PROCEDURE		
ASSET MANAGEMENT STRATEGY	Policy No:	
	Adopted:	[date]
	Next review date:	[date]

Senior Manager:	Director IDW
Responsible Officer:	Assets and GIS Coordinator
Functional Area:	Infrastructure Development and Works

Introduction	West Wimmera Shire Council (WWSC) is the owner and/or custodian of a large portfolio of assets which includes roads, drains, buildings and facilities, open space, plant & equipment, libraries, materials, art works and land. These assets enable the community to access and enjoy all the services and facilities that WWSC has to offer.

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These assets represent a vast investment built up over many generations, which presents a significant challenge as many assets were constructed or acquired many decades ago and as such are approaching the end of their useful lives. Infrastructure costs consume a large part of Council's budget and can have a substantial impact on Council's human and capital resource planning.

The efficient management of these assets is vital in maintaining safe, reliable, and efficient services that help achieve the strategic priorities and goals of Council. Failure to adequately plan for the replacement of existing assets and the development of new assets will result in assets not meeting the needs of the community, now and in the future. Furthermore, it might lead to the situation where our current decision may lead to a liability for future generations.

The environment in which Local Government operates is constantly changing. As assets continue to age, Council will need to demonstrate an accepted level of skill, expertise and a duty-of-care in relation to management practices and maintenance of assets.

There are several factors that require Council to critically assess the way in which it manages these assets. These include:
- Limitations in Council's ability to raise funds.
- Increased pressure from the community for improved service delivery at less cost.
- Changes in legislation.
- Identification, and depreciation of infrastructure assets.
- Compliance with legislation, codes, and standards.

This strategy seeks to implement best practice in asset management by:

- Ensuring asset management decisions are based on whole of life costing.
- Monitoring the condition and performance of all assets.
- Understanding the service level the asset is required to provide.
- Understanding the remaining useful life of an asset or its components.
- Understanding the current deterioration and consumption model for each asset category.
- Using a condition degradation model to determine future renewal demands.
- Evaluating alternative means of service provision.
- Balancing competing needs across functions to minimise duplication.
- Continually seeking opportunities for multiple use of assets.
- Considering any proposal to dispose of an asset, where such disposal may affect the level of service being provided.
- Endeavour to align the timing of expenditure on assets, particularly renewal or upgrade, with the actual use of the asset to avoid deferred expenditure being borne by future generations.
- Aligning WWSC's asset management practices with the industry best practice.
- Applying the Australian Accounting Standards.
- Referencing the Institute of Public Works Engineering Australia International Infrastructure Management Manual.

Policy Details	
1.	**Background**
	What is Asset Management?
	Asset Management is a process used to guide the planning, acquisition, operation and maintenance, renewal, and disposal of assets. Its objective is to maximise the asset service delivery potential and manage related risks and costs over the entire life of the asset. Asset Management ensures that Council's assets can provide services, of an agreed quality, in a sustainable manner, for present and future generations.
	Why is Asset Management Important to Council?
	Asset Management delivers benefits that are realised in the areas of improved accountability, sustainable service delivery, risk reduction and financial management and forecasting. Specific benefits can include: • More informed decision-making. • Improved efficiency of limited capital funds and asset operation costs. • Ability to plan for present and future generations. • Improved long-term financial forecasting and management.

		• Assets that are suitable and capable of supporting the service delivery needs of the community. Council's Asset Management Framework shows the relationship between the Council Plan, the Asset Management Policy, this Strategy and Council's Asset Management Plan (currently before Council). The Long-Term Financial Plan, Strategic Resource Plan and Budget are also directly linked to the Asset Management Plan outputs. This framework will ensure a strategic approach to Asset Management.
2.		Asset Management Plan
		To comply with the *Local Government Act 2020*, Council is required to adopt an Asset Plan by 30 June 2022. That plan will be adopted to assist Council to manage the following over a ten-year timeframe. • Ensure that the assets are managed properly so to deliver Council's strategic outcomes. • Ensure that the assets provide the specified asset levels of service in the most cost–effective manner. • Anticipate, plan, and prioritise spending on the assets. • Use a lifecycle approach to manage the assets in the most cost-effective manner over time. • Ensure efficient operation and continued sustainability of the assets. • Provide a basis for asset performance monitoring (condition assessment, performance targets and improvement actions). • Identify and minimise environmental risk and liability resulting from asset usage. • Conduct consultation to establish community expectations in relation to asset service standards through the community's representatives (Councillors). • Undertake a risk-based approach to identify operational, maintenance, renewal, and capital development needs, and apply best value economic analysis to select the most cost-effective asset treatment program. • Continually review and improve asset management practices. • Continuously review and improve the plan.
3.		Current State of the Assets Managed by Council
		Current Assets
		Council's assets are made up of a wide range of different asset types, all of which are fundamental in meeting the needs of the community. Assets may be physical (i.e., tangible e.g., plant, buildings) or non-physical (i.e., intangible e.g., intellectual property, goodwill). This strategy only considers physical infrastructure assets. The major characteristics of an asset are:

- There must be service potential or future economic benefits.
- The future economic benefits must be quantifiable; and
- Council must have control of the service potential.

