



ENG09 ASSET MANAGEMENT POLICY

Aim	To develop a structured and systematic approach for complaints received by the Shire of Ashburton from external persons
Application	Elected Members Employees
Statutory Environment	Not Applicable
Principles	Strategic Community Plan 2017 – 2027 (Desktop Review 2019) Goal 01 Vibrant and Active Communities Objective 1 Connected, caring and engaged communities
Approval Date	OMC 17 December 2019 (MINUTE: 722/2019)

1. BACKGROUND

Local Governments across Australia are facing the challenge of building, operating and maintaining important infrastructure necessary for the well-being of their communities. Studies have identified that infrastructure renewal and asset management will be the area of primary concern into the future.

In 2010, the Minister for Local Government introduced the Integrated Planning Framework WA, which is aimed at driving the development of a Strategic Plan and a Corporate Business Plan. Developing an Asset Management Strategy is a crucial part in contributing to Council's Corporate Business Plan, ensuring that the Local Government's assets are effectively managed and meet the needs of the community now and in the future. It is stated in the Shire's Corporate Business Plan (CBP) that the priorities outlined in the Plan will be progressed in the context of a comprehensive approach to service delivery and Asset Management. Priority 2 of the CBP promotes the "provision of infrastructure that enables economic and social vitality."

This Asset Management Policy and flow on Asset Management Strategy and Asset Management Plans are based on the Department of Local Government Integrated Planning and Reporting Framework and Guidelines.

2. STRATEGIC IMPLICATIONS

This Asset Management Policy has been developed to support the vision, goals and objectives in the Shire of Ashburton's Strategic Plan. Council's Vision:

"We will embrace our unique Pilbara environment and lifestyle through the development of vibrant, connected and active communities that have access to quality services, exceptional amenities and economic vitality"

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



The Shire of Ashburton Strategic Community Plan 2017 – 2027 outlines the goals and objectives relevant to Asset Management:

GOAL 04 Quality Services and Infrastructure

Objective 1 Quality public infrastructure

- Provide and maintain affordable infrastructure that serves the current and future needs of the community, environment, industry and business.

Objective 2 Accessible and safe towns

- Continue to improve and maintain volume and condition of footpaths cycle-ways, kerbs and signage to provide enhanced amenities and connections with towns.
- Maintain and improve existing lighting, public lighting and increase coverage of lighting where appropriate.

In order to achieve these goals, the Shire must allocate appropriate resources to asset management through its financial plan, define its service level expectations through service delivery plans, and ensure effective risk management.

3. OBJECTIVES

Asset Management is viewed as an important corporate function of the Shire of Ashburton and Council are committed to supporting the function. The purpose of this policy is to initiate Asset Management Principles/Framework and Asset Management 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 of Ashburton.

The implementation of this Asset Management Policy will assist the Shire to meet community expectations by providing services in a sustainable manner.



4. PRINCIPLES

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

4.1 Managing Council Assets

Council assets will be managed by:

4.1.1 A team approach – Coordinated by the Asset Management Business Unit and supported by the cross-functional Asset Management Working Group. The roles and responsibilities of all asset users will be well defined and understood in the Asset Management Strategy.

4.1.2 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.

4.1.3 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.

4.2 New Assets & Renewal or Upgrade/Expansion of Assets

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

4.2.1 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.

4.2.2 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.

4.2.3 Plans to upgrade existing infrastructure will be considered and evaluated according to the need to increase the asset's Level of Service.

4.2.4 Council will continually seek opportunities for multiple uses of assets, as well as, strategic community partnerships and for economic extensions to infrastructure life.

4.3 Asset Management Strategy and Asset Management Plans

An Asset Management Strategy will be developed in line with the Strategic 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;
- The level of service and performance standards;
- The full cost of providing the service;
- The 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 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.

5. RISK MANAGEMENT TECHNIQUES

The Shire's Risk Management Policy (COPR5) 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 staff (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 & fraud including cyber crime
- Management of Facilities/Venues & Events

The criteria adopted in CORP5 will be applied to each asset class to identify any moderate -high risks and will be covered in the individual asset management plans

6. RESPONSIBILITIES

In order to support this policy the following key roles and responsibilities have been identified:

Council:

- To act as custodians for Council assets;
- To adopt an Asset Management Policy with linking to the Shire of Ashburton's 10 Year Strategic Community Plan 2017 - 2027
- To provide an advocacy role with State and Federal Governments and the community;
- Demonstrate the organisations commitment to the Council's vision and strategic objectives through an integrated and
- Make informed decisions supported by asset management processes and costs;
- To comply with Integrated Planning Framework and Fair Value Legislation.

Chief Executive Officer & Senior Management

- Reporting on the status and effectiveness of asset management within Council;
- Continually promote asset management across the organisation;
- To validate and challenge proposals to ensure they meet the Shire's Strategic Plan objectives and community needs;
- To ensure community and key stakeholders inputs are integrated into Asset Management Plans;
- To ensure staff are appropriately trained and skilled to perform the required Asset Management functions;
- To provide effective communication between Staff, Council and the Community;
- Responsible for implementing asset management systems, policies and procedures;
- Delegate specific assets to responsible project officers;
- Promote networks between the community, key stakeholders, and Council's asset managers to involve and consult with on the management of Council's assets.



- Develop and implement a framework for the evaluation and prioritisation of corporate project proposals incorporating whole of life costing;
- Develop and implement asset management processes and procedures;
- Implementation of Fair Value
- Develop Framework, guidelines and processes to deal with Fair Value reporting.

Asset Management Working Group

- To review this Asset Management Policy;
- To develop and review an Asset Management Strategy;
- Develop and review Asset Management Plans;
- In consultation with the community and key stakeholders, review and develop “community levels of service” for Council approval, and review technical levels of service.
- Develop Condition Manuals for all asset classes and undertake regular asset condition audits;
- To communicate asset management across the organisation.

7. DISABILITY ACCESS AND INCLUSION PLAN

Public Authorities in Western Australia are required to have Disability Service Plans (DSPs) under the Disability Services Act (1993). This Act was amended in 2004 with a requirement for public authorities (State Government agencies and Local Governments) to develop and implement Disability Access and Inclusion Plans (DAIP's) that further the principles and objectives of this Act. On 21 November 2017 Council adopted an updated DAIP at its Ordinary Meeting of Council. The principles and objectives of this DAIP are to be applied in the responsible management of the Shire's assets including acquisition, maintenance and disposal.

2. 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 including inventory, historical, condition, and construction, technical and financial.

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 of Ashburton Fair Value is defined as:

“... the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm’s length transaction.” And also 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.

Associated Documents:

Internal

- Strategic Community Plan 2017 - 2027
- Corporate Business Plan
- Asset Management Strategy
- Asset Management Plans