

6.8 Asset Management

<i>Policy Title:</i>	<i>Asset Management</i>
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<i>Date Revised:</i>	<i>26/06/2018</i>
<i>Minute Book Reference:</i>	<i>Council Minutes</i>
	<i>28/9/06 Item 4.5.1, page 11</i>
	<i>25/11/10 Item 4.10.1(c), page 22 (refer Audit and Finance Committee minutes 11/11/10, item 4.3, page 8)</i>
	<i>26/06/18 Item 7.14, page 14</i>
<i>Next Revision Due:</i>	<i>November 2021</i>

PURPOSE

The purpose of this policy is to define a broad framework and principles for the sustainable and effective lifecycle management of all asset groups required for current and future service delivery to the community of Golden Plains Shire Council. It will enable Council to implement a coordinated approach, adopting ISO 55000 standards and current International Infrastructure Management Manual guidelines, to the management of all assets essential for its service delivery.

SCOPE

This policy applies to all infrastructure asset categories under the control of Golden Plains Shire Council. The policy extends to other assets such as land, fleet and plant, artwork, monuments and various equipment managed by the Council that are required to deliver the services.

LEGISLATIVE PROVISIONS

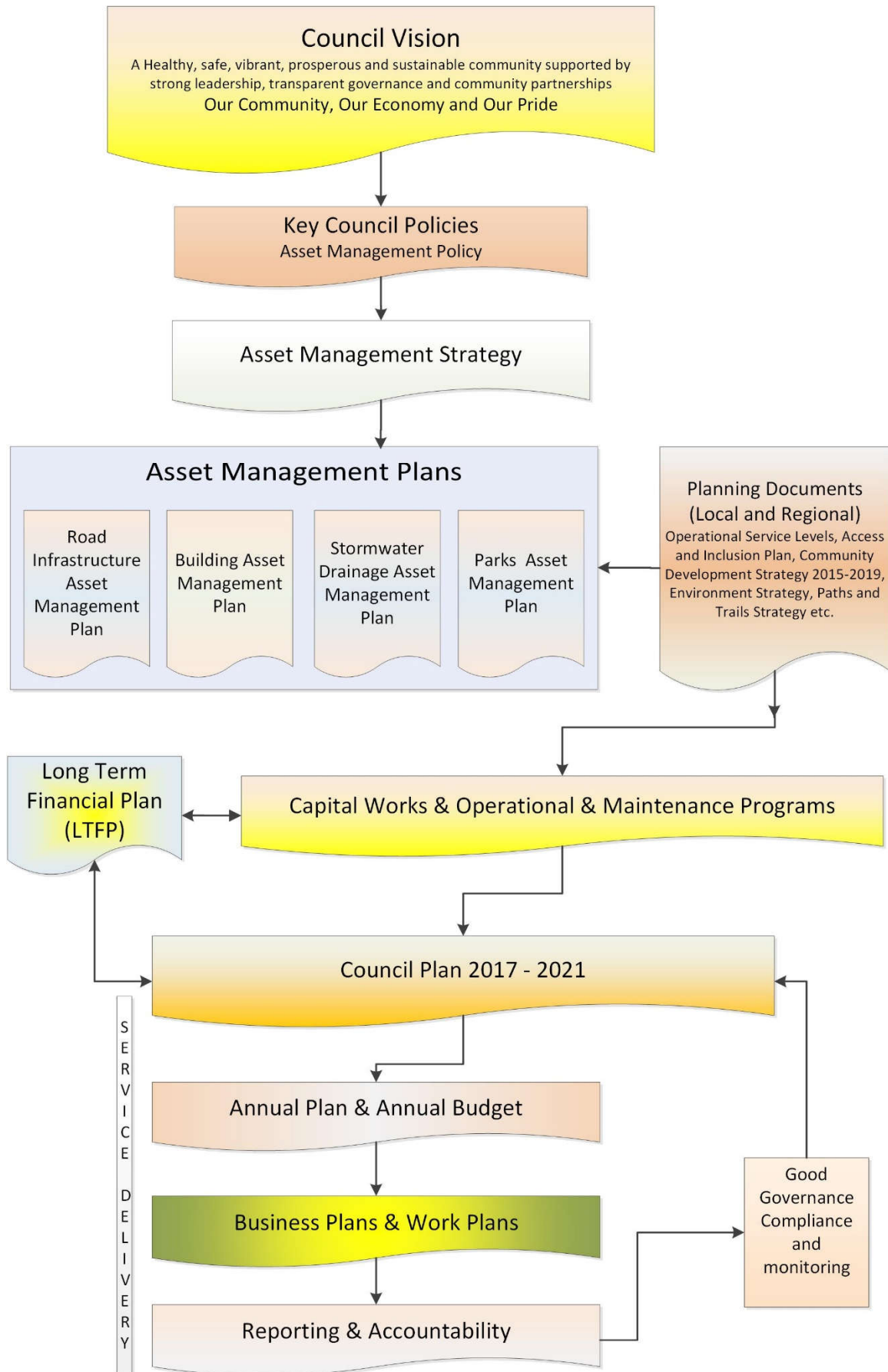
- Local Government Act 1989,
- Local Government (General) Regulations 2015,
- Road Management Act 2004,
- Road Management Regulations 2016,
- Road Safety Act 1986,
- Building Act 1993,
- Building Regulations 2017.