Asset Values

The replacement values of Councils assets are listed below.

Asset Category	Description	Replacement Value
Fixed Assets (Furniture and equipment)	Various equipment, furniture, and fittings.	$1,596,666
Buildings	Various Council-owned or controlled buildings.	$34,724,911
Land Improvements	Playgrounds, bores, streetscape, transfer stations, amenities.	$4,424,825
Bridges and culverts	Bridges and major culverts.	$5,661,248
Footpath	36,908m2	$4,247,641
Kerbing	48,108m	$7,471,906
Sealed Pavements	4,822754 m2	$175,533,922
Unsealed pavements	6,309,469 m2	$38,080,625
Sealed Surface	4,032,002 m2	$21,222,024
Plant	Heavy plant and equipment	$8,543,155
Fleet	Sedans, SUVs	$600,232

4.	Current Asset Management Systems and Processes

The Core Asset Management practices, essential for effective Asset Management across the organisation, falls into three broad categories:

- Asset data recorded in Council's Corporate Asset Management System.
- System process models that link Council's Asset Management System data to mapping data through to documented data representing key asset management functions and processes across the whole Council organisation.
- Information systems which support the above functions.

Asset Data and Corporate Asset Management System

WWSC has tried various Asset Management Systems in the past. The Moloney Asset Management System (MAMS) was introduced with the first condition survey in 2003 and

has been running since the initial implementation time dealing primarily with road, footpath and kerb and channel assets. Asset Management functionalities in this system are limited primarily to a condition-based data analysis system, and as a result from this AssetAsyst was introduced in 2013, primarily as a system to allow the field inspections for defect data to be collected and processed as work orders to staff. The Road Management Plan inspections and data recording are also done via the AssetAsyst software.

The Pitney Bowes Confirm Asset Management System was trialled from 2015 to 2018 but that version was found to be resource hungry and not feasible in a small rural Council. AssetAsyst was used throughout that trial period and continues to be utilised to the present day. Other software systems for asset management will be explored as a process of continuous improvement and compliance. Improving the functionality of the system already in place is also being explored.

Investment in asset data collection and condition assessment of other asset classes like buildings, and open space assets is deemed necessary. This investment will enable us to make informed decisions and equitably distribute renewal funding across all asset classes.

Council's mapping is done through the POZI Geographical Information System (GIS). There are links between POZI and AssetAsyst.

The following information has been identified as a requirement for the organisation to support effective asset management.

Asset Data	Status
Asset Hierarchy	The asset hierarchy has been developed for Council's road network at present. No hierarchy has been developed for other asset types at this stage, this process will be completed as the assets are identified and updated into our systems.
Asset Identification	Asset identification exists for roads, buildings, footpaths and kerb and channels. Other assets are generally listed in spreadsheets.
Condition History	Condition history exists for roads, footpaths, kerbing, bridges, and major culverts.
Life Cycle Costing	The Moloney Management System is currently utilised to analyse the condition, remaining life and renewal cost of roads, footpaths and kerb and channels.

	Gap Analysis on Current Asset Management Practices
	During the development of Council's initial Asset Management Plan, developed to comply with the requirements of the *Local Government Act 2020* during 2021, assessment of Council's status with respect to asset management revealed that there were some gaps in current systems, resourcing, and practices. Improvement items have been identified and are listed within section 8.
	Asset Maintenance
	The maintenance of assets has been on a reactive basis for most of the asset classes except for roads and road related assets, where the safety activities are managed as per Council's Road Management Plan.
	Maintenance activities for the road and footpath assets can be managed via the AssetAsyst system with greater utilisation in this area in recent time. Maintenance activities relating to building assets are being recorded by the building work staff against each asset with associated costs. These inspections can be recorded within AssetAsyst if resourcing is adequate.
	Being able to develop realistic maintenance regimes for all asset categories, by analysing maintenance data is a future goal.
	Asset Renewal Gap
	Excellent renewal gap data is available for roads, footpaths and kerb and channels. This is obtained via the Moloney Asset Management System (MAMS). Asset condition inspections are undertaken every three years with the last one undertaken in 2020. MAMS provides renewal expenditure required to ensure the assets are maintained to a specified service level which is nominated by Council.
	Ideally condition data should be available for other major assets to enable calculation of asset renewal data although estimates are currently based on depreciation.
	Data collection and condition assessment of other asset classes will enable us to realise the actual renewal gap and subsequent renewal forecasting.
5.	Asset Management Improvement Plan
	Council identified an improvement plan when developing its Asset Management Plan in 2021/22. The improvements are over a ten-year span, and it is understood that priorities may change over this period. Hence the review process of the Asset Management Plan, Asset Management Policy and Asset Management Strategy will be undertaken in conjunction with one another.
	Those improvement items are shown below.

