



<b>POLICY NO</b>	<b>CP/OPS- 3659</b>	
<b>POLICY</b>	<b>Asset Management</b>	
<b>RESPONSIBLE DIRECTORATE</b>	Infrastructure	
<b>RESPONSIBLE OFFICER</b>	Director Infrastructure	
<b>COUNCIL ADOPTION</b>	Date: 25 August 2015	Resolution No: 11070
<b>REVIEWED/MODIFIED</b>	Date: 18 July 2017	Resolution No: 18/07/2017-11751
	Date:	Resolution No:
<b>REVIEW DUE</b>	Date: July 2019	
<b>LEGISLATION</b>	<i>Local Government Act 1995, Section 5.56</i> <i>Local Government (Administration) Regulations 1996 Section 19DA</i>	
<b>RELATED POLICIES</b>	CP/OPS-3649 Maintenance of Shire Assets. CP/OPS-3650 Private Work CP/OPS-3651 Private Works and Developments on Road Verges and Council Managed Land.	
<b>RELATED ORGANISATIONAL DIRECTIVES</b>	Organisational Directive, Asset Management Procedures – Roles and Responsibilities.	
<b>RELATED DELEGATIONS</b>	12 - Tenders 13 – Disposal of Property 14 – Private Works 15 – Appointment of Consultants 23 – Contract Variations 38 – Public Thoroughfares 39 – Gates across Public Thoroughfare 40 – Dangerous Excavation in or near Public Thoroughfare 41 - Crossovers 42 – Permission to Deposit Materials On, or Excavate Adjacent to, a Street 43 – Events on Roads 44 – Road Trains and Extra Mass Permits 45 – Traffic Regulatory Signs 49 – Variation to Firebreak Orders 50 – Variation to Prohibited Burning Times	

### **PURPOSE:**

The objectives of this policy are to ensure adequate provision is made for the long-term replacement of assets by:

1. 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.
2. Applying best asset management practices as appropriate to the management of assets for the Shire of Wyndham East Kimberley.
3. Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
4. Allocating corporate responsibility for asset management and the necessary resources to deliver Asset Management strategies.

5. Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the organisation by training and development.
6. Assisting the Shire in compliance with the provisions of the State Government's Integrated Planning & Reporting Framework by having an integrated approach to planning for the future.
7. Meeting legislative requirements for asset management.
8. Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
9. Providing a framework for implementing asset management to enable a consistent, coordinated and strategic approach.
10. Facilitate continuous improvement and innovation in delivering service in achieving service standards to benefit the community.
11. Provide a framework which quantifies risk and incorporates that into the decision making process.
12. Provide guidance to staff responsible for asset management.

## DEFINITIONS:

**“Asset”** means a physical item that is owned or controlled by the Shire of Wyndham East Kimberley, and provides or contributes to the provision of service to the community (in this context excluding financial, intellectual, and non-tangible assets).

**“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.

**“Council”** means the elected Council (comprising Councillors) of the Shire of Wyndham East Kimberley.

**Infrastructure Assets** are fixed assets that support the delivery of services to the community. These include the broad asset classes of Roads, Drainage, Buildings and Parks.

**“Level of Service”** means the combination function, design and presentation of an asset. The higher the level of service, the greater the cost to deliver the service. The aim of asset management is to match the asset and level of service of the asset to the community expectation, need and level of affordability.

**“Life Cycle”** means the cycle of activities that an asset goes through while it retains an identity as a particular asset.

**“Whole of life cost(s)”** means the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.

**“Maintenance”** means regular ongoing day-to-day work necessary to keep asset operating and to achieve its optimum life expectancy.

**“Operations”** – means the regular activities to provide public health, safety and amenity and to enable the assets to function e.g. road sweeping, grass mowing, cleaning, street lighting and graffiti removal.

**“New”** means creation of a new asset to meet additional service level requirements.

“**Resources**” means the combination of plant, labour and materials, whether they be external (contractors/consultants) or internal (staff/day labour).

“**Renewal**” means restores, rehabilitates, replaces existing asset to its original capacity. This may include the fitment of new components necessary to meet new legislative requirements in order that the asset may achieve compliance and remain in use.

“**Risk**” means probability and consequence of an event that could impact on the Council’s ability to meet its corporate objectives.

“**Shire**” means the collective Shire of Wyndham East Kimberley organisation. The Chief Executive Officer of the Shire of Wyndham East Kimberley is responsible for ensuring the Shire’s obligations and commitments are met.

“**Stakeholders**” are those people/sectors of the community that have an interest or reliance upon an asset and who may be affected by changes in the level of service of an asset.

“**Upgrade**” means enhances existing asset to provide higher level of service.

