

## Council Policy – Asset Management

<b>Responsible Directorate</b>	Infrastructure Services
<b>Responsible Business Unit/s</b>	Assets and Programming
<b>Responsible Officer</b>	Manager Assets and Programming
<b>Affected Business Unit/s</b>	Assets and Programming Land, Property and Regulatory Services

### Objective

Asset management is viewed as an important corporate function of the Shire of Ashburton (the Shire) and Council are committed to supporting the function.

The purpose of this policy is to initiate asset management principles/framework and responsibilities to achieve the following objectives and outcomes:

- The Shire's services and facilities are provided reliably, with the appropriate level of service to residents, visitors, and the environment within the Shire,
- Safeguarding the Shire's assets including physical assets and employees by implementing appropriate asset management strategies, practices, and financial treatment of the assets,
- Establish an environment where all Shire employees will assist in the overall management of the Shire assets,
- Meet all legislative compliance for asset management.

The adoption of an effective asset management approach will provide the following benefits:

- More sustainable decisions by ensuring all lifecycle costs are included in decision processes, so that the emphasis is on sustainable efficiencies not unsustainable short-term gains,
- Enhance customer service through improved understanding of service requirements and options,
- Improved financial efficiency by recognition of all costs of owning/operating assets over the lifecycle of the assets.

This asset management approach will be supported and achieved through the implementation of an Asset Management Strategy and Asset Management Plans for infrastructure assets within the Shire. The implementation of this policy will assist the Shire to meet community expectations by providing services in a sustainable manner.

## Scope

Applies to all relevant decisions made by Council or the Shire.

## Policy Statement

### Background

Local governments across Australia are facing the challenge of building, operating, and maintaining important infrastructure necessary for the well-being of their communities.

In 2010, the Minister for Local Government introduced the Integrated Planning Framework WA, which is aimed at driving the development of a Strategic Community Plan and a Corporate Business Plan.

Developing an Asset Management Strategy is a crucial part in contributing to the CBP, ensuring that the local government's assets are effectively managed and meet the needs of the community now and in the future.

This policy, the Asset Management Strategy and Asset Management Plans are based on the Department of Local Government, Sport and Cultural Industries Integrated Planning and Reporting Framework and Guidelines.

### Strategic implications

This policy has been developed to support the vision, goals, and objectives in the Shire's Strategic Community Plan.

Effective asset management ensures that all infrastructure assets are well planned and delivered to the expectations of the community now and into the future.

### Principles

Asset management encompasses all the various actions that the Shire must take to ensure that its assets are planned, delivered, managed, renewed and retired to serve both present and future communities.

### Managing Council assets

Council assets will be managed by:

- A team approach – Coordinated by the Assets and Programming department and supported by the cross-functional Asset Management Working Group established as required. The roles and responsibilities of all asset users will be well defined and understood in the Asset Management Strategy.
- Council allocating sufficient financial resources (integrated with the Long-Term Financial Plan) to ensure effective asset management practices, timely maintenance, and renewal of assets so that community services are sustained in the long term.

- Asset information will be accurate and up to date allowing for appropriate asset planning, both in the short and long term, and for informed decision making to occur.

### **New assets and renewal or upgrade/expansion of assets**

Prior to consideration of new infrastructure works, renewals, or an expansion/upgrade:

- A strategic review of the need for, and the life cycle cost of that asset (including capital, maintenance, operating and renewal costs) will be carried out.
- Asset Renewal Plans will be implemented progressively based on priority (condition), the level of service required, and the effectiveness of the current performance of the asset.
- Plans to upgrade existing infrastructure will be considered and evaluated according to the need to increase the asset's level of service.
- Council will continually seek opportunities for multiple uses of assets, as well as strategic community partnerships and for economic extensions to infrastructure life.

### **Asset Management Strategy and Asset Management Plans**

An Asset Management Strategy will be developed in line with the Strategic Community Plan and informed by the community's aspirations and service requirements that are set out in the Corporate Business Plan.

In consultation with key stakeholders, Council will determine the level of service expected for each asset class to deliver economic, environmental, and social values for the benefit of the community.

These service levels will be adopted and reflected in the Asset Management Plans for each asset class.

The development of Asset Management Plans will also identify the:

- strategic goals,
- level of service and performance standards,
- full cost of providing the service,
- future demand; and
- monitoring and improvement strategies.

The level of service for each asset class will drive the desired funding and when assessed against the Shire's current budget, this will represent the funding gap.

Council, and the Shire will work to minimise this gap by renewing its assets at the most optimum time.

