

Asset
Management
Strategy

Updated 2016



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1 Introduction

This Asset Management Strategy outlines Council's long term direction with respect to the planning, management, operation and maintenance of all non-current assets that will provide services that meet the community's needs and expectations and in the most cost effective manner. It details:

- The assets the Council currently owns and manages;
- The Council's current asset management position, including current and forecast future needs and adequacy of funding;
- Council's process of responding to the service and infrastructure needs as identified in the 10-Year Strategic Community Plan; and
- The improvement plan which will assist Council in achieving its long term objectives.

In developing this Asset Management Strategy, Council is displaying a commitment to:

- Improve the management of assets throughout its whole lifecycle from planning and acquisition through to operation, maintenance and disposal, to meet current and future service levels and expectations;
- Create an environment that supports the implementation of asset management principles throughout the organisation;
- Identify opportunities to continually improve the management of assets and infrastructure to enhance service performance and efficient asset expenditure; and
- Provide ongoing support and training to Council staff to develop, enhance and maintain knowledge in the field of asset management systems, tools and procedures.

1.1 Asset Management Framework

The following figure illustrates the relationship and linkages between Council's corporate documents and the documents that make up the Asset Management Framework.

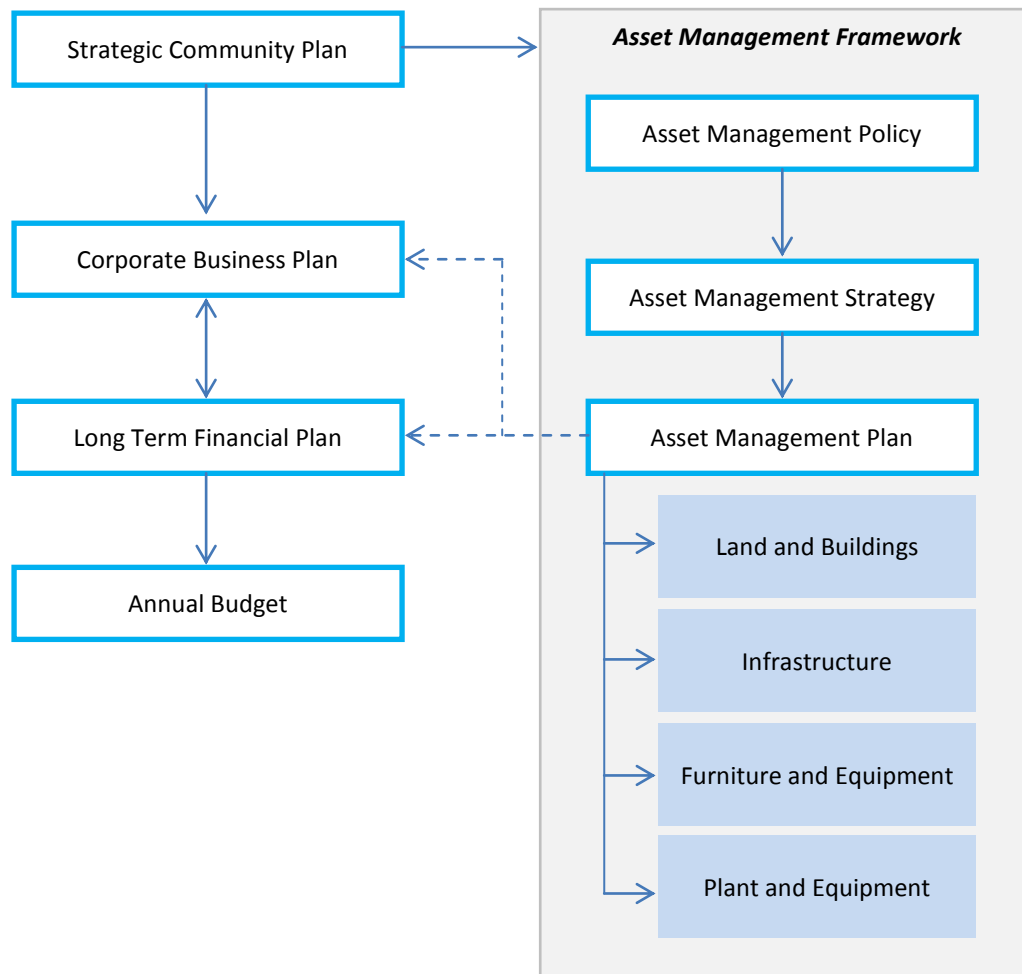


Figure 1: Asset Management Framework

1.1.1 Summary of Council's Asset Management Documents

The following provides an overview of the key asset management documents that Council has developed and is in the process of implementing.

Table 1-1: Overview of Linkages to Corporate Documents

Strategic Document	Document Objectives
Asset Management Policy	<ul style="list-style-type: none"> Guides asset management practices across the whole of organisation. Outlines the organisation's goals with respect to Asset Management. Informs the long term, sustainable management of Council's asset portfolio by ensuring all assets are effectively managed throughout its lifecycle, from creation and acquisition through to operation, maintenance, rehabilitation and disposal.
Asset Management Strategy	<ul style="list-style-type: none"> Guides asset management practices across the whole of organisation. Details Council's long term direction for managing its entire asset portfolio. It identifies the current status of its assets, capital works programming, operations and maintenance programming, risk management and asset data and information systems and identifies the plan to enhance knowledge, capacity and capability in these areas.
Strategic Community Plan	<ul style="list-style-type: none"> Informs the development of appropriate plans and actions to achieve the community's vision, aspirations and objectives.
Corporate Business Plan	<ul style="list-style-type: none"> Drives the delivery of the Strategic Community Plan by documenting a set of operational activities and tasks to be undertaken by Council.
Long Term Financial Plan and Annual Budget	<ul style="list-style-type: none"> Drives the delivery of the Strategic Community Plan by outlining the financial implications and forecast costs required to achieve its goals and objectives. Takes into consideration the tasks and actions outlined in informing documents such as this asset management plan. Provides information to Council to enable effective planning for funds and resources to deliver the objectives and intentions to outlined in the asset management plan.
Asset Management Plans	<ul style="list-style-type: none"> Details the actions and resources required to improve the management of all Council's assets throughout its entire life cycle. Builds on the asset management strategy by paying particular focus on how Council will operate, maintain and manage specific asset classes over the long term.

