



Asset Management

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Department:	City Infrastructure	Division:	Technical Services
Function:	14 - Infrastructure	Responsible Officer:	Manager, Technical Services

A - PREAMBLE

1. This policy will set guidelines for implementing consistent asset management processes throughout the City of Salisbury. The City of Salisbury recognises the importance of developing and implementing an Asset Management Policy, Strategy and Plans to guide the management of the significant portfolio of assets within the City. Without such guidance, sustainability of the City's assets, and ultimately service delivery, may be compromised in the longer term.

B - SCOPE

1. This policy applies to all Council infrastructure assets within the City of Salisbury that are owned, managed, or under the care and control of Council.

C – POLICY PURPOSE/OBJECTIVES

1. To apply business and resource management that enables excellent service delivery and financial sustainability by¹:
 - 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 responsibility for the creation and management of sustainable assets.
 - Meeting legislative requirements for assetmanagement.
 - 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.

¹The Salisbury City Plan 2020 Key Direction 4, Objective 5

2. **Council** is responsible for adopting the policy.
3. The **Chief Executive Officer** has overall responsibility for implementing the asset management policy.
4. The **Strategic Asset Management Group (SAMG)** is responsible for ensuring a strategic and systematic approach to the sustainable management of Council's Assets.
5. The **Corporate Asset Management Team (CAMT)** is responsible for ensuring that a contemporary Asset Management Framework is integrated into corporate business policy, processes and systems.
6. The **Technical Asset Management TEAM (TAMT)** is responsible for ensuring that contemporary operational and technical Asset Management practices are embedded within the organisation.

D - DEFINITIONS

1. **Asset Management (AM)** – 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.
2. **Infrastructure Assets** – Physical assets that contribute to meeting the needs of organisations or the need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways.
3. **Level of Service** – The defined service quality for a particular service/activity against which service performance may be measured.
4. **Life Cycle Expenditure** – The Life Cycle Expenditure (LCE) is the average operations, maintenance and capital renewal expenditure accommodated in the long term financial plan over 10years.
5. **Renewal** – 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.
6. **Strategic Asset Management Plan** – An adopted plan covering a period of at least 4 years which meet the requirements of Section 122 of the Local Government Act 1999 for “*strategic management plans*”.

E - POLICY STATEMENT

1. Context

- 1.1 Council exists to provide services to the community. Many of these services are provided via infrastructure assets which have been created by Council, or transferred to Council as developer contributions, to provide for new communities or to deliver higher levels of service.
- 1.2 Adopting asset management principles will assist Council in achieving its Strategic Longer-Term Plan and Long Term Financial objectives.
- 1.3 Council owns and uses over \$1.5 billion of infrastructure assets² to support its core business of delivery of service to the community.
- 1.4 Council's goal in managing these infrastructure assets is to meet the defined level of service in the most sustainable manner for current and future generations.
- 1.5 The key elements of achieving successful asset management are:
 - Determining a defined level of service and measure performance against that level.
 - Utilising a lifecycle approach to develop cost effective asset management strategies that meet the defined level of service for the long term.
 - Managing the impact of growth through demand management and infrastructure investment.
 - Identifying, assessing and appropriately incorporating risk management

- principles into asset management processes.
- Having Asset Management Plans which inform and integrate with the Long Term Financial Plan process by identifying the asset requirements and scoping their delivery.

2. Deliverables

- 2.1 Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.
- 2.2 A strategic approach to asset management will ensure that the Council delivers the appropriate level of service through its assets. This will provide a positive impact on the community through the organisation providing community benefits and financial sustainability.

²As reported in the June 30th 2019 financial statements

3. Principles

- 3.1 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- 3.2 Methodical cyclic reviews will be applied to all significant asset classes to ensure that the assets are managed, valued and depreciated in accordance with Council's Depreciation Policy Framework.
- 3.3 Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation, financial planning and operational reporting.
- 3.4 Asset renewals required to meet agreed service levels as identified in adopted asset management plans will inform the long term financial plan and form the basis of the annual budget estimates.
- 3.5 Asset management principles will be integrated within existing planning and operational processes and agreed service levels with Council and the community.

4. Service Levels

- 4.1 Setting of service levels will be determined by Council following consultation with the community and will form the basis of the annual budget.
- 4.2 Future life cycle costs will be reported and considered in all decisions relating to new assets and upgrading of existing assets.
- 4.3 Key performance measures for service levels will be determined and used in understanding outcomes.
- 4.4 Asset performance will be evaluated against adopted service levels to develop future renewal and upgrade capital works programs.

F - LEGISLATION

1. In accordance with Section 122 of the Local Government Act (SA) 1999;

(1) A council must develop and adopt plans (which may take various forms) for the management of its area, to be called collectively the strategic management plans, which —
(a) identify the council's objectives for the area over a period of at least 4 years... ’3

G - REFERENCES

1. Asset Management Strategy and associated Asset Management Plans.
2. NAMS.PLUS3 ebook guidelines.
3. The Institute of Public Works Engineering Australia

H - ASSOCIATED PROCEDURES

1. Council’s Depreciation Policy Framework.

Document Control

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