

Works and Assets

Asset Management

Objective

The policy provides the framework for the sustainable management of the Shire of Koorda's ("the Shire's") asset portfolio and assisting the Shire in compliance with the provisions of the State Government's Integrated Planning and Reporting framework by having an integrated approach to planning for the future.

Policy

This Policy is intended to provide clear direction on the Shire's expectations for the sustainable management of its assets and applies to elected members, employees and contractors/consultants engaged by the Shire.

Definitions

TERM	DEFINITION
Asset	A physical component of a facility which has value, enables a service to be provided and has an economic life of greater than 12 months. Asset Class Groupings of assets of similar nature and use in a local government's operations. Local Government asset classes include land, buildings, infrastructure, plant and equipment, information technology and other assets.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management Plan	A plan developed for one or more assets that combines technical and financial management processes to provide a specified level of service.
Asset Management Strategy	One or more documents that outlines how the local government's asset portfolio will meet the service delivery needs of its communities into the future, enabling the local government's asset management policies to be achieved and ensuring that asset management is established as part of the local government's Integrated Plan.
Level of Service	The defined service quality for a particular activity (i.e. road maintenance) or service area (i.e. street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental considerations, acceptability and cost.
Lifecycle Cost	The total cost of an asset throughout its life including costs for planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal.

The Shire will ensure assets supporting the delivery of services to the community are managed responsibly and cost effectively over their lifecycle and take into consideration community expectations for levels of service (time, quality and value for money).

This policy encourages an organisation wide approach and commitment to achieving these policy goals. The policy is supported by accurate and current financial details of assets being included within the Strategic Resourcing Plan. The Shire's assets are physical items within the boundaries of the local government and under its control.

They include but are not limited to the following asset classes:

- Transport – Road and path networks (including Car Parks and street furniture)
- Property – Buildings
- General assets – Parks, ovals and reserves, Plant & Equipment and Furniture & Equipment

Asset Management Plans are to be reviewed and updated as required.

An Asset Management Strategy will describe how this Policy will be applied within the Shire and outline the details to be included within Asset Management Plans.

In order to implement this Policy, the Shire commits to the following principles:

- Systematic and appropriate asset management practices be implemented including a continuous improvement approach to asset management.
- Impacts on the Strategic Community Plan's Diversified Economy, Connected Communities, Protected Natural Environment, Sustainable Built Environment and Effective Civic Leadership goals be considered in asset management and asset operational processes; asset management plans be informed through community consultation, financial planning and workforce planning.
- Asset renewals included in adopted Strategic Resourcing Plan (comprising asset management plan and long term financial plan) be considered when forming the annual budget estimates.
- Service levels be identified for all major asset classes in consultation with the community.
- Asset renewal plans be prioritised based on level of service and ability of the current assets to provide the desired level of service.
- An asset inspection program be developed to ensure agreed service levels are maintained and to ensure assets are managed, valued and depreciated in accordance with appropriate asset management practices and applicable Australian Accounting Standards.
- Life cycle costs be considered in decisions relating to new services and assets as well as upgrading of existing services and assets.
- Major assets be regularly reviewed to assess their ongoing relevance and contribution to community need.
- Asset management roles, responsibilities and reporting frameworks will be defined.
- Assets may be rationalised where the level of service requirement falls to a sufficiently low level.
- Training in asset and financial management be offered for elected members and relevant staff.

Related Documents (Legislation/Local Law/Policy/Procedure/Delegation)

Local Government Act 1995

Local Government (Administration) Regulations 1996

WA Department of Local Government: Integrated Planning and Reporting Framework and Guidelines, October 2010.

WA Department of Local Government: Asset Management Framework and Guidelines, May 2011.

Institute of Public Works Engineering Australia, IPWEA, International Infrastructure Management Manual.

Review History

Date	Council Resolution	Description of review/amendment
18/10/2023	RES: 171023	Adoption of Policy.