REFERENCES AND STANDARDS

- International Infrastructure Management Manual (IIMM)
- ISO 55000 Asset Management Standards
- Council Plan 2017-2021
- Strategic Resource Plan 2017-2021

Figure 1 indicates the Council Asset Management Framework.

Figure 1 – GPSC Asset Management Framework



DEFINITIONS

Asset	An asset is a physical component of a facility that has value, enables services to be provided and has an economic life of greater than 12 months.
Asset Management	Asset Management is the combination of management, financial, economic, engineering and other practices and is 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.
Asset Management Plan	An Asset Management Plan is a plan developed for the management of specific infrastructure 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.
Council Plan	The Council Plan is a legislative requirement that each local government entity must develop every four years, soon after electing a new Council. 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.
Council Vision	The Council Vision is a statement that represents the aspirations of our diverse communities and articulates a vision for Golden Plains Shire's future.
Levels of Service	Levels of Service statements describe the outputs or objectives that Council intends to deliver to its customers.
Lifecycle cost	Lifecycle cost is the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal cost.
Strategic Resource Plan	The Strategic Resource Plan (SRP) describes the resources, both financial and non- financial, required to achieve the strategic objectives proposed in the Council Plan over the life of the Council Plan.

POLICY DETAILS

Golden Plains Shire Council's Asset Management goal is to provide community facilities and infrastructure assets that are sustainable and contribute to economic viability, access and mobility and improved lifestyle for the community. In order to achieve this goal, Council will develop a comprehensive Asset Management Strategy and Asset Management Plans for all asset categories. This goal will be supported by the following guiding principles:

Level of service

- Service levels will be established with the guidelines indicated in IIMM 2015 and ISO 55000 standard.
- Service levels will form the basis of asset management and be reviewed on an ongoing basis against budget realities, taking into account changing priorities and constraints.
- In accordance with the Council Plan, provide quality infrastructure assets that support service levels that are appropriate, accessible, responsive and sustainable to the community.
- Consult with the community and key stakeholders on determining levels of service and asset service standards.

Demand forecasting

- Developing sustainable and effective management strategies for the long term including demand analysis as indicated in IIMM, covering changes in legislation & demographics and associated environmental impacts.

Life cycle planning

- Lifecycle asset management is fundamental to the achievement of the Council Plan, the sustainability of Council and Council's Long Term Financial Plan.
- Asset management plans for each asset class shall articulate how the assets will be managed in the long term and inform the Long Term Financial Plan.
- Asset planning shall evaluate alternative means to meeting service levels including lower cost assets and non-asset solutions.
- Environmental sustainability of assets will be considered at all levels of asset management – renewal, upgrade and extension depending on the available resources and funding.
- The decision to fund capital projects will be through an established prioritisation process, that has been developed, based on the relevant criteria specific to the asset category. This will include those projects suggested by the community and other Council departments.
- Setting the priority for asset management in descending order as follows:
 - Asset renewal
 - Asset upgrade
 - Asset extension

Risk management

- Resources and priorities for asset management practices will include a risk assessment (e.g. Risk assessment for roads in the Road Infrastructure Asset Management Plan).