1.2 Asset Management Guidelines

In developing and implementing asset management concepts in the organisation, Council will be led by the following best-practice guidelines.

Table 1-2: Overview of Best Practice Asset Management Guidelines

Guidelines	Objectives
International Infrastructure Management Manual	<ul style="list-style-type: none"> The International Infrastructure Management Manual (IIMM), developed by IPWEA and NAMS.AU is a reference document that outlines best practice in asset management planning and management of assets and infrastructure.
PAS 55	<ul style="list-style-type: none"> PAS 55 refers to the British Standard's Institutions' Publicly Available Specification for the optimised management of physical assets. It provides best practice guidelines for linking strategic organisational plans with the day-to-day requirements to manage assets and establishing a whole of life asset system to improve the management of assets.
ISO 55000	<ul style="list-style-type: none"> ISO 55000 is currently being developed and will form the first set of International Standards for Asset Management. Based on PAS 55, ISO 55000 will include three components: <ul style="list-style-type: none"> ISO 55000: The overview, concepts and terminologies used in asset management; ISO 55001: Specifications for good asset management practices; and ISO 55002: Interpretation and implementation guidance for an asset management system.

2 Key Organisational Drivers

2.1 Risks, Challenges and the Issues Affecting the Organisation

The key risks and challenges currently faced by Council are outlined below. These have an impact on the way Council operates and functions and thus, will need to be managed by developing and implementing strategies that will reduce the risks to an acceptable level. The current factors that drive the way Council develops and implements its asset management strategies are documented in the following tables. Council will continually review these risks and challenges to ensure it has the resources available to cater to any changes in the future.

Table 2-1: Key Risks Affecting the Organisation

Risks	The Issue
Compliance with legislation	<ul style="list-style-type: none"> The need to comply with new legislative requirements creates a burden for Council as it places greater pressure on Council to provide sufficient resources to undertake and fund the activities .
Changes in future population affecting revenue	<ul style="list-style-type: none"> Changes to the population (decline in population) could affect the rates revenue and Council's ability to undertake operational works and programs.
Change in future population not in line with infrastructure plans and capital works program	<ul style="list-style-type: none"> Strategic plans and capital works programs that do not consider demands and population growth rates could result in the creation of assets and infrastructure that are not in line with the community's expectations and/or assets and infrastructure that are under-utilised and pose an operational cost burden on Council. An increase in the population may place greater pressure on the ability for existing assets and infrastructure to provide the services required for the community and at the levels desired by the community. Similarly, changes to the Shire's demographic profile (such as the community age profile) may have an impact on the current capacity of Council's assets and its ability to meet community needs and demands.
Lack of funding to maintain programs and initiatives	<ul style="list-style-type: none"> There is a strong reliance on grants to assist in the delivery of projects. Council would be under greater pressure to source alternative funding to complete projects and programs, or cancel projects and programs, if grant programs are cancelled or if the level of funding required is not received.

Table 2-2: Key Challenges Affecting the Organisation

Challenges	The Issue
Enhancing data to enable effective long term planning	<ul style="list-style-type: none"> A lack of reliable asset data would prevent effective long term planning from being undertaken. Council faces a challenge of sourcing adequate resources (staff and financial resources) to collect information and improve the quality of asset data to enable long term and strategic planning to be undertaken. Resources would also need to be extended towards the ongoing maintenance of the information.
Creating support for asset management across the whole of organisation.	<ul style="list-style-type: none"> Limited knowledge and skill capacity in the area of asset management may hinder the implementation of asset management across the whole of organisation. Council would need to create an environment that fosters information sharing, skill and knowledge building to ensure asset management principles are understood and applied across the whole organisation.
Sourcing and maintaining resources to deliver services	<ul style="list-style-type: none"> Council's current resources are already stretched. Council faces a challenge of sourcing and maintaining resources to ensure services can be delivered to the desired levels of service.

2.2 Levels of Service

The following provides a set of service levels for each asset class that Council will strive to meet. Performance targets are documented in the respective asset management plans.

Table 2-3: Levels of Service

Service Level		Land and Buildings	Infrastructure	Furniture and Equipment	Plant and Equipment
Accessibility	Assets are to be maintained such that they are accessible to all members of the public.	✓	✓		✓
Safety	Assets are to be maintained in a manner such that they minimise the risk posed to the users of the asset, including members of the public, community, staff, etc.	✓	✓	✓	✓
Quality	Assets shall be constructed to meet relevant building and design standards.	✓	✓		✓
Adequacy	Assets shall be functional, presentable and fit for purpose.	✓		✓	

3 Our Asset Management Position

3.1 Overview of Asset Portfolio

3.1.1 Asset Cost Profile

Council currently manages an asset portfolio with a replacement cost of approximately \$104 Million. The breakdown of Council's asset cost profile, as at 30 June 2016 is detailed in the following table.

