

CM 3 – Asset Management

1 Objectives

To ensure adequate provision is made for the long-term maintenance and/or replacement of major assets by:

- Ensuring that Council’s services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the organisation including training and development.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management process that align with demonstrated best practice.

2 Purpose

To set guidelines for implementing consistent asset management processes throughout the Shire of Bridgetown-Greenbushes.

2 Scope

This policy applies to all Council activities and is intended to provide clear direction for the sustainable management of the Shire’s assets. The policy applies to elected members, employees and contractors/consultants engaged by the Shire.

3 Definitions

The following definitions are relevant to this Policy and are in accordance with the “Asset Management Framework and Guidelines” document published by the Department of Local Government.

3.1 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.

3.2 Asset Class

A group of assets of similar nature and use in a local government’s operations. Local Government asset classes include land, buildings, infrastructure, plant and equipment and any other asset, including assets not owned by the Council but with a management responsibility under a legal instrument.

3.3 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.

3.4 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.

3.5 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.

3.6 Level of Service

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

3.7 Lifecycle Cost

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

4 Policy

- Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.
- Council owns and uses approximately \$203,223,231 of non-current assets (as at 30 June 2020) to support its core business of delivery of services to the community. 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 Infrastructure (including roads {including sealed, gravel and reseals}, footpaths and dual use paths, car parks, kerbs, traffic management, signs and road side drainage);
 - Property Infrastructure (including buildings, improvements to land and furniture & equipment);
 - Parks and Reserves Infrastructure (including playground equipment);
 - Plant and equipment.
- Asset management practices impact directly on the core business of the organisation and appropriate asset management is required to achieve our strategic service delivery objectives.
- Adopting asset management principles will assist Council in achieving its Strategic Long Term Plan and Long Term Financial objectives.
- A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets.

This will provide positive impact on;

- Members of the public, councillors and staff;
- Council's financial position;
- The ability of Council to deliver the expected level of service and infrastructure;
- The political environment in which Council operates; and
- The legal liabilities of Council.

Principles

- A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- Asset management principles will be integrated within existing planning and operational processes.
- Asset Management Plans will be developed for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting.
- Asset renewals required to meet agreed service levels and identified in adopted asset estimates.
- Service levels agreed through the budget process and defined in adopted Asset Management Plans will be fully funded in the annual budget estimates.
- Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- Training in asset and financial management will be provided for councillors and relevant staff.

Responsibility

- Council is responsible for adopting the policy and ensuring that sufficient resources are applied to manage the assets.
- The Chief Executive Officer has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

Policy Review

This policy will be reviewed annually to ensure its currency and relevance.

5 Applicable Legislation and Documents

<p>Statutory Power <i>(Acts, Regulations, Local Laws, TPS)</i></p>	<p><i>Local Government Act 1995</i> s.2.7(2)(b) – The council is to determine the local government’s policies s.3.58 – Disposing of property s.6.10 – Financial management regulations.</p> <p><i>Local Government (Financial Management) Regulations 1996</i> r.5(1)(d) – CEO’s duties as to financial management r.17A – Valuation of certain assets for financial reports r.17B – CEO to take steps to protect excluded portable and attractive assets r.36 – Annual financial report, content</p>
<p>Shire Policies</p>	<p>CM 4 – Asset Management – Project Management Framework</p> <p>CP 5 – Proceeds from Sale of Council land</p> <p>FM 4 – Purchasing Policy</p> <p>FM 5 – Buy Local Purchasing</p> <p>FM 9 – Assets Financing and Borrowings</p> <p>RM 1 – Risk Management</p> <p>PES 1 – Light fleet Vehicle Purchasing</p>
<p>Related Documents</p>	<p>WA Department of Local Government: <i>Integrated Planning Framework and Guidelines, October 2010.</i></p> <p>WA Department of Local Government: <i>Asset Management Framework and Guidelines, May 2011.</i></p> <p>Institute of Public Works Engineering Australia, IPWEA, <i>Asset Management for Small, Rural or Remote Communities Practice Note, 2011.</i></p> <p>Institute of Public Works engineering Australia, IPWES, <i>International Infrastructure Management Manual, 2011.</i></p>
<p>Related Procedure</p>	<p>N/A</p>

6 Administration

<p>Original Adoption Date</p>	<p>24 May 2012 (C.23/0512)</p>
<p>Last Reviewed</p>	<p>30 June 2022 (C.09/0622)</p>
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