Policy P688 Asset Management

Strategic Direction	Leadership
Responsible Business Unit/s	Assets & Infrastructure Support
Responsible Officer	Manager Assets & Infrastructure Support
Affected Business Unit/s	All Business Units

Policy Objectives

The objective of this policy is to ensure that adequate provision is made for the long-term replacement of major assets by:

- Ensuring that services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to customers and the environment.
- Safeguarding infrastructure assets including physical assets and individuals by implementing appropriate asset management strategies and applying appropriate financial resources for those assets.
- Creating an environment where employees play an integral role in the overall management of infrastructure assets and fostering asset management awareness throughout the organisation by means of training and development.
- Meeting legislative and regulatory requirements for asset management.
- Ensuring resources and operational capabilities are established and that responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with industry best practice.

Policy Scope

This policy applies to all City of South Perth (the City) employees and relevant contractors involved in ensuring the delivery of sustainable asset management services to the wider community.

Policy Statement

BACKGROUND

Asset management practices impact directly on the core business of the City and appropriate asset management is required to achieve our strategic service delivery objectives. Adopting asset management principles will assist the City in achieving its strategic long-term planning and financial objectives. Sustainable service delivery ensures that services are delivered in a socially, economically and environmentally responsible manner that does not compromise the capacity of future generations to make their own choices regarding resource allocation.

Sound asset management practices enable sustainable service delivery by integrating customer expectations and priorities, along with an understanding of the trade-offs between risks, costs and service level performance.

PRINCIPLES

The City needs to ensure sustainable long-term planning, financing, operation, maintenance, renewal, upgrade and disposal of capital assets by:

1. Sustainability and Resilience: Maintaining assets and open spaces that are sustainable, resilient, and adaptable to changing environmental conditions, ensuring long-term service continuity and community well-being.
2. Financial Responsibility: Optimising public funds by making informed asset investment decisions that balance short-term affordability with long-term economic and environment value.
3. Regulatory Compliance: Complying with all relevant legislative and regulatory requirements.
4. Transparent Decision Making: Demonstrating transparent and responsible asset management processes that incorporate risk management considerations into decision-making processes.
5. Service Excellence: Delivering high-quality services to our customers and businesses, through well-maintained and reliable assets and sound Asset Management. This will be achieved by implementing sound asset management plans and strategies while providing sufficient financial resources to accomplish them. The City shall:
    a. Complete asset management plans for all major asset areas.
    b. Incorporate expenditure projections from asset management plans into the City's long-term financial plan.
    c. Conduct regular and systematic reviews of all asset plans to ensure that assets are managed, valued and depreciated in accordance with appropriate best practices.
    d. Use regular inspections as part of the asset management process to maintain agreed service levels and identify asset renewal priorities.

e. Renew assets to meet agreed service levels as identified in adopted asset management plans, and long-term financial plans, with these plans forming the basis of annual budget estimates that incorporate defined service levels and risk consequences.

f. Ensure future life cycle costs are reported and considered in all decisions related to new services and assets, as well as the upgrading of existing services and assets.

g. Determine future service levels and their associated delivery costs in consultation with the community.

h. Ensure that necessary capacity and other operational capabilities are provided, and that asset management responsibilities are effectively allocated.

i. Foster an organisational culture where all employees contribute to the overall care of the City's assets by providing necessary awareness, training and professional development.

6. Sustainable Continuous Improvement: Cultivating a culture of sustainable continuous improvement, regularly reviewing and enhancing Asset Management plans, processes, and systems within the organisation's resource and financial constraints.

7. Data-Driven Decision-Making: Leveraging data and technology to inform Asset Management decisions, ensuring transparency and accountability in all processes. Any consideration of major works, renewal, improvement, or creation of an asset must be supported by an assessment of the need for the asset, including capital, maintenance, operating, renewal, refurbishment, and upgrade costs. This consideration should be based on the following key principles:

   - "Whole of life" cost from creation to divestment of the asset.
   - Options to renew before creating new assets.
   - Asset forms part of an overall financial strategy.
   - Origin and sustainability of funding sources.
   - Non-asset owning solutions to meet the City's service delivery objectives.

   and that the outcomes of this consideration be included in any subsequent report to Council.

8. Stakeholder Engagement: Engage stakeholders to understand their needs and preferences, to inform asset management decisions as identified within the City's Strategic Community Plan/Council Plan and associated strategies and plans.

Legislation / Local Law Requirements

Nil.

Other Relevant Policies / Key Documents

P613 Capitalisation and Valuation of Fixed Assets

City of South Perth Long Term Financial Plan

City of South Perth Risk Management Framework

City of South Perth Strategic Community Plan/Council Plan

City of South Perth Asset Management Strategy

Policy Number:	P688	Relevant Council Delegation:	N/A
Council Adoption:	23/07/09	Relevant Delegation:	N/A
Modified by Council	02/11, 03/12, 03/13, 03/14, 02/15, 03/16, 03/17, 06/18, 09/22, 12/24, 10/25	Relevant Management Practice:	N/A