Table 3-1: Asset Cost Profile (as at 30 June 2016)

Assets	Replacement Cost	Accumulated Depreciation	Written Down Value
Land and Buildings			
Land and Buildings	15,356,587	595,083	\$14,761,504
Infrastructure			
Drainage	615,000	9,904	\$605,096
Footpaths	399,240	12,565	\$386,676
Public Facilities	4,778,262	229,123	\$4,549,138
Roads	80,604,804	32,237,073	\$48,367,731
Furniture and Equipment			
Furniture and Equipment	196,708	98,692	\$98,015
Plant and Equipment			
Plant and Equipment	2,469,620	833,871	\$1,635,749
Total	104,420,221	34,016,310	\$70,403,910

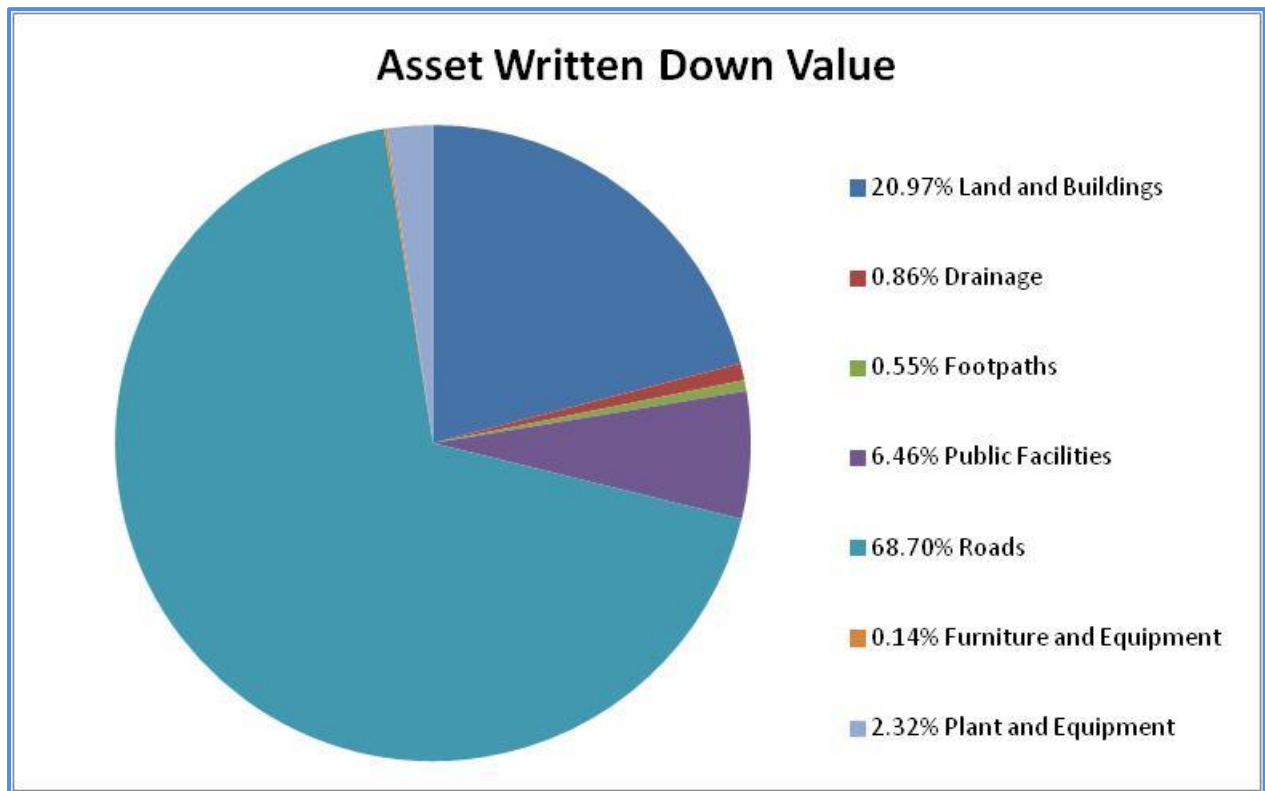


Figure 2: Asset Replacement Cost Profile

The largest asset category managed by Council is roads, which represent approximately 70% of the total asset portfolio. This is followed by Land and Buildings (21%), Public Facilities (6%), Plant and Equipment (2%), Drainage (1%) and Furniture & Equipment (>0.5%).

3.1.2 Replacement Cost Profile

The theoretical replacement profiles based on current replacement costs and asset age for Council's key asset classes are illustrated in the following figures. The figures suggest that, a significant amount of money is required to fund road replacement works. Anecdotal evidence indicates that the overall road condition is satisfactory which implies that current useful life figures applied to roads need to be reviewed to reflect reality or a formal condition assessment of the road network needs to be undertaken.

Between the years 2015 and 2020, Council's plant and equipment assets will require some replacement works to be carried out.

3.2 Asset Condition

The current condition of Council's assets are summarised in the table below.

It should be noted that the condition of assets, with the exception of roads and footpaths, have been based on anecdotal evidence. Formal condition assessment of these assets has not been undertaken.

