

Asset Management – Infrastructure Assets

Policy Owner: Governance
Person Responsible: Deputy Chief Executive Officer
Date of Approval: 18 May 2011
Amended:

Objective

The objective of this policy is to ensure that the Shire of Chittering (the Shire) has systems and processes in place to maximise its ability to continue to deliver services on a sustainable basis. Services delivered by the Shire depend on Infrastructure Assets provided to a level of service (LOS), determined by the Council, that is affordable to the community and sustainable in the long term.

Policy

The Shire considers that management of its Infrastructure Assets is a major corporate function that requires an organisation wide approach. To achieve this, the Shire will:

- Incorporate Asset Management into the its Corporate Plan, Strategic Plan and Annual Budget
- Develop Asset Management plans for the following classes of Infrastructure Assets:
 - Roads
 - Drainage
 - Buildings
 - Parks and Reserves
- Define and document (within Asset Management plans) the functional and operational levels of service for each infrastructure asset class, underpinned by a long-term (ten year) financial plan based upon Risk Management Principles
- Involve and consult with the community and key stakeholders when determining levels of service for Infrastructure Assets
- Develop an Asset Management Improvement Strategy that allocates resources to ensure sustainable continuous improvement in relation to Asset Management practices within the resource constraints of the organisation.

- Prior to consideration of any major works/renewal or improvement to or creation of an asset, undertake a critical review of the need for the asset including capital, maintenance, operating, renewal , refurbishment, and upgrade costs based on the following key principles:
 - Consider the “whole of life” cost of the assets from the creation to divestment of the asset
 - Consider options to renew assets before creating new assets
 - Ensure that the assets forms part of an overall financial strategy
 - Consider the origin and sustainability of funding sources
- Continually seek opportunities for the multiple use of assets
- Ensure that the roles and responsibilities of all asset users and asset managers are well defined and understood
- Guide the development of Asset Management via an organisation wide, multi-discipline Asset Management Working Group that reports to the Executive Management Team
- This policy is to be reviewed annually by the Asset Management Working Group.

Definitions

“Asset”

Means a physical item that is owned or controlled by the Shire of Chittering, and provides or contributes to the provision of service to the community (in this context excluding financial, intellectual and non-tangible assets)

“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 infrastructure asset or asset category that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset.

“Council”

Means the elected Council (comprising President and Councillors) of the Shire of Chittering.

“Infrastructure Assets”

Are fixed assets that support the delivery of services to the community. These include the broad assets of roads, drainage, buildings, parks and reserves.

“Level of Service”

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

“Life Cycle”

Means the cycle of activities that an asset goes through while it retains an identity as a particular asset.

“Maintenance”

Means regular ongoing day-to-day work necessary to keep the asset operating and to achieve its optimum life expectancy.

“New”

Means creation of a new asset to meet additional service level requirements.

“Operations”

Means the regular activities to provide public health, safety and amenities and to enable the assets to function, e.g. road sweeping, grass mowing, cleaning, street lighting and graffiti removal.

“Renewal”

Means the restoration, rehabilitation or replacement of an existing asset to its original capacity. This may include the fixture of new components necessary to meet new legislative requirements in order that the asset may achieve compliance and remain in use.

“Resources”

Means the combination of plant, labour and materials, whether they be external (contractors/consultants) or internal (staff/day labour).

“Risk”

Means the probability and consequence of an event that could impact on the Council’s ability to meet its corporate objectives.

“Shire”

Means the collective Shire of Chittering organisation. The Chief Executive Officer of the Shire is responsible for ensuring the Shire’s obligations and commitments are met.

“Stakeholders”

Are those people/sectors of the community that have an interest or reliance upon an asset and who may be affected by changes in the level of service of an asset.

“Upgrade”

Means the enhancement of an existing asset to provide a higher level of service.

“Whole of the life cost(s)”

Means the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance and rehabilitation and disposal costs.