Shire of Broome

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Asset Management Improvement Strategy March 2009 - 2012

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INTRODUCTION

The Shire of Broome delivers a variety of services to the community and in doing so, must ensure that the assets supporting these services are managed in a way that guarantees maximum performance for the lowest 'whole of life' cost.

The Shire's infrastructure assets represent a significant investment over many generations that support the community. Millions of dollars are spent annually managing and maintaining the Shire's infrastructure and it is imperative that we utilise the best management skills and practices to ensure that related services are delivered economically and sustainably.

In the past the Shire, like many local authorities, has met community needs through investment in creation of new infrastructure without recognising the long-term life cycle costs associated with the ongoing operation, maintenance and renewal of the infrastructure. Improving the management of infrastructure can bring major benefits by ensuring that scarce resources are used in the most cost effective manner. This will enhance economic growth and improve environmental sustainability.

Along with customer service delivery and governance, asset management is one of the core business activities of local government and the Shire of Broome's Plan for the Future is founded on, amongst other things, a plan to 'Develop an Asset Management Strategy'. The organisation also recognises that asset planning is an organisational responsibility and requires the commitment of the Executive and Senior Management within the Shire for it to succeed. The clarity of roles and responsibilities for all those involved in asset management right across the organisation is also a critical success factor.

This is the Shire of Broome's first Asset Management Strategy and seeks to link all the components of its Strategic Asset Management Framework and define a future vision of asset management practices within the organisation.

VISION

The Shire of Broome has prepared a draft policy that incorporates a vision for the Shire:

"to ensure that services delivered by the Shire of Broome are sustainable whilst Infrastructure Assets used to support service delivery function to the level of service determined by Council"

OBJECTIVE OF THE ASSET MANAGEMENT IMPROVEMENT STRATEGY

The Objective of this strategy is to set out in a structured way, the key tasks that the Shire of Broome intends to resource over the next 5 years in order to ensure that the Shire's assets are managed on a sustainable basis. This should ensure that the Shire delivers services in line with community expectations.

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AIM OF THE ASSET MANAGEMENT IMPROVEMENT STRATEGY

This strategy aims to;

- Ensure an organisational commitment to asset management is ongoing.
- Ensure that the Shire of Broome's commitment to asset management is adequately resourced.
- Develop 'first cut' asset management plans for all major asset classes by mid 2009.
- Continually improve the quality of infrastructure asset data held.

LINKS TO OTHER CORPORATE DOCUMENTATION

This strategy links to the following corporate documents;

- The Shire of Broome's Plan for the Future.
- The Shire of Broome's Information Technology Strategy (Pending).
- The Shire of Broome's Long Term Financial Plan.
- The Shire of Broome's Risk Management Plan (Pending).

CURRENT STATUS OF ASSET MANAGEMENT

The Shire of Broome is responsible for managing approximately $128 million worth of Infrastructure Assets as shown below;

