

Asset Management Policy and Strategy 2017-2021

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REVIEW	Next review 2021 (Within 12 months of Council election)
RESPONSIBLE EXECUTIVE	General Manager City Asset & Environment (As Chair of Services and Asset Management Steering group –SAMS)
POLICY OWNER	Manager Infrastructure (Sponsor) Senior Asset Management Analyst (Responsible Officer)

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1. Purpose of the Policy

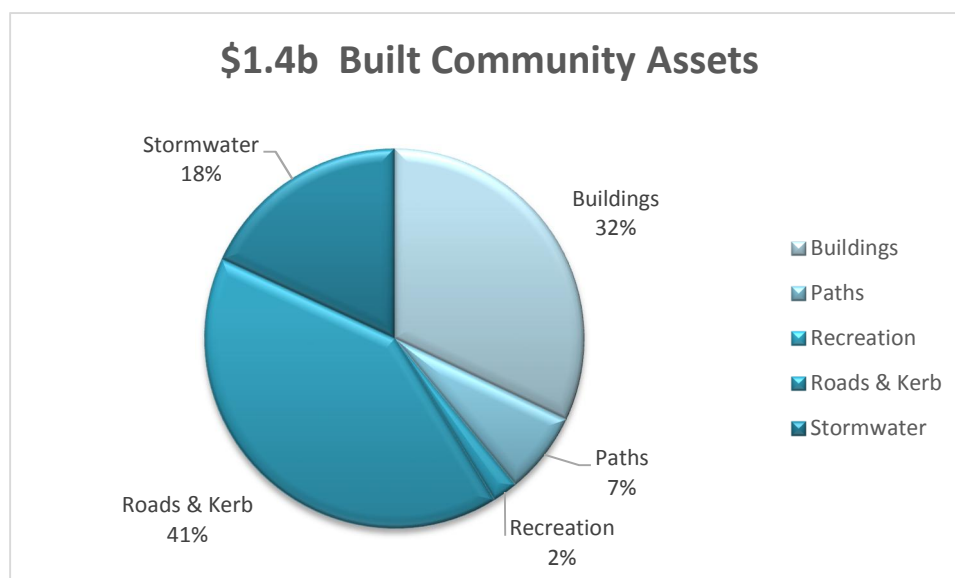
This policy establishes the guiding principles and strategic direction for continuous improvement of Kingston Council's proficiency and maturity in its stewardship of over \$1.4billion of built assets that Council manages on behalf of the community.

These principles and objectives are further articulated in Kingston 2035 and Council Plan 2017-2021 where the need to align service outcomes with asset planning is reinforced.

Asset Management is a systematic and integrated process that endeavors to provide cost effective management of asset infrastructure that supports the delivery of Council services to defined service level targets. Timely and targeted investment in asset infrastructure delivers financial and socially sustainable outcomes, which strives to meet current and future needs of the community.

The \$1.4billion of built community assets, include roads, footpaths, carparks, drainage, buildings, playgrounds, bicycle networks and a wide range of recreational facilities. These assets are located on \$0.76billion of Council owned properties and/or on road reservations, and/or Committee of Management locations such as the foreshore. Council's overarching vision for Kingston is articulated in 'Our Roadmap' Council Plan 2017-2021.

This strategic policy is underpinned by an Asset Management Action Plan that identifies the priorities and responsibilities for achieving continuous improvement toward best practice. The Action Plan along with the development of Asset Management Plans is overseen by the Services and Asset Management Steering group (SAMS). Aligning service and asset planning supports the integrated approach to business plans, strategic plans, long term financial plans, 'Our Roadmap' Council Plan 2017-2021 and legislative requirements.



2. Scope

This policy applies across all departments of Council, including areas that do not have direct responsibilities for managing infrastructure assets however utilise Council assets as a fundamental requirement for the delivery of services to the community.

With a broad range of custodial assets types and conditions, asset management needs to be flexible and innovative to achieve balanced and cost effective outcomes for the benefit of the community. This policy identifies four strategic outcomes that together form the foundation of best practice Asset Management.

1. **Compliance** – Council is and can demonstrate compliance to legislated responsibilities.
2. **Framework** – Continued development of an integrated framework of service, asset and financial planning that supports better informed decision making.
3. **Sustainable** – Decisions are made with regard to demographic need, financial modeling and whole of life costing.
4. **Accountable** – Transparent, honest and performance based reporting to the community.

This policy does not directly to apply to property management and consumable assets such as fleet, equipment, office furniture, computer hardware or software.

