

**Objectives:** Progressive

**Outcome:** 4.1 - A resilient, efficient and effective organisation.

**Strategy:** 4.1.1 - Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources.

## Purpose

The key objective of this policy is to ensure that services delivered by the Shire continue to be sustainably delivered. This will be achieved by ensuring that the infrastructure assets used to support the service delivery continue to function to the level of service determined by Council.

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

The policy provides an integrated and multidisciplinary environment for undertaking Infrastructure Asset Management (IAM) in a way that ensures that assets servicing the community for current and future generations are preserved and also allows for informed decision-making, incorporating life cycle costing principles and sustainable management of assets.

## Definitions

Not applicable

## Policy

### Objective

- 1.1 This Policy provides an essential framework and rationale for best practise Infrastructure Asset Management (IAM) decision-making (function and standard) and informing the organisation on how it will maintain its infrastructure asset to meet service delivery requirements.
- 1.2 The dynamic infrastructure asset management framework will also enable IAM to be undertaken in a structured and integrated manner with consideration to full lifecycle costing and assessment of the feasibility and cost of future replacement.
- 1.3 It complements and builds on the Shire's Strategic Community Plan and provides a more formalised approach to IAM principles and methodology and incorporates processes enabling informed decision-making to meet service needs over the life of an infrastructure asset from planning, creation, operations, maintenance and renewal through to disposal.
- 1.4 The asset register is to be maintained for accurate reporting and effective decision-making.



### Applying the Policy

- 2.1 The infrastructure assets to be considered in this policy include such assets as; roads, kerbing, drainage, bridges, buildings, public open spaces, reserves, sporting facilities, playground equipment and street furniture.
- 2.2 As custodians of the Shire's assets, Council is required to represent the community as the asset owner and the administration has the responsibility to provide technical and professional advice to Council.
- 2.3 Consistent standards will be developed and applied to infrastructure assets built by the Shire, Community or the Land Developer.
- 2.4 Council will involve and consult with the community and key stakeholders on determining service standards when developing level of service for infrastructure assets.
- 2.5 Appropriate resources will be allocated to ensure the IAM practices are undertaken effectively, including timely maintenance and renewal to ensure that lifecycle costs are optimised for both existing and new assets.
- 2.6 Council will adopt an annual Infrastructure Works Budget that reflects the objectives of IAM, with adequate funding allocated for maintenance, capital renewal and capital upgrade of existing assets.

To achieve the policy objective, the Shire is committed to ensuring that Asset Management is recognised as a major corporate function of 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 that will guide the implementation of Asset Management practices across the organisation with the major outcome being the adoption by Council of an Asset Management Plan for the following classes of assets:

- Roads
- Drainage
- Buildings
- Parks & Reserves
- Pathways and cycleways
- Plant & Fleet

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 service delivery when considering the need to acquire new assets, renew existing assets, upgrade existing assets or dispose of existing assets to support service delivery.



Asset Management plans will be prepared in accordance with the recommended format of the Institute of Public Works Engineering Australia's (IPWEA) International Infrastructure Manual. This will include long term (20 year) financial modelling of the renewal profile of each asset class and will be underpinned by long term financial plans.

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

- Philosophy of renewing assets before acquiring new assets and, where possible, rationalising assets that are no longer used or do not provide the necessary level of service required to sustainably deliver the service for which the asset was acquired.
- Prior to consideration of any major refurbishment, improvement to an existing asset, construction or acquisition of a new asset, a critical review of the following shall occur as part of the evaluation and prioritisation process:
  - Need for facility (short and long term)
  - Legislative requirements
  - Opportunities for rationalisation
  - Future liability including ultimate retention/disposal
  - Opportunities for multiple use
- All capital projects 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).
- Management of assets utilising a team approach supported by the multi discipline cross-functional asset management working group.
- Developing and implementing a 10 year "rolling" financial plan that incorporates infrastructure renewal requirements as identified within the various Asset Management Plans.
- The commitment to involve and consult with the community and key stakeholders when determining service levels.
- Training in asset and financial management will be provided for councillors and relevant staff.

### **Responsibility and Reporting**

**Council** - is responsible for approving (including amendments to):

- Asset Management Policy
- Asset Management Improvement Strategy
- Asset Management Plans



**Chief Executive Officer (CEO)** - is responsible for ensuring that systems are in place to ensure that Council's Asset Management Policy, Asset Management Improvement Strategy and Asset Management Plans are prepared and kept up to date, reviewed at least annually. The CEO reports to Council on matters relating to Asset Management.

**Executive Management Group** – is responsible for monitoring the implementation of asset management across the organisation. The Executive Management Group will ensure that strategies are put in place for the successful implementation of Asset Management.

**Asset Management Working Group (AMWG)** – is responsible for ensuring that Council's Asset Management Improvement Strategy is achieved and that Asset Management Plans are prepared and maintained in line with this policy. Where changes to Council's Asset Management Policy, Improvement Strategy or Plans are identified, the AMWG is responsible for reporting these to the Executive Management Group for consideration. The AMWG reports to the Executive Management Group on all matters relating to Asset Management.

**Director Infrastructure Services** – is responsible for resource allocation associated with achieving Council's Asset Management Improvement Strategy. The Director Infrastructure Services is responsible for supporting the AMWG and ensuring that resources are commissioned (where appropriate) to assist the AMWG to achieve its objectives.

**All Directors** – are responsible for ensuring that resources under their control are appropriately allocated to resource asset management and in particular the Asset Management Working Group.

**References**

<b>Name of Policy</b>	2.0.1 Asset Management
<b>Previous Policy</b>	AP26 – Asset Management (E15/5096) ED601 – Infrastructure Asset Management (E15/5096)
<b>Date of Adoption and Resolution Number</b>	Adopted CGAM056/03/10 22/03/2010 Ordinary Council Meeting
<b>Review dates and Resolution Numbers</b>	Reviewed OCM187/09/15 29/09/2015 Ordinary Council Meeting Reviewed OCM023.1/01/10 25/01/2010 Ordinary Council Meeting Modified OCM179/12/17 18/12/2017 Ordinary Council Meeting
<b>Next review date</b>	Reviewed by the AMWG on an annual basis with recommendations for amendments submitted to the Executive Management Group if required.
<b>Related documents</b>	<p><b>Acts/Regulations</b> <i>Local Government Act 1995</i></p> <p><b>Plans/Strategies</b> Strategic Community Plan 2017 - 2027</p> <p><b>Policies</b> Council Policy 3.2.10 – Significant Accounting Policies Asset Management Improvement Strategy Asset Register</p> <p><b>References</b> Institute of Public Works Engineering Australia's (IPWEA) International Infrastructure Manual</p> <p><b>Delegations</b> Nil</p> <p><b>Work Procedures</b> Nil</p>

Note: changes to references may be made without the need to take the Policy to Council for review.