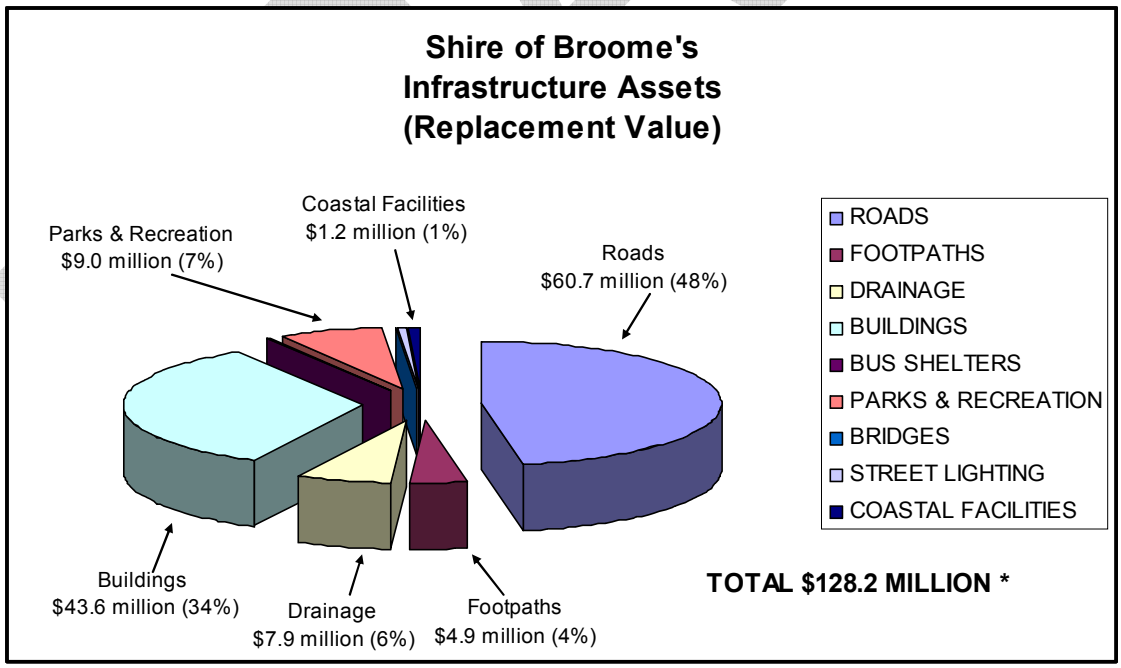

Fig 1. Shire of Broome's Infrastructure Assets

(*) Note: Estimates of replacement value only. This value is thought to be on the low side and is expected to rise as assets are re-valued as part of the asset management planning process. This value does not include a value for the Waste Management Facility.

This strategy deals specifically with the 6 largest infrastructure classes by value that together represent 98% of the total asset inventory of the Shire of Broome. These are:

1. Roads, Car parks & Footpaths
2. Drainage
3. Buildings
4. Parks & Reserves
5. Sanitary Landfill / Waste Management Facility
6. Coastal Facilities

CONFIDENCE GRADE DATA MATRIX

The Confidence Grade Data Matrix is used to comment on the reliability of the data used as a basis for forecasting. If the asset register is incomplete or lacks key information about the age or condition of assets, a lower grade of confidence will be assigned than if accurate, quality data and information are available.

The confidence in the asset data used as a basis for the financial forecasts can be assessed using the grading system shown in Figure 3.7.10 found in the IPWEA's International Infrastructure Management Manual.

The results can be used to formulate data collection and investigation programmes targeted at making the greatest impact on the accuracy of forecasting, leading to an incremental improvement in confidence in the outputs.

Confidence Grade	General Meaning
A	Highly reliable. Data based on sound records, procedure, investigations and analysis, documented properly and recognised as the best method of assessment.
B	Reliable. Data based on sound records, procedures, investigations, and analysis, documented properly but has minor shortcomings, for example the data are old, some documentation is missing, and reliance is placed on unconfirmed reports or some extrapolation.
C	Uncertain. Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available.
D	Very uncertain. Data based on unconfirmed verbal reports and/or cursory inspection and analysis.

(Source: NZ Infrastructure Grading Guidelines- Water Assets, 1999)

Figure 3.7.10: Confidence Grades

Confidence Grades of Asset Management Data

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ROADS

Roads data is held in the Roman software package that is used by the majority of Local Governments in Western Australia (WALGA are currently proposing a new, more modern database to replace Roman). The inventory includes materials, dimensions, quantity and construction dates for approximately 100% of the network. There is also a GIS capability both as part of, and external to Roman. Inventory data is updated on an ongoing basis. However condition ratings are at least 7 years out of date as these should occur every 2 years. A review of the network needs to be done with respect to roads in Indigenous areas to ascertain community and government expectations, funding streams and associated costs.

Replacement valuations and depreciation calculations are determined external to Roman on a straight-line basis and unit rates are maintained external to Roman.

The average age of the network is unknown with an average condition rating yet to be determined. Surface renewal planning consists of a reseal program which is informed by Roman data (but is on average under-resourced). Maintenance is carried out on a prioritised and programmed basis with pindan re-sheeting carried out on gravel roads.

Confidence Grade **C**

PATHS

Paths data is held in Excel spreadsheets. The inventory includes materials, dimensions and quantity and construction dates for an estimated 100% of the network. Condition and inventory data was last updated in 2006. Maintenance and renewal planning consists of a slab and asphalt footpath replacement program.

Confidence Grade **B**

DRAINAGE

In 97/98, BSD Consulting compiled some drainage information on behalf of the Shire. This data will be revisited. It should be noted that the Shire does not have an inventory of materials, dimensions and quantity or construction dates for the network.

No data related works planning or maintenance management currently takes place although as drainage assets can have a life approaching 80 or 100 years, this is not unusual. Drainage assets also include open unlined drains, surface drains and swales.

Confidence Grade **D**

BUILDINGS

The Shire holds an inventory of Shire owned and operated buildings. A five year and ten year plan exists for the majority of these buildings which is updated at the end of each financial year. The works proposed for each building is based on a brief inspection and “gut feeling” on what is required and estimated timeframes.

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The Building Department uses spreadsheets, linked to finance, which outline pending and completed works and budgets. Currently, budgets are set as a result of Responsible Officers requests and/or reactive works and also past historical budgeting requirements.

An audit on all buildings was carried out three years ago with regards to disability access requirements. Majority of this work has been carried out since then.

