



Council Policy Manual

WEST WIMMERA SHIRE COUNCIL

COUNCIL POLICY	
ASSET MANAGEMENT POLICY	Policy No:
	Adopted by Council: 21/03/2018
	Next review date:
Senior Manager:	Director Infrastructure Development & Works
Responsible Officer:	Asset Systems and GIS Coordinator
Functional Area:	Asset Management
Introduction & Background	<p>The Asset Management Policy is the framework that enables strategic and quality governance of Council's owned, and/or responsible for, Assets.</p> <p>The Policy reflects Council Plan objectives pertaining to Asset Management and service delivery.</p>
Purpose & Objectives	<p>The purpose of the Asset Management Policy, is to ensure that Council manages its assets in accordance with:</p> <ul style="list-style-type: none"> • National and State legislation, guidelines, frameworks and codes, • Council's policies and procedures, and • Council's current Council Plan. <p>The primary objective is to provide 'fit for purpose' assets to enable sustainable service levels.</p>
Definitions	
	<p>An Asset is a physical component of a facility that has value, enables a community service to be provided and has an economic life of greater than 12 months.</p> <p>For the purpose of this policy and Council's Asset Management Strategy, the assets include, but are not limited to:</p> <ul style="list-style-type: none"> • Land and land improvements, • Roads, • Buildings, • Other Structures, • Parks, Open Space and Streetscapes, • Plant and Equipment,



	<ul style="list-style-type: none"> • Furniture and Fittings, • Bridges, • Drainage, • Footpaths and Kerb and Channel. <p>Asset Management is the combination of recording, 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 over the life of the asset.</p> <p>An Asset Management Plan is a plan developed for the management of specific asset categories that combines multi-disciplinary management techniques over the lifecycle of the asset in the most cost-effective manner to provide specified levels of service.</p> <p>The Council Plan is a legislative requirement where each local government must develop a four-year strategic plan. The Council Plan is a key component in the corporate planning framework. It provides guidance and direction to the organisation by setting organisational goals, outcomes, strategies, actions, resource requirements and performance measures for the next four years.</p> <p>The Budget components of the Council Plan, are critical feeder documents informing the Asset Management Plans.</p> <p>Levels of Service has two components:</p> <ol style="list-style-type: none"> 1) Levels of Service are determined by Council through the budget process reflecting Council's Plan and the outputs or objectives that Council intends to deliver to its constituents, 2) A subset of the above is the condition of the asset providing the service <p>Life cycle cost is the total cost of an asset throughout its life including planning design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.</p> <p>Long-Term Financial Plan contains a 10 year budgeted financial statements and associated key financial performance indicators that assesses the financial integrity of the plan.</p> <p>Sustainability is the process by which systems are replicable over a long-term period, (for example 100 years,) including environmental, social and economic systems.</p>
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Policy Details	
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1.	<p>Asset Management Principles</p> <hr/> <p>Council will, as part of its consideration of asset management:</p> <ul style="list-style-type: none"> • In the implementation of the Council Plan, provide quality assets that support services that are appropriate, accessible, responsive and sustainable to the community • Undertake to develop industry standard, affordable and financially sustainable asset management plans that:
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	<ul style="list-style-type: none"> a. Assess the capacity of the assets to provide the required level of service b. Assess future asset needs based on likely changes in demographics, demand and technology c. Assess future asset replacement needs d. Assess future asset maintenance needs to provide approved service levels e. Identify likely sources of funding for future asset requirements <ul style="list-style-type: none"> • Undertake a critical needs analysis and whole-of-life cost before allocation of funds on all major capital projects for new or existing assets • Develop and implement a framework for the evaluation and prioritisation of capital projects • Allocate appropriate resources for asset management practices • Involve and consult with the community and key stakeholders in determining service standards • Ensure asset information is timely, and accurate, allowing for informed decision making and appropriate asset planning, both in the short and long term • Manage its assets utilising a multi-discipline cross-functional asset management group.
2.	<p>Regulations</p> <p>Council, in accordance with the Local Government Act 1993, Australian Accounting Standards and the Local Government Finance Standard 2005 is, required to:</p> <ul style="list-style-type: none"> • Show that its capital base is not consumed at a rate that will adversely affect the service potential • Show that sufficient funding is available for the planned asset replacement • Consider the equity between different generations • Consider the efficient, effective and proper management of its operations • Consider planning for the future
3.	<p>Roles and responsibilities</p> <p>Councillors</p> <ul style="list-style-type: none"> • To act as stewards for the assets • To set corporate Asset Management Policy and vision with linkage to the Council Plan • To set levels of service, risk and cost standards • Approve and review Asset Management Plans



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- To ensure appropriate resources and funding for asset management activities are made available to integrate Asset Management Policies, Asset Management Strategies and Asset Management Plans into the corporate governance framework
- Provide consistent and transparent decision making based on adopted criteria; and
- To provide an advocacy role with State and Federal Governments and the community.

Chief Executive Officer and Senior Management Team (SMT)

- To continually promote asset management across the Council and with the community
- To validate and challenge proposals to ensure they meet the Corporate Plan objectives and community service needs
- To develop and continue to refine the overarching Asset Management Policy and Asset Management Strategy with linkage to the Corporate Plan for consideration by Council
- To foster and support the multi discipline cross functional Asset Management Steering Committee
- To monitor the performance of the staff in implementing asset management
- To ensure the community and key stakeholders inputs are integrated into Asset Management Plans and monitor the outcomes
- To ensure staff are appropriately trained and skilled to perform the required asset management functions
- To ensure that accurate and reliable information is presented to Council for decision making
- To provide effective communication between staff, Council and the community
- In consultation with the community and key stakeholders identify asset management Levels of Service for Council consideration

Asset Management Steering Committee.

- Development and implementation of Asset Management Strategy



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	<ul style="list-style-type: none">• To develop, implement, review and monitor the outcomes for the Asset Management Plans using the International Infrastructure Management Manual as a guide, documenting required allocation of funding and improvement plans for individual asset groups, using the principles of lifecycle analysis• Continually seek innovative ways of meeting service needs• Continual review of Asset Management Policy• In consultation with key stakeholders identify asset management Levels of Service for Council consideration• In accordance with Council's approved service levels, deliver levels of service to agreed risk and cost standards• Ensure efficient and effective use of Council funds and optimise life cycle cost of all assets• To provide effective communication between staff and Senior Management• To develop and implement maintenance, refurbishment and capital works programs in accordance with Asset Management Plans and report to Senior Management and Council• To develop and implement procedures that ensure the asset database is maintained and updated and provide required reports to Council to meet their statutory and legal responsibilities• Promote and raise awareness of asset management to the Council, staff and users.
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Policy Adopted:	Ordinary Meeting 16/07/15	Minute Book Page 31424	RecFind 15/003528
Policy Reviewed:	Asset Management Steering Committee	2017 09 18	
	Asset Management Steering Committee	2018 02 05	
	Councillor Workshop	2018 02 14	
	Council Forum	2018 03 07	
	Ordinary Meeting 21/03/18	Minute Book Page 37704	RecFind 18/001104