Table 3-2: Asset Condition

Asset	Asset Condition		
	Good	Satisfactory	Poor
Land and Buildings	✓		
Infrastructure			
▪ Roads		✓	
▪ Footpaths			✓
▪ Drainage		✓	
▪ Public Facilities / Infrastructure - Other		✓	
Furniture and Equipment		✓	
Plant and Equipment		✓	

4 Our Asset Management Strategy

4.1 Demand Management

As outlined in **Section 0**, the acquisition and ongoing management of Council's assets are affected by a number of key asset drivers. Currently, planning for asset delivery is undertaken informally and there are no formal procedures in place for demand management. To understand and manage demands, Council will:

- Engage with the community to identify their demands and expectations and inform the Council on the long term strategic direction;
- Maintain current assets and infrastructure to meet current levels and standards;
- Continually monitor the utilisation rates of its assets;
- Determine the feasibility of providing new assets and infrastructure to meet demands and community needs and assessing its alignment with the Strategic Community Plan and overall vision for the Shire;
- Where appropriate, develop a program for delivering new assets to accommodate the demands and incorporating it in the long term capital works program and financial plan and annual budget; and
- Ensure all assets and infrastructure are maintained and operated in a manner that is compliant with legislative requirements.

4.2 Levels of Service and Performance Targets

Council has developed interim levels of service and performance targets based on the current performance of their assets in delivering services. It will undertake to monitor the performance of assets in delivering services against the levels of service and targets to:

- Ensure the levels of service and performance targets adopted are appropriate;
- To identify any areas of non-conformances and undertake the necessary corrective actions, such as increase maintenance or renew or replace the asset;
- Ensure the services are delivered to meet the community's expectations.

The performance targets will be monitored and reported on annually and in the long term, Council will undertake consultation to ascertain the desired performance targets.

4.3 Capital and Renewal Works Program

4.3.1 Current Status

Council has developed a rolling four year forward capital works program in the Corporate Business plan, which covers works associated with the construction of new assets, asset renewals, upgrades and expansions.

The works program has been developed to address the following key factors:

- Develop our town;
- Improve social equity;
- Demand;
- Affordability;
- Environment; and
- Risk

Council programmes for renewal and replacement are in each asset groups management plan.

The following table provides a breakdown of the works to be undertaken between 2016/2017 and 2020/2021.

Table 4-1: Breakdown of Capital Works Program

	2016/17 Budget \$	2017/18 Estimated \$	2018/19 Estimated \$	2019/20 Estimated \$	2020/21 Estimated \$
Investing Activities -Capital Expenditure and Revenue					
Purchase Land Held for Resale	0	-	-	-	-
Purchase Land and Buildings	(4,322,000)	(186,800)	(103,797)	(456,474)	(97,364)
Purchase Plant and Equipment	(477,566)	(721,782)	(391,261)	(413,161)	(447,160)
Purchase Furniture and Equipment	(34,500)	(40,000)	-	(40,958)	(41,444)
Purchase Infrastructure Assets - Roads	(1,839,787)	(1,598,170)	(1,646,115)	(1,695,498)	(1,746,363)
Purchase Infrastructure Assets - Other	(915,268)	(262,218)	(1,967,218)	(1,162,218)	(517,218)
Proceeds from Disposal of Assets	174,256	362,403	215,586	183,747	259,501
Amount Attributable to investing activities	(7,414,865)	(2,446,566)	(3,892,805)	(3,584,562)	(2,590,048)

4.3.2 Capital Works Funding Sources

Council's capital works program is funded by a number of sources, which includes:

- Council funds;
- Country Local Government Fund; and
- Other sources, such as the Roads to Recovery, Regional Road Grants, Regional and Local Community Infrastructure Program, Department of Sports and Recreation, Wheatbelt Development Commission, Lotterywest, and also income from sales.

Over the next four years, a majority of the proposed capital works program will be funded internally. A distribution of the funding sources for capital works over the next five years is illustrated in the following figures.