A detailed audit and condition report is currently being undertaken with the average age of the Shire's buildings being 20 years. It is accepted though that the building stock is generally in fair to satisfactory condition. A set amount of funds are allocated to building maintenance and capital works annually which has not changed for many years although building costs have risen substantially in recent years. In the absence of a renewal plan, strategic management of buildings is minimal, however over the past 12 months, progress has occurred regarding preventative maintenance.

A database inventory of Shire buildings is currently being developed which will include age, materials and visual condition ratings. This will allow a 'first cut' Building Asset Management Plan to be developed. Replacement valuations and depreciation calculations are determined in partnership with Financial Services on a straight-line basis.

The Shire has also identified a need to undertake a review of its property management processes to improve asset management activities in regards to its leased and licensed buildings and premises.

The Shire has a total building assets stock of some 225 structures. Of that, some 40 are leased facilities of various sizes, uses, vestings and levels of expected service depending on the usage of each facility and the differing needs and expectations of its tenants.

The aim of the property management review is to identify and recommend opportunities to:

- Increase productivity;
- Develop transparent and equitable revenue collection methodologies;
- Streamline and document back-office systems and processes; and
- Develop customer service systems and processes.

The review will deliver recommendations for Council consideration regarding the Shire of Broome's Property Management Services model primarily for leased and licensed properties and associated activities.

Confidence Grade **B**

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PARKS & RESERVES

Permanent infrastructure such as shade structures, playgrounds, drinking fountains, showers, street furniture etc are monitored frequently with replacement determined by regular inspections. Budget details are recorded on spreadsheets however actual maintenance cost in relation to service level requirements are not forthcoming as service levels are yet to be defined.
Hard landscaping eg retaining walls, footpaths, raised garden beds etc are not quantified or assessed and are maintained on an 'as needs' basis.

Park surfaces eg park lawns and ovals are quantified with asset details recorded i.e. size, however service levels have not been defined. Maintenance is therefore determined by management. A 5 year programme does exist though for surface maintenance and refurbishment providing accurate data on park surface renewal.

Environmental assets (i.e. native corridors, vine thickets, coastal parks and non-maintained verges) have not been recorded or assessed therefore maintenance and replacement costs and community value have not been recognised. This will need to be addressed in due course.

Utilities (water meters, back flows, power cabinets and lighting infrastructure) are recorded. These assets are managed to meet current legislation and maintenance requirements.

Irrigation reticulation is the most significant asset class in Parks and Garden with 75% of reticulation documented. Replacement value and asset maintenance for this equipment has not been quantified or costed nor has a replacement programme been developed. Reticulation assets include tanks, effluent pipelines, pumps and associated manifolds, in-ground reticulation, computer hardware and software. The effluent delivery pipeline from the Waste Water Treatment Plant to the various grounds is a matter of concern. At present, the Shire Parks & Gardens section undertakes maintenance.

Plant and equipment is on a forward 5 year programme with assets costed and managed proactively. The 5 year program requires review and Key Performance Indicator's used to measure performance.

The Shire Depot Site and Infrastructure is not a costed asset and requires significant monetary injection as it does not fulfil the requirements of the department across service levels and standards of infrastructure. The Depot amenities and office space for staff are inadequate with the capacity of the site in general requiring review.

Confidence Grade **B**

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SANITARY LANDFILL / WASTE MANAGEMENT FACILITY

The Waste Management Facility is located on Crown Reserve No. 40813. The total land area vested in the Council for purposes of 'Rubbish Disposal Site' is 15ha. The Facility is 7.6 km's from the Broome Post Office and is in easy reach of the majority of the residential population. Because of the location, the proximity to the township and the estimated life, the Facility is considered to be a valuable asset that should be maintained as a refuse disposal site as long as practical. Based on best estimates of the remaining in ground capacity, past input volumes and allowing for a growth factor of 4% per annum, the Facility could be in use until circa 2021 (This information is currently under review by an external consultant). An area for a Transfer Station may need to be provided ahead of the final years of the land filling operations. If managed properly, the costs of rehabilitation will be spread over the remaining years of land filling, rather than allowing the Facility to become inefficient and non-productive over the latter years.

In June 2001, an Operational Management Plan was prepared for the Waste Management Facility. This plan showed that with effective planning, adherence to the Licence conditions, a change in operational procedures and some additional plants, the Shire could continue to use the Facility until circa 2021. However due to considerable changes to the infrastructure and operating procedures at the Facility, the Operational Management Plan needs to be reviewed and updated.