The budgetary requirements will be fed into the Shire's Long Term Financial Plan.

## Risk management

Council Policy – Risk Management outlines the commitment and objectives regarding managing uncertainty that may impact the Shire's operations.

To ensure the achievement of our vision and strategic goals and objectives, the Shire needs to ensure operational/asset management employees (first line defence) identify asset related risks and they are assessed, managed, monitored and reported.

Risk themes identified in relation to asset management and documented in the Asset Management Strategy include:

- asset sustainability practices,
- environmental management,
- errors, omissions, delays,
- external theft and fraud including cybercrime, and
- management of facilities, venues and events.

The criteria adopted in Council Policy – Risk Management will be applied to each asset class to identify any moderate-high risks and will be covered in the individual asset management plans.

## Responsibilities

To support this policy, the following key roles and responsibilities have been identified for:

### Council

- To act as custodians for Council assets,
- To adopt an Asset Management Policy with linking to the Shire's Strategic Community Plan,
- To provide an advocacy role with State and Federal governments and the community,
- To demonstrate the organisations commitment to the Council's vision and strategic objectives through an integrated and resourced asset management system,
- To make informed decisions supported by asset management processes and costs,
- To comply with Integrated Planning and Reporting Framework and Fair Value legislation.



## Chief Executive Officer and senior management

- To report on the status and effectiveness of asset management within Council,
- To continually promote asset management across the organisation,
- To validate and challenge proposals to ensure they meet the Shire's Strategic Community Plan objectives and community needs,
- To ensure community and key stakeholder inputs are integrated into Asset Management Plans,
- To ensure employees are appropriately trained and skilled to perform the required asset management functions,
- To provide effective communication between employees, Council, and the community,
- To develop and implement asset management systems, policies, and procedures,
- To delegate specific assets to responsible project officers,
- To promote networks between the community, key stakeholders, and Council's asset managers to involve and consult with on the management of Council's assets.
- To develop and implement a framework for the evaluation and prioritisation of corporate project proposals incorporating whole of life costing,
- To develop and implement a framework, guidelines, and processes to deal with Fair Value assessment and reporting.

## Asset Management Working Group

- To review this Asset Management Policy for Council approval,
- To develop and review an Asset Management Strategy for Council approval,
- To develop and review Asset Management Plans for Council approval,
- To review and develop "community levels of service" for Council approval, and review technical levels of service, in consultation with the community and key stakeholders,
- To develop condition manuals for all asset classes and undertake regular asset condition audits,
- To communicate asset management across the organisation.

## Disability Access and Inclusion Plan

Local governments are required to develop and implement a Disability Access and Inclusion Plan in accordance with the *Disability Services Act 1993*.

The principles and objectives of the Shire's Disability Access and Inclusion Plan are to be applied in the responsible management of the Shire's assets including acquisition, maintenance, and disposal.

## Definitions

**Asset** means a physical item that is owned or controlled by Council and provides or contributes to the provision of service to the community.

**Asset Register** means a record of asset information considered worthy of separate identification. Information may include inventory, historical, condition, construction, technical and financial data.

**Asset management** means the processes applied to assets from their planning, acquisition, operation, maintenance, replacement, and disposal to ensure that the assets meet Council's priorities for service delivery.

**Asset Management Plan** means a plan developed for the management of an infrastructure asset or asset category that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset.

The Asset Management Plan establishes, for each Asset Category:

- Levels of service (performance, construction, maintenance, and operational standards),
- Future demand (rational basis for demand forecasting and selection of options for proposed new assets),
- Life Cycle Management Plan (including operations and maintenance, renewals and replacements, and expansions and upgrades),
- Financial projections,
- Asset management practices; and
- Performance monitoring and improvement.

**Asset Management Strategy** means a strategy developed for the management of an asset that combines multi-disciplinary techniques over the lifecycle of the asset.

**Council** means the Council of the Shire.

**Fair Value** means: "the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction."

And as: "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

**Level of service** means meeting community expectations in relation to the quality and quantity of services delivered by the Council.

**Life costing** means the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, and disposal and rehabilitation costs.

### Relevant policies/documents

Shire of Ashburton Strategic Community Plan 2022-2032

Shire of Ashburton Corporate Business Plan 2019-2023

Asset Management Strategy

Asset Management Plans

### Relevant legislation/local laws

Nil

Office use only				
Relevant delegations	01.01.12 Disposing of Property			
Council adoption	Date	14 February 2023	Resolution #	019/2023
Reviewed/modified	Date		Resolution #	
	Date		Date	
	Date		Date	
Next review due	2025			