

POLICY: CORP-AP-003

ASSET MANAGEMENT

PURPOSE

To provide a framework for the City of Kalgoorlie-Boulder (the City) to undertake the long-term sustainable management of its infrastructure and other associated assets.

Objective

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

- Ensuring that the City's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Creating an environment where all City employees form an integral part in overall management of City assets by creating and sustaining asset management awareness throughout the organisation by training and development.
- Meeting legislative requirements for asset management and reporting through the integrated planning and reporting framework.
- 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.

Scope

This policy applies to all City activities.

DEFINITIONS

Asset Management Plan: Long-term plans (usually 10-30 years or more for infrastructure assets) that outline the asset activities and programs for each service area and resources applied to provide a defined level of service in the most cost effective way.

Infrastructure Assets: Are stationary systems (or networks), for example, roads, parks, sewerage, public buildings, etc., that serve the community or are for public use and where the system as a whole is intended to be operated, used and maintained indefinitely.

Integrated Planning and Reporting: A framework for establishing community priorities and linking this information into different parts of a local Government functions.

New / Upgrade New: Works to provide new facilities or works to upgrade facilities with enhanced capacity or performance capability.

Renewal: Works to upgrade, refurbish or replace existing facilities with facilities of equivalent capacity or performance capability.

Sustainability: Meeting the needs of the future by balancing social, economic, cultural and environmental outcomes or needs when making decisions today.

STATEMENT

The City of Kalgoorlie-Boulder City is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed and disposed of in accordance with the City's priorities for service delivery.

Adopting asset management principles will assist the City in achieving its strategic longer-term plan and long-term financial objectives.

Principles

1. A consistent asset management strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all departments within the City.
2. All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
3. Asset management principles will be integrated within existing planning and operational processes.
4. Asset Management Plans will be developed for major service/ infrastructure asset categories. The plans will be informed by community consultation, financial planning and reporting.
5. An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
6. Asset renewals required to meet agreed service levels as identified in adopted Asset Management Plans will form the basis of the Annual Budget estimates and Long Term Financial Planning.
7. 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, Australian Accounting Standards and the City's Accounting Policy.
8. Asset planning and management has a direct link with the City's corporate and business plans, including its strategic and the long-term financial plans, budgets and reporting process.
9. In developing the Long Term Financial Plan and the Annual Budget, the level of asset renewal will be set to ensure that Council assets are maintained at the service levels as defined in the Asset Management Plans while referencing the target level of asset renewal expenditure required by the Integrated Planning and Reporting Framework and Minister of Local Government and Communities.
10. Asset management decisions shall be on service delivery needs and the benefits and risks of assets. Consideration of options should take into account lifecycle cost for the asset.
11. New or upgrade projects funded by grants are to include full lifecycle (whole of life costs) as part of project evaluation.

12. Financial and asset management reporting is to be categorised in terms of operational, maintenance, renewal, upgrade, expansion and new expenditure classification to enable sound asset management decisions.
13. Councillors and staff with asset and financial responsibilities will be appropriately briefed and trained in relevant asset and financial management principles, practices and processes.

The City will adopt and embed these principles and recognised best practices in developing and maintaining consistent asset management practices within the City.

The City will operate via an asset management strategy and objectives which are aligned with this policy which are consistent with Council's strategic plan.

Responsibility

Council is responsible for adopting the policy, allocation of resources, providing high level oversight of the delivery of the organisation's asset management strategy and plan and maintaining accountability mechanisms to ensure that organisational resources are appropriately utilized to address the organisation's strategic plans and priorities.

The Chief Executive Officer has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within the City.

The level responsibility of individual staff members for asset management will be defined in the Asset Management Strategy and incorporated into position descriptions where appropriate.

Asset management maturity will be aligned to the National Assessment Framework. The National Assessment Framework is to help local government to evaluate progress to implement the Local Government Financial Sustainability Nationally Consistent Frameworks. The Frameworks were initiated by the Local Government and Planning Ministers' Council.

Legislation

Local Government Act 1995, Department of Local Government Integrated Planning and Reporting Framework and Guidelines.

Relevant Documents

Asset Management Strategy and associated Asset Management Plans.