



Asset Management Policy

Reference Number:	6.9
Type:	Council
Category:	Asset Management
Relevant Community Plan Outcome:	<ul style="list-style-type: none"> • Be bold and innovative in our practices, leadership and decision making. • Adaptive and sustainable management of the City’s finances.
Responsible Officer(s):	General Manager Asset Management Services
First Issued/Approved:	14 July 2009
Minutes Reference:	CoS 3/09/2018, Item 3.44
Last Reviewed:	September 2018
Next Review Due:	September 2020
Applicable Legislation:	Local Government Act 1999
Related Policies:	Asset Accounting Policy, Asset Fund Policy, Environmental Sustainability Policy, Asset Management Operations Group Terms of Reference, Council and Committees - Membership and Terms of Reference, Plant Equipment and Fleet Management Policy
Related Procedures & Documents:	Asset Management Plans –major asset classes Asset Class classification matrix

1. Purpose

To set the guidelines for implementing consistent asset management practice and procedure throughout the City of Charles Sturt.

To ensure adequate provision is made for the long-term management of major Council infrastructure and assets by:

- Ensuring that Council’s services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Safeguarding Council assets including physical assets by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating awareness amongst employees and elected members of their responsibilities for the creation and management of sustainable assets.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified, and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.
- Ensuring an integrated approach across all Business Units in asset management service delivery.

2. **Scope**

This policy applies to Council assets within the City of Charles Sturt that are owned, managed and under the care control and management of Council. There are a number of asset classes governed under their own policy and as such the following asset classes, and the management thereof, are excluded from the scope of this policy:

- Plant and Equipment (including Light and Heavy Fleet)
- Office Equipment and Furniture and Fittings (including Information Technology hardware and software)

3. **Policy Statement**

Context

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets including a vast amount of non-current assets which have been created by Council or transferred to Council at no cost by developers and others to meet increased levels of service or to provide for new communities.

Council's goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most sustainable (including cost effective) manner for present and future generations. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed.

Key actions

Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve Council's strategic service delivery objectives.

A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on:

- Members of the public and staff;
- Council's financial position;
- The ability of Council to deliver the expected level of service and infrastructure;
- The political environment in which Council operates; and
- The legal responsibilities of Council.

3.1 Principles

In accordance with Section 122 of the Local Government Act (SA) 1999 Council is required to have in place a consistent Asset Management Strategy enacted through the existence of regularly reviewed Infrastructure and Asset Management plan(s). Therefore;

- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- Systematic asset management and appropriate asset management best-practice throughout all Portfolios of Council will underpin planning and operational processes.
- Methodical cyclic reviews will be applied to all asset classes to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- Asset renewals required to meet agreed service levels as identified in infrastructure and asset management plans and long term financial plans will be funded as a matter of priority in the annual budget estimates.
- Asset renewals will only be brought forward if they are included in the forecast 4 year program approved in the relevant Asset Management Plan. The only exception is where there is a clearly documented and approved strategic and economic justification via a business case or annual project budget bid.
- Asset information that is created or changes as a result of creating, upgrading, renewing, receiving and disposing of assets owned by or in the custody of Council will flow in a timely fashion to the appropriate Council asset management system(s).

Service Levels

- Service levels agreed through the budget process and defined in Infrastructure and Asset Management Plans will be funded as a matter of priority in the annual budget estimates.
- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- Future service levels will be determined in consultation with the community.

3.2 Roles and responsibilities

Responsibilities and Relationships for asset management at the City of Charles Sturt.

Council and Asset Management Committee

- To set Corporate asset management policy and strategy
- To act as custodians for infrastructure assets.
- To approve Council's asset management plans and monitor their outcomes.

- To recommend agreed levels of service to Council
- To ensure appropriate resources are made available to implement the asset management strategy.

Chief Executive Officer

- To establish and periodically review the Asset Management Policy in line with the Council Policy Framework.
- To review and implement the corporate asset management strategy with agreed resources.
- To monitor and review performance of Council staff in achieving the asset management strategy
- To ensure that accurate and reliable information is presented to Council for decision making.

Asset Management Services Management Team

- To provide coordination for the implementation of asset management across the business units.
- To raise awareness of asset management across Council.
- To develop and review the asset management strategy, policies, and practices.
- To design, develop, review and oversee the implementation of asset management plans for major asset classes.
- To provide leadership in implementing and maintaining asset management per the outlined principles in 3.1.
- To identify resource gaps/issues in implementing asset management plans for major asset classes

Asset Managers To develop asset management plans for major asset classes, using the principle of lifecycle analysis

- To implement improvement plans for individual asset groups
- To implement tactical plans (such as maintenance programs, capital works programs) in accordance with asset management plans
- To deliver levels of service to agreed risk and cost standards
- To present information to the Council and Chief Executive in terms of Community needs, lifecycle, risk and costs.
- To ensure statutory requirements are met
- Annually review Estimated Useful Life (EUL) values and Unit Rates for major asset classes that are used for valuation purposes and ensure any material variations are incorporated into related asset management strategies and plans.

All staff

Any staff member that has a responsibility to program, instigate, govern or oversee work that results in the creation, upgrade, renew, receipt (gifted or otherwise) or disposal of assets that are owned or held in the custody of Council, at the completion of each specific asset's activity and at a minimum interval of each financial end of month close must;

- Collect all required asset information and ensure that all asset information is entered into the relevant Council system(s).

4. Asset Class classification

The linked internal document, Asset Class classification (a table that lists The City of Charles Sturts current infrastructure asset classes in a matrix for the purposes of articulating their asset class type assignment as covered by this Policy).

It should be noted that the rating of an asset class as minor in the matrix does not prohibit the creation of an asset management plan for that class of asset. In many cases, these asset classes may be planned for as part of an overall asset strategy for a group of asset classes. Linked or related groups of major asset classes may be planned for through one consolidated Asset Management Plan.

5. Definitions

A list of all key terms and acronyms that are used in the policy, and their definition.

Key Term – Acronym	Definition
Non-current asset	An asset which is not easily convertible to cash or not expected to become cash within the next year. Examples include fixed assets, leasehold improvements, and intangible assets.
Council system(s)	Information Technology Systems specifically; the asset management system inclusive of asset register(s) and the financial system
Asset class	A grouping of assets having common characteristics that distinguish those assets as a group or type
Major asset class	For the purposes of creating and maintaining asset management plans the City of Charles Sturt has chosen to define a major asset class as an asset class that meets one or many of the following criteria; <ol style="list-style-type: none"> 1. The asset class value, for asset management planning, when expressed as a percentage of the overall valuation of the asset stock considered by this policy is greater than 10% 2. The ongoing life cycle cost of the asset is significant to the City of Charles Sturt. (Including maintenance and other recurrent costs) 3. The asset represents an extreme risk to the City of Charles Sturt either in Safety, the successful delivery of its Community Plan or critical services delivery to the community 4. The ongoing maintenance of the asset class is complex and requires considerable planning
Asset information	Functional, technical and financial information about the asset as dictated by the required fields in the Council systems.