

# Asset Management Policy

<b>Reference Number:</b>	CR23/48144
<b>Type:</b>	Council Policy
<b>Responsibility:</b>	Director City Works & Presentation
<b>Responsible Officer (s):</b>	Manager Assets & Maintenance
<b>Initial Adopted Date:</b>	October 2017
<b>Last Review Date:</b>	November 2023
<b>Next Review Date:</b>	3 years (November, 2026)
<b>Legislation:</b>	Local Government Act, 1999 (SA)
<b>Related Documents:</b>	Fixed Asset Financial Reporting Policy Sale or Disposal of Assets Policy Local Government Association (LGA) Financial Sustainability Information Paper No.6 – Infrastructure and Asset Management ISO 55000:2014 Asset Management – Overview, principles and terminology.

## 1 Purpose

- 1.1 The Asset Management Policy (the “Policy”) sets out the asset management framework for the City of Prospect.

## 2 Definitions

- 2.1 For the purpose of this policy:
- 2.1.1 “Council” means the City of Prospect.
- 2.1.2 “Non-current asset” means an asset which is not easily convertible to cash or not expected to become cash within the next year. Examples include land, buildings, roads, drainage and other infrastructure.

## 3 Scope

- 3.1 This Policy will provide a framework for a strategic approach to asset management in accordance with the objectives of Council’s Strategic Plan.
- 3.2 The fundamental aim of the Policy is to illustrate the link between the sustainable and cost effective management of the City’s assets and infrastructure to service delivery needs of our community.
- 3.3 Council is committed to implementing a systematic asset management methodology in order to implement 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 service delivery priorities.

- 3.4 Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives.
- 3.5 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:
  - 3.5.1 members of the public and staff;
  - 3.5.2 Council's financial position;
  - 3.5.3 the ability of Council to deliver the expected level of service and infrastructure;
  - 3.5.4 the political environment in which Council operates; and
  - 3.5.5 the legal liabilities of Council.
- 3.6 Council will ensure that adequate provision is made for the long-term replacement of major assets by:
  - 3.6.1 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.
  - 3.6.2 Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and plans and allocating appropriate financial resources for those assets.
  - 3.6.3 Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the Council.
  - 3.6.4 Meeting legislative requirements for asset management.
  - 3.6.5 Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
  - 3.6.6 Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

## **4 Legislative and Corporate Requirements**

- 4.1 Local Government Act, 1999
  - 4.1.1 Section 99(1)(g) - the function of the Chief Executive Officer includes to ensure that the assets and resources of the council are properly managed and maintained.
  - 4.1.2 Section 122 - Council must develop and adopt an Infrastructure and Asset Management Plan.

## **5 Policy Statement**

- 5.1 A consistent asset management strategy must exist for implementing systematic asset management and appropriate asset management best practice throughout all Council operations.
- 5.2 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- 5.3 Asset management principles will be integrated within existing planning and operational processes.
- 5.4 An inspection regime will be used as part of asset management to ensure service levels are maintained and to identify asset renewal priorities.
- 5.5 Asset renewals required to meet service levels and identified in Infrastructure and Asset Management Plans and Long Term Financial Plans will be recommended to be fully funded in the annual budget development process.
- 5.6 Relevant agreed Service Levels for asset renewal adopted and defined in Asset Management Plans will be recommended to be fully funded in the annual budget development process.
- 5.7 Asset renewal plans will be prioritised and implemented progressively based on the level of service required and the effectiveness of the current assets to provide that level of service.
- 5.8 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.
- 5.9 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.
- 5.10 Any proposals to renew, replace, add, upgrade or remove infrastructure not included in endorsed Asset Management Plans will be considered in accordance with the prioritisation factors outlined within the Asset Management Plans, with consideration given to the ensuing social, economic and environmental impacts.

## **6 Review**

- 6.1 The Policy will be reviewed once per Council term or as required by legislation.

## **7 Access to the Policy**

- 7.1 The Policy is available for public inspection on Council's website [www.prospect.sa.gov.au](http://www.prospect.sa.gov.au) and from Customer Service at the Civic Centre, 128 Prospect Road, Prospect SA 5082.

## 8 Further Information

8.1 For further information about this policy please contact:

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