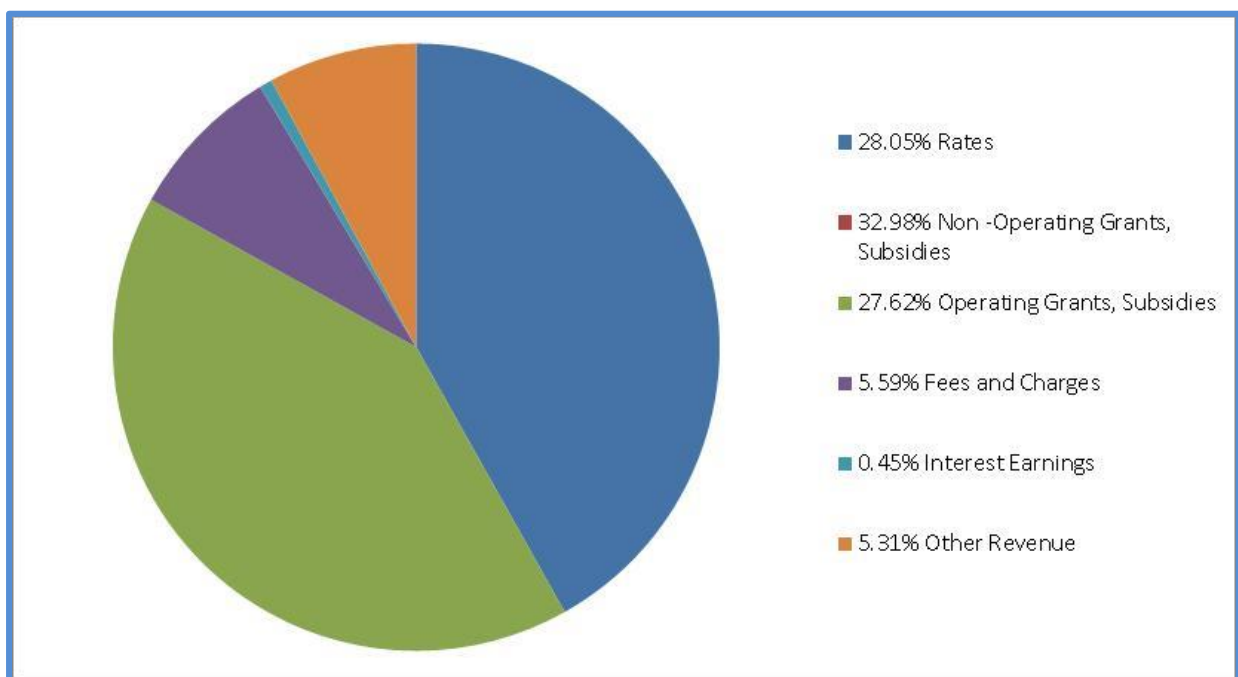


Figure 3: Distribution of Funding Sources between 2016/2017 and 2020/2021

4.3.3 Capital Works Planning

Council will utilise its asset management plans to inform the development of future forward capital works programs. The development of new, renewal and replacement works will take into consideration information such as asset condition, asset performance, forecast future demands and asset capacity. In addition, Council will ensure that its capital works programs will be aligned with key initiatives and programs outlined in the Strategic Community Plan.

Projects that have been determined and approved to proceed by the Council will be incorporated into the forward capital works program which identifies when the project is to be carried out and the estimated costs.

As project funds varies from year to year, Council will undertake an annual review of its Corporate Business Plan and LTFP to determine which projects are able to proceed and/or continue, and which projects are to be delayed. Decisions made on projects are undertaken on a case-by-case basis and are based on whether it satisfies community needs / satisfaction, community requirements, or statutory requirements.

4.4 Operations and Maintenance Program

To ensure assets and infrastructure deliver services at the required service levels and quality, Council will undertake regularly scheduled operational and maintenance works. A rolling operations and maintenance works program will be developed that identifies the following:

- Task code (for costing purposes);
- Description of task;
- Type of task (ie, recurrent, preventative, corrective etc),
- Frequency of works; and
- Resources to undertake the works (ie, team / crew responsible for completing the task).

As operations and maintenance works are funded by municipal funds (ie, rates revenue), Council will utilise the operations and maintenance program to assist with forecasting expenditure costs. For this reason, the operations and maintenance program will be incorporated into the long term financial plan and annual budget.

4.5 Condition Assessment

Regular assessment of the condition of assets will provide the Council with information to determine works required to restore an asset's functionality and condition to its required operational performance.

Council will develop a consistent asset condition assessment approach to identify the condition of all assets. The following rating system will be adopted and used for assessing the condition of all assets.

Table 4-2: Asset Condition Rating System

Condition Rating	Description	Remaining Useful Life (%)
1		60 – 100% of Useful Life
2	Good Condition: Minor defects only	35% to 60% of Useful Life
3	Fair Condition: maintenance required to return to accepted level of service	20 -35% of Useful Life
4	Poor Condition: Requires renewal (20%=40% of the asset requires renewal)	10% - 20% of Useful Life
5	Unserviceable: Needs immediate attention and/or over 50% of the asset requires renewal).	0% - 10% of Useful Life

Results of the condition assessment will be stored in the technical asset register and used to inform Council in the development of future capital and renewal works programs and operations and maintenance works programs.

4.6 System Documentation

Council currently utilises a number of asset information systems to store asset data. The systems that are currently in place are outlined in the following table.

Table 4-3: Asset Information Systems

Information System / Software	System Description / Overview	Asset Classes						
		Land and Buildings	Roads	Footpaths	Drainage	Public Facilities / Infrastructure -	Furniture and Equipment	Plant and Equipment
Synergy	<ul style="list-style-type: none"> The Shire utilises Synergy as the primary corporate software system. Synergy is used as a corporate reporting / administrative tool only and stores financial related information on all asset classes. Minimal asset Management information is stored in Synergy although Council has recently installed the Synergy asset management module and is in the process of uploading data into the system. The financial asset register is currently not linked to the technical asset register, which is maintained on other software systems, spreadsheets and databases. 	✓		✓	✓	✓	✓	✓
Excel	<ul style="list-style-type: none"> Excel is used to maintain the infrastructure register, which contains financial details relating to footpaths, drainage, public facilities, and other-infrastructure. Council's Senior Finance Officer/Deputy Chief Executive Officer reviews and maintains the records in Excel. The Excel file is stored on the network. Data in the excel file is not linked to Synergy. 			✓	✓	✓		

Information System / Software	System Description / Overview	Asset Classes						
		Land and Buildings	Roads	Footpaths	Drainage	Public Facilities / Infrastructure -	Furniture and Equipment	Plant and Equipment
ROMAN / RAMM	<ul style="list-style-type: none"> Road asset data is currently stored using the ROMAN Road Management System. Road surveys are undertaken by an external consultant. Road valuations were last updated in 2011/2012. System enables capital and renewal works programs to be developed. An external consultant maintains the roads asset register using ROMAN / RAMMS. 		✓	✓				

Asset data that is currently available for each of the asset classes is detailed in the table below.

