

# ASSET MANAGEMENT POLICY

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## 1. OBJECTIVE

In line with the Strategic Community Plan 2016-2026, this policy provides integrated infrastructure management approach for management of City assets to best serve the community aspirations through sustainable asset management practises.

The Asset Management Policy, together with the Asset Management Strategy and Asset Management Plans, will achieve the following outcomes:

To demonstrate effective leadership in the sustainable management of the natural and built environments by:

- Delivering financial sustainability through making decisions that lead to a cost effective asset base, by focussing on asset renewal, rationalising under-utilised assets and limiting asset expansion unless justified by the support of economic and social development;
- Identifying funding to support and maintain our infrastructure;
- Providing a framework for transparent and responsible asset management processes that align with demonstrated best practice; and
- Identifying responsibilities and accountabilities for asset management.

To work with our community by:

- Involving the community in determining appropriate Levels of Service;
- Providing services and infrastructure that supports the agreed Levels of Service; and
- Ensuring that appropriate services are provided in a sustainable manner for future generations.

## 2. EVALUATION

The City has a four-year asset evaluation and planning cycle in line with the integrated planning cycle which commenced 30 June 2012. All assets are to be valued at least once per three-year cycle to establish their fair value as per current Accounting Standards.

The key performance indicators of Asset Consumption Ratio (ACR), Asset Sustainability Ratio (ASR) and Asset Renewal Funding Ratio (ARFR), as set out by the Department of Local Government Integrated Planning and Reporting Advisory Standard, are to be calculated and reported to the Council and community annually.

The Asset Management Policy together with Asset Management Strategy and Asset Management Plans will be linked to the Corporate Business Plan, the Long Term Financial Plan, the Annual Budget, and the Annual Report.

## 3. CONSEQUENCES

This policy represents the formal policy and expected standards of the Council. Appropriate approvals need to be obtained prior to any deviation from the policy. It is imperative that Councillors and Officers retain appropriate documentation to substantiate their expenditure. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the Council.

## 4. ROLES AND RESPONSIBILITIES

Roles and responsibilities are listed as below for Council, Chief Executive Officer, Asset Management Working Group and Executive Management Group (Directors and Managers).

### 4.1. Council

- Custodianship of infrastructure and other City owned assets;
- Setting strategic direction through the Asset Management Policy and Plan;
- Determining priorities for asset funding with reference to community feedback;
- Allocation of appropriate resources for the management of the City assets;
- Providing support for establishment of services that will balance community aspiration and financial sustainability;
- Providing support and resources for acquisition, maintenance, and management of assets that serves both current and future community needs.

### 4.2. Executive Management Group (Executive and Managers)

To promote effective asset management in the City of Karratha by:

- Facilitating community involvement in asset management;
- Monitoring and reviewing the City's performance in managing its assets;
- Promoting asset management throughout the organisation and providing support to staff in implementing best asset management practises.
- Administering the compliance requirement of asset management;
- Reviewing and monitoring of Asset Management improvement program;
- Overseeing the implementation of strategic asset management procedures, guidelines and policies for asset management;
- Overseeing the asset management practices to ensure efficient and competent operations;
- Administering the development and implementation of Asset Management Policy, Asset Management Strategy, and Asset Management Plans.
- Planning, delivering and managing the provision of services to the community in line with other relevant City of Karratha Plans, Strategies and Policies;
- Planning for future services required including the level and standard of the service;
- Addressing non-compliance issues for assets in liaison with Asset Managers and Maintenance Managers.
- Planning, carrying out and managing all reactive and proactive maintenance and operational activities.

### 4.3. Asset Management Working Group

The Asset Management Working Group has been established to meet the best practise asset management principles identified in the National Asset Management Framework. The membership of the group comprises following positions of the organisation.

- Director – Corporate Services (Chairperson)
- Director – Strategic Projects and Infrastructure
- Manager – Financial Services/CFO
- Asset Management Coordinator
- Manager – Information Technology
- Manager – Infrastructure Services
- Manager – Airport Services
- Manager Recreation Facilities
- Manager Community Services
- DAO – Corporate Service (Minute taker)

The primary role of the Asset Management Working Group is to provide support and input into the collection of asset management and through the promotion of asset management across the organisation. The key functions of the Asset Management Working Group are:

- Promote asset management within the organisation;
- Provide organisational wide inputs to Asset Management;

- Provide guidelines and support for asset management;
- Establish organisation policy and strategy for asset management;
- Consider opportunities for integration of processes between various areas of the organisation from an asset management perspective;
- Provide input into the development and review of procedures and processes, activity of sub groups, system configuration and requirement, asset management performance reports;
- Provide input into the development of asset management plan, policy, and strategy.

## 5. REVIEW OF POLICY

This Policy is reviewed internally for applicability, continuing effect and consistency with related documents and other legislative provisions. Notwithstanding the above, this Policy is to be reviewed at least every two years for relevance and to ensure that its effectiveness is maintained.

## 6. REFERENCES TO RELATED DOCUMENTS

- *Local Government Act 1995*; and
- Australian Accounting Standards (AAS)
- Strategic Community Plan 2016-2026
- Corporate Business Plan 2016-2021
- Operational Plan 2016-2017
- Asset Management Plan
- Asset Management Strategy

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Next Review:	February 2019
Responsible Officer:	Manager Financial Services/CFO

*This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.*