



FP10 – ASSET MANAGEMENT POLICY

MANAGEMENT PRACTICE: ASSET MANAGEMENT

DELEGATION: N/A

OBJECTIVE

To provide clear direction in the provision and management of all Council's assets that ensures sustainable outcomes and appropriate levels of service, for present and future stakeholders including residents, visitors and the environment.

SCOPE

This policy applies to all infrastructure related services such as buildings, coastal infrastructure, footpaths, miscellaneous infrastructure, public open space, roads and stormwater drainage.

PRINCIPLES

Asset management is viewed as a major corporate function of the Shire of Jerramungup and Council is committed to supporting the function accordingly. The Asset Management Policy is based on the following principles to guide sustainable management of infrastructure assets.

- Take a lifecycle approach – apply a whole of life methodology for managing infrastructure assets including planning, acquisition, operation, maintenance, renewal and disposal;
- Best value – balance financial, environmental and social aspects to achieve the best value;
- Long-term financial plans – asset practices, plans and systems will enable the development of long-term financial plans for asset classes;
- Decision support systems – core systems will include up to date infrastructure asset information to inform decisions;
- Sharing of asset data through digital platforms;
- Service levels – infrastructure asset service levels will be clearly defined;
- Manage risks associated with infrastructure assets; and
- Continuous improvement of asset management practices.

DEFINITIONS

'Asset' A physical item of value that is owned by the Shire of Jerramungup and provides or contributes to the provision of services to the community (in this context excluding financial, intellectual, and non-tangible assets).

'Asset Consumption Ratio' Is the value of infrastructure assets divided by gross current replacement cost of infrastructure assets, expressed as a percentage.

'Asset Renewal Funding Ratio' Indicates whether the local government has the financial capacity to fund asset renewal as required and continue to provide existing levels of service in the future, without:

- Additional operating income; or
- Reductions in operating expenses; or
- An increase in net financial liabilities above currently projected.

‘Asset Management’ The combination of management, financial, economic, engineering, risk and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner to meet Council’s priorities for service delivery.

‘Asset Management Plan’ A Plan developed for each Asset Class to outline the management activities to meet defined levels of service with available resources. These are long term plans that investigate future demand and forecast lifecycle costs for existing assets.

‘Asset Sustainability Ratio’ Provides a measure as to whether Councils asset base is being adequately maintained. It expresses as a percentage the proportion of the total asset value consumed (depreciated) compared to the amount spent in preserving the asset (capital replacement/renewal).

‘Infrastructure Assets’ Are fixed network assets that support the delivery of services to the community. These include Transport Assets (roads, footpaths, kerbing, drainage etc.), Buildings, Park and recreation infrastructure, coastal infrastructure and miscellaneous assets.

POLICY STATEMENT

Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council’s priorities for service delivery.

The Shire of Jerramungup will undertake to provide the required level of service of the assets and services it is responsible for, in a whole-of-life and economically sustainable manner. Budgeting priority will be given to the operation, maintenance and renewal of existing assets and services, and adequate resources will be provided to manage them in a cost effective manner.

Asset management is crucial to the delivery of local government services and the process of asset management must complement the Shire’s financial and service planning processes including the Long Term Financial Plan.

Relevant Legislation:	<i>Local Government Act 1995</i>
Related Documents:	Department of Local Government’s Integrated Planning and Reporting Framework and Guidelines 2010 Shire of Jerramungup Asset Management Plan Strategic Community Plan Corporate Business Plan Long Term Financial Plan Workforce Plan Five Year Roads Strategy
Related Local Law:	N/A
Related Policies:	FP6 – Procurement of Goods and Services
Adopted:	17 April 2019
Last Reviewed:	26 April 2023
Next Review Date:	2024