

Asset Management Procedure

Procedure Author	General Manager – City Assets
Date of next review	January 2024

1. Purpose

This procedure outlines the Council's approach to sustainably managing its infrastructure assets for the benefit of current and future communities. It will enable a consistent approach to asset management processes to be developed and embedded across the organisation for the lifecycle of assets.

2. References and Supporting Documentation

This Procedure is to be read in conjunction with the Asset Management Policy and also having regard to, where relevant, the:

- Asset Management Plan(s)
- Australian Accounting Standards:
 - 116 Property, Plant and Equipment
 - 136 Impairment of Assets
 - 13 Fair Value Measurement
- Environmental Strategy

3. Application

Council (Elected body)	<p>Exercise stewardship over infrastructure assets.</p> <p>Set levels of service, risk and cost within available resources.</p> <p>Approve Council's Asset Management policy, procedure and plans.</p> <p>Approve the Annual Business Plan and budget.</p>
Chief Executive Officer	<p>Develop asset management strategies and plans.</p> <p>Report on the status and effectiveness of asset management within Council.</p>
General Manager – City Assets	<p>Develop and review Council policy, objectives, guidelines practices, procedures and systems for asset management.</p> <p>Raise awareness throughout the organisation of the benefits of sound asset management.</p> <p>Integrate the Asset Management Policy and plans into the corporate governance framework.</p>

	<p>Review the asset management roles and responsibilities of managers across the organisation;</p> <p>Coordinate the asset management activities across all asset classes;</p> <p>Advocate a consistent approach to asset management across asset classes;</p> <p>Monitor the performance of assets and report to Council; and</p> <p>Report asset management activities to Executive and Council.</p>
Senior Manager – Assets and Delivery	<p>Monitor and review the Asset Management Policy and Procedure, and individual asset management plans for major asset classes;</p> <p>Review and disseminate asset management information to interested stakeholders.</p> <p>Oversee the progress of individual asset management activities including data capture and preparation of asset management plans.</p> <p>Oversee the condition monitoring assessments for all infrastructure assets.</p> <p>Present information to Council and Executive in terms of life cycle risks and costs.</p>
All Managers	<p>Assist in the development, review and implementation of the Asset Management Policy and Procedure.</p> <p>Implement asset management strategies with agreed resources.</p> <p>Implement operational plans (such as maintenance programs, capital works programs) in accordance with asset management plans and budget.</p>
Asset Management Team	<p>Updating and improving asset system databases, including Council's Graphical Information System (GIS).</p> <p>Undertaking and organising asset condition assessments.</p> <p>Managing the documentation of asset management plans and processes.</p> <p>Assessing and reviewing asset unit renewal costs and useful lives in accordance with Accounting Standard AASB 116 – Property, Plant & Equipment.</p> <p>Modelling for determining asset renewal expenditure.</p>

	<p>Continued implementation of core asset management processes at Council.</p> <p>Continual improvement of asset management processes and procedures.</p> <p>Implementation of the asset management strategy in those areas allocated for action.</p> <p>Managing handover of new, found and contributed assets from capital works and subdivisional development.</p> <p>Developing asset management plans for individual asset classes using principles of lifecycle analysis.</p>
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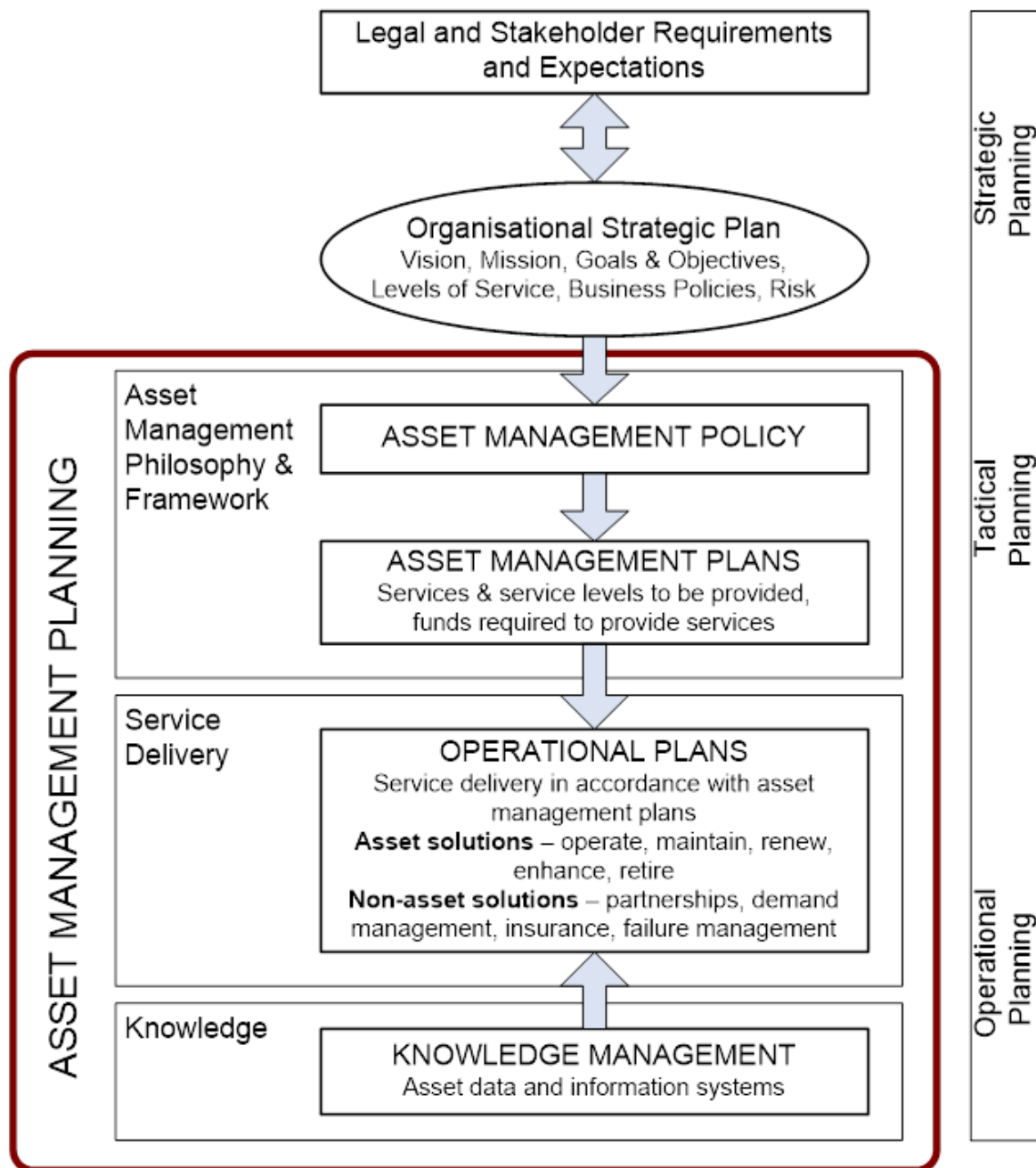
4. Procedure

