ASSET MANAGEMENT

Preamble

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.

Purpose

The Council will ensure that services provided by the Shire of Plantagenet continue to be delivered. This will be achieved through the corporate goal of having a whole of life asset management approach and by ensuring that the assets used to support service delivery continue to function to the level of service determined by the Council.

This policy provides clear direction as to how the Council will manage these assets within an Asset Management Framework.

Definitions

Asset is 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 and has a life expectancy of greater than 12 months (In this context are fixed assets that support the delivery of services to the community such as roads, buildings and parks).

Asset Management is 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. The objective being that the asset provides the expected level of service in the most cost-effective way.

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

Level of Service is 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 is the cycle of activities that an asset goes through while it retains an identity as a particular asset.

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

Maintenance is regular ongoing work necessary to maintain the agreed level of service and so the asset may reach its optimum life expectancy.

Operations is the regular activities that 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 asset is the creation of a new asset to meet an additional or updated level of service.

Resources are the combination of plant, labour and materials, whether they be external (contactors/consultants) or internal (staff/day labour).

Renewal is the restoration, rehabilitation or replacement of an existing asset to its original capacity.

Renewal Profile is the predicted future capital expenditure profile necessary to achieve a user-defined asset condition outcome.

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

Service Life is the period over which an asset is expected to be functional, with normal repairs and maintenance, for the purpose it was acquired.

Internal Stakeholders are internal staff that may be impacted by the addition of or disposal of certain assets which may lead to an increase of workload and in turn impact on the operational budget.

External Stakeholders are 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.

Upgrade is the enhancement of an existing asset to provide a higher level of service.

Policy

1. The Asset Management Improvement Strategy (AMIS) and Asset Management Plan will guide the implementation of asset management practices across the organisation.

2. An Asset Management Plan (AMP) will be maintained for classes of assets including, but not limited to:
    a) Buildings;
    b) Plant and Machinery;
    c) Furniture and Equipment;
    d) Road Infrastructure;
    e) Stormwater Drainage Infrastructure;
    f) Pathway Infrastructure;
    g) Parks and Reserves Infrastructure; and
    h) Other Infrastructure.

3. The AMPs 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 obtain the defined level of

service. AMPs will include financial and condition modelling of the renewal profile of each asset class.

4. 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.

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

   a) Philosophy of renewing assets before acquiring new assets.

   b) Where possible, disposing of assets that are no longer used or do not provide the necessary level of service defined for that asset.

   c) 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:
      i. Need for the facility (short and long term)
      ii. Legislative requirements
      iii. Opportunities for rationalisation
      iv. Future liability including ultimate retention/disposal
      v. Opportunities for multiple use.

   d) Where the Council proposes to build or otherwise take on responsibility for a building with a cost greater than $100,000.00, the proposal will be assessed under the Council's adopted Business Case Guidelines for New Buildings.

   e) The Council may determine that major projects should be subject to a cost / benefit analysis. Projects will also be assessed against the objectives and priorities within corporate planning documents, including the Strategic Community Plan, Corporate Business Plan and Asset Management Plans.

   f) In addition to achieving the desired outcomes set out in the AMP in respect to transport 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.

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 and that recommendations are put to the Council

in relation to appropriate resource allocation to fulfil the objectives of the above documents. Responsible for identifying processes for meeting training needs for councillors and staff. 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.

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.

Document Control			
Document Responsibilities			
Owner	Chief Executive Officer	**Business Unit**	Infrastructure & Assets
Reviewer	Executive Manager	**Approval**	Council
Document Compliance			
Legislation	• *Local Government Act 1995*		
Other	• International Infrastructure Management Manual • Shire Strategic Community Plan • Shire Long Term Financial Plan		
Document Management			
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