

Classification	Financial Management
Review Frequency	Biennial
Next Review Date	May 2016
Responsible Officer	Chief Executive Officer
Council File Reference	07.063.001.001
Related Policies/Plans	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 Capital Works program Long-term Financial Plan Infrastructure Asset Management Plans International Infrastructure Management Manual 2011
Strategic Plan Link 2013-2022	Strategy 1.2.1
Applicable Legislation	<i>Local Government Act, 1999 s49</i>

1 Purpose

This policy provides the overall framework to guide the sustainable management and protection of Council's asset portfolio as a platform for service delivery to ensure:

- Assets are effectively and efficiently managed through the course of their life cycle;
- There is clear direction for asset custodians to assist informed decision making;
- Community needs and expectations are optimised;
- Legislative and regulatory requirements are met;
- Best value practices are incorporated in asset management strategies and implementation activities;
- Exposure to risk is managed through the application of sound operational principles and practices;
- There is continuous improvement in asset management and service delivery; and
- Sustainable development is based on the recognition and integration of sound social, ecological and economic principles and practices.

2 Scope

This policy applies to the creation, acquisition, operation, maintenance, rehabilitation and disposal of all Council assets.

3 Policy Goals

1. To develop and maintain:
 - Detailed Asset Registers of all assets owned or under Council's control
 - Asset Management Strategies
 - Long-term Infrastructure and Asset Management Plans
 - Long-term Financial Plans
 - Asset Maintenance Plans
 - Risk Management Plans
2. To ensure Council's assets are managed in an appropriate and financially sound manner, enabling the provision of appropriate levels of service delivery.
3. To encourage innovative and cost effective means of improving work practices and processes to ensure Council's assets are managed in accordance with best practice principles.
4. To minimise Council's exposure to risk from asset failure.

4 Definitions

The following definitions will be utilised when dealing with asset management issues with The District Council of Streaky Bay.

"Asset": An individual or group of physical objects, which has value, enables services to be provided and has an economic life of greater than 12 months.

"Asset Management": The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required service level in the most cost effective manner.

"Asset Sustainability Ratio": The ratio of asset replacement expenditure relative to depreciation for a period. This measures whether assets are being replaced at the rate they are wearing out.

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

"New Asset": Refers to the construction/purchase of an asset that is not currently part of Council's asset base.

5 Preamble

The District Council of Streaky Bay owns or is custodian in excess of \$100,000,000 of community assets.

These assets make up the social and economic infrastructure that enables the provision of services to the community and businesses, playing a vital role in the local economy and on quality of life. Asset management is a tool that facilitates corporate accountability and impacts on all areas of service planning and delivery.

The importance of these assets to communities and their significance in terms of Council's budgets and operational strategies means that asset management must be at the centre of Council's overall financial and strategic planning.

This policy, together with individual Asset Management Plans and associated working procedures and practices will put in place a comprehensive, accountable and transparent asset management framework for The District Council of Streaky Bay.

6 Council's asset management philosophy

The District Council of Streaky Bay will work with the local community to set affordable standards for the quality and safety of those assets managed on their behalf. Further Council will acquire, dispose of and optimise the use of these assets to ensure that the overall asset base meets appropriate service standards while not negatively impacting on Streaky Bay communities or the environment.

7 Policy statement

It is policy that:

- Council's assets will be managed using a "life cycle cost" approach and in accordance with best practice asset management techniques
- Council's assets will be utilised to their fullest potential to maximise usage and economic performance.
- Council will continually monitor and review its asset portfolio to ensure it is responsive to service delivery needs set by Council.
- Council's assets will be properly maintained to ensure that they continue to function effectively for the duration of their life.
- Funding for all asset purchase, maintenance, rehabilitation and replacement will be guided by Council's Asset Management Plans and included in the capital works program, annual budgetary process, Long-term Financial Plan and Annual Business Plan.
- Prior to the consideration of any "new asset" acquisition and/or any major rehabilitation of or upgrade to an existing asset, a detailed cost-benefit analysis will be undertaken.
- The disposal of any asset shall be in accordance with Council's Sale and Disposal of Council Land and other Assets Policy.

8 Principles

To achieve this policy the following key principles will define Council's approach to asset management:

1. Assets exist to support the delivery of services
2. Managers and staff are responsible for Council's assets assigned to their respective operational areas, including the efficient use of those assets
3. Asset Management decisions are integrated with Strategic Planning.
4. Asset Planning decisions are based on an evaluation of alternatives which consider life cycles, costs, benefits and risks of ownership.
5. Systems are developed to provide accountability for asset conditions, usage and performance.
6. An effective internal control structure is established.

7. Council will maintain Infrastructure Asset Management Plan's to identify future asset management requirements within the context of a Long Term Financial framework
8. Asset renewal requirements will be separately identified from new assets which will undergo a separate annual approval process by Council.
9. Council recognises the need to maintain its asset base and will target a long term asset sustainability ratio averaging 90-110%

9 Integration

Asset management is a dynamic process that affects all areas of Council service delivery and as such this policy will impact upon and relate to a number of policies and strategies throughout the organisation.

10 Further information

This policy will be available for inspection at the Council office listed below during ordinary business hours and provided to interested parties as per Council's Fees and Charges Register. Copies are 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 5680
Phone: (08) 8626 1001
Fax: (08) 8626 1196

11 Grievances

Any grievances in relation to this policy or its application should be forwarded in writing addressed to the Chief Executive Officer of Council.

Policy Details

VERSION	DATE ADOPTED	MINUTE BOOK NUMBER
V1.0	15 May 2014	71/14