A Waste Management Working Group has been set up to provide advice on current waste management practices for the Shire of Broome. The key objectives of this group are to:

- Advise Council on the strategic direction of waste management within the Shire of Broome;
- Advise Council on legislative requirements that impact on environmental, planning and engineering issues of waste management operations and facilities;
- Advise on consultation with relevant government and private stakeholders, service providers, indigenous interests and the community as appropriate; and
- Provide advice on all strategic issues concerning the Waste Management Facility.

Confidence Grade **B**

COASTAL FACILITIES

The Shire of Broome is responsible for three constructed concrete boat ramps, two cast in situ ramps located at Entrance Point on leased Broome Port Authority land (lease currently being prepared) and a precast ramp at the Town Beach Reserve. The physical data for these ramps is basically contained in survey pickup drawings of the areas in question located in the Engineering Department. Current maintenance practices include routine removal of slime buildup by the streetsweeper and periodic maintenance inspections regarding condition and safety. The ramps at Entrance Point are both in fair condition and decisions regarding their long term maintenace and possible capital upgrades need to be made.

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The Streeter's Jetty located on Dampier Terrace in Chinatown (Lot 3067) is a timber framed and decked jetty extending East into the mangroves of Roebuck Bay. The original construction date is 1886 with repair works carried out in the 1960's and extensive restoration works in 2001 of which the Shire of Broome contributed an amount of $5000 towards the project and an in-kind contribution, through staff time and equipment, of $15,000. The jetty is a visual reminder of Broome's pearling history and as such is of social significance to the Broome community and visitors. The jetty is also a valued recreational asset to the community.

The jetty is of exceptional cultural heritage significance to the Shire of Broome and is Heritage Council registered. Portions of the lot that the jetty exists on are owned by the Port of Broome and Pearls Pty Ltd. The Shire of Broome currently insures the jetty for $275,000. Further investigation as to the Shires involvement is being undertaken.

Confidence Grade **D**

STRATEGIC ASSET MANAGEMENT FRAMEWORK

The Shire of Broome has developed a Strategic Asset Management Framework that integrates policy and strategy to improve asset management and capital investment across the organisation. It is a package of policies, procedures, strategies and plans that will facilitate the provision of quality advice to Council and Executive to support strategic decision-making.

The framework will also assist business improvement in the organisation by increasing the utilisation of existing assets, implementing continuous improvement plans and monitoring best practice.

WESTERN AUSTRALIAN ASSET MANAGEMENT IMPROVEMENT PROGRAM (WAAMI)

The Shire of Broome has chosen to participate in the WAAMI program to assist in the development of its strategic asset management framework.

WAAMI was developed by a Western Australian Industry working group based on similar work undertaken in other states and seeks to facilitate local government asset management in Western Australia. It achieves this by:

- Building awareness through presentations and workshops
- Providing tools such as templates for plans and policies and
- Developing a self assessment and improvement framework

The Shire of Broome will develop its strategic asset management framework based on the four pillars of successful asset management as shown below;

- Policy
- Strategy
- Plans
- Operations

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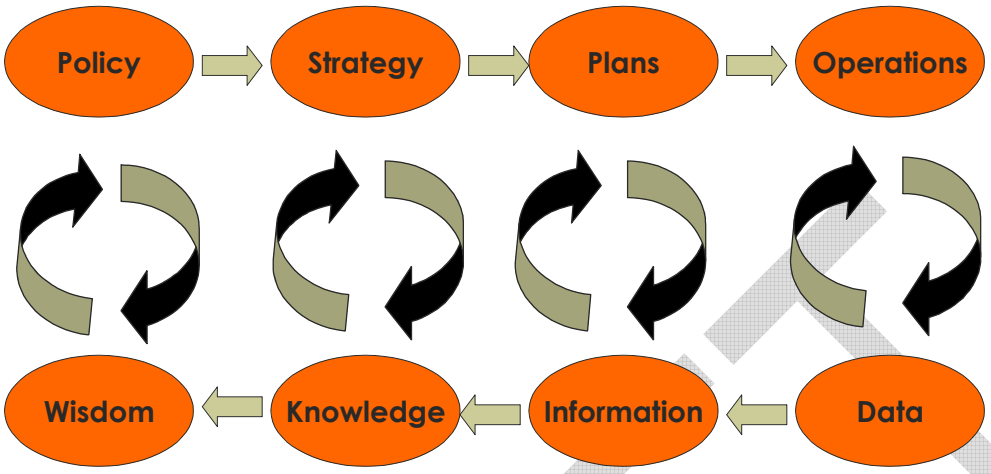
The Path to Successful Asset Management

Planning Steps



Knowledge Steps

POLICY

The Shire of Broome's Asset Management Policy will be adopted in due course and will underpin the organisation's Plan for the Future. This will ensures that the organisation undertakes a structured, well resourced and co-ordinated approach to asset management and that sustainable facilities are provided for both current and future generations.

