- An inspection process will be developed for each asset class to ensure agreed service levels are maintained and to identify asset renewal priorities
- Service levels will be developed and defined in each asset management plan. The service levels will form the basis of annual budget estimates
- Future service levels will be determined in consultation with the community
- Renewal plans will be developed based on service levels, condition and risk
- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading existing services and assets

Policy implementation

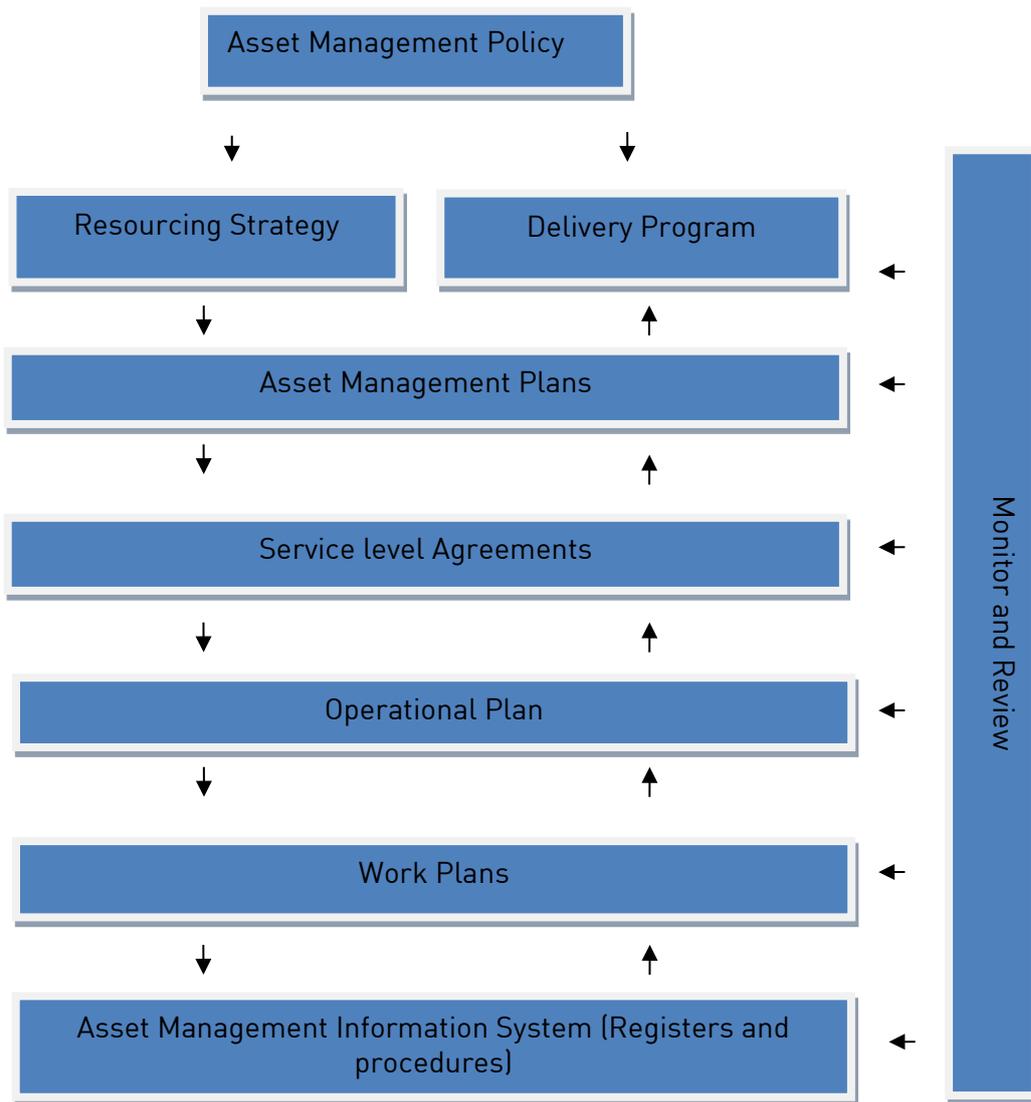
Council's assets will be managed in the most cost effective manner, driven by defined service levels and performance standards. This will require ongoing assessment of the following key issues:

- a) customer and community expectations;
- b) strategic and corporate goals;
- c) long term financial model; and
- c) legislative requirements.

This should be achieved through strategic planning, service level review, output review, and development/implementation of the asset management framework.

The Asset Management Steering Group will oversee the implementation of the asset management framework as identified in Figure 2.

Figure 2: Asset Management Reporting



Definitions

Term	Definition
Asset	A physical item owned by council that has economic value and enables services to be provided.
Asset life cycle	The life of an asset; from its acquisition to its disposal.
Asset Management Information System	An asset management information system is a combination of processes, data and software applied to provide the essential outputs for effective asset management such as reduced risk and optimum infrastructure investment.
Asset management	Asset management (AM) is a systematic process to guide the planning, acquisition, creation, operation and maintenance, renewal and disposal of assets.
Asset Management Plan	A plan developed for the management of an asset class that combines multi-disciplinary management techniques (including technical and financial) over the life cycle of the asset, in the most cost effective manner to provide a specified level of service.
Asset Management Strategy	The Asset Management Strategy is a component of the Resourcing Strategy. It demonstrates how our assets support service delivery in consultation with the community and within available funding.
Asset register	A record of asset information including inventory, historical, financial, condition, construction, technical, and financial details.
Infrastructure asset	Infrastructure assets are typically large, interconnected networks or portfolios of composite assets, comprising components and sub-components
Level of service	The defined service quality for a particular activity or service area against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.
Life cycle cost	The total cost of an asset throughout its useful life.
Operational Plan	The Operational plan comprises detailed implementation plans and information with a 1-year outlook (short-term). The plans typically cover operational control to ensure delivery of asset management policy, strategies and plans. The plans also detail structure, authority, responsibilities, defined levels of service and emergency responses.
Useful life of an asset	The period over which a depreciable asset is expected to be used