3. Responsible Executive

General Manager City Assets and Environment.
(Chair of Service and Asset Management Steering group)

4. Policy owner

Manager Infrastructure, is delivery sponsor of this policy.

All Council's senior officers will contribute to the implementation of this policy.

5. Delegation Authority

Authority and responsibilities for management of assets are recognised in position descriptions, departmental business plans and the Instrument of Delegations.

6. Policy Statement

This policy is aligned to Council Plan 2017-2021 which recognises within each of its five key goals the strong linkages between assets, provision of services and planning for the future needs of the Kingston community.

Goal 1 - Our well planned, liveable city supported by infrastructure to meet future needs

Goal 2 - Our sustainable green environment with accessible open spaces

Goal 3 - Our connected, inclusive, health and learning community

Goal 4 - Our free moving safe, prosperous and dynamic city

Goal 5 - Our Well Governed and responsive organisation

7. Policy Implementation

Asset Management requires a whole of organisation approach. While infrastructure assets are built assets such as roads, drains, buildings and recreational facilities, they underpin Council's core service delivery functions. This requires strong and cooperative internal relationships between departments focused on service outcomes and departments charged with the maintenance, renewal and development of infrastructure assets.

A Service and Asset Management Steering group (SAMS) was established mid-2017 to guide the development and alignment of strategic service and asset planning to facilitate cross pollination of strategic objectives into an integrated framework. A driver for the establishment of this steering group is to prepare Kingston for changes to legislation that are slated in a review of the Local Government Act to be tabled in Parliament mid-2018.

An exposure draft of legislative changes released in December 2017 indicates the New Act when tabled in Parliament will include the following requirements:

- (1) A Council must develop, adopt and keep in force an Asset Plan.
- (2) The scope of an Asset Plan is a period of at least the next 10 financial years.
- (3) An Asset Plan must include the following—
 - (a) Information about maintenance, renewal, acquisition, expansion, upgrade, disposal and decommissioning in relation to each class of infrastructure asset under the control of the Council;
 - (b) Any other matters prescribed by the regulations.

7.1 Policy Strategic Themes

Compliance

- That Council is compliant with legislative requirements of the Local Government Act 1989 (including any amendments), Road Management Act 2004 and responsibilities as a land owner and Committee of Management.

Framework

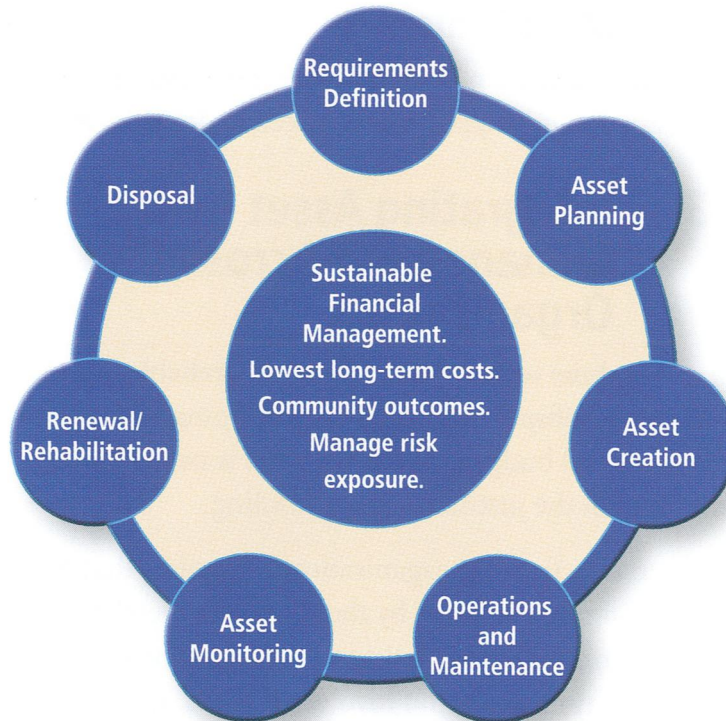
- Provides interconnectivity and alignment of Asset Management Plans with the Council Plan, strategic service plans and the Long Term Financial Strategy.
- Facilitates the development of a balanced and sustainable Capital Works Forward Plan that works toward the objectives of Council Plan 2017/2021 and aspirations of Kingston Vision 2035.
- Consultations with the community that ensure their needs are understood and inform the development of Asset Management Plans.
- Clarity of roles and responsibilities within the organisation.