STRATEGY

The Shire of Broome's Plan for the Future commits to the development of an Asset Management Strategy.

This Asset Management Strategy outlines the specific actions to be undertaken by the Shire of Broome to enhance its asset management capabilities and achieve its strategic objectives as visioned in the Asset Management Policy. It develops a structured set of actions and also identifies resources that together will enable improved organisational asset management.

IMPLEMENTATION

To drive implementation of the AM Improvement Strategy the Shire has established the Services and Assets Working Group (SAWG) to drive and co-ordinate the development and implementation of the Asset Management Strategy. The SAWG is a cross-functional working group with representatives from each area of the organisation that has involvement with service delivery utilising assets.

Following adoption of the AM Improvement Strategy, the SAWG will then be charged with the responsibility of project managing the delivery of the tasks identified in the strategy and will report to the Executive Management Group on a regular basis.

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ASSET MANAGEMENT PLANS

The Shire will develop and maintain Asset Management Plans for all major asset groups.

In the first instance, a 'first cut' plan will be prepared to quickly identify the current status of the asset group, develop draft levels of service for future consultation and identify improvements to be made. All Asset Management Plans will be in the format developed by the Institute of Public Works Engineering Australia (IPWEA) in line with the International Infrastructure Management Manual. (IIMM). The Asset Management Plans will be set out as follows:

- Executive Summary
- Introduction
- Levels of Service
- Demand Forecast
- Risk Management
- Lifecycle Management Plans
- Financial Forecast
- Asset Management Practices and Procedures

The Asset Management Plans will be reviewed at least every three years and will go through a continuous process of improvement as data accuracy and knowledge of customer expectations increases.

DATA

Similar to many organisations, the Shire of Broome maintains infrastructure asset data in numerous different databases to various quality standards. By far the highest quality data is contained within the Roman roads database and is already the subject of regular updating. It is a priority of this strategy to improve the quality of data over the coming years.

INFORMATION SYSTEMS

As mentioned above, the Shire maintains numerous asset databases ranging from Roman, Excel spreadsheets, Access databases and various proprietary software systems. The use of these and other systems, both existing and proposed, will be investigated as progress on the asset management plans is made.

The Shire has recently developed a scoping specification to review the organisations current and future IT capability and capacity. The IT Strategy acknowledges the role that Infrastructure plays in service provision and Asset Management.

RISK MANAGEMENT

The Asset Management Improvement Plan will be supported by the Shire's Risk Management Plan with a specific risk focus applied to asset management. Risk Management is an integral part of good business practice and works in tandem with strategic and financial planning. Developing and maintaining a Risk Management Framework is an effective way to identify, manage and respond to risks within an organisation.

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An enterprise wide Risk Management Framework considers all facets of an organisation's activities and aims to identify and deal with risks the organisation may face strategically and in its day to day operations. Risk Management is the process of thinking about the possible risks an organisation faces either before they happen or as a result of an incident or outcome and setting up treatments that will avoid the risk or minimise the impact of the risk.

The Risk Management Framework will be holistic in approach and broken down into key areas of: identify, assess, treat, consult, communicate, monitor and review and will be developed in accordance with the Australian and New Zealand Standard for Risk Management – AS/NZS 4360:2004.

Risk Management allows for systemic change and continuous improvement in planning, resource allocation, decision making and processes and delivers outcomes such as:

- Improved asset management
- Improved planning, performance and effectiveness
- Accountability and sound governance
- Protecting the organisation from legal liability
- Reducing insurance premiums
- Improved community perception of the Shire/Council
- Capacity to respond to new opportunities
- Improved prioritization of activities and projects
- Improved project outcomes and reporting

Once collated and assessed, risks are housed within a Risk Register. This then facilitates the ongoing management of risks and provides an overall Shire risk profile and reporting mechanism.

PROJECT MANAGEMENT

Whether its existing or new projects, either capital works or organisational, projects have a beginning and an end, require resources, are aligned to the Plan For The Future, improve services or productivity and have a community impact and therefore require robust, effective systems and processes to ensure effective development and implementation.

Projects, programs and business process improvement have become the main vehicle for organisations managing change and improving business performance. Achieving Plan for the Future objectives and meeting community and stakeholder expectations in today's dynamic workplace environment means that an organisations ability to choose the right projects and execute these effectively, is a business imperative. Rigorous project management is a critical success factor and a centrally co-ordinated project management system would provide significant benefits.

Developing and implementing a standard management process, providing project management tools and oversight, whilst up-skilling departmental staff in project management will reduce project slippage, costs overrun and scope creep and ensure project deliverables are achieved 'on time on spec'.

