

# ASSET MANAGEMENT POLICY

## 1.0 Purpose

To set guidelines for implementing consistent asset management processes throughout Kiama Municipal Council. In delivering services Council uses physical assets, this policy provides a framework for the management of physical assets required to deliver safe, efficient, reliable services which are utilised by current and future generations.

## 2.0 Objective

To ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Safeguarding Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the Council.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.
- Maintaining alignment of Councils Asset Management plans with the
  - Community Strategic Plan
  - Delivery Program
  - Operations Plan
  - 10 year Financial Plan

## 3.0 Scope

This policy applies to all Council activities that use or manage physical assets. Physical assets include, but are not limited to, roads, footpaths, cycle ways, kerb and gutter, street furniture, signage, bridges, land, parks, open space, buildings, drainage, waste and recycling facilities, plant, vehicles, telecommunications and information technology.

## **4.0 Policy**

### **4.1 Background**

- 4.1.1 Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.
- 4.1.2 Council owns and uses approximately \$372 million of non-current assets to support its core business of delivery of service to the community.
- 4.1.3 Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives.
- 4.1.4 Asset management relates directly to the Community Strategic Plan and is fully integrated in the 10 year financial plan.

### **4.2 Principles**

- 4.2.1 A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- 4.2.2 All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- 4.2.3 Asset management principles will be integrated within existing planning and operational processes.
- 4.2.4 An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 4.2.5 Asset renewals required to meet agreed service levels and identified in infrastructure and asset management plans and long term financial plans will be fully funded in the annual budget estimates.
- 4.2.6 Service levels agreed through the Community Strategic Plan and defined in Asset Management Plans will be fully funded in the 10 Year Financial Plan, Delivery Program and Operations Plan.
- 4.2.7 Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- 4.2.8 Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- 4.2.9 Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- 4.2.10 Future service levels will be determined in consultation with the community.
- 4.2.11 Council will implement and maintain an Asset Management Information System to facilitate the provision of accurate asset

data for informed decision making.

## 5.0 Legislation

Local Government Act 1993  
Chapter 3 Section 8 Councils Charter  
Chapter 13 Part 2 Strategic Planning

## 6.0 Related Documents

Integrated Planning and Reporting

- Community Strategic Plan
- Delivery Program
- Operations Plan
- 10 Year Financial Plan
- Strategic Asset Management Plan

Asset Management Plans

## Responsibility

**Councillors** are responsible for adopting the policy and ensuring that sufficient resources are applied to manage the assets.

The **General Manager** has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.