
Cessnock City Council Asset Management Policy

Date Adopted **16/03/2022** Revision: **4**

1. POLICY BACKGROUND

1.1. It is an obligation of Cessnock City Council (CCC) to effectively account for and manage its assets having regard to the long term and cumulative effects of its decisions. Council owns a diverse portfolio of assets and uses them to deliver a variety of services to its community. To ensure that CCC and its community remains strong, vibrant and sustainable, a strategic process needs to be established to ensure that Council's assets and associated services are managed effectively. Failure to do this presents a key risk that may prevent CCC from achieving its goals.

2. POLICY OBJECTIVES

2.1. The objective of this policy is to articulate Council's commitment to the responsible management of Council assets. It sets the direction and framework for the management of Council's assets providing clear objectives that will:

- 2.1.1. Integrate Asset Management (AM) with Council's strategic planning i.e. IP&R framework.
- 2.1.2. Detail the guiding principles and holistic approach to AM.
- 2.1.3. Acknowledge funding constraints and plan for the long term sustainable management of assets with particular regards to new assets.
- 2.1.4. Consider the whole of life cost of assets, risk, proactive maintenance and performance.
- 2.1.5. Ensure that Council's services and infrastructure are provided in a sustainable manner with the appropriate levels of service to residents, visitors, and the environment, considering funding constraints.
- 2.1.6. Ensure that sound asset management is fundamental to Council's overall service delivery and resource planning.
- 2.1.7. Incorporate Asset Management into the IP&R Framework.

3. POLICY SCOPE

3.1. This policy applies to all physical assets owned or controlled by Council, assets which are critical to Council's service delivery, and assets which are incorporated in the Community Strategic Plan and Delivery Program.

4. POLICY STATEMENT

- 4.1. Council assets are provided in order to enable the delivery of services to the community. The successful delivery of these services relies on providing and managing a broad range of assets. The management of assets is a key function of Council to ensure assets perform to their service standard set by Council and competing demands are prioritised with limited funds.
- 4.2. The AM Policy, Strategy and Plan for each asset class will provide Council with the AM framework. The AM practices and processes will comply with International Infrastructure Management Manual (IIMM) and be consistent with the Integrated Risk Management Policy and Integrated Risk Management Framework.
- 4.3. The figure over the page demonstrates a step by step approach to the establishment of the AM system used at Cessnock City Council.



- 4.4. In order to realise this, Council is committed to the following principles:
 - 4.4.1. Alignment with the Community Strategic Plan (CSP).
 - 4.4.2. Development of an Asset Management Strategy.
 - 4.4.3. Balance the need between proactive maintenance and renewal of existing assets prior to acquiring new or upgraded assets (except for dedicated assets).
 - 4.4.4. New or upgraded assets will require a co-contribution e.g. external grants or Developer Contributions.
 - 4.4.5. New or upgraded assets will be identified from strategic plans e.g. master plans, strategies etc.
 - 4.4.6. Asset management practices will consider the whole of life cost of an asset, risk, proactive maintenance and performance, with particular regards to new assets.
 - 4.4.7. Funding for all asset purchases, maintenance, rehabilitation and replacement shall be guided by Councils Asset Management Plans and included in the Annual Operational Plan, 4 Year Delivery Program, and Long Term Financial Plan.

- 4.4.8. Development of Asset Management Plans that reflect the asset condition, in conjunction with Councils financial constraints.
- 4.4.9. Account for assets in accordance with the appropriate accounting standard.
- 4.4.10. Assets for renewal will be selected based on a predetermined ranking criteria benefit cost ratio that considers various factors that may include; condition state, functionality, capacity, usage, demand drivers etc.

5. RESPONSIBILITIES

5.1. Council

- 6.1.1 Act as custodians for the community's assets and set levels of service.
- 6.1.2 Set and adopt the Asset Management Policy with linkage to Community Strategic Plan and Resource Plan.
- 6.1.3 Review and adopt Council's Asset Management Strategy in accordance with the Asset Management Policy.

