Asset Management Policy

playford.sa.gov.au
1. Purpose
To set the guidelines for implementing consistent asset management practice and procedure throughout the City of Playford.

2. Scope
This policy applies to Council's non-current assets within the City of Playford that are owned, managed and/or under the care control of Council.

Asset Management at Council is the combination of management, financial, economic and technical practices applied to physical assets, with the objective of meeting the required levels of service in the most cost-effective and fit for purpose manner.

This policy applies to all physical assets owned or controlled by Council. Asset categories covered by this policy are categorised as follows:

- Roads, bridges & major culverts
- Stormwater & water delivery infrastructure
- Footpaths & pathways
- Buildings
- Parks & recreation
- Land & vegetation
- Information technology
- Other physical assets such as fleet, plant & equipment

Note: This policy does not include intangible assets, people, intellectual property and financial instruments.
3. Legislation and References

Local Government Act, 1999

Section 99(1)(g) - the function of the Chief Executive Officer includes to ensure that the assets and resources of the council are properly managed and maintained.

Section 122 - Council must develop and adopt an Infrastructure and Asset Management Plan.

Australian Accounting Standards:
- AASB 116 Property, Plant and Equipment
- AASB 136 Impairment of Assets
- AASB 13 Fair Value Measurement

Asset Management Practices
- International Infrastructure Management Manual (IIMM) 2015
- Institute of Public Works Engineering Australia – NAMS.PLUS

2016 – 2020 Smart City, Connected Community Strategic Plan

4. Definitions

Assets are resources controlled by the City of Playford as a result of past events and from which future economic benefits or service potential are expected to flow to the City of Playford. An essential characteristic of an asset is that the City of Playford must have control over the future economic benefits or service such that it is able to enjoy those benefits or services and deny or regulate the access of others to the benefits.

Asset Class is an asset class is a grouping of assets of a similar nature and use.

Asset Management is 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.

Asset Management Plan encompasses all the assets under the City’s control, identify asset service standards, and contain long-term projections of asset maintenance, rehabilitation and replacement costs.
**Asset Management Strategy** provides a road map for improving the efficient management of Council’s assets.

**Councillor** is a person appointed or elected by the electors of a particular ward, as a representative of the ward in the City of Playford.

**Depreciation** is the mechanism by which the depreciable amount of an asset is expensed over its service life. It represents the amount by which the future economic benefits provided by the asset are being consumed over a period of time.

**Employee** is a person employed by the Organisation on an ongoing or fixed term full time, part time and/or long-term casual basis.

**Level of Service** is the defined quality and quantity of services to meet community expectations delivered by Council. In the context of asset management, this applies to assets such as parks and reserves, roads and infrastructure, buildings, drainage, natural areas and traffic and transportation.

**Life Cycle** of activities through which an asset progresses whilst retaining an identity as a particular asset, i.e. from planning and design through to decommissioning or disposal.

**Life Cycle Cost** is the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.

**Net Life Cycle Cost** is the Life Cycle Cost less any income directly derived by an asset throughout its life.

**Non-current assets** are assets which are not easily convertible to cash or not expected to become cash within the next year. Examples include land, buildings, roads, drainage and other infrastructure.

**Organisation** is the local government entity known as City of Playford.

**Renewal** is expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally.

**Service life** is the period that an asset is expected to be available for use by City of Playford.

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5. Policy

Principles

The following principles will be used by Council to guide Asset Management planning and decision making:

- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- Preparation of an Asset Management Strategy which details how this policy is to be implemented;
- Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation, strategic plans and financial planning and reporting.
- Agreed service levels defined in adopted Asset Management Plans and the effectiveness of the current assets to provide that level of service will form the basis of future asset renewal plans and annual budget estimates.
- Current and desired levels of service are defined for asset based services that consider: community expectations; legislative and technical requirements; the cost of service and economic, environmental and social sustainability
- An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- Assets are managed to achieve the lowest possible whole-of-life cost whilst controlling exposure to risk and level of service.
- Systematic and cyclic reviews will be applied to all asset classes to ensure assets are managed, valued and depreciated in accordance with accepted industry practices and applicable Australian Standards.
- Strategic and targeted expansion of the asset base will be undertaken where the benefits to the Community justify the whole of net life cycle costs.
- Developer contributed assets will comply with current engineering, landscaping and weed management standards to ensure they do not become an unnecessary burden on the community.
- A planned approach is taken to the impacts of growth and demographic change through demand management and asset investment using an agreed growth and demographic model.
- Actively identifying and disposing of those assets that are determined to be underutilised, at the end of their useful lives, subject to consultation with the community and determining the impact of non-replacement on the community.
- Utilisation of technological advances relevant to asset management.
- Improving maintenance and rehabilitation practices and ensuring it is in a manner, which is acceptable to the community in terms of financial burden, safety, quality, impact on the environment, need and Council’s ability to fund those works.
- Future life cycle costs will be reported and considered in decisions relating to new services and assets and upgrading of existing services and assets.
- Monitoring its performance in accordance with measures developed as part of its Asset Management Strategy.
- Assets are identified and recorded in a register with the level of detail and accuracy being based on:
  (1) Statutory requirements; and then
  (2) Risk management requirements; and then
  (3) cost/benefit.
- Council will undertake a comprehensive review of its infrastructure and asset management plans within 2 years after each general election of the Council.
6. Responsibilities

Councillors adopt the policy and ensure sufficient resources are applied to effectively manage the assets.

The Chief Executive Officer has overall responsibility for developing asset management business processes, systems, organisational policies and procedures and reporting on the status and effectiveness of asset management within Council.

General Managers and Senior Managers are responsible for developing asset management plans, implementing asset management business processes, systems, organisational policies and procedures.

Managers will be held accountable for the management of assets within their areas of responsibility as determined under the asset management plans and Council’s documented programs and services (organisation chart).

Employees will be tasked with delivering the levels of service defined in the various asset management plans and will be responsible for the timely completion of activities contained within these plans. Employees are also responsible for providing input in to the development of Asset Management Plans where appropriate.

Asset Management Department is accountable for developing and maintaining Asset Management Plans, providing professional advice and comment to other departments of Council in relation to asset management and developing and maintaining an Asset Management Information System to facilitate efficient and effective asset management.

7. Relevance to Strategic Plan

4.2. Strategy 2 - Securing Playford’s Future and Building Value

8. Accessibility

This Policy and supporting documentation can be found on City of Playford’s website and internal intranet Click

9. Feedback

We invite your feedback on this policy which can be directed to the ‘Senior Manager Capital Works & Assets’ - playford@playford.sa.gov.au.

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## Approval and Change History

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