Sustainable

- That Council has a long term strategy to sustainably manage, maintain and renew its community assets to meet the needs of a changing population demographic, within its own financial capacity.
- Facilitate continuous improvement of asset management practices, including staff and Councillor training to build understanding and capacity.
- That asset management gives regard to asset performance and financial implications of 'Whole of life costs' and the categorisation and reporting of maintenance, renewal, upgrade and new expenditure.

Accountable

- Inform the community through the Annual Report the progress and performance of Asset Management at Kingston.
- Ensure compliance to this policy is annually reviewed by CEO, with a formal review of strategy objectives by Council, within 12 months of Council elections.



Source – *International Infrastructure Management Manual*
Asset Lifecycle

7.2 Responsibilities & Relationships

Asset Management is a whole of organisation approach requiring clarity of roles and responsibilities, along with defined relationships and reporting requirements.

There are two high level roles for oversight of Asset Management: Council sets the policy and strategic direction and; the CEO guides implementation to achieve these strategic objectives.

Council

- Act as stewards for infrastructure assets.
- Articulate and approve Council's vision for the future.
- Set sustainable financial and Level of Service objectives
- Approve Annual Budgets, Capital Programs, and Long Term Financial Strategy.
- Approve strategic and master plans that work towards Council's vision.
- Approve the Asset Management Policy and Strategy
- Receive half yearly updates on AM performance.

Chief Executive Officer – CEO

- Ensure Council's legal obligations are met.
- Ensure appropriate resources for asset management activities are made available.
- Oversee continuous improvement of Asset Management capability of the organisation.
- Review, evaluate and report to Council and Audit Committee annually on the Asset Management performance of the organisation.

- Approve Asset Management Plans:
 - Ensuring they have been informed by appropriate community consultation.
 - Are compliant with local government financial framework.
 - Aligned with service strategies and Council Plan.
- Ensure accurate and reliable information is presented to Council.
- Ensure the alignment of AM Policy, Strategy, with Council Plan and the Long Term Financial Strategy.

The Chief Executive Officer responsibilities are supported by:

- Corporate Leadership Group.
- Service and Asset Management Steering group (SAMS).
- Departmental Managers and Senior Officers.
- Asset Management Team.

7.3 Capacity Building

All Council services have a dependency on well-maintained assets to deliver uninterrupted services at agreed standards to the community.

This organisational knowledge and capacity will be developed through:

- Service and Asset Management Steering group (SAMS).
- Annual Asset Management reports and/or presentation to Councilors.
- Ongoing development of asset management and customer service systems.
- Accessible information via internet, intranet and newsletters.
- Implementation and delivery of AM Improvement plans.
- A skills matrix identifying skill levels required; gaps in knowledge and targeting training to address short falls.

7.4 Policy Performance

The successful management of this policy will be measured by:

- Alignment of strategy implementations with approved Council objectives.
- Compliance audits confirming legislative requirements are being met.
- Continuous improvement of NAMAFA core maturity rating score.
- Demonstrating continuous development and progression through achievement of actions in AM improvement plans.
- Sustainable management of Asset Renewal Gap.
- Annual review and adoption of a Capital Works Forward Plan.
- Assets are meeting service level expectations.

8. Exemptions

This policy does not apply to property management or short life (consumable) assets. For example fleet, equipment, office furniture, computer hardware or software.

9. Related Documents

- Legislative Compliance - Local Government Act 1989 (Under review in 2017-18)
 - Road Management Act 2004

Council Documents	Review Cycle	Endorsement
Living Kingston 2035		Council
Council Plan	4 Years with annual review	Council
Council Plan – Action Plan	Annual report	Council
Asset Management Policy and Strategy	Within 12 months of election	Council
Asset Plan	In accordance with Local Government Act	Council
Asset Management Action Plan	Half Yearly Review	CEO SAMS
Asset Management Plans (AMP's)	4 yearly strategic review Annual financial review	CEO SAMS
Road Management Plan (RMP)	Within 12 months of election	Council
Long Term Financial Strategy (LTFS)	Annual review	Council
Capital Works Forward Plan (CWFP)	Annual review	Council
Strategic Service Plans	As required	Council
Department Business Plans	Annual review	CEO

10. Transition/Translation arrangements

Policy commencement date upon confirmation of Council.

11. Review

This policy will be formally reviewed by Council within 12 months of Council elections.

Performance and compliance to this policy will be assessed and reviewed by the SAMS group and reported to the Audit Committee, CEO and Council in half yearly reviews.