

### P23 ASSET MANAGEMENT

#### PURPOSE

The objectives of this policy are to:

- Provide a framework and clear direction for the sustainable management of the Shire's assets;
- Ensure an organisation wide and inclusive approach is taken to asset management;
- Ensure adequate provision is made for the maintenance, renewal, upgrade; and replacement of assets in accordance with agreed levels of service.

#### DEFINITIONS

The following definitions are relevant to this Policy and are in accordance with IPWEA's International Infrastructure Management Manual 2011:

**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 and a replacement cost greater than \$1,000.

**Asset Class** – Groupings of assets of similar nature and use in a local government's operations. The Shire's asset classes include recreation assets, property assets, transport assets, plant and equipment and waste assets.

**Asset Management** – The systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets.

**Asset Management Information Systems** – A combination of processes, data, software and hardware applied to provide the essential outputs for effective asset management.

**Asset Management Plan** – A long term rolling plan (10 years) that outlines 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. An Asset Management Plan informs the Shire's Long Term Financial Plan.

**Asset Management Policy** – A document that broadly outlines the principles and mandated requirements for undertaking asset management across the organisation in a systematic and coordinated way, consistent with the organisation's strategic plans. It provides the framework for the Shire's Asset Management Strategy and Asset Management Plans.

**Asset Management Strategy** – The high level long-term approach to asset management including asset management action/improvement plans and objectives for managing assets sustainably.

**Integrated Asset Management Framework** – The overarching asset management hierarchy including the Asset Management Policy, Asset Management Strategy and Asset Management Plans.

**Level of Service** – Levels of service statements describe the outputs or objectives the Shire intends to deliver to its community.

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

## POLICY

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 and applies to elected members, employees, contractors and consultants engaged by the Shire. 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:

- Recreation Assets – Parks, ovals and associated ancillary infrastructure, reserves, gardens, playgrounds, significant trees etc.
- Property Assets – Buildings, structures, freehold land and associated ancillary infrastructure, etc.
- Transport Assets – Roads, paths, culverts, drainage, foreshore infrastructure, aerodrome, street furniture etc.
- Plant and Equipment – Vehicles, tools, plant, communication equipment etc.
- Waste Asset – Waste water tanks & ponds, transfer station, residential bins, dump points etc.

Asset Management Plans will be prepared for each major asset class and be annually reviewed and updated.

***The Shire's Asset Management Strategy describes how this Policy will be applied within the Shire and specifies how the Shire's asset portfolio will be managed to meet the service delivery needs of its community and visitors.***

In order to implement this Policy, the Shire commits to the following Asset Management Principles:

- systematic and appropriate asset management practices be implemented including a continuous improvement approach to asset management;
- a methodology for strategic asset management built around the enhancement and delivery of five key needs areas including service focus, skills, knowledge, review and governance;
- impacts on the Shire's Strategic Community Plan objectives be considered in asset management;
- asset management plans be informed by the Shire's electronic data management system, community consultation, financial planning and workforce planning;
- service levels be identified for all major asset classes in consultation with the community;
- asset renewal and upgrades be prioritised in the Shire's Corporate Business Plan based on level of service and ability of the current assets to provide the desired level of service;
- an asset evaluation program 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;
- total life cycle costs be considered in asset management decisions relating to new services and assets; and
- assets may be rationalised where the level of service requirement falls to a sufficiently low level.

The Asset Management Policy will be reviewed annually to ensure its currency and relevance.

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*(reviewed 27 June 2017 Minute 220617)*