Task	Task	Responsibility	Resources Required	Timeline
1	Development of an Asset Acquisition Policy	Director Corporate and Community Services	Benchmarking with similar policies from other sources	2023
2	Development of a cyclic annual inspection regime of buildings utilising AssetAsyst for recording of defects and renewal data for budgeting purposes	Assets GIS Coordinator	AssetAsyst software upgrade	2022
3	Development of a Resilience Register which includes the type of threats and hazards and the current and future measures that the organisation takes to ensure service delivery resilience.	Occupational Health, Safety and Risk Coordinator	Analysis by Managers and Directors	2024
4	Update of the asset management software to cloud based to allow tablet use by additional users enabling more efficient inspection, data recording and defect signoff.	Assets GIS Coordinator	Software upgrade of current system	2023
5	Inclusion of bridges and culverts data on to AssetAsyst enabling renewal data to be generated.	Assets GIS Coordinator	Software upgrade of current system	2025
6	Development of a 10-year maintenance and operations forecast.	Works and Finance departments	Judgement on future trends for maintenance and operations.	2025
7	Development of a 10-year capital works program for buildings.	Director of Infrastructure, Development and Works.	Annual inspection data showing costed capital renewal tasks and urgency.	2025

8	Asset condition assessment and valuation of underground drainage system.	Manager Infrastructure and Engineering.	Camera assessment with condition rating.	2027
9	Asset condition assessment and valuation of assets with Moloney Asset Management System.	Assets GIS Coordinator.	Ensure in budget.	2023, 2026, 2029 & 2032
10	Asset condition assessment and valuation of bridges and culverts.	Assets GIS Coordinator.	Ensure in budget.	2023, 2026, 2029 & 2032
11.	Implementation of a system to provide photographic evidence of existing condition is obtained for all paved and sealed roads to satisfy natural disaster funding criteria.	Assets GIS Coordinator.	Equipment purchased. Need to implement survey, retrieve, and store data.	2023
12.	Develop individual Asset Management Plans with service levels included for each category of asset as deemed necessary by Council.	Manager Infrastructure and Engineering.	Condition, asset life and depreciation information required.	2024 - 2029
13.	Develop implementation plan for roll out of individual Asset Management Plans.	Director Infrastructure, Development and Works.	Timeline for AMP roll out.	2023.
14.	Enable computer generated depreciation for majority of assets.	Director Infrastructure, Development and Works and Chief Financial Officer.	To satisfy audit recommendation.	2024.
15.	Undertake external valuation of all buildings.	Chief Financial Officer.	Undertaken every three years.	2023. 2026, 2029 & 2032

16.	Undertake condition assessment of all buildings.	Director Infrastructure, Development and Works.	To enable renewal and depreciation calculations.	2024
17.	Develop a policy for replacement of plant and fleet.	Contracts and Procurement Manager.	Develop policy.	2022.
18.	Continually review the road hierarchy on an annual basis with a formal review every four years.	Assets GIS Coordinator.	Report to Council.	Next formal review 2025

6.	Strategic Review
	Council will formally review this strategy on a four-year basis.
	The review will take into consideration the Council Plan, the Asset Management Plan, Local Government Performance Reporting Framework and Council's Risk Management Policy.

Document Control:	West Wimmera Shire Council – Asset Management Strategy				
Rev No	Date	Revision Details	Author	Reviewer	Approver
	19/08/2004	Original Strategy	Asset Manager		
1	06/04/2006		Asset Manager		
2	11/03/2010		Asset Manager		
3	16/07/2015		Asset Manager		
4	02/2018	Total Strategy Review	Assets and GIS Coordinator		
5	16/03/2022	Review	Assets and GIS Coordinator	Manager IDW	Director IDW
6	06/04/2022	Discussed at Council Forum	Assets and GIS Coordinator	Manager IDW	Council
7	20/04/2022	Council Meeting	Assets and GIS Coordinator	Manager IDW	Council