

ASSET MANAGEMENT POLICY

PURPOSE

This Asset Management Policy is to ensure that services delivered by the Shire continue to be delivered sustainably by ensuring that infrastructure assets are:

- a. managed in a systematic manner; and
- b. in the most cost effective way over their lifecycle,

to optimise their performance and to realise the Goals of the Shire's Strategic Community Plan.

OBJECTIVE

To provide clear direction in the provision and management of all Council's assets within an Asset Management Framework to ensure sustainable outcomes and appropriate levels of service for present and future stakeholders.

POLICY

The Shire is required to manage its assets in a whole-of-life and economically, environmentally, culturally and socially sustainable manner in line with its Strategic Community Plan, and is to be achieved in accordance with the guidelines detailed below.

GUIDELINES

Annexure A – Principles

Annexure B – Asset Management

Annexure C – Effective Asset Management

Annexure D - Definitions

Linkage to the Strategic Community Plan, Corporate Business Plan and the Long Term Financial Plan.

Australian Accounting Standards (AASB 116 – Property, Plant and Equipment)

Risk Management Policy and Framework

Department of Local Government Integrated Planning and Reporting Framework and Guidelines.

STATUTORY ENVIRONMENT

Local Government Act 1995

Record of Policy Review					
Version	Author	Council Adoption	Resolution	Reason for Review	Review Date
01	Graeme Fardon	29 August 2013	50-13/14	New Policy	
02	Graeme Fardon	27 September 2018	41-18/19	Policy Review Project – 6/09/2018	
03	Graeme Fardon	17 December 2020	97-20/21	Biennial Policy Review	December 2020

ANNEXURE A – PRINCIPLES

The following principles shall apply: -

- a. Service delivery is the basis of Asset Management;
- b. New proposals will seek innovative and cost effective solutions;
- c. The development of Asset Management Plans by the Shire of Quairading which identify:
- d. the strategic goals;
- e. the Level of Service and performance standards;
- f. the full cost of providing the service;
- g. the future demand; and
- h. monitoring and improvement strategies.

The introduction of a new service/Asset accompanied with a Business Case/Planning Report including a full Lifecycle Cost analysis and risk assessment.

ANNEXURE B – ASSET MANAGEMENT

- a. To develop current and future clearly defined Levels of Service in consultation with the Community;
- b. To develop and maintain Asset Management Plans which consider financial, environmental and social sustainability, legislation and Levels of Service;
- c. To adopt pro-active maintenance programs to ensure that the lowest Lifecycle Cost is achieved while maintaining agreed Levels of Service;
- d. To adopt best practice Asset Management techniques;
- e. To assess and monitor the Asset risks periodically to minimise or eliminate the risk which the failure of Assets may pose;
- f. To link Asset Management Plans to the Shire of Quairading's Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan.

ANNEXURE C - EFFECTIVE ASSET MANAGEMENT

An effective Asset Management approach will provide the following benefits: -

- a. Strong governance and accountability by providing a transparent and auditable basis for making service/risk/price trade-offs decisions;
- b. More sustainable decisions by ensuring all lifecycle costs are included in decision processes, so that the emphasis is on sustainable efficiencies not unsustainable short-term gains;
- c. Enhance customer service through improved understanding of service requirements and options;
- d. Effective risk management by understanding the risks related to asset management and service delivery and applying a framework to prioritise risk mitigation; and
- e. Improved financial efficiency by recognition of all costs of owning/operating assets over the lifecycle of the assets.
- f. This Asset Management approach will be supported and achieved through the implementation of Asset Management Strategy and Asset Management Plans for the Shire of Quairading.
- g. The implementation of this Asset Management Policy will assist the Shire to meet community expectations by providing services in a sustainable manner.

ANNEXURE D – DEFINITIONS

Asset means a resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

Asset Management means the systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets.

Asset Management Plan means Long-term plans (usually 10-20 years or more for infrastructure assets) that outline the asset activities and programmes for each service area and resources applied to provide a defined Level of Service in the most cost effective way.

Asset Management Strategy means the high level long-term approach to asset management including Asset Management action plans and objectives for managing the assets.

Business Case/Planning Report means a Business Case demonstrates the advantage and value of a new service/asset and a Planning Report details the alternative delivery methods and the recommended option.

Level of Service means Levels of Service statements describe the outputs or objectives an organisation or activity intends to deliver to customers.

Lifecycle Cost means the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.