

## Introduction

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Infrastructure assets are fundamental to overall Shire service delivery and planning.

Effective responsibility for asset planning requires a well-informed Council and Executive team working along with an engaged community. The long-lived nature of many assets and the need for ongoing renewal requires a coordinated approach to decision making. Decision making must be based upon an understanding of the full costs throughout each asset's lifecycle, and address both short and long-term planning, delivery and servicing needs.

It is necessary to take a coordinated approach, where stakeholders acknowledge, and have regard for the interdependence of respective areas of influence. This is important as decisions made in one area of council can have far-reaching and long lasting effects upon other segments of the council. For example:

- formal Council decisions can result in the need for asset creation, disposal or modification, potentially leading to unforeseen costs;
- decisions made during subdivision and other land use planning can affect the long-term maintainability or operational efficiency of assets acquired as a result of development; and
- asset management decisions made solely for operational purposes can potentially impact the ability of Council to represent Community interests effectively.

The purpose of the Asset Management Policy is therefore to set guidelines for the implementation of consistent asset management processes for the Shire of Capel.

## Purpose

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This Policy provides clear direction and the framework to ensure the sustainable, efficient and effective management of all Council's assets and aligns decision making with long term community needs and financial responsibility.

## Policy statement

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This policy provides specific asset management objectives to ensure Council's asset stewardship is met.

1. Asset Management Strategy
  - i. Establish and routinely update an Asset Management Strategy as the primary framework to provide and maintain asset services for current and future generations.
  - ii. Align the strategy to industry best practices expressed in the Institute of Public Works Engineering Australia (IPWEA) body of knowledge to guide the decision making processes and associated information requirements.

## 2. Asset Management Plans

- i. Develop Asset Management Plans in accordance with relevant legislation and recognised best practice for each major asset group.
- ii. Use these plans to inform the Ten year Program of Works Schedules for each asset class.
- iii. Adopt a lifecycle approach to the management of assets considering the 'whole of life' cost including acquisition, operation, maintenance, renewal and disposal.
- iv. Ensure that asset management planning considers the current and future environmental, economic and social needs and priorities as expressed in the Shire's strategic documents.

## 3. Funding and Community Engagement

Through the Community Strategic Plan and Long Term Financial Plan engage with the community to ensure that future funding needs are identified, affordable, agreed upon, and allocated to meet agreed and defined levels of service.

## 4. Financial and Asset Sustainability

- i. Develop and report annually on established financial and asset sustainability indicators relevant to asset management. and incorporating the following practices:
- ii. Use long term asset management budget projections to inform the annual review and update of the Shire's Long Term Financial Plan to provide smooth expenditure where possible and managing any asset renewal gaps or surpluses.
- iii. Evaluate all capital projects in accordance with a 'whole of life' cost assessment considering capital cost, ongoing costs of operating and maintenance, replacement and/or refurbishment or disposal costs and projecting these in the Long Term Financial Plan.
- iv. Consider solutions for service delivery that eliminate the need for lifecycle management costs of assets not owned by the Shire.
- v. Assess and rationalise or dispose of assets that are redundant as a result of lack of use or no longer meet community needs.

## 5. Asset Valuation and Accounting

Record and (re)value assets in accordance with the requirements of the appropriate asset accounting standards and financial reporting requirements.

## 6. Asset Management Information System

Maintain an asset management information system with comprehensive knowledge of all physical assets.

## 7. Awareness and Co-ordination

- i. Create asset management awareness throughout the Council and the organisation by adopting a consultative approach.
- ii. Ensure that a cross section of internal teams collaborate on the development of the Shire's capital works program to co-ordinate and integrate multiple objectives into projects or outcomes.

## 8. Impact of Council Decisions

Ensure that the full impact of Council's decisions on existing and new assets is thoroughly understood and considered in the planning process.

## Application

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1. The Shire of Capel is committed to the provision of safe, efficient and reliable services to the community in the most cost-effective manner with a focus on the effective management of infrastructure assets.
2. The Shire will implement processes and practices to maintain, renew or dispose of assets as needed, ensuring that they remain safe, serviceable and fit for purpose in line with the defined level of service.
3. Priority will be given to the maintenance and renewal of existing assets before acquiring new assets where possible and considered more cost effective over the life of the asset to do so.
4. This policy complies with the legislative requirements under the Local Government Act 1995 and associated regulations.
5. This policy applies to Councillors, the Chief Executive Officer (CEO), staff, Committees and the community involved in the operations, maintenance, refurbishment, renewal, upgrading and development of Council's existing and new assets.
6. The policy applies to all of Council's assets and it defines the principles underpinning the responsible management of assets.

<b>Department:</b>	Corporate Services	<b>Next review:</b>	December 2022
<b>Reviewer:</b>	Director Community & Corporate	<b>Legislation:</b>	Local Government Act 1995 Local Government (Functions and General) Regulations 1996
<b>Adopted:</b>	Minute OC0613, 26.06.13	<b>Delegation:</b>	
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