Table 4-4: Asset Data

Asset Class	Data Collected	Data Reliability (Low, Medium, High)	Gaps Identified
Land and Buildings	<ul style="list-style-type: none"> Asset Number Location / Description Date Acquired Historical cost Estimated Useful Life 	<ul style="list-style-type: none"> Medium 	<ul style="list-style-type: none"> Replacement Cost (buildings) Condition (buildings) Condition Assessment Date (buildings) Area (land) Value (land)
Infrastructure <ul style="list-style-type: none"> Roads 	<ul style="list-style-type: none"> Asset Identifier Asset details Location Asset condition Asset age (condition based) Useful life 	<ul style="list-style-type: none"> Medium 	<ul style="list-style-type: none"> Construction Date Condition Assessment Date Replacement Cost
<ul style="list-style-type: none"> Footpaths 	<ul style="list-style-type: none"> Asset Identifier Asset details Location Asset condition Asset age (condition based) Useful life 	<ul style="list-style-type: none"> Medium 	<ul style="list-style-type: none"> Construction Date Condition Assessment Date Replacement Cost Material Quantity (Length / Width)
<ul style="list-style-type: none"> Drainage 	<ul style="list-style-type: none"> Asset identifier 	<ul style="list-style-type: none"> Low 	<ul style="list-style-type: none"> Construction Date Date of Acquisition / Commission Location Asset Details (dimensions) Material Useful Life Condition Condition Assessment Date Replacement Cost
<ul style="list-style-type: none"> Public Facilities / Infrastructure - Other 	<ul style="list-style-type: none"> Asset identifier Asset Description Date Acquired Historical Cost 	<ul style="list-style-type: none"> Low 	<ul style="list-style-type: none"> Condition Condition Assessment Date Useful Life (recreation assets) Replacement Cost

Asset Class	Data Collected	Data Reliability (Low, Medium, High)	Gaps Identified
Furniture and Equipment	<ul style="list-style-type: none"> ▪ Asset identifier ▪ Asset Description ▪ Date Acquired ▪ Historical Cost 	<ul style="list-style-type: none"> ▪ Medium 	<ul style="list-style-type: none"> ▪ Useful Life ▪ Condition ▪ Condition Assessment Date ▪ Replacement Cost
Plant and Equipment	<ul style="list-style-type: none"> ▪ Asset identifier ▪ Asset Description ▪ Date Acquired ▪ Historical Cost 	<ul style="list-style-type: none"> ▪ Medium 	<ul style="list-style-type: none"> ▪ Useful Life ▪ Condition ▪ Condition Assessment Date ▪ Replacement Cost

To enable effective and accurate long term planning, Council will work to verify, update and maintain the accuracy of the asset data collected on an ongoing basis. Council will aim to enhance the condition of the data collected by:

- Developing a consistent approach to data collection and verification;
- Defining a suitable asset hierarchy for data storage in the relevant asset information systems to enable ease of reporting and analysis;
- Ensuring asset data collected is entered into a suitable technical asset register. The technical asset register should include, as a minimum, the following asset information:
 - Date of acquisition / purchase (or date of commissioning / installation);
 - Asset identifier;
 - Asset description (including location);
 - Asset age;
 - Asset condition;
 - Remaining useful life;
 - Replacement cost;
 - Annual depreciation;
 - Accumulated depreciation; and
 - Written Down Value.
- Regularly updating asset information and ensuring any new assets or any redundant assets are updated in the asset register; and
- Ensuring consistency between the data stored in the technical asset register and in the financial system for accurate reporting.

In addition, Council notes that the quality of the asset data for all asset classes requires verification to confirm its reliability and accuracy. In addition, a thorough assessment of how assets are characterised (grouped) will also require review as it has been observed that some assets are listed across three different asset categories and for consistency, should be grouped together. Council will address these gaps in the asset data through its asset management plan.

4.7 Financial Considerations

4.7.1 Funding Programming

In managing the asset portfolio, Council is also responsible for sourcing sufficient funds to operate and maintain assets to an acceptable standard.

Council will use its forward capital works programs as well as known asset information and asset management plans to forecast the funds required to undertake new, replacement and operations and maintenance works. To ensure sufficient funds are available to deliver these works programs, Council will:

- Adopt an asset life cycle cost assessment approach to determine the cost of new assets from acquisition through to operations and maintenance, replacement/renewal and disposal. This will allow Council to identify the capital and recurrent costs of the asset;
- Assess the current and forecast operations and maintenance expenditure of assets, costs associated with renewal and replacement works as well as costs associated with the delivery of new assets;
- Develop work schedules, capital, renewal and replacement works programs with indicative costs. The works programs would be based on asset data such as age, condition and performance, as well as risk;
- Incorporate the works programs into the long term financial plan and annual budget and identify any funding gaps; and
- Develop strategies and actions to address funding shortfalls (such as sourcing grant funds or funding from private sources) and/or reprioritise works programs to enable works to be undertaken within the funds available.

4.7.2 Funding Sustainability

In accordance with the Local Government Act, Council will undertake to report on the following asset sustainability indicators.

Table 4-5: Asset Sustainability Indicators

Ratio	Definition	Measurement
Asset Consumption Ratio	Measure of the condition of assets against the capital outlay required to maintain the asset to its service potential	Depreciated Replacement Cost (WDV) : Current Replacement Cost
Asset Sustainability Ratio	Measure of whether the Shire is renewing or replacing existing non-financial assets at the same rate that the assets are depreciating	Capital Expenditure on Replacement / Renewal Works: Depreciation Expense
Asset Renewal Funding Ratio	Measure of the ability of the Shire to fund its projected asset renewals and replacements in the future	NPV of Planned Capital Expenditure on Renewals: NPV Renewal Expenditure (over 10 years)

4.7.3 Asset Financial Reporting

To enhance Council's financial reporting capability and to track costs against assets, Council will work towards:

- Assigning cost codes to each asset to enable costs associated with capital, operations and maintenance tasks to be recorded independently; and
- Monitoring expenditure against each cost codes.

