

002	Asset Management	V1 Current
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## ASSET MANAGEMENT POLICY

### Purpose

The purpose of the policy is to set out the broad framework and direction to ensure the provision and management of the Shire of Busselton's assets in an optimal cost-effective manner for the present and future stakeholders.

### Scope

The Policy applies to existing assets as well as assets that are to be purchased or donated. It covers infrastructure assets, including but not limited to roads, bridges, footpaths, stormwater drains, parks and open spaces, buildings, facilities and leisure centres that are *owned and directly managed* by the Shire of Busselton.

The definition of asset applicable to this policy is as follows:

"A physical component of a facility that has value, enables services to be provided and has an economic life greater than twelve (12) months."  
(International Infrastructure Asset Manual, 2006)

This includes constructed or improved physical assets. Hence, in the example of a reserve area under Management Order with the Shire of Busselton, the reserve is not included in the asset register, however the physical components such as footpaths, furniture, roads, drains and any buildings would be included as assets.

This policy does not apply to coastal reserves and waterways. A separate policy will cater for the specific management of these areas.

### Policy Statements

The Shire of Busselton will manage the assets it is responsible for in an economically sustainable manner at the levels of service cognizant of the asset's "whole of life" costs. This will be done by the Council adopting the following asset management principles:

- (a) The Shire of Busselton's Strategic Plan, Corporate Plan, OSH & Risk Management Plans, Five Year Financial Plan, Five Year Capital Works Plans and related budgets will take into account Asset Management requirements.
- (b) Allocation of appropriate resources to ensure that Asset Management practices can be performed and maintained in a timely and efficient manner for the upgrade, renewal and maintenance of the Shire's assets.
- (c) When considering the provision or receipt of a new asset, the following practices are taken into account:

- (i) A business case has been completed to ensure that any new asset will deliver direct and tangible benefits to the community and stakeholders
    - (A) This includes assets that are proposed to be transferred to the Shire of Busselton (eg where the Shire of Busselton is obliged to accept assets or applies under a Management Order) or where assets are donated (eg the Shire of Busselton is not legally obliged to take ownership). This could show some assets should not be accepted by the Shire.
  - (ii) That the “whole of life” costs and cost effectiveness of the asset have been considered over the life of the asset
  - (iii) Any financial implications to the Shire of Busselton have been taken into account and can be incorporated into the Shire’s corporate and financial plans. This should include operational costs as well as maintenance, renewal or replacement of the asset.
- (d) Consideration for budgetary priority will be given to existing assets for their operation, maintenance and renewal where required before the provision of new assets.
- (e) Asset Management Plans (AMP) will be developed and maintained on all of the Shire’s nominated asset types;
- (i) AMPs will document the levels of service, financial planning, future demand and utilisation, and life cycle management of each asset type
  - (ii) AMPs will be maintained and updated on a regular basis
- (f) Ensure that technology systems are in place for the storage of all asset management registers and that this information is maintained in an accurate and timely manner.
- (g) Ensure that the appropriate procedures are in place for the evaluation and prioritisation of assets so that informed decision making can be carried out with respect to maintenance, renewal and replacement of asset
- (h) To ensure that asset management productivity gains are achieved through the following:
- (i) Reducing future life cycle costs by applying an optimised level of maintenance and renewal
  - (ii) Reducing future asset loss by predicting optimal intervention phases.

### **Exemptions**

None identified.

## **Review of Policy**

This policy will be reviewed each time the Shire's Council Plan is updated to ensure the Policy properly supports the vision, goals and objectives of the current Plan.

## **Definitions**

**Asset** – A physical component of a facility that has value, enables services to be provided and has an economic life greater than twelve (12) months. (International Infrastructure Asset Manual)

**Asset Management Plans** – A plan developed for the management of Infrastructure assets that combines multi-disciplinary management techniques (technical & financial) over the lifecycle of the asset in the most cost effective manner to provide a specified level of service. (IPWEA, 2006)

**Asset Management Practices** – The practices and processes that ensure that assets are efficiently planned, delivered, managed, reviewed and renewed in a cost effective, sustainable manner.

**Asset Register** – A record of asset information including inventory, historical, financial, technical, construction and condition.

**Levels of Service** – Defines standards for the construction, maintenance and operation of types of assets (i.e roads, footpaths)

**Whole of Life Costs** – The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.

## **Policy Background**

Policy Reference No. - 002

Owner Unit – Infrastructure Planning

Originator – Asset Management Officer

Policy approved by – Council

Date Approved – 8 October, 2008

Review Frequency – In conjunction with the Strategic Plan

Related Documents –

Background/History –

## **History**

<b>Council Resolution</b>	<b>Date</b>	<b>Information</b>
C0810/303	8 October, 2008	Date of implementation Version 1