

## **5.1: REVIEW OF ASSET MANAGEMENT POLICY**

<b>Proponent</b>	: City of Albany
<b>Owner</b>	: City of Albany
<b>Attachments</b>	: Draft Asset Management Policy
<b>Councillor Workstation</b>	: Nil.
<b>Responsible Officer(s)</b>	: Executive Director Works and Services (M Thomson)

### **Maps and Diagrams:**

Nil

### **IN BRIEF**

- Adoption of the revised Asset Management Policy to comply with the amended Local Government (Administration) Regulations 1996, which require local authorities to complete a Strategic Community Plan and Corporate Business Plan that includes the development/review of its asset management program.

### **RECOMMENDATION**

#### **ITEM 5.2 RESPONSIBLE OFFICER RECOMMENDATION**

#### **VOTING REQUIREMENT: SIMPLE MAJORITY**

**THAT Council ADOPT the revised City of Albany Asset Management Policy (as detailed in the attachment) in accordance with Section 5.56(1) and (2) of the Local Government (Administration) Regulations 1996 (as amended).**

### **BACKGROUND**

1. The State Government's Local Government Reform Program has provided an Integrated Planning Framework and Guidelines which reflect a nationally consistent approach to integrated planning as expressed by the Council of Australian Governments' Local Government Planning Ministers' Council.
2. The integration of asset, service and financial plans means the Local Government's resource capabilities are matched to their community's needs.
3. The minimum requirement to meet the intent of this overall plan for the future is the development of a Strategic Community Plan and Corporate Business Plan. As part of the Strategic Community Plan, Local Government must review their Asset programs
4. As an important initial step in respect to Asset Management, Council staff have reviewed its existing Asset Management Policy to align it to the framework requirements.

## **DISCUSSION**

5. Asset management is critical to meeting Local Government strategic goals within an Integrated Planning approach. It gives Local Governments a framework for establishing local priorities and to link this information to operational functions.
6. The current Asset Management Policy has been internally reviewed in order to align the documentation with the amended legislation. It establishes a platform for service delivery and provides the framework that enables the Asset Management Strategy and Plans to be produced. The Asset Management Policy must support a 'whole of life' and 'whole of organisation' approach to asset management.
7. This Policy is an administrative tool to outline a Local Government's asset management objectives, targets and plans.
8. Public consultation will be sought in the development of the Strategic Community Plan, to establish the community's vision for the local government's future, including aspirations and service expectations. Further consultation in respect to the Asset Management Strategy and Asset Management Plans is envisaged as part of this process. It is not considered necessary to seek community feedback on the policy as it serves as an overarching document which aligns the City with current legislation.

## **GOVERNMENT CONSULTATION**

9. The Department of Local Government has amended the Local Government (Administration) Regulations 1996, to direct Local Authorities to ensure that a corporate business plan is made for each district that includes the development and integration of matters relating to resources, including asset management, workforce planning and long-term financial planning.

## **PUBLIC CONSULTATION / ENGAGEMENT**

10. The Local Government Act 1996 legislation and Integrated Planning Framework process requires the City to complete a Strategic Community Plan which involves seeking genuine and, as far as practicable, representative community input. A program of consultation with elected members has commenced.
11. The integration of asset, service and financial plans means the Local Government's resource capabilities are matched to their community's needs and expectations.
12. The alignment of the Asset Management Policy, the subject of this review, to the Integrated Planning Framework ensures that appropriate consultation is undertaken for documents which will flow from the Policy (ie Asset Management Strategy and Asset Management Plans).

## **STATUTORY IMPLICATIONS**

13. Section 19DA of the Local Government (Administration) Regulations 1996 has been amended to require each local government to integrate community aspirations and desired outcomes with community planning, services, assets and land-use to develop achievable operational plans, services and issue-specific strategies.

**STRATEGIC IMPLICATIONS**

14. This item directly relates to the following elements of the 2011 City of Albany Strategic Plan:

*Key Focus Area: Sustainability and Development*

*Community Priority: Asset Management*

**POLICY IMPLICATIONS**

15. Council adopted an Asset Management Policy in June 2009. In accordance with the amended legislation, Council is required to review its Asset Management Policy, Strategy and Plans. The Asset Management Plan has been reviewed using the Department of Local Government’s Integrated Planning and Reporting Framework Guidelines.

**RISK IDENTIFICATION & MITIGATION**

16. The risk identification and categorisation relies on the City’s Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Council does not adopt the Asset Management Policy</i>	<i>Unlikely</i>	<i>Medium</i>	<i>Medium</i>	<i>Mitigation entirely dependent on Council</i>
<i>Implementation of the Asset Management policy negatively impacts on the City’s general operations.</i>	<i>Unlikely</i>	<i>Medium</i>	<i>Medium</i>	<i>Management of City assets will be attended to on an ad hoc basis</i>

**FINANCIAL IMPLICATIONS**

17. There are no direct financial implications in relation to this item.

**LEGAL IMPLICATIONS**

18. Not applicable.

**ALTERNATE OPTIONS**

19. The City has a statutory obligation to review its Asset Management program in accordance with the provisions of section 19DA of the Local Government (Administration) Regulations 1996. There is no alternative option.

**SUMMARY CONCLUSION**

20. The City is required to adopt an Asset Management Policy which outlines a Local Government’s Asset Management objectives, targets and plans in accordance with section 19DA of the Local Government (Administration) Regulations 1996.

<b>Consulted References</b>	:	Western Australian Asset Management Improvement Program - Integrated Planning and Reporting Framework
<b>File Number (Name of Ward)</b>	:	CM.RVW.3
<b>Previous Reference</b>	:	OCM 16.06.09 item 13.2.1