

Council Policy

Asset Management



COUNCIL POLICY

 <p>Adelaide Hills COUNCIL</p>	ASSET MANAGEMENT
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Policy Number:	INF-03
Responsible Department(s):	Engineering and Asset Management
Other Relevant Policies:	None
Relevant Procedure(s):	None
Relevant Legislation:	Local Government Act 1999
Policies and Procedures Superseded by this policy on its Adoption:	Asset Management, 22 September 2009, Item 3.1, 322
Adoption Authority:	Council
Date of Adoption:	26 September 2017
Effective From:	10 October 2017
Minute Reference for Adoption:	Item 12.6, 211/17
Next Review:	June 2020 or as required by legislation

ASSET MANAGEMENT POLICY

1. INTRODUCTION

The attached policy provides Council and its administration with principles and guidelines for implementing asset management processes throughout the Adelaide Hills Council.

2. OBJECTIVES

The objectives of this policy are to ensure adequate provision is made for the long-term replacement of major 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 and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council.
- Meeting legislative requirements for asset management including appropriate capitalisation of assets on an annual basis in line with required accounting standards.
- 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.

3. DEFINITIONS

"Asset Management System" includes the enterprise wide systems and process that support and deliver the outcomes of the policy setting. This will include but not limited to the identified asset classes, asset register, plans, functions, procedures and processes that support asset management implementation across the organisation.

"Asset Management Plans" means the adopted plans of Council that identify the future works to be undertaken to ensure that the asset classes continue to provide the level of service identified.

4. POLICY STATEMENT

Background

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.

Council owns and uses approximately \$480 million of non-current assets to support its core business of delivery of service to the community.

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

Adopting asset management principles will assist Council in achieving its Strategic Plan and Long Term Financial objectives. In particular, Council has identified under Goal Area 3 Places for people and nature – Strategy 3.5 ‘We will take a proactive approach, and long term view, to infrastructure maintenance and renewal’ within its current Strategic Plan adopted in October 2016.

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 liabilities of Council.

Principles

1. A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
2. All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
3. Asset management principles will be integrated within existing planning and operational processes.
4. An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
5. Asset renewals required to meet agreed service levels and identified in infrastructure and asset management plans and long term financial plans will be fully funded in the annual budget estimates.
6. Service levels agreed through the budget process and defined in Infrastructure and Asset Management Plans will be fully funded in the annual budget estimates.
7. Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
8. Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
9. 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.
10. Future service levels will be determined in consultation with the community.
11. Asset capitalisation will occur on a yearly basis to ensure the capture and accounting of all asset classes that have been renewed or added to. The capitalisation of assets will be supported by an internal procedure that ensures compliance with current accounting standards and other legislative requirements.

Responsibility

Councillors are responsible for adopting the policy, allocation of resources, providing high level oversight of the delivery of the organisation's asset management strategy and plan and maintaining accountability mechanisms to ensure that organisational resources are appropriately utilized to address the organisation's strategic plans and priorities.

The Chief Executive Officer has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

5. DELEGATION

The Chief Executive Officer has the delegation to:

- Approve, amend and review any procedures that shall be consistent with this Policy; and
- Make any formatting, nomenclature or other minor changes to the Policy during the period of its currency.

6. AVAILABILITY OF THE POLICY

This Policy will be available for inspection at the Council's Offices during ordinary business hours and via the Council's website www.ahc.sa.gov.au. Copies will also be provided to the public upon request, and upon payment of a fee in accordance with the Council's Schedule of Fees and Charges.