



Policy 2.2.3 – Asset Management

1. Policy Purpose

The policy provides the framework for the sustainable management of the Shire of Harvey's (Shire's) asset portfolio and assists the Shire in compliance with the provisions of the State Government's Integrated Planning and Reporting framework by having an integrated approach to planning for the future.

2. Policy Scope

This Policy is intended to provide clear direction on the Shire's expectations for the sustainable management of its assets and applies to elected members, employees and contractors/consultants engaged by the Shire.

3. Policy

The Shire will ensure assets supporting the delivery of services to the community are managed responsibly and cost effectively over their lifecycle and take into consideration community expectations for levels of service (time, quality and value for money).

This policy encourages an organisation wide approach and commitment to achieving these policy goals. The policy is supported by accurate and current financial details of assets being included within the Long Term Financial Plan. The Shire's assets are physical items within the boundaries of the local government and under its control.

They include but are not limited to the following asset classes:

- Transport – Road and path networks (including Car Parks, bridges, and street furniture)
- Property – Buildings
- General assets – Parks, ovals and reserves, Plant and Equipment furniture and equipment and tools. Asset Management Plans are to be reviewed and updated annually. An Asset Management Strategy will describe how this Policy will be applied within the Shire and outline the details to be included within Asset Management Plans.

In order to implement this Policy, the Shire commits to the following principles:

- Systematic and appropriate asset management practices be implemented, including a continuous improvement approach to asset management.
- Impacts on the Strategic Community Plan's Diversified Economy, Connected Communities, Protected Natural Environment, Sustainable Built Environment and Effective Civic Leadership goals be considered in asset management and asset operational processes; asset management plans be informed through community consultation, financial planning and workforce planning.
- Asset renewals included in adopted asset management plans and long-term financial plans be considered when forming the annual budget estimates.
- Service levels be identified for all major asset classes in consultation with the community.
- Asset renewal plans be prioritised based on level of service and ability of the current assets to provide the desired level of service.
- An asset inspection program be developed to ensure agreed service levels are maintained and to ensure assets are managed, valued and depreciated in accordance with appropriate asset management practices and applicable Australian Accounting Standards.
- Life cycle costs be considered in decisions relating to new services and assets as well as upgrading of existing services and assets.
- Major assets be regularly reviewed to assess their ongoing relevance and contribution to community need.
- Asset management roles, responsibilities and reporting frameworks will be defined.
- Assets may be rationalised where the level of service requirement falls to a sufficiently low level
- Training in asset and financial management be offered for elected members and relevant staff.

4. Strategic Objective

The policy aligns with the following strategic objective:

	Performance A representative leadership that is future thinking, transparent and accountable.
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5. Definitions

"Asset Management Framework and Guidelines" document published by the Department of Local Government.

Asset means A physical component of a facility which has value, enables a service to be provided and has an economic life of greater than 12 months. Asset Class Groupings of assets of similar nature and use in a local government's operations. Local Government asset classes include land, buildings, infrastructure, plant and equipment, information technology and other assets.

Asset Management means the combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.

Asset Management Plan means A plan developed for one or more assets that combines technical and financial management processes to provide a specified level of service.

Asset Management Strategy means One or more documents that outlines how the local government's asset portfolio will meet the service delivery needs of its communities into the future, enabling the local government's asset management policies to be achieved and ensuring that asset management is established as part of the local government's Integrated Plan.

Level of Service means the defined service quality for a particular activity (i.e. road maintenance) or service area (i.e. street lighting) against which service performance can be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental considerations, acceptability and cost.

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

6. Legislation

- *Local Government Act 1995*
- Local Government (Financial Management) Regulations 1996
- Local Government (Administration) Regulations 1996 r.19C and 19DA

7. Related Documents

- WA Department of Local Government: Integrated Planning and Reporting Framework and Guidelines, September 2016
- WA Department of Local Government: Integrated Planning and Reporting Asset Management Guidelines, September 2016
- Institute of Public Works Engineering Australia, IPWEA, International Infrastructure Management Manual
- Delegation 1.3.11 – Financial Management Systems and Procedures

Responsible Officer	Director Corporate Services		
Responsible team	Finance		
Responsible area	Corporate Services		
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