The following will be used by Council to guide asset management planning and decision making:

4.1 Asset Management Framework

- 4.1.1 All asset management planning will be carried out in accordance with the Council's asset management framework.
- 4.1.2 The framework provides a strategic approach to asset management, linking the Council's strategic plan, Asset Management Policy, asset management plans, and operational plans.
- 4.1.3 The framework will promote prudent, transparent and accountable management of local government assets to meet current and emerging challenges. The framework consists of six elements to facilitate improvement in asset management performance (as shown in the following flow diagram):

4.2 Asset Management Framework



4.3 Strategy and Planning

- 4.3.1 Council's asset management planning will support and implement the Asset Management Policy. The development of asset management plans will enable Council to show how its asset portfolio will meet the service delivery needs of the community into the future and it will enable Council's Asset Management Policy to be achieved.

Asset management plans will address current and forecast future needs, and adequacy of funding for the renewal of assets, and will fit with the goals and objectives of Council's strategic plan.

- 4.3.2 Council will prepare and implement asset management plans for each major asset class in accordance with asset management industry tools and templates.
- 4.3.3 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.

4.4 Governance and Management Arrangements

- 4.4.1 The asset management framework encourages Council to apply and effect good governance and management arrangements which links asset management to service delivery.

4.5 Defining Levels of Service

- 4.5.1 The Council will define the levels of service expected to be provided from the Council's assets. This will include:
- a) establishing service delivery needs and defining service levels in consultation with the community;
 - b) establishing quality and cost standards for services to be delivered from assets; and
 - c) regularly reviewing services in consultation with the community to determine the financial impact of a reduction, maintenance or increase in service.
- 4.5.2 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.

4.6 Data and Systems

- 4.6.1 The Council will collect, manage and maintain asset inventory and condition data to:
- a) determine the value of infrastructure assets;
 - b) calculate the expected life of assets;
 - c) plan for the renewal, upgrading and acquisition of assets;
 - d) enable the measurement of asset management performance over time;

- e) identify infrastructure funding gaps; and
 - f) enable the Council to benchmark with the sector and council groups within Australia.
- 4.6.2 Council will continually work to improve the consistency of the financial data produced, particularly in relation to capital expenditure and the allocations between maintenance, renewal, upgrade, expansion, and new. Financial reporting will be categorised in terms of operational, maintenance, renewal, upgrade, expansion and new expenditure classifications.
- 4.6.3 Council recognises the benefits of a single asset register and an asset management system that integrates with other corporate systems.
- 4.6.4 Whole of life costings shall include quantifying environmental and social costs, this will include both benefits received through using recycled materials, as well as costs associated with defined environmental offsets and environmentally sustainable treatments.

4.7 Skills and Processes

- 4.7.1 The asset management framework contains a continuous improvement program, which will include:
- a) a 'whole of organisation' perspective and a best practice framework to enable continuous improvement of asset management practices.

This will include setting targets for future improvement, namely:

- a) developing and providing ongoing training programs for Council Members, Council management, and officers on key asset management topics; and
- b) developing guides to improve condition assessment, valuation of assets and accounting treatment.

4.8 Evaluation

- 4.8.1 The asset management framework will contain a mechanism which measures its effectiveness, including the asset management programs and initiatives implemented.
- 4.8.2 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. This includes actively identifying and disposing of those assets that are determined to be underutilised and at the end of their useful lives, subject to consultation with the community and determining the impact of non-replacement on the community.
- 4.8.3 Council will undertake a comprehensive review of its infrastructure and asset management plans within two years after each general election of the Council, or earlier if there is a strategic or material change within an asset class.

5. Feedback

Your feedback on this policy is invited and can be directed to the Manager Governance via email to governance@playford.sa.gov.au or by calling the Customer Contact Team on 8256 0333.

Administration use only

ECM document set no.	3954300
Version no.	1
Policy link	Asset Management Policy
Procedure author	General Manager – City Assets
Endorsed by	Council
Resolution no.	4617
Legal requirement	N/A
Review schedule	3 Years
Date of current version	May 2021
Date of next review	January 2024

Version history

Version no.	Approval date	Approval by	Change
1	25 May 2021	Ordinary Council Resolution No 4617	New Procedure
