Keywords: Asset Management

Corporate Plan:	*Infrastructure - Asset Management*
Classification:	*– Corporate Services / Infrastructure*
First Issued/Approved:	*December 2009*
Review Frequency:	*To be reviewed every three years or when required*
Last Reviewed:	*March 2025*
Next Review Due:	*March 2028*
Responsible Officer(s):	*General Manager, Infrastructure, Environment and Regulatory Services*
Council File Reference:	*Motion AC/15/09 8/12/2009*
Applicable Legislation:	*Local Government Act 1999* (Section 99(1)(g) and Section 122) *Accounting Standards* *Accounting Regulations* *(In accordance with other Legislative Acts relevant to each Asset Class)*
Relevant Policies:	*Asset Accounting Policy* *Budget Framework Policy* *Community Wastewater Management Scheme (CWMS) Policy* *Construction of Unmade Roads Policy* *Plant Operations – Plant Replacement Policy* *Public Consultation and Community Engagement Policy* *Risk Management Policy* *Roads Construction and Unmade Policy*
Related Procedures:	*Nil*
Delegations:	*Chief Executive Officer / General Manager, Infrastructure, Environment and Regulatory Services / General Manager, Corporate and Community Services / Manager Corporate Services*

1. Purpose

The purpose of this policy is to demonstrate Council's commitment towards the management of community assets to provide the desired level of service in a structured, co-ordinated, cost effective and financially sustainable manner across the whole organisation for present and future generations:

- Ensuring that Council's services and infrastructure are provided in a financially 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.
- Ensuring sustainable use of natural resources and minimisation of waste.

2. Definitions

Asset	a tangible item that the Council controls that is used to create benefits for the community
Community	the customers of the Council rate or rate payers ie visitors and others
Community Groups	examples are sporting clubs, dance clubs, men's sheds, art studios, committees set up for community events and community recreation groups
Community Asset	a tangible item that the Council controls that is used to create benefits for the community
Asset Management	a systematic process of developing, operating, maintaining, upgrading and disposing of community assets in the most cost effective way
Financial sustainability	Local government acknowledges its statutory obligation to be sustainable and that this can only be achieved through attainment and maintenance of financial sustainability. Council shall continue to proactively improve its practices, while complying with legislative and regulatory requirements for governance and reporting.

3. Principles

The following key principles will define Council's approach to asset management:

- Assets exist to support the delivery of services.
- Asset management decisions are integrated with Council's Strategic Plan and Long Term Financial Plan and other existing planning and operational processes.
- Asset planning decisions are based on an evaluation of alternatives which consider life cycles, costs, benefits, and risks of ownership.
- Systematic and cyclic reviews will be applied to all classes of assets to ensure that they are managed, valued and depreciated in accordance with appropriate best practice and applicable Accounting Standards.
- Disposal decisions are based on analysis of the methods which achieve the best available net return (lowest whole of life cost).
- Asset Management WorkPlans will be reviewed annuallyby Council through the Annual Business Planning process, considering required service levels, the effectiveness of the current assets to provide that level of service, financial sustainability and the capacity for Council to deliver the projected work program.

- Costs associated with the construction and maintenance of Council's assets will be recorded in Council's Asset Management Database and Council's financial systems. These databases need protection and security measures to prevent loss of data.
- Cost effectiveness of all construction and maintenance programs will be continually reviewed to ensure best value from expenditure.
- All applicable asset databases will be maintained and updated following completion of works and acceptance of Free of Charge Assets.
- Council will maintain a Asset Management Work Plans, which will forecast each assets lifecycle, with a focus on the next 10 years to identify future asset management requirements within the context of a Long Term Financial framework.

4. Policy Statement

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 or the Crown and others to meet agreed 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 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 LongTerm Financial Plan which identifies required, affordable expenditure and how it will be financed.

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.

Service Levels

- Agreed service levels will be defined in the Asset Management Strategy and where relevant in individual Asset Management Plans.

- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and within the Asset Management Plans and Asset Management Work Plans for existing assets.
- Condition auditswill be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities, as per the Asset Accounting Policy, condition auditing will occur at least every 4 years (in accordance with the Asset Accounting Policy).
- Future service levels will be determined in consultation with the community, through consultation on the Asset Management Strategy and/or individual Asset Management Plans.

5. Roles and responsibilities

Role	Responsibilities
Council	- Endorse the Asset Management Policy and Strategy. - Act as custodians for infrastructure assets. - Approve Council's Asset Management Plans - Endorse agreed levels of service - Ensure appropriate resources are available to implement the Asset Management Framework
Growth, Infrastructure and Strategic Planning Committee / Audit and Risk Committee	- Review documents within the Asset Management Framework suite and make recommendations to Council.
Chief Executive Officer (CEO)	- Establish and periodically review the Asset Management Policy in line with the Council Policy Framework. - Review and implement the corporate asset management strategy with agreed resources. - Monitor and review staff performance in achieving the Asset Management Framework. - Ensure accurate and reliable information is presented to Council for decision-making.
Asset Management Services Team	- Coordinate the implementation of Asset Management across business units. - Raise awareness of asset management within Council. - Develop and review documents within the Asset Management Framework. - Design, develop, review, and oversee implementation of Asset Management Plans for agreed asset classes. - Provide leadership in asset management implementation and maintenance. - Identify resource gaps and issues in executing asset management plans.
Asset Managers / Owners	- Develop Asset Management Plans and 10-year Asset Management Work Plans for their relevant asset classes using lifecycle analysis. - Implement improvement plans for individual asset groups. - Execute tactical plans (e.g., maintenance and capital works programs) in line with asset

Role	Responsibilities
	management plans. - Develop service levels aligned with agreed risk, cost standards and community needs and present to Council through Asset Management Plans. - Present information to Council and the CEO on community needs, lifecycle, risk, and costs. - Ensure statutory requirements are met. - Annually review Estimated Useful Life (EUL) values and Unit Rates for major asset classes and incorporate material variations into asset management strategies.
General Manager – Infrastructure, Environment and Regulatory Services / General Manager – Corporate and Community Services / Finance Manager	- Provide oversight and advice in the development and implementation of the Asset Management Framework, with particular reference to the Long Term Financial Plan and Annual Business Plan cycles.
All Staff	- Staff responsible for programming, instigating, governing, or overseeing work that results in the creation, upgrade, renewal, receipt, or disposal of assets must collect and enter all required asset information into relevant Council systems. - This must be completed at the end of each asset activity and at a minimum, at each financial month-end close.

6. Financial Indicators

Under the *Local Government (Financial Management) Regulations 2011* (SA), Councils are required to use three key financial indicators to guide their Long Term Financial Plan, Annual Business Plan and mid-year budget reviews. These indicators help assess the financial health and sustainability of the Council.

The three required indicators are:

Operating Surplus Ratio	**Measures whether the Council is generating enough revenue to cover its expenses.**
Net Financial Liabilities Ratio	Assesses the Council's ability to manage debt and other financial obligations.
Asset Renewal Funding Ratio	Indicates if the Council is setting aside enough funds to renew or replace assets as needed.

What is the Asset Renewal Funding Ratio?
The Asset Renewal Funding Ratio helps determine if the Council is renewing or replacing its assets at a sustainable rate. It measures whether maintenance and upgrades are being done at a level that cost-effectively maintains services for the community.

This ratio is compared to the recommended levels set in the Council's Asset Management Plans, ensuring that essential infrastructure such as roads, buildings, and stormwater remains in good condition for the long term.

By tracking this ratio, the Council can make informed decisions about future investments, maintenance priorities, and financial sustainability.

7. Confidentiality

Any information provided will be treated as strictly confidential. Information provided to the Council's Chief Executive Officer (CEO) will be securely retained within Council's records.