

3.17 ASSET MANAGEMENT

OBJECTIVE

To:

- provide a framework for the sustainable management of the Shire's asset portfolio;
- ensure that an organisation-wide and inclusive approach is taken to asset management; and
- ensure that adequate provision is made for the maintenance and replacement of assets in accordance with the assessed levels of service.

POLICY

Scope

This Policy is intended to provide clear direction on the Shire's expectations for the sustainable management of its assets and applies to elected members, employees and contractors/consultants engaged by the Shire.

Definitions

The following definitions are relevant to this Policy and are in accordance with the Department of Local Government's Asset Management Framework and Guidelines document.

"Asset"	A physical component of a facility which has value, enables a service to be provided and has an economic life of greater than 12 months.
"Asset Class"	Groupings of assets of similar nature and use in a local government's operations. Local Government asset classes include land, buildings, infrastructure, plant and equipment, information technology and other assets.
"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.
"Asset Management Plan"	A plan developed for one or more assets that combines technical and financial management processes to provide a specified level of service.
"Asset Management Strategy"	One or more documents that outlines how the local government's asset portfolio will meet the service delivery needs of its communities into the future, enabling the local government's asset management policies to be achieved and ensuring that asset management is established as part of the local government's Integrated Plan.

“Level of Service”

The defined service quality for a particular activity (ie road maintenance) or service area (ie street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental considerations, acceptability and cost.

“Lifecycle Cost”

The total cost of an asset throughout its life including costs for planning, design, construction, acquisition, operations, maintenance, rehabilitation and disposal.

Policy Statement

The Shire will ensure assets supporting the delivery of services to the community are managed responsibly and cost effectively over their lifecycle and take into consideration community expectations for levels of service (time, quality and value for money).

This policy encourages an organisation-wide approach and commitment to achieving these policy goals. The policy is supported by accurate and current financial details of assets being included within the Long Term Financial Plan.

The Shire’s assets are physical items within the boundaries of the local government and under its control. They include but are not limited to the following asset classes:

- Transport – road and path networks (including car parks, bridges and street furniture);
- Property – land and buildings; and
- General Assets – parks, ovals and reserves, plant, furniture, equipment and tools.

Asset Management Plans will be prepared for each major asset class before 30 June 2013 and will be reviewed and updated annually, or more frequently if required.

An Asset Management Strategy will describe how this Policy will be applied within the Shire and outline the details to be included within Asset Management Plans.

In order to implement this Policy, the Shire commits to the following principles:

- Systematic and appropriate asset management practices will be implemented, including a continuous improvement approach to asset management;
- Impacts on the Strategic Community Plan’s social, economic, environmental and civic leadership objectives will be considered in asset management and asset operational processes;
- Asset Management Plans will be informed by community consultation, financial planning and workforce planning;
- Asset renewals included in adopted asset management plans and long term financial plans will be considered in forming the annual budget estimates;
- Service levels will be identified for all major asset classes in consultation with the community;
- Asset renewal plans will be prioritised based on level of service and ability of the current assets to provide the desired level of service;
- An asset inspection program will be developed to ensure agreed service levels are maintained and to ensure assets are managed, valued and depreciated in accordance with appropriate asset management practices and applicable Australian Accounting Standards;

- Lifecycle costs will be considered in decisions relating to new services and assets as well as upgrading of existing services and assets;
- Major assets will be regularly reviewed to assess their ongoing relevance and contribution to community need;
- Asset management roles, responsibilities and reporting frameworks will be defined;
- Assets may be rationalised where the level of service requirement falls to a sufficiently low level; and
- Training in asset and financial management will be offered for elected members and relevant staff.

GOVERNANCE REFERENCES

Statutory Compliance	N/A
Industry Compliance	WA Department of Local Government: <i>Integrated Planning and Reporting Framework and Guidelines</i> (Oct 2010) WA Department of Local Government: <i>Asset Management Framework and Guidelines</i> (May 2011) Institute of Public Works Engineering Australia (IPWEA): <i>Asset Management for Small, Rural or Remote Communities Practice Note</i> (2011) Institute of Public Works Engineering Australia (IPWEA): <i>International Infrastructure Management Manual</i> (2011)
Organisational Compliance	Strategic Community Plan Corporate Business Plan Long Term Financial Plan Asset Management Strategy Asset Management Plans

POLICY ADMINISTRATION

Review Cycle	Annual	Next Review	May 2014
Department	Office of the CEO		

Version	Decision Reference	Synopsis
1.	21/05/2013 - Item 11.1.1	Policy adopted
2.	21/09/2021 Item 11.1	Policy reviewed and retained without amendment