DISTRICT COUNCIL OF Streaky Bay
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ASSET MANAGEMENT POLICY

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Strategic Plan link:
A Council that is actively responsive to community needs and delivers financial sustainability, governance, and leadership.

References and related Policies, Procedures and Forms:
Local Government Act 1999
Local Government (Financial Management) Regulations 2011
DCSB – FM – 13.01 Records Management Policy
DCSB – FM – 07.05 Procurement Policy
DCSB – FM – 07.13 Prudential Management Policy
DCSB – FM – 07.10 ~~Sale and~~ Disposal of Council Land & Other Assets Policy
DCSB – FM -07.07 Accounting Policy
Capital Works Program
Long Term Financial Plan
Asset Management Plans
International Infrastructure Management Manual 2011

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1. Purpose

To set guidelines for implementing consistent asset management processes throughout the District Council of Streaky Bay.

2. Objectives

To ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring that the 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 play an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the organisation by training and development.
- 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.

3. Definitions

Asset - property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than twelve (12) months.

Asset Management - the systematic and coordinated activities and practices through which an organisation optimally manages its physical assets and their associated performance, risks and expenditure over their lifecycle for the purpose of achieving the goals and objectives of the strategic plan.

Asset Management Plan - a tactical plan developed for the management of a class of assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of an asset in the most cost-effective manner, to provide a specific level of service. A significant component of the plan is the development of long-term expenditure forecasts for the activities required to manage the assets.

Asset Management Strategy - a plan to achieve ongoing improvement in Asset Management activities and practices by establishing clear objectives, a framework within Council to achieve those objectives, a system for measuring performance and a detailed improvement program.

Levels of Service - service levels are a combination of functional criteria related to quality, quantity, reliability, responsiveness, environmental acceptability, and cost, derived in consultation with clients, and used to measure an asset's performance.

Lifecycle Cost - the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.

Long Term Financial Plan - a ten-year financial plan which enables Council to better plan and understand financial planning of their long-term financial requirements, which includes consideration of sustainability, service provision levels and the creation, upgrading and renewal of assets.

New Asset - the construction or acquisition of an asset that is not currently part of the Council's asset base.

Renewal - works required to upgrade, refurbish, or replace existing assets with assets of equivalent capacity or performance capability.

4. Policy Statement

4.1 Background

1. The council is committed to implementing a systematic asset management methodology to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed, and disposed of in accordance with the Council's priorities for service delivery.
2. 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.
3. 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:
   - The ability of Council to deliver the expected level of service and infrastructure.
   - The legal liabilities of Council.
   - The political environment in which Council operates.
   - Council's financial position; and
   - Members of the public and staff.

4.2 Principles of Asset Management

- A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- All relevant legislative requirements together with political, social, and economic environments are to be considered in asset management.
- Asset management principles will be integrated within existing planning and operational processes.
- Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.
- An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- Asset renewals required to meet agreed service levels and identified in adopted asset management plans and long-term financial plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented in budget documentation.
- Service levels defined in adopted asset management plans will form the basis of annual budget estimates with the service and risk consequences of variations in defined services levels and budget resources documented in budget documentation.
- 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.
- 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.
- 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.
- Future service levels will be determined in consultation with the community.
- Training in asset and financial management will be provided for councilors and relevant staff.

4.3 Asset Management and Long-Term Financial Management Plans

The key elements to the Asset Management Plans are:

- Future Demand
- Levels of Service
- Risk Management
- Life Cycle Management
- Financial Summary
- Asset Management Practices
- Monitoring
- Asset Management Improvement Plan
- Clear linkages to other Council strategic documents.

Council has a Long-Term Financial Plan, which provides key financial information and direction for Council to achieve and maintain financial sustainability. The Asset Management Plan and Ten-Year Capital Works Program provide key information to produce an affordable and achievable approach to Asset Management. The Ten-Year Capital Works Program also identifies individual project requirements to provide meaningful annual cost estimates.
Strategic asset management will evolve in a continuous cycle of review and improvement, so the quality of outputs matches the changing business needs for Council.
Council's asset management process is outlined below:

1. Strategic Plan → AM Policy → AM Strategy → AM Plans → Long Term Financial Plan
2. 10 Year Capital Works Program
3. Operational Plans

4.4 Service Delivery Needs and Levels of Service

1. Service delivery needs will form the basis of all asset management decisions. Assets are acquired for their service delivery potential, and service delivery needs should form the basis of all asset management practices and decisions.
2. Service delivery needs should be reviewed on an ongoing basis against budget realities and adjusted as required to consider changing priorities and constraints.
3. Council's asset management practices include:
    - Consultation with the community and stakeholders, to define the desired outcomes and the service levels required to achieve those outcomes.
    - Where necessary, establish minimum service standards based on the Council's duty of care.
    - Incorporate the desired and associated service levels into Council's strategic management plans (including the financial implications into the long-term).
    - Assess alternative methods of providing the service levels (including lower cost assets and non-asset methods e.g., leasing where possible) and decide on the best solution. This includes an assessment of the lifecycle costs and benefits for each of the alternatives.
    - If appropriate, acquire the assets to meet the required service levels.
    - Operate and maintain the assets to achieve required service levels and minimise life-cycle costs.
    - To apply the criteria of quality, quantity, location etc. (refer definition above) for identified levels of service. Requests from the community, identified as being higher than the defined Service Delivery Needs and Levels of Service shall be assessed and prioritised in accordance with the following Council policies:
    - Request for Service Policy
    - Road Infrastructure Cost Sharing Policy
    - Footpath Development and Maintenance Policy.

4.5 Responsibilities

Council

- To act as custodians of community assets; and
- To ensure sufficient resources are applied to manage the assets to legislative requirements.

1. **Chief Executive Officer:**

- To monitor and review the performance of employees in achieving the requirements of Council's Asset Management Strategy and associated plans; and
- To ensure sufficient resources are applied to manage the assets to legislative requirements.

2. **Director Infrastructure:**

- Responsible for the development, management, and review of an Asset Management Strategy, associated plans, practices and reporting on the status and effectiveness of Council's asset management.
- To monitor and review the performance of employees in achieving the asset management strategy, plans and practices.
- To ensure sufficient resources are applied to manage the assets to legislative requirements; and
- Accountable for the management of assets within their areas of responsibility.

5. Records Management

All records shall be kept and disposed of in accordance with Councils Records Management Policy & procedure and the current General Disposal Schedule.

6. Further Information and Policy Availability

This policy will be available for inspection at the Council offices listed below during ordinary business hours and available to be downloaded, free of charge, from Council's internet site: www.streakybay.sa.gov.au

District Council of Streaky Bay
29 Alfred Terrace
Streaky Bay SA 5680

Copies will be provided to interested parties upon request. Email dcstreaky@streakybay.sa.gov.au

7. Document History

Version No	Issue Date	Description of Change	Date Endorsed