5 Our Risk Management Framework

Effective infrastructure risk management involves the assessment of risks associated with all facets of service delivery, from asset planning through to operations and maintenance. The process involves:

- Identification of risks and hazards associated with the asset;
- Assessment of consequences and impacts on elements such as public health and safety, service delivery, and costs, and allocation of a risk rating; and
- Identification of mitigation measures that will reduce the level of risk to the organisation.

For each asset class, Council will undertake an assessment of the risks and hazards associated with the assets whole life cycle, from planning and acquisition through to operations and maintenance and finally disposal. Mitigation measures, resources required to manage the risks (staffing and financial resources) and responsibility for the management of the risks will also be documented as part of the risk management process. The outcomes of the risk assessment will be documented in a risk register and incorporated in the Asset Management Plans.



Figure 4: Risk Management Approach

As a minimum, Council will assess risks in terms of:

- Risks and hazards impacting service delivery (ie, quality of services);
- Risks and hazards affecting asset function and capacity; and
- Risks and hazards affecting safety (public health, workplace health and safety, etc).

The risk assessment process will follow ISO 31000: Risk Management, which provides guidelines on the management of risks.

6 Asset Management Training and Awareness

To progress asset management within the organisation, it will be important for Council staff to increase its capacity and capability in this field. Council has identified its intentions to increase awareness of asset management principles and as a minimum, will provide training to staff in the following:

- Council policies related to asset management, which includes the asset management policy and the non-current asset policy;
- Council's asset management directives and objectives, as detailed in this asset management strategy, which includes the levels of service and performance targets;
- Principles of Asset Management as outlined in:
 - Publicly Available Specification (PAS) 55 – Asset Management;
 - International Infrastructure Management Manual – Asset Management;
- Process involved in data capture, data maintenance and analysis, and condition assessment; and
- Principles and process associated with risk management.

7 Asset Management Governance Arrangements

7.1 Governance Structure

The following figure illustrates the link between Council's organisation structure and asset management.

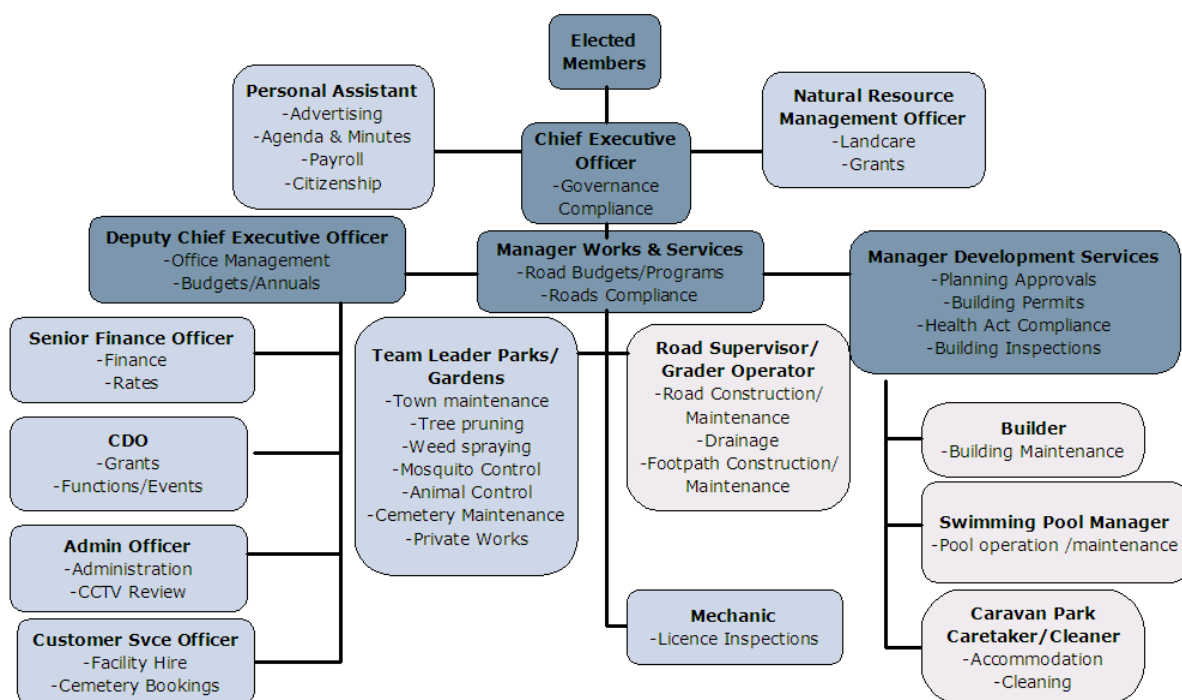


Figure 5: Organisation Structure

7.2 Roles and Responsibilities

Implementation and ongoing support of asset management lie with the Chief Executive Officer and the Senior Managers however Council's elected representatives also have some responsibilities to fulfil.

The roles and responsibilities of the key stakeholders are outlined below.

