



Policy

ASSET MANAGEMENT

Responsible Officer: GENERAL MANAGER

Date Adopted: 18 September 2018

Review Date: 18 September 2021

1. Purpose

- 1.1** Central to King Island Council's (Council) asset management approach is our aim of delivering affordable, resilient and reliable services to the municipality of King Island that will:
- (i) provide high quality services;
 - (ii) protect and enhance the environment
 - (iii) optimally and sustainably manage our assets; and
 - (iv) support King Island's community and economy now and in the future.

2. Scope

- 2.1** This policy defines the intention and methodology for asset management of 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, 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:

- (i) Asset Management Strategy and associated Asset Management Plans
- (ii) Risk Management Policy
- (iii) Risk Management Framework
- (iv) Risk Management Strategy
- (v) Strategic Plan 2019-2029
- (vi) Council's Long-Term Financial Plan 2018-2028
- (vii) King Island Municipal Emergency Management Plan
- (viii) King Island Council Business Continuity Plan

3.2 COMPLIANCE

Council will demonstrate adherence to best practice asset management processes and systems that are consistent with ISO 55001:2014 Asset Management, supported by improving the quality of our assets, cost management and customer intelligence. We will do this whilst ensuring we are



compliant with relevant legislative and statutory requirements including the *Local Government Act 1993* (TAS).

3.3 PERFORMANCE

This policy requires enhanced working practices and the development of Council's asset management capabilities. With these, Council will be better able to deliver our performance ambitions for an efficient and acceptable cost through robust asset management by the way in which we invest in, operate, repair, maintain, improve and decommission Council's assets.

Accountability for this policy and its implementation is detailed in the Asset Management Strategy which has four strategic goals that link it to this policy and to Council's strategic vision. Council will:

- (i) put the King Island community's priorities at the heart of everything we do;
- (ii) make effective, risk-based decisions based on strong evidence;
- (iii) deliver capital and operational interventions safely and efficiently; and
- (iv) work collaboratively across King Island and the supply chain to ensure that we all succeed.

3.4 CONTINUOUS IMPROVEMENT

Over time we will build our capability and become more effective in the management of Council's assets, continually improving on how Council plans and operates, and ultimately delivering a better service to our customers.

3.5 TRAINING

Council will provide all persons covered by this Policy with appropriate training so they are made aware of their responsibilities and obligations under the Policy.

3.6 AMENDMENT

Council retains the sole discretion to vary, terminate or replace this Policy from time to time. Council will consult before amendments are made and will notify and train those the amendments apply to.



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)*
- *ISO 55001:2014 Asset Management*

Definitions	
<u>Term</u>	<u>Meaning</u>
Assets	For the purposes of this policy, assets are defined as the service potential or future economic benefits controlled by Council as a result of past transactions or other events. There are two types of assets, physical assets or non-physical assets . This policy only considers physical assets.
Council	King Island Council
Future Economic Benefits	are those benefits derived from the asset beyond the current accounting period, hence the asset must have a useful life greater than 12 months (i.e. non-current).
Non-physical assets	are intangible: e.g. intellectual property, trade marks, goodwill, equity investments.
Physical assets	are tangible e.g. cash, plant, buildings, infrastructure, land.
Policy	This Asset Management Policy.
Service Potential	is the economic benefit derived by Council through the use or sale of the asset. Increases in service potential may be derived from greater capacity, efficiency, useful life, or economy of operation.



References:

ISO 55001:2014 Asset Management

Responsible Officer:	General Manager
Policy first adopted by the Council:	15/07/03 Council endorsed the actions of the GM in implementing an Asset Management Improvement program – Res No: 281/03
History	
C171 Asset Management	18/11/03 Policy Adopted – Res No: 433/03
Asset Management	18/9/18 Policy Adopted – Res No: 168/18
Policy to be Rescinded:	C171 Asset Management
Next Review Date:	18 September 2022 (every four years in line with legislative requirements)



KING ISLAND COUNCIL