5.2. Executive Leadership Team

- 5.2.1. Provide strategic direction and leadership for asset management.
- 5.2.2. Ensure implementation and ongoing review of the Resource Plan.
- 5.2.3. Ensure that accurate and reliable information is presented to Council for informed decision making.
- 5.2.4. Foster and support a multi discipline approach to functional Asset Management throughout Council.
- 5.2.5. To ensure appropriate resources and funding is available for the strategic actions.

5.3. Managers and Council staff

- 5.3.1. Implement the Resource Plan, Delivery Plan and Operational Plan within agreed resources.
- 5.3.2. Review Asset Management Plans and Strategies, documenting required allocation of funding and improvement plans for individual asset groups, using the principles of life-cycle analysis.
- 5.3.3. Implement maintenance and capital works programs in accordance with Delivery and Operational Plans.
- 5.3.4. Manage assets in accordance with approved service to agreed risk and cost standards.
- 5.3.5. Promote and raise awareness of asset management to the Council, Staff, users, and the community.

5.4. Asset Managers

- 5.4.1. Develop and maintain the Asset Management Policy, Strategy and Plans.
- 5.4.2. Develop and maintain a corporate Asset System and develop procedures to ensure compliance with standards and legislation.
- 5.4.3. Provide Asset Management reports to Council as required.
- 5.4.4. Develop and implement maintenance, renewal and capital works (upgrade/expansion) programs in accordance with Asset Management Plans.

5.4.5. Develop long term financial plans in accordance with available funding.

5.4.6. Undertake condition assessments and valuations periodically.

5.4.7. Assist with the accounting for assets.

5.5. Finance Managers

5.5.1. Assist in the development of Long Term Financial Plan for assets.

5.5.2. Account for assets in accordance with the relevant accounting standard.

5.6. Records Management

5.6.1. Staff must maintain all records relevant to administering this policy in accordance with Council's [Records Management Policy](#).

6. POLICY DEFINITIONS

Act	means the <i>Local Government Act 1993</i> (NSW)
Council	means Cessnock City Council
Council	means a physical component of a facility which has value and enables services to be provided. For the purposes of this policy Council 'assets' include but are not limited to: <ul style="list-style-type: none"> • Buildings • Roads and associated infrastructure including footpaths, kerb & gutter, bridges and car parks • Land • Stormwater infrastructure & drainage • Recreation facilities such as pools, playgrounds, sports fields, and parks • Plant and equipment • Waste facilities and works depots
Asset Management	means the management of assets to a required level of service in the most cost effective manner through a combination of management, financial, economic, engineering and other practices
Asset Management Strategy	means a strategy for asset management covering the development and implementation of plans and programs for asset creation, operation, maintenance, rehabilitation/replacement, disposal, and performance monitoring to ensure that the desired level of service and other operational objectives are achieved at optimum cost
IP&R Framework	Council's Integrated Planning and Reporting Framework

7. POLICY ADMINISTRATION

Business Group	Works and Infrastructure
Responsible Officer	Director Works & Infrastructure
Associated Procedure (if any, reference document(s) number(s))	
Policy Review Date	Three years from date of adoption unless legislated otherwise
File Number / Document Number	DOC2014/002468
Relevant Legislation (reference specific sections)	This policy supports Council's compliance with the following legislation: <ul style="list-style-type: none"> ▪ <i>Local Government Act 1993 (NSW), Section 402-406</i>
Relevant desired outcome or objectives as per Council's Delivery Program	Accessible Infrastructure, Services and Facilities Objective 4.1 – Better Transport links Objective 4.2 – Improving the road network Objective 4.3 – Improving access to health services locally
Related Policies / Protocols / Procedures / Documents (reference document numbers)	<ul style="list-style-type: none"> ▪ Records Management Policy (DOC2019/038769) ▪ Cessnock Community Strategic Plan ▪ 3 Year Delivery Program ▪ Asset Management Strategy ▪ Asset Management Plans ▪ Operational Plan

8. POLICY AUTHORISATIONS

No.	Authorised Function	Authorised Business Unit / Role(s)
1	NIL	NIL

9. POLICY HISTORY

Revision	Date Approved / Authority	Description Of Changes
1	4 May 2011 QS20/2011-1510	New Policy Adopted
2	18 September 2013 PM91/2013-581	Periodic review
3	6 November 2013 PM114/2013-654	Periodic review
4	16 March 2022 WI8/2022	Periodic review