Table 7-1: Roles and Responsibilities

Role	Responsibilities
Elected Representatives	<ul style="list-style-type: none"> ▪ The elected representatives will be responsible for confirming the long term direction and vision of the organisation, particularly in relation to asset management and approving the asset management policy, asset management strategy and asset management plans. ▪ Elected representatives will also be responsible for fostering and encouraging the implementation of best practice asset management principles across the whole of organisation.
Executive Team	<ul style="list-style-type: none"> ▪ The CEO and Managers will have the overall responsibility of building awareness and knowledge and encouraging the implementation of asset management practices throughout the whole of organisation.
Asset Owners	<ul style="list-style-type: none"> ▪ Managers, coordinators and staff in charge of assets and infrastructure shall be responsible for reviewing and providing inputs into the strategic direction of the management of assets and infrastructure. Responsibilities would include: <ul style="list-style-type: none"> - Reviewing and supporting the implementation of asset management plans; - Reviewing and coordinating with staff on the implementing of asset management improvement strategies and actions; - Monitoring and reporting on the performance of assets against identified levels of service, service standards and performance indicators; - Reviewing proposed capital / renewal and replacement works programs and providing recommendation to elected representatives for approval; and - Coordinating the development of reports to meet corporate reporting requirements. ▪ Staff with day-to-day responsibility of assets shall be responsible for: <ul style="list-style-type: none"> - Developing and maintaining the asset register; - Implementing strategies and actions outlined in the asset management plans; - Reviewing and updating asset management plans; - Reviewing and updating the asset risk register; - Monitoring the performance of assets and identifying corrective works, where required; - Developing capital / renewal / replacement works programming including budgets; - Developing and implementing operations and maintenance strategies; - Reporting on performance of assets to Asset Owners
Council Officers	<ul style="list-style-type: none"> ▪ All Council Officers shall be responsible for ensuring the principles of asset management, as outlined in the Asset Management Policy are adhered to.

8 Asset Management Improvement Strategy

Identified in the Strategic Community Plan is a commitment to have adequate and well maintained infrastructure that supports the development of a safe and prosperous community. In order to achieve this commitment, Council will need to overcome challenges with respect to managing demands, needs and expectations, as well as enhance the overall management of the assets and infrastructure that are required to deliver Council's core services to the community.

Council has identified the following key strategies for implementation. These are aimed at enhancing Council's ability and capacity in the areas of:

- Policy;
- Planning;
- Operations and Maintenance;
- Data Quality and Information Systems; and
- Governance.

Detailed actions to deliver these key strategies are documented in the correlating Asset Management Plans.

Table 8-1: Asset Management Improvement Strategies

Key Strategies		Outcomes
1 - Policy		
1.1	<p>Introduce, endorse and implement policies relating to asset management, including:</p> <ul style="list-style-type: none"> ■ Asset management policy; ■ Valuation of non-current asset policy. <p>Undertake continuous monitoring of the effectiveness of the policies, updating where required.</p>	<ul style="list-style-type: none"> ■ Formal Council policy developed and introduced to the organisation. Governs the operation

2 - Planning		
2.1	<p>Enhance planning processes to ensure adequate resources are available to accommodate change.</p> <p>Assess and keep abreast of key drivers, risks and challenges potentially affecting Council's assets, including regional initiatives.</p>	<ul style="list-style-type: none"> Improvement to Council's ability to address changes to asset drivers that affects service demands, asset capacity and community needs and expectations.
2.2	<p>Integrate asset management with financial planning and management.</p>	<ul style="list-style-type: none"> Asset management planning principles and practices integrated with financial planning, allowing Council to consider long term cost implications associated with the delivery and operating and maintaining assets.
2.3	<p>Assess community needs and demands to ensure assets are able to deliver services required.</p> <p>Assess community expectations in relation to quality and level of services and implement suitable and appropriate levels of service and performance standards to benchmark performance.</p>	<ul style="list-style-type: none"> Enhance understanding of Community needs and expectations.
3 - Operations and Maintenance		
3.1	<p>Introduce life cycle costing principles to the organisation.</p> <p>Establish a link between asset management life cycle and operations and maintenance.</p>	<ul style="list-style-type: none"> Create effective operation of assets and to ensure least cost of operation throughout the asset life cycle.
4 - Data Quality and Information Systems		
4.1	<p>Enhance processes and systems</p>	<ul style="list-style-type: none"> Introduce formal documented asset management procedures to the organisation to promote a consistent approach to managing assets, analysing condition of assets and forward planning.
4.2	<p>Develop and implement a formal process of reviewing, auditing and capturing asset data and maintaining a link between financial and technical systems.</p>	<ul style="list-style-type: none"> Improve quality and reliability of asset data. Improve accuracy of asset financial information. Compliance with legislation to undertake fair value assessment of non-current assets.

5 - Governance		
5.1	<p>Actively support and introduce asset management principles to the organisation.</p> <p>Encourage knowledge sharing and continually promote asset management best practice throughout the whole of organisation.</p>	<ul style="list-style-type: none"> ▪ Enhance knowledge and support for asset management across the whole of organisation. ▪ Increase staff exposure to asset management concepts and principles.
5.2	<p>Seek training and education to enhance knowledge, capacity and capability in asset management.</p>	<ul style="list-style-type: none"> ▪ Asset management training opportunities provided to staff. ▪ Staff are skilled and aware of asset management concepts and best practice principles.

9 Monitoring and Review Process

This Asset Management Strategy identifies a number of key strategies aimed at enhancing Council's management of assets and will be introduced and implemented over a number of years.

It is intended that the progress of achieving these strategies and the status of asset management across the organisation be reviewed and updated annually.

The Deputy CEO will be responsible for monitoring its progress and the CEO will be responsible for reporting to Council. The CEO will also be responsible for ensuring that any changes made to corporate documents, such as the Strategic Community Plan and asset policies will trigger a review of this Asset Management Strategy so that the contents of this document shall remain relevant and appropriate to Council's operations.



Department of **Local Government**
Department of **Regional Development and Lands**



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