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ASSET MAINTENANCE

The asset management activities to date have identified a need to introduce better maintenance programs and to work towards managed maintenance systems. This is particularly important for risk management with respect to buildings, property, roads and footpaths, coastal facilities and drains.

Initially, inspection regimes and maintenance recording procedures should be improved to ensure accurate records are maintained of all asset maintenance activities.

Managed maintenance capabilities will be taken into account in the review of asset management and corporate information systems.

GAP ANALYSIS

The gaps identified in the Shire's asset management processes at this stage appear substantial but are no different from other local authorities commencing the strategic asset management journey. There has been a strong operational focus on asset maintenance in the past that has ensured most assets have remained fairly well maintained. Asset knowledge has also been reasonable.

However the most significant gaps exist in long term planning. No asset management plans have been developed to date, an Asset Management Policy has only just been developed and this is the first Asset Management Strategy for the Shire of Broome.

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ACTION PLAN

Task	Responsibility	Officer	Target Date	Cost
WAAMI Workshop 1	DCS	Ingrid Bishop	Complete	Officer Time plus $3,725 Workshop Costs
Form a Services Asset Management Working Group (SAWG)	EMG	Ingrid Bishop	Complete	Officer Time
Undertake a Data Audit to review such things as; -Location of data across the organisation -Data custodians (responsibility for maintaining data up to date) -Service levels -Format of data	SAWG	Theresa De Biasi	Complete	Staff Time
WAAMI Workshop 2	DCS	Ingrid Bishop	Complete	Officer Time plus $3,725 Workshop Costs
CEO/EMG to have an understanding of AM and promote the Shire's commitment to AM (Leadership)	SAWG	Ingrid Bishop	Complete	Officer Time
Councillors to understand the importance of AM and to support (via allocation of resources).	EMG	Ingrid Bishop	Complete	Officer Time
Employ an Assets Coordinator	DCS	Ingrid Bishop	Complete	Officer Time
Start to populate Shires Renewal Gap Model (Input Proforma)	SAWG	Asset Coordinator	February 2009	Officer Time plus $1,500 Consultant Expense
Provide WALGA with results on Renewal Information generated from Renewal Gap Model Input Proforma	SAWG	Asset Coordinator	February 2009	Officer Time
Develop and adopt an Asset Management Policy ensuring commitment to the principles of Asset Management.	DCS	Asset Coordinator	March 2009	Officer Time plus $750 Consultant Expense
Develop and adopt an Asset Management Improvement Strategy that sets out resource requirements to deliver AM and identifies the Shires current status in relation to Asset Management.	DCS	Asset Coordinator	March 2009	Officer Time plus $750 Consultant Expense
Develop a roles and responsibilities matrix that sets out the following; - Services and Service Standards - Budgets - Asset Register -Ownership of the asset class on behalf of Council (Asset Custodian)	SAWG	Asset Coordinator	March 2009	Staff Time
Develop a 'first cut' Road Asset Management Plan	SAWG	Neville Lavey	March 2009	TBA
Complete Building Condition Review incorporating Access Data Base for Buildings		Asset Coordinator CT Management	March 2009	TBA
Start to build Shires Master Asset List & Undertake 2nd Data Audit to review such things as; -How data is stored across the organisation -Responsibility for maintaining up to date data (Data custodians) -Data integrity -Format of Asset data held	SAWG	Asset Coordinator	March 2009	Officer Time plus Consultant Expenses, TBA
WAAMI Workshop 3	SAWG	Asset Coordinator	March 2009	Officer Time plus $3,725 Workshop Costs
Develop a 'first cut' Building Asset Management Plan	SAWG	Asset Coordinator	September 2009	TBA
WAAMI Workshop 4	SAWG	Asset Coordinator	September 2009	Officer Time plus $3,725 Workshop Costs
Review corporate IT Systems including; -Look at need and options for GIS (e.g. look at Tatuk) -Capabilities & functionality of Synergy -Project Management Software -Review add-on systems such as MS Access, CT Building Database, Delta-S -Reporting tools	SAWG	James Watt		TBA
Develop a 'first cut' Drainage Asset Management Plan	SAWG	Neville Lavey		TBA
Develop a 'first cut' Parks & Reserves Asset Management Plan	SAWG	Clint Hankinson		TBA
Develop a 'first cut' Waste Management Facility Asset Management Plan	SAWG	Neville Lavey		TBA
Develop a 'first cut' Coastal Facilities Asset Management Plan	SAWG	Neville Lavey		TBA
Continue to increase staff awareness of Asset Management across the whole of the organisation, ensuring that staff are aware of its importance and of the linkage between Assets and Service Delivery	SAWG			Staff Time
Further develop and refine on-going monitoring and reporting for Asset Management by continuing to participate in the WAAMI Program and demonstrating continuous improvement	SAWG	Asset Coordinator CT Management		TBA
Develop Asset Management processes, tools and templates that cover; -Reporting -Condition assessment guidelines -Data collection and input -General asset information for existing & new assets -Whole of life asset costs -Life cycle planning -Risk management	SAWG	Asset Coordinator CT Management		Officer Time plus Consultant Expenses, TBA

