

## Service 4: **Asset Management**

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### **1. Purpose**

The purpose of this policy is to define Council's direction for the City's assets to ensure best value outcomes for current and future generations. The City's assets includes land, buildings, parks and recreation, engineering, fleet and information technology assets.

### **2. Policy Statement**

Council are the stewards for the City of Kalamunda's (the City) assets and are responsible for the strategic direction of the portfolio.

Residents, ratepayers and visitors to the City directly interface with City assets and the condition and function of these assets can greatly impact the quality of life of the community. The challenge of asset management is to balance the required investment into the City's existing asset portfolio with the creation of new assets to satisfy community's aspirations within funding constraints. Robust asset management practices are essential to ensure that assets are capable of providing services to meet community needs in a sustainable manner for present and future communities.

### **3. Detail**

Council will:

- a. Set the vision for the City's assets through the Strategic Community Plan and other relevant strategic documents.
- b. Endorse the City's asset management framework including the Asset Management Strategy and Plans.
- c. Consider asset management outcomes throughout the City's Long Term Financial Plan and annual budget process.
- d. Consider the implication of the creation of new assets, including:
  - life cycle costs including construction, renewal, operation, maintenance, and disposal;
  - demonstration that the new asset fulfills priority community needs;
  - the new assets' impact on rates;
  - an appropriate funding strategy to fund the new assets (e.g. grant funding, loan funding, etc).
- e. Prioritise funding for renewal and maintenance of existing assets rather than the creation of new assets, particularly in a constrained funding environment. Disposals should also be considered for assets that are deemed no longer required or serviceable.
- f. The council will consider the optimized utilization of whole-of-life costs, as well as the efficient provision of technology for the renewal and replacement of fleet and information technology.

The City will:

- a. Manage its assets in accordance with Council's vision.

- b. Implement and maintain an asset management framework including the Asset Management Strategy and Plans.
- c. Strive towards best practice asset management as outlined in the Institute of Public Works Engineers Australasia's International Infrastructure Management Manual (IIMM) and AS/ISO 55000 Asset Management to ensure assets are cost-effective, safe, capable, usable and high in amenity
- d. Work with the Council and the community to define the City's levels of service for infrastructure provision. Levels of service define the standard to which the City aims to provide assets, which must strike a balance between community aspirations, technical requirements and financial capacity.
- e. Investigate alternative service and funding models including "non-asset" solutions, private partnerships, service sharing, and benefit-cost models, as part of asset management decision-making.
- f. Appropriately resource the organisation through provision of fleet and information technology assets which are optimised for cost and efficiency.

#### **4. Community Consultation**

The City will consult with the community to determine the acceptable levels of service that are provided by assets, including willingness to pay.

#### **5. Governance**

Asset Management is a key input into the Integrated Planning and Reporting Framework.

The City will develop procedures and processes for asset management practices as part of an asset management system, including data management, condition inspections, asset valuations, maintenance planning, consultation, capital works planning, performance management, asset management plans, and definition of roles and responsibilities.

The strategic approach to asset management will be reviewed every five years.

#### **6. Measures of Success**

The success of the policy will be measured through the:

- a. Publication and review of Asset Management Plans for all key asset classes.
- b. Achievement of the Asset Management Strategy's primary objectives, and
- c. Achievement of Asset Ratios.

#### **7. Definitions**

**Asset Management Plan:** A report that outlines the management approach towards an asset class, analyses the condition of the portfolio, and determines the funding requirements for a 10-year period. The accepted format of an Asset Management Plan is defined by the Institute of Public Works Engineering Australasia.

Status	Adopted		
Related Local Law	N/A		
Related Council Policies	Nil		
Relevant Delegation	CEO		
Related Internal Procedures	Govern the City's Asset Management Practices Asset Management Guiding Process		
Related Budget Schedule	Operating Budget Business Unit 411 Asset Management and Forward Planning		
Legislation	<i>Local Government Act 1995</i> <i>Local Government (Administration) Regulations 1996</i>		
Notes and Conditions	N/A		
Authority	Council		
Adopted	22 April 2025	Next Review Date	21 April 2027