



<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: March 2025	
<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>	Nil	
<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 all of 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 all 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 departments and 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

### **Policy**

#### Background

- 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 in achieving Strategic Long-Term Plan and Long-Term Financial objectives.

- Sustainable Service Delivery ensures that services are delivered in a socially, economically and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.
- Sound Asset Management practices enable sustainable service delivery by integrating customer values, priorities and an informed understanding of the trade-offs between risks, costs and service performance.

## Principles

The Organisation's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets by:

1. Ensuring that the Organisation's capital assets are provided in a manner that respects financial, cultural, economic and environmental sustainability;
2. Meeting all relevant legislative and regulatory requirements;
3. Demonstrating transparent and responsible Asset Management processes that align with demonstrable best-practices;
4. Implementing sound Asset Management plans and strategies and providing sufficient financial resources to accomplish them by:
  - a. Asset Management plans will be completed for all major asset / service areas.
  - b. Expenditure projections from Asset Management Plans will be incorporated into the organisation's Long-Term Financial Plan.
  - c. Regular and systematic reviews will be applied to all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice.
  - d. Regular inspection will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
  - e. Asset renewals required to meet agreed service levels and identified in adopted asset management plans, and when applicable long term financial plans, will form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented.
  - f. 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.
  - g. Future service levels with associated delivery costs will be determined in consultation with the community, and set by Council.
  - h. Ensuring necessary capacity and other operational capabilities are provided and Asset Management responsibilities are effectively allocated;
  - i. Creating a corporate culture where all employees play a part in overall care for the Organisation's assets by providing necessary awareness, training and professional development; and
  - j. Providing those we serve with services and levels of service for which they are willing and able to pay.

## EXPLANATORY NOTES:

Related Documents;

Asset Management Strategy and associated Asset Management Plans.

## APPLICATION/S:

**Councillors** are responsible for adopting the policy, allocating resources, and providing high level oversight of the delivery of the organisation's asset management strategy and plans. The council is also responsible for ensuring that organisational resources are appropriately allocated to ensure sustainable service delivery.

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 the organisation.

## 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