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Develop condition assessment criteria and assessment interval for Shire buildings categorised by; -Leased buildings -Non-Leased buildings	MBS	Asset Coordinator		Officer Time plus $1,500 Consultant Expense
Establish master Asset Management register that identifies location, internal ownership, management arrangements and condition of assets	SAWG	Asset Coordinator		Staff Time
Business Process Improvements - Define & develop processes for; -Capital works evaluation that considers risk and agreed Council criteria -Risk framework -Service levels for all asset classes and service level reviews -Capitalisation -Revaluation	SAWG	Asset Coordinator CT Management		TBA
Using outcomes of Shires Asset Renewal Gap Model (Input Proforma), develop long-term financial plans that address the renewal gap, contributing to the Shires long term Financial Plan	SAWG	Asset Coordinator CT Management		TBA
Review accuracy and completeness of asset register, bring to an appropriate standard		Asset Coordinator		TBA

Annual Tasks

Review and update the Asset Management Improvement Strategy	SAWG	Asset Coordinator		Staff Time
Review the SAWG to ensure it reflects the "whole of organisation" approach	DCS	Ingrid Bishop		Staff Time
Review and update all Asset Management Plans	SAWG	Service Managers		Staff Time

IMPLEMENTATION & REVIEW

The Services and Asset Management Working Group (SAWG) will be responsible for reporting to the Executive Management Group progress made in relation to the Action Plan, barriers to achieving objectives and proposed solutions or alternative actions.

A communications plan will also be developed to advise stakeholders, staff and community of progress made and key issues identified. Council will also receive a detailed update of the Asset Management Improvement Plan including financial and service delivery implications.

It is proposed to review the AM Strategy and Improvement Plans every 3 years in conjunction with the Long Term Financial Plan and Plan for the Future. The Shire of Broome Risk Management Plan will also guide future actions and escalate actions and/or activities if identified.

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CORPORATE SERVICES X.X.XX
Asset Management

TITLE:	**ASSET MANAGEMENT POLICY**
ADOPTED:	OCM …… – Page ……
REVIEWED:	OCM …… – Pages ……
ASSOCIATED LEGISLATION:	Local Government Act 1995 (Section 1.3 (3)) Significant Accounting Policies: • Leases • Fixed Assets • Depreciation of Non-Current Assets
ASSOCIATED DOCUMENTS:	Shire of Broome's Plan for the Future Shire of Broome's Information Technology Strategy (Pending) Shire of Broome's Long Term Financial Plan Shire of Broome's Risk Management Plan (Pending)
REVIEW RESPONSIBILITY:	Chief Executive Officer
DELEGATION:	Director Corporate Services

Previous Policy Number N/A

This policy applies to the sustainable management of the Shire's Infrastructure Assets to ensure continuity of service delivery.

Objective:

To ensure that services delivered by the Shire of Broome are sustainable whilst Infrastructure Assets used to support service delivery function to the level of service determined by Council.

Definitions:

"Asset" means a physical item that is owned or controlled by the Shire of Broome, 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 an infrastructure asset or asset category that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset.

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"Council" means the elected council (comprising Councillors) of the Shire of Broome

"Infrastructure Assets" are fixed assets that support the delivery of services to the community. These include the broad asset classes of Roads, Drainage, Buildings, Parks and Play Equipment.

"Level of Service" means the combination Function, Design and Presentation of an asset. The higher the Level of Service, the greater the cost to deliver the service. The aim of asset management is to match the asset and level of service of the asset 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.

"Whole of 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.

"Maintenance" means regular ongoing day-to-day work necessary to keep asset operating and to achieve its optimum life expectancy.

"Operations" – means the regular activities to provide public health, safety and amenity and to enable the assets to function e.g. road sweeping, grass mowing, cleaning, street lighting and graffiti removal.

"New" means creation of a new asset to meet additional service level requirements.

"Resources" means the combination of plant, labour and materials, whether they be external (contactors/consultants) or internal (staff/day labour).

"Renewal" means restores, rehabilitates, replaces existing asset to its original capacity. This may include the fitment of new components necessary to meet new legislative requirements in order that the asset may achieve compliance and remain in use.

"Risk" means 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 Broome organisation. The Chief Executive Officer of the Shire of Broome 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 enhances existing asset to provide higher level of service.