Financial management

- The amount of renewal funding required to maintain the specified service levels will be the basis for the Long Term Financial Plan and is subject to change at any time at Council direction.
- The provision of funding for upgrades, extensions and new projects will only be considered after renewal requirements are identified and considered.
- Prior to consideration of any major new works, renewal or up-grade to an asset, a critical review, based on demonstrated service needs will be undertaken and the “whole of life” costs of that asset shall inform the Long Term Financial Plan, subject to Council direction.

Asset Management Steering Committee (AMSC)

Council will establish the Asset Management Steering Committee with a defined terms of reference, under the chairmanship of Director Asset and Amenity, comprising of following members to represent the departments that are relevant to asset management.

- Works Manager
- Finance Manager
- Community Development Manager
- Asset Management System Coordinator

Training needs

Council will assess the current capabilities of staff and Councilors involved in asset management activities and provide training needs to fill the gap.

ROLES AND RESPONSIBILITIES

Council recognises that asset management requires a ‘whole of organisation’ approach. Appropriate skills development and training programs are required to increase awareness and build internal capacity to undertake required asset management functions and responsibilities.

Council

- Act as overall steward for infrastructure assets that are owned or controlled by Council.
- Adopt the corporate Asset Management Policy.
- Set the levels of service, risk and cost standards via the annual business planning process.
- Approve appropriate resources for asset management activities in the Strategic Resource Plan and Annual Budget.

Senior Management Team (SMT)

- Foster and support the cross-functional Asset Management Steering Committee (AMSC) with a defined Term of Reference.
- Ensure that accurate and reliable information is presented to Council for decision-making.
- Advocate for adequate resources to be provided to implement approved Asset Management Strategies and Plans.
- Ensure assets are managed in accordance with relevant legislation, best practice and comply with legal obligations

Asset Management Steering Committee (AMSC)

- Monitor and review the implementation of the Asset Management Policy and Asset Management Strategy.
- Implement, promote and raise awareness of Asset Management for the whole organisation providing consistent direction, focus and attention for all staff from senior managers to those involved in day to day service delivery.
- Ensure a 'whole of life' approach is taken in the development of Asset Management Plans
- Monitor the development and implementation of Asset Management improvements.
- Ensure community needs and expectations are considered in the development of Asset Management Plans.
- Meet as required and report to the SMT and to the Council.
- Measure and report to Council annually on asset performance and recommend adjustment to plans as required depending on priorities and financial constraints.
- Identify future funding needs so that assets can achieve their defined level of service.
- Develop service levels in consultation with the community and inform the Council of asset service levels for renewal, upgrade and extension, and any funding requirements.

Works Department

- Review the Asset Management Policy and Strategy as required.
- Develop and implement Asset Management Plans for individual asset classes and present to the Asset Management Steering Committee and SMT.
- Assist Service Departments to define the level of service to identify asset requirements.
- Monitor the implementation of maintenance, renewal and improvement works programs in accordance with Asset Management Plans.
- Monitor the performance of assets and ensure they are in compliance with relevant acts and regulations.
- Report to AMSC on asset performance annually.
- Ensure road maintenance activities are complying with the Road Management Act 2004.
- Utilise an Asset Management System for asset management tasks, which includes an asset register, works management system, valuations and condition assessments.
- Ensure asset related outcomes from other Council strategic documents are included in respective asset management plans.

8. BENEFITS OF THIS POLICY TO THE COUNCIL

- Anticipated benefits of implementing this policy are:
- Improved financial performance,
- Informed asset investment decisions,
- Reducing risks and thereby reducing insurance premiums,
- Improved service and outputs,

- Reducing adverse environmental effects,
- Assuring legislative compliance,
- Enhance Council's reputation through improved customer satisfaction and confidence,
- Improved financial sustainability, and
- Improved efficiency and effectiveness through improved processes, procedures and asset performance.

9. PUBLICATION AND REVIEW

This policy will be published on Council's internet and intranet sites and will be reviewed on a 4 yearly cycle in line with the election of a new Council.

10. RELATED DOCUMENTS

Asset Management Strategy
Structure Plans and other Strategic Documents