



Policy

ASSET MANAGEMENT

Responsible Officer: GENERAL MANAGER

Date: 19 September 2023

Review Date: 19 September 2027



KING ISLAND COUNCIL

1. Purpose

- 1.1** Central to King Island Council's (Council's) asset management approach is our aim of delivering sustainable, cost-effective, and reliable infrastructure services that will:
- (i) optimally and sustainably manage our assets;
 - (ii) protect and enhance the environment;
 - (iii) strike the right balance between asset cost and quality of service, and
 - (iv) support the King Island community's lifestyle and economy now and in the future.

2. Scope

- 2.1** This policy defines the intention and methodology for asset management within Council. It includes Council's approach to managing our assets in support of fulfilling Council's core obligations to ensuring maximum value is obtained from asset investment and operation.
- 2.2** This policy covers all activities that support the management of Council's assets: strategic planning, capital investment and renewal, operations and maintenance, and the people and processes involved with them.

3. Policy

3.1 RELATED DOCUMENTS

This policy is to be read in conjunction with the following documents, as updated from time to time:

- (i) Asset Management Strategy and associated Asset Management Plans
- (ii) King Island Council - Strategic Asset Management Plan (SAMP) 2022-2031
- (iii) Risk Management Policy
- (iv) Risk Management Framework
- (v) Risk Management Strategy
- (vi) King Island Council Strategic Plan 2022-2032
- (vii) King Island Council Long-Term Financial Plan 2022-2031
- (viii) King Island Municipal Emergency Management Plan - Issue 9

3.2 COMPLIANCE

Council's practices for strategically managing its assets have been designed in compliance with the ISO55000 series for Asset Management, and the IPWEA International Infrastructure Management Manual (2015). This policy ensures



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compliance with the requirements of the *Local Government Act 1993* (Sec 70C) and the *Local Government (Content of Plans and Strategies) Order 2014*.

The policy ensures Council's asset management practices support and align with its Strategic Plans and Long-term Financial Plans. The policy also ensures Council's asset management practices support its financial reporting and asset valuation obligations under the *Local Government Act 1993* (Sec 84).

3.3 COMMITMENT

That the Council:

- a) Supports the application of sound asset management principles to achieve agreed levels of service in the most sustainable manner through the acquisition, maintenance, operation, renewal, and disposal of its assets for the benefit of current and future generations.
- b) Ensures its Asset Management Systems for managing key asset data (attributes, condition, and values) are developed and maintained to support informed decision-making in setting asset renewal and maintenance programs and budgets, and meeting Council's strategic and financial planning and reporting obligations.
- c) Develops a 10 year Strategic Asset Management Plan (SAMP) for all major asset classes. The SAMP will be reviewed periodically to ensure alignment with Council's Strategic Plan and Long-term Financial Management Plan.
- d) Develops an Asset Management Plan (AMP) for the King Island Airport. The scale and criticality of the airport asset warrants a stand-alone AMP that is periodically reviewed to ensure alignment with Council's Strategic Plan and Long-term Financial Management Plan.
- e) Sets the levels of service delivered by its assets and documents these in its SAMP. Levels of service are a key input in determining the resources required to sustainably and effectively manage and operate Council's assets.
- f) Will consider the relevant *whole of life* costs when deciding on the acquisition of new assets, fully accounting for the capital and ongoing costs of ownership, including operation, maintenance, renewal, and ultimate disposal of the asset.
- g) Will prioritise asset acquisition and ongoing maintenance and renewal programming decisions by the application of sound risk management principles, agreed service levels and asset needs, within the resources available.
- h) Will consider and incorporate climate change and mitigation measures into its plans for asset acquisition and renewal strategies.
- i) Will strive to continuously improve its maturity in asset management



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practices and seek efficiencies in work practices and processes associated with asset construction, operation, and maintenance.

3.4 RESPONSIBILITIES

Responsibilities for the delivery of asset services and the management of the various asset classes are assigned and defined in Council’s Asset Management Strategy.

Council officers with responsibilities under this Policy will be provided with the necessary training and resources to ensure this policy is effectively implemented and complied with.

4. Legislation, Terminology and References

Applicable legislation:

All laws in connection with asset management including but not limited to:

- *Local Government Act 1993 (TAS)*
- *Local Government (General) Regulations 2015 (TAS)*

Definitions	
<u>Term</u>	<u>Meaning</u>
Assets	For the purposes of this policy, assets are future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12). Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 months.
Asset Management	The combination of management, financial, economic, engineering, and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
Major Asset Classes	Those asset classes required to be incorporated into Council’s Strategic Asset Management Plan and include: <ul style="list-style-type: none"> • Roads and Transportation Assets • Bridge and Drainage Assets • Building Assets



Policy	This Asset Management Policy prepared in accordance with Section 70C of the Local Government Act.
Service Levels	The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).
Whole of life costs	Means the calculation of the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation, and disposal costs.

References:

ISO 55001:2014 Asset Management

IPWEA International Infrastructure Management Manual (2015)

History:

Any previous policies used by Council:

C171 Asset Management	18/11/03 Policy Adopted – Res No: 433/03
Asset Management	18/9/18 Policy Adopted – Res No: 168/18

POLICY VERSION AND REVISION INFORMATION

Title: Asset Management

Policy Maintained by: General Manager

Policy first commenced: 15/07/03 Council endorsed the actions of the General Manager in implementing an Asset Management Improvement program – Res No: 281/03

Policy Review: 19 September 2027

Version No	Date	Resolution No	Responsible Officer
1.0	19.9.2023	195/23	General Manager



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