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## 4.3 Asset Management

<b>Policy Owner</b>	<b>Corporate Services</b>
<b>Person Responsible</b>	<b>Chief Executive Officer</b>
<b>Date of Adoption</b>	<b>26 June 2014 – Resolution 040614</b>
<b>Date of Last Review</b>	<b>25 September 2025 – Resolution 060925</b>
<b>Date Next Due for Review</b>	<b>(3 years / or earlier if required)</b>

### **PURPOSE**

To provide the Shire with a framework to sustainably manage its asset portfolio to ensure a continuity of service delivery. To ensure a corporate approach to asset management and ensure adequate provision is made for the long-term replacement of major assets.

### **SCOPE**

This policy describes the way in which the Shire will approach the management of its property, plant and equipment and infrastructure assets to ensure maximum return on investment, and maximum level of service is provided.

### **OBJECTIVE**

The key objective of this policy is to ensure that services delivered by the Shire of Wongan-Ballidu continue to be delivered in a sustainable way by ensuring that the assets used to support the service delivery continue to function to the level of service determined by Council.

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

### **POLICY STATEMENT**

The Shire delivers a variety of services to the community and must ensure the assets supporting these services are managed to promote maximum performance for the most cost-effective 'whole of life' cost.

The Shire is committed to the responsible management of its assets and to deliver services that meet community expectations of time, quality, and value for money.

The Shire's assets include physical features or items within the Shire and include items such as roads, drainage, buildings, land, parks and ovals, footpaths, playgrounds, swimming pool and represent a substantial investment to support modern living in our community. It is imperative the Shire employs best practice management skills and practices to ensure Shire services are delivered economically and in a sustainable manner.

This policy applies to the Council, Committees, all employees of the Shire and the Community involved in the operation, maintenance, refurbishment, renewal, upgrading and development of the Shire's existing and new assets.

## **POLICY DEFINITIONS**

**"Asset"** means a physical item that is owned or controlled by the Shire in which:

- a) It is probable that future economic benefits associated with the item will flow to the Shire; and
- b) The cost of the item can be measured reliably.

In this context, an asset excludes financial, intellectual, and non-tangible assets.

In the context of this Policy, an asset, or a component of an asset, must have a cost greater than \$5,000 (ex. GST).

Assets may include buildings, carparks, drainage, footpaths, furniture and equipment, parks and ovals, plant, motor vehicles, and roads.

**"Asset Class"** in this Policy, the term class has the same meaning as category.

**"Asset Management"** means the processes applied to assets from their planning, acquisition, operation, maintenance, replacement and disposal, to ensure that the assets meet Council's priorities for service delivery.

**"Asset Management Plan"** means a plan developed for the management of an infrastructure asset or asset class that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset.

The Asset Management Plan will establish for each Asset Class:

1. Levels of Service
2. Future Demand
3. Risk register
4. Life Cycle Management Plan
5. Financial Projections;

6. Asset Management Practices
7. Performance Monitoring and Improvement.

**"Asset Register"** means a record of asset information, including, but not limited to, inventory, historical, financial, condition, construction, and technical.

**"Component"** means a part or element of a whole. For example, a roof is a component of a building.

**"Level of Service"** means the combination function, design and presentation of an asset. The higher the Level of Service, the greater the cost to deliver the service. The aim of asset management is to match the asset and level of service of the asset to the community expectation, need and level of affordability.

**"Useful Life"** means the period over which an asset is expected to be used.

## **POLICY**

To achieve the policy objective, the Shire is committed to ensuring that Asset Management is recognised as a major corporate function within Council and staff 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 Plan for the major classes of assets.

Asset Management Plans will form part of the Shire's strategic planning 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.

In making informed decisions in relation to assets, the Shire 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 intended service for which the asset was originally acquired.
- Prior to consideration of any major refurbishment or improvement to an asset, a critical review of the following shall occur as part of the evaluation 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).
- Manage its assets utilising a cross functional approach through consultation with the executive management team and council.
- Developing and implementing a Long-term Financial Plan that incorporates asset renewal requirements as identified within various Asset Management Plans.

The Shire is committed to determining the Level of Service required for assets in a collaborative manner with the community and other stakeholders.

## **RESPONSIBILITY AND REPORTING**

**Council** - is responsible for leading good asset management practices and supporting good decision-making considering whole-of-life costs. The council is responsible for ensuring that resources are allocated to achieve the objectives of this policy.

Council is responsible for approving (including amendments to) the following pertinent asset management documents: -

- Asset Management Policy
- Asset Management Plans
- Corporate Business Plan
- Strategic Community Plan
- Long Term Financial Plan

In adopting asset management plans, Council is also determining the Level of Service for each asset class.

**Chief Executive Officer (CEO)** - is responsible for leading and supporting implementation of good asset management practices across the organisation, by encouraging communication and cooperation across the departments and driving the strategic vision of the Council.

The CEO is responsible for ensuring that systems are in place to ensure that Council's Asset Management Policy, and Asset Management Plans are prepared and kept up to date, reviewed at least every three years and that recommendations are put to Council in relation to appropriate resource allocation to fulfil the objectives of the above documents. The CEO reports to Council on all matters relating to Asset Management.

**Deputy Chief Executive Officer (DCEO)** – is responsible for resource allocation (from Council approved resources) associated with achieving Council's Asset Management objectives. The DCEO reports to the CEO in relation to Asset Management resource allocation.

**All Managers** – are responsible for ensuring that resources under their control are appropriately allocated to resource asset management. All Managers report to the CEO on all matters relating to Asset Management under their area of responsibility.

## **OUR COMMITMENT**

Within the Shire, we will:

- Adopt a continuous improvement approach to asset management.
- Undertake to provide an agreed level of service for all asset classes in an economically sustainable manner.
- Ensure budgeting priority is given to the maintenance and renewal of existing assets and services.
- Provide adequate resources to manage assets in a cost effective and timely manner.
- Ensure assets are reviewed on a regular basis for ongoing relevance and community need. Where no need is identified, assets will be rationalised.

As part of the Shire’s consideration of asset management, we will undertake the following key steps:

- Develop and maintain industry standard Asset Management Plans for all major asset classes and incorporate the results into the Shire’s Long-Term Financial Plan (LTFP).
- Prior to consideration of any major works for renewal or improvement to an asset, undertake a critical review of the need for that asset.
- Consider the “whole of life” cost for all new assets and for any major renewal or improvements and ensure those costs are incorporated in the Shire’s LTFP.
- Where appropriate, involve and consult with the community and key stakeholders on determining levels of service.
- Ensure the Asset Register is maintained, enabling informed decision making.
- Allocate resources to ensure appropriate asset management practices are undertaken including the timely maintenance and renewal or upgrade of assets so that “life cycle” costs are optimised.
- Continually seek opportunities for multiple uses of assets.

## **Related Documents**

- Asset Management Policy
- Asset Management Plans
- Strategic Community Plan
- Long Term Financial Plan

## **REVIEW**

Reviews of this policy are to be undertaken every three years or earlier if required.

## **POLICY RESPONSIBILITY**

Elected Members are responsible for adopting the policy, determining levels of service, and ensuring that sufficient resources are allocated to manage the assets.

The Chief Executive Officer has overall responsibility for this Policy, and developing Asset Management Plans, relevant operational procedures and reporting on the status and effectiveness of asset management within Council.