

# INFRASTRUCTURE ASSET MANAGEMENT POLICY

Council 26 February 2019

legislative

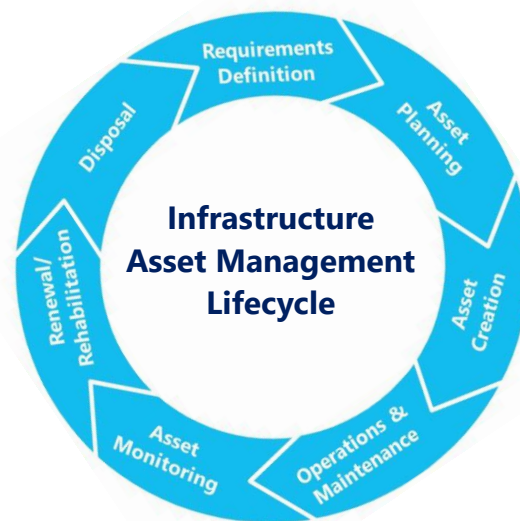
## PURPOSE

This policy outlines the City of Adelaide's approach to sustainably managing its infrastructure assets for the benefit of current and future communities. It will enable a consistent approach to asset management processes to be developed and embedded across the organisation for the lifecycle of assets.

This approach ensures that the philosophy that has guided our city remains – we are a city thoughtfully and purposefully designed from the start with its people in mind - and we continue to place people's wellbeing and quality of life at the core of what we do.

## STATEMENT

The City of Adelaide is committed to sustainable asset management which involves managing the levels of service, risk and investment on infrastructure assets in an optimal manner throughout their lifecycle.



The City of Adelaide will implement smart investment decisions that are planned and programmed to enable the best value outcomes for our customers and the community.

This commitment will be achieved by adhering to the following asset management principles:

- **Community benefit:** development of service levels and standards to ensure an appropriate balance of expectations and the objectives and requirements of Council.
- **Financial Sustainability:** investment decisions for new and upgraded infrastructure will consider costs of constructing, operating and maintaining to ensure adequate funding is allocated in the long term financial plan.

- **Environmental Sustainability:** efficient use of resources and protection of the natural environment will be embedded into asset lifecycle planning to support the environmental sustainability objectives of the City.
- **Continuous Improvement:** commitment to advancing the practice of asset management including the use of smart technology to optimise decisions, performance and reporting.
- **Evidence Based Decision Making:** development and maintenance of an asset management information system that will underpin effective asset lifecycle analysis and sound financial management to enable accountability and sustainable management of infrastructure assets and services.

The City of Adelaide will adopt these principles in developing and maintaining consistent asset management practices.

The Asset Management Framework below shows the relationship between the various elements of the asset management process:



### Application of this Document

This policy applies to all infrastructure asset related activities undertaken by the City of Adelaide, associated with streets, buildings, water infrastructure, lighting and electrical assets, Park Lands, urban elements and smart technologies.

The policy will be reviewed every four years or following significant changes to the Strategic Plan to ensure the policy is current, effective and continuously improved.

This policy will be supported by an Infrastructure Asset Management Strategy and Plans which will be aligned with this Policy and consistent with the City of Adelaide Strategic Plan.

## OTHER USEFUL DOCUMENTS

### Related Documents

- Infrastructure Asset Management Strategy (under development)
- Acquisition and disposal policy (under review)
- Carbon Neutral Strategy 2015 – 2025
- Resilient East Climate Change Adaptation Plan
- Adelaide Design Manual
- Asset Accounting Policy (under development)
- City of Adelaide Strategic Plan
- City of Adelaide Long Term Financial Plan

### Relevant Legislation

- Local Government Act 1999 - Section 122

## GLOSSARY

Throughout this document, the below terms have been used and are defined as:

Term	Meaning
Infrastructure Assets	Physical assets owned or under the care, control and management of Council that contribute to the community's needs for access to major economic and social facilities. These assets include roads, stormwater and drainage, transport, buildings, lighting and electrical, Park Lands and open space (including street trees) and urban elements
Infrastructure Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
Infrastructure Asset Management Plan	Long term plans (usually 10 – 20 years or more for infrastructure assets) that outline the asset activities and programs for each service area and resources applied to provide a defined level of service in the most cost-effective way.
Infrastructure Asset Management Strategy	A document that specifies how the organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives.
Infrastructure Asset Sustainability Ratio	The planned capital expenditure on the renewal and replacement of assets against the Infrastructure Asset Management Plan required expenditure for the same period.

Level of Service	The combination of parameters that reflect social, political, economic, environmental and legislative outcomes that the organisation delivers.
Lifecycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, reactive and proactive maintenance, rehabilitation and disposal costs.
Long Term Financial Plan	A summary of the financial projections for the Council, including proposed operating and capital investment activities, for a period of 10 years or more. The projections within the long term financial plan should work in conjunction with those in the Infrastructure Asset Management Plan (s).

**Responsibilities**

**Lord Mayor and Elected Members**

Adopts the policy and asset management principles and ensures that asset management requirements, as outlined in the asset management plans, are appropriately considered in decision making and catered for in council planning and financial management.

**CEO and ELT**

Has responsibility for the allocation of resources and development of sound asset management practice across the organisation as well as ensuring that all asset management activities are consistent with the objectives of Council’s Strategic Plan, the integrated business plan and budget process and the long-term financial plan.

**Associate Director Infrastructure**

Provide leadership and direction for implementation of Council’s asset management framework including the development of the policy, strategy and plans. Have primary responsibility for the monitoring and implementation of the principles contained within this policy across the organization.

**Associate Director Public Realm**

Ensure the day to day maintenance and operational requirements of the organisation are planned for and delivered in alignment with the principles contained within this policy.

**Associate Director Finance and Procurement**

Ensure the financial projections in the adopted asset management plans are reflected in the long term financial planning and include sustainable maintenance, operations, renewal and upgrade costs of current and future assets.

**Asset Managers and Staff**

Ensure the principles and objectives outlined in the asset management policy and strategy guide the development of the asset management plans.

Develop, update and implement the asset management plans including specifying asset renewal requirements, levels of service, maintenance standards and lifecycle costs for new and upgraded assets.

**ADMINISTRATIVE**

As part of Council's commitment to deliver the City of Adelaide Strategic Plan, services to the community and the provision of transparent information, all policy documents are reviewed for currency at least annually as part of the review of delegations. Those requiring detailed consideration are flagged in the current forward Council Policy Program.

This Policy will be reviewed every 4 years unless legislative or operational change occurs beforehand. The next review is required in 2023.

**Review history:**

Trim Reference	Authorising Body	Date/ Decision ID	Description of Edits
ACC2018/171524	Council	26/02/2019 ID 19074	Scheduled review

**Contact:**

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