## **POLICY STATEMENTS:**

### **Scope**

This policy applies to all Shire activities and service delivery of the Shire. It relates specifically to the management of infrastructure assets under the care, control and responsibility of the Shire that are used to deliver services or the infrastructure management regime of third parties where the Shire facilitates service delivery by a third party. This may include but is not limited to;

- Government Agencies
- Private Enterprise
- Contractors

### **Background**

The community relies on the Shire of Wyndham – East Kimberley to deliver services. The Shire has finite resources and limited income streams that can be targeted to fund service delivery. The Shire must ensure that service delivery is well targeted and aligns with the Community’s aspirations identified via the Strategic Community Plan.

To ensure that scarce resources are optimally allocated, it is important that informed decisions are made when considering the acquisition, ongoing ownership, management and disposal of infrastructure assets. The Shire also needs to continuously consider whether it needs to provide or own assets in order to deliver services or whether it can simply facilitate the provision of the service by a third party, i.e. non asset ownership service delivery.

To assist with making informed decisions in relation to this issue, the Shire will put in place the following;

1. A Strategic Asset Management Framework that is consistent with National standards in Asset Management and Long Term Financial Planning (Nationally Consistent Approach).
2. Maintain a contemporary Asset Management Policy that is regularly reviewed (this Policy).
3. Develop, maintain and regularly review an Asset Management Improvement Strategy that clearly articulates a sustainable path for continuous improvement and identifies resources to implement via the budget process.
4. Develop, maintain and regularly review Asset Management Plans that cover all key Infrastructure Asset Classes.

5. Asset Management Plans will document the Council adopted level of service that applies to Infrastructure Assets which will be derived from Service Level Plans and the community engagement processes used to develop the Strategic Community Plan.
6. Ensure processes are in place to train Councillors and Officers in key aspects of Asset Management and Long Term Financial Planning.

## Policy

1. To achieve the policy objectives, the Shire of Wyndham East Kimberley recognises that Asset Management is a major corporate function.
2. The Shire will make informed decisions in relation to its infrastructure assets. To achieve this, the Shire will prepare an Asset Management Improvement Strategy that will guide the implementation of asset management across the organisation with the key outcome being the adoption by Council of an Asset Management Plan for all classes of infrastructure assets.
3. Asset Management Plans will form part of the Shire's day-to-day business practices and will be used to make informed decisions in relation to asset management
4. The Shire has limited resources and is custodian of a large number of assets, many of which have reached or gone beyond their economic life. In making decisions in relation to infrastructure assets, the Shire will apply the philosophy of renewing assets before acquiring new assets and where possible, rationalising assets that are no longer used or do not provide the agreed level of service.
5. The Council will determine the level of service required for assets.
6. As part of Shire's consideration of asset management, the Shire will follow the following key principles:
  - 6.1 Prior to consideration of any major works for renewal or improvement to an asset, undertake a critical review of the need of that Asset;
  - 6.2 Will consider the Whole of life cost for all new assets and for any major renewal or improvements into the Shire's Long Term Financial Plans;
  - 6.3 Undertake to develop Asset Management Plans that are financially sustainable;
  - 6.4 Involve and consult with key stakeholders on determining levels of service and asset service standards;
  - 6.5 Manage its assets utilising a corporate team approach using a multi-discipline working group;
  - 6.6 Ensure asset information is accurate and up to date allowing for appropriate asset planning, both in the short and long term, and for informed decision making to occur;
  - 6.7 Allocate appropriate resources to ensure asset management practices can be undertaken and the timely maintenance and renewal or upgrade of those assets so that Life Cycle costs are optimised;
  - 6.8 Ensure the roles and responsibilities of all asset users are well defined and understood;
  - 6.9 Develop reporting procedures based on key principles of this Asset Management Policy;
  - 6.10 Training in asset and financial management will be provided for councillors and relevant staff;
  - 6.11 Continually seek opportunities for multiple uses of assets.

6.12 Implementation of asset management as an organisational philosophy will occur through the Asset Management Practices Improvement Strategy.

**EXPLANATORY NOTES:**

Related Documents;

Asset Management Strategy and associated Asset Management Plans.

**APPLICATION/S:**

Implementation of asset management as an organisational philosophy will occur through the Organisational Directive, Asset Management Procedures – Roles and Responsibilities.

This policy applies to Council, Councillors, Executive Leadership Team, Staff and the community involved in the operations, maintenance, refurbishment, renewal, upgrading and development of Council's existing and new infrastructure assets.

**RISK:**

**Risk:** Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

**Control:** Review policies and procedures in accordance with review schedule.

**Risk:** Inability to deliver levels of service expected by the community

**Control:** Current budget and service levels.

**Risk:** Inability to fund the infrastructure gap.

**Control:** Develop LTFFP to ensure critical assets maintained in Annual Budgets