

Report on a page

Council assets are often expensive and need to last a long time. Asset management plans ensure councils know how much it will cost to maintain and replace their assets as they age. This lets them know how much revenue they need from rates and fees, including the servicing of any borrowings.

Collectively, Queensland councils own and operate approximately \$114 billion worth of infrastructure assets. Accurate information on where the assets are, and on their condition and value, helps councils make informed decisions on asset replacement projects, knowing they can afford them for the long term.

This report looks in detail at 5 councils across the state and their approaches to managing their assets. We also surveyed all councils and asked them to self-assess their asset management approaches. We have made recommendations to the 5 individual councils, the whole sector, and the Department of State Development, Infrastructure, Local Government and Planning.

We observed from the self-assessment asset management survey that only 9.6 per cent of councils had an overall maturity average at or above the minimum requirements of the internationally recognised standard for asset management. It highlights the need for stronger leadership to embed asset management processes, including withstanding staff changes and helping councillors to deliver better community services.

Gaps in asset management practices

All 5 councils had developed asset management plans for most of their assets and were using asset information to inform investment decisions for asset projects. However, they could improve the quality of the information to make their decisions by:

- **governance** – putting in place formal governance groups to ensure asset, finance, and service managers consider and challenge asset plans and projects before going to council for approval
- **asset information** – regularly assessing if the asset information has changed because of revaluations, natural disasters, changes in condition, or obsolescence, to keep asset plans up to date
- **reporting** – developing measures and reporting on them so that councils are accountable for how assets contribute to the corporate priorities for the community.

Greater support needed to build asset management capability

The Department of State Development, Infrastructure, Local Government and Planning's sustainability framework shows how local governments can integrate asset planning and reporting with services and budgets. It also requires councils to report on key sustainability measures, including 3 that focus on asset sustainability. It has not produced detailed guidance for how to develop a long-term asset plan or individual asset plans for each asset class. There are no better practice guidelines or minimum requirements showing councils what to cover in their asset plans.

The department has a role in supporting local governments to be sustainable and in monitoring compliance with the *Local Government Act 2009*. It has not documented how it will fulfil this role or how it will identify those councils that need help to address risks to the sustainability of their assets and services.

The department offers training workshops to support asset management capability. In the last 3 years, only 21 per cent of councils participated in the training workshops. The department needs to assess what asset management training council leaders and staff need, so it can work with its partners to tailor its programs to those in most need.