Policy:

To achieve the policy objective, the Shire of Broome is committed to ensuring that Asset Management is recognised as a major corporate function.

The Shire is committed to making informed decisions in relation to its infrastructure assets. To achieve this, the Shire will prepare an Asset Management Improvement Strategy that will guide the implementation of asset management across the organisation with the key outcome being the adoption by Council of an Asset Management Plan for the following classes of infrastructure assets;

- Roads, Car parks & Footpaths
- Drainage

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- Buildings
- Parks & Reserves
- Sanitary Landfill / Waste Management Facility
- Coastal Facilities

Asset Management Plans will form part of the Shire's day-to-day business practices and will be used to make informed decisions in relation to service delivery across;

- New asset acquisition
- Renewal of existing assets
- Upgrade of existing assets
- Disposal of existing assets

Asset Management plans will be prepared in accordance with the IPWEA's International Infrastructure Guidelines and will include long term (20 year) financial modelling of the renewal profile of each asset class and will be underpinned by long term financial plans.

The Shire of Broome has limited resources and is custodian of a large number of assets, many of which have reached or gone beyond their economic life. In making decisions in relation to infrastructure assets, the Shire is committed to the philosophy of renewing assets before acquiring new assets and where possible, rationalising assets that are no longer used or do not provide the agreed level of service.

The Shire of Broome is committed to determining the Level of Service required for infrastructure assets in a collaborative manner with asset stakeholders.

Linkage to Strategic Plan (Plan for the Future)

This policy links to the Shire of Broome's Plan for the Future as follows;

Council has identified the need to develop and maintain quality Asset Management plans and systems in its Plan for the Future (2008-2011). Specific outcomes include the development and implementation of a comprehensive Asset Management System for all Council assets and the widening of the scope of asset management plans to include whole of life costs.

Linkage to other Council Policy / Plans

This policy links to other Council policies and Plans as follows;

The Shire of Broome's Plan for the Future.
The Shire of Broome's Information Technology Strategy (Pending).
The Shire of Broome's Long Term Financial Plan.
The Shire of Broome's Risk Management Plan (Pending).
The Shire of Broome's Asset Management Improvement Strategy (Pending).
The Shire of Broome's Asset Management Plans (Pending).

Responsibility and Reporting

Council - is responsible for approving (including amendments to) the following documents;

- Asset Management Policy
- Asset Management Improvement Strategy

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- Asset Management Plans

Council is also responsible for ensuring (upon recommendation of the CEO) that resources are allocated to achieve the objectives of the above documents.

In adopting asset management plans, Council is also determining the Level of Service for each asset class.

Chief Executive Officer (CEO) - is responsible for ensuring that systems are in place to ensure that Council's AM Policy, AM Improvement Strategy, AM Plans are prepared and kept up to date, reviewed at least annually and that recommendations are put to Council (at least annually) in relation to appropriate resource allocation to fulfil the objectives of the above documents. The CEO reports to Council on all matters relating to Asset Management.

Executive Management Group (EMG) – is responsible for monitoring the implementation of asset management across the organisation. The EMG will ensure that strategies are put in place to remove barriers to the successful implementation of Asset Management. The Executive Management Group reports to the CEO on all matters relating to Asset Management.

Services and Assets Working Group (SAWG) – is responsible for ensuring that Council's Asset Management Improvement Strategy is achieved and that Asset Management Plans are prepared and maintained in line with Council's Policy on Asset Management. Where changes to Council's AM Policy, Improvement Strategy or Plans are identified, the SAWG is responsible for reporting this to the EMG for consideration. Where aspects of Council's Policy, Improvement Strategy or Plans are not being achieved or adhered to, the SAWG is responsible for reporting non-compliances to the EMG for corrective action. The Services and Assets Working Group reports to the Executive Management Group on all matters relating to Asset Management. This will be done through the chairperson, Director Corporate Services.

Director Corporate Services (DCS) – is responsible for resource allocation (from Council approved resources) associated with achieving Council's Asset Management Improvement Strategy. The Director Corporate Services reports to the CEO in relation to Asset Management resource allocation and chairs the Services and Assets Working Group.

Asset Management Coordinator (AMC) – is responsible for supporting the Services and Assets Working Group and ensuring that resources are commissioned (where appropriate) to assist the SAWG achieve its objectives. The Asset Management Co-ordinator reports to the Director Corporate Services on all matters relating to Asset Management.

All Directors – are responsible for ensuring that resources under their control are appropriately allocated to resource asset management and in particular the Services and Assets Working Group. All Directors report to the CEO on all matters relating to Asset Management under their area of control.

Policy Review

This policy is to be reviewed by the Services and Assets Working Group on a bi-annual basis with recommendation for amendment made to the Executive Management Group.