



POLICY: CORP-AP-003

Asset Management Policy

Purpose

1. To set out a broad framework to ensure a co-ordinated approach to asset management within the City of Kalgoorlie-Boulder.
2. Provide clear direction in the provision of management of all City of Kalgoorlie-Boulder assets that ensures sustainable outcomes and agreed level of service, for present and future stakeholders.
3. Assist with the management of Infrastructure Assets and to deliver Infrastructure Service that meets community expectations of; quality and value for money.

The City of Kalgoorlie-Boulder delivers a variety of services to the community and in doing so, must ensure that the assets supporting these services are managed in a way that promotes maximum performance for the most cost-effective 'whole of life' cost.

The City's infrastructure assets include physical features within the City and include items such as roads, drainage, buildings, parks, pathways, play grounds, etc and represent a substantial investment to support modern living in our community. It is imperative that the City employs best practice management skills and practices to ensure that City services are delivered economically and in a sustainable manner.

Definitions

In accordance with the "International infrastructure Asset Manual", the policy considers an "Asset", by definition, to be:

"A physical component of a facility which has value, enables services to be provided and has an economic life of greater than twelve (12) months."

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| Responsible Officer: | Manager Assets and Procurement | Version: | 1.00 |
| Adopted: | 26 November 2012 | Last Revised: | |
| Distribution: | City of Kalgoorlie-Boulder Website, Policy Register | | |
| Last printed: | 1 September 2014 | Page: | 1 of 4 |
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Infrastructure Assets – Include buildings, drainage, footpaths, furniture, parks and landscape, property, reserve equipment, and roads, sewage collection, treatment and effluent distribution.

Asset Management Plan – A plan developed for the management of an infrastructure asset or asset category that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset.

The Asset Management Plan establishes for each Asset Category:

1. Levels of Service (performance, construction, maintenance, and operational standards);
2. Future Demand (rational basis for demand forecasting and selection of options for proposed new assets);
3. Life Cycle Management Plan (including Operations and Maintenance, Renewals and Replacements, and Expansion and Upgrades);
4. Financial Projections;
5. Asset Management Practices; and
6. Performance Monitoring and Improvement.

Asset Register – A record of asset information considered worth of separate identification including inventory, historical, financial, condition, construction, technical, and financial.

“A physical component of a facility which has value, enables services to be provided and has an economic life of greater than (12) months.”

Fair Value – The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm’s length transaction.

And also as:

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

Infrastructure Assets – Include buildings, drainage, footpaths, furniture, parks and landscape, property, reserve equipment and roads.

Life Cycle – The cycle of activities that an asset goes through while it retains an identity as a particular asset.

Life Cycle Cost – The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.

Predictive Modelling – Use of asset deterioration model and condition monitoring to predict failure and asset rehabilitation and renewal.

Useful Life – The period over which a depreciable asset is expected to be used.

Statement

The City will undertake to provide the agreed level of service of the assets and services it is responsible for, in a whole-of-life and economically sustainable manner. Budgeting priority will be given to the maintenance and renewal of existing assets and services, and adequate resources will be provided to manage these assets in a cost effective and timely manner.

As part of the Council's consideration of asset management, the Council will follow the following key principles:

- Prior to consideration of any major works for renewal or improvement to an asset, undertake a critical review of the need of that asset.
- Will consider the “whole of life” cost for all new asset and for any major renewal or improvements and incorporate into Councils long terms financial plan.
- Undertake to develop industry standard asset management plans that are financially sustainable.
- Involve and consult with the community and key stakeholders on determining Levels of Service and asset service standards.
- Manage its assets utilising a corporate team approach using a multi discipline cross-functional Service & Asset Management (SAM) working group.
- Ensure asset information is accurate and up to date allowing for appropriate asset planning, both in the short and long term, and for informed decision making to occur;
- Allocate appropriate resources to ensure AM practices can be undertaken and the timely maintenance and renewal and or upgrade of those assets so that “life cycle” costs are optimised (existing and new assets);
- Continually seek opportunities for multiple use of assets.

Application

Implementation of asset management as an organisational philosophy will occur through the Asset Management Practices Improvement Strategy. This policy applies to the Council, Councillors, Executive Management, Staff, Committees of Management and the Community involved in the operations, maintenance, refurbishment, renewal, upgrading and development of the Council's existing and new infrastructure assets.

Relevant Documents