

ASSET MANAGEMENT

DIVISION	BUSINESS UNIT	RESPONSIBILITY AREA
Corporate Services	Administration	Property Administration

OBJECTIVE:

To ensure that services provided by the Shire of Plantagenet continue to be delivered in a sustainable manner. This will be achieved by ensuring that the assets used to support the service delivery continue to function to the level of service determined by the Council.

It will also provide clear direction as to how the Council, as custodian of community assets, will manage those assets within an Asset Management Framework.

POLICY:

The Shire of Plantagenet is committed to ensuring that Asset Management is recognised as a major corporate function within the Council and that staff are committed to supporting the function in line with this policy.

The Shire is committed to making informed decisions in relation to its assets. To achieve this, the Shire will prepare an Asset Management Improvement Strategy (AMIS) that will guide the implementation of asset management practices across the organisation with the major outcome being the adoption by the Council of an Asset Management Plan(AMP) for the following classes of assets:

- a) Roads, pathways and road drainage;
- b) Buildings;
- c) Parks and reserves (including sporting fields and water bodies);
- d) Waste disposal sites; and
- e) Other assets (including saleyards, cemeteries and radio masts).

AMP will form part of the Shire’s day-to-day business practices. They will define the level of service to be provided and will be used to make informed decisions in relation to considering the need to maintain or renew existing assets, acquire new assets, upgrade existing assets or dispose of assets to support service delivery. AMPs will include financial modelling of the renewal profile of each asset class.

The Council will develop and implement a long term (10 year) ‘rolling’ financial plan (LTFP) that incorporates infrastructure renewal requirements as identified within the various AMPs.

In making informed decisions in relation to assets, the Shire will consider the following key principles:

1. Philosophy of renewing assets before acquiring new assets.
2. Where possible, rationalising assets that are no longer used or do not provide the necessary level of service defined for that asset.
3. Prior to consideration of any major refurbishment or improvement to an asset, a critical review of the following shall occur as part of the evaluation process:
 - a) Need for the facility (short and long term);
 - b) Legislative requirements;
 - c) Opportunities for rationalisation;
 - d) Future liability including ultimate retention/disposal; and
 - e) Opportunities for multiple use.

4. All capital works projects in excess of \$100,000.00 will be evaluated in accordance with a capital evaluation model and take into account capital cost, ongoing cost of maintenance, refurbishment, replacement and operating cost ('whole of life' cost assessment). Projects will be assessed against the objectives and priorities within corporate planning documents, including the Strategic Plan, Plan for the Future and AMPs.
5. In respect to road infrastructure, the Council will aim to maximise state and federal grants and recognise the need to allocate sufficient local government funds on road projects in each year to support this aim.

RESPONSIBILITY AND REPORTING

Council - Responsible for approving (including amendments to) this Policy, the AMIS and AMPs. The Council is also responsible for ensuring (upon recommendation of the CEO) that resources are allocated to achieve the objectives of the above documents. In adopting AMPs, the Council is also determining the Level of Service for each asset class.

Chief Executive Officer (CEO) - Responsible for ensuring that systems are in place to ensure that this Policy, the AMIS and AMPs are prepared and kept up to date, reviewed at least annually and that recommendations are put to the Council in relation to appropriate resource allocation to fulfil the objectives of the above documents. The CEO reports to the Council on all matters relating to asset management.

Asset Management Working Group (AMWG) – Responsible for co-ordinating the development of this Policy, the AMIS and AMPs. Where problems or changes to these documents are identified, the AMWG is responsible for reporting this to the CEO for consideration.

All Managers – Responsible for supporting the allocation of staff to the AMWG and ensuring that resources under their control are appropriately allocated to achieving the AMIS. All Managers report to the CEO on all matters relating to the implementation of AMPs under their area of control.

POLICY DEFINITIONS

'Asset' means a physical item that is owned or controlled by the Shire of Plantagenet, and provides or contributes to the provision of service to the community (In this context are fixed assets that support the delivery of services to the community such as roads, buildings and parks).

'Asset Management' means the processes applied to assets from their planning, acquisition, operation, maintenance, replacement and disposal, to ensure that the assets meet the Council's priorities for service delivery.

'Asset Management Plan' means a plan developed for the management of an asset or asset category (that includes community service, technical and financial considerations) over the lifecycle of the asset.

'Level of Service' means the combination of function, design and presentation of an asset. The aim of asset management is to match the asset and level of service 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 the asset operating and to achieve its optimum life expectancy.

'Operations' means the regular activities to provide public health, safety and amenities 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 level of service requirements.

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

‘Renewal’ means the restoration, rehabilitation or replacement of an existing asset to its original capacity. This may include the fixture of new components necessary to meet new legislative requirements in order that the asset may achieve compliance and remain in use.

‘Renewal Profile’ means a predicted future capital expenditure profile necessary to achieve a user-defined asset condition outcome.

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

‘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 the enhancement of an existing asset to provide a higher level of service.’

ADOPTED: **23 JUNE 2009**