

BACKGROUND

The challenge for Wollongong City Council is to facilitate the provision of sustainable assets used in the effective delivery of services to the community for both current and future generations.

In delivering services Council uses physical assets Council is the custodian of over 3 billion dollars' worth of physical assets. The asset types vary greatly, from large infrastructure such as local roads, bridges, footpaths, buildings, waste facilities, pools and stormwater pipes to local playgrounds, public art, and library books. This policy sets a framework for the effective management of current and future assets to ensure that Council delivers safe, reliable and sustainable services to the community.

The resources required to deliver services are finite and to facilitate the most effective use of these resources an effective asset management framework and supporting system must be in place to provide the necessary information to make informed decisions.

Wollongong City Council recognises its obligations under the Local Government Charter (section 8(1) of the Local Government Act 1993) as they pertain to asset management:

- To bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible; and
- To have regard to the long term and cumulative effects of its decisions.

This policy supports and enables the delivery of Council's Delivery Program and Wollongong 2022 – Community Strategic Plan.

OBJECTIVE

To sustainably manage the city's assets in line with the adopted strategic direction in order to respond to the needs of our community.

POLICY STATEMENT

Council will provide and manage its assets to ensure they are appropriate for the needs of our community whilst being effectively and sustainably utilised and maintained at agreed levels of service.

Council will continually improve the management of its assets through an Asset Management Strategy and supporting Asset Management Plans. This will be achieved by engaging up-to-date technologies, methodologies and through consultation with the community to ensure that current and future community needs are addressed. Furthermore, decisions regarding allocation of resources and implementation of actions will have regard to sustainable maintenance of assets and the ongoing provision of services provided by the assets.

STATEMENT OF PROCEDURES

ASSETS COVERED BY THIS POLICY

This policy applies to all physical assets under Council's control regardless of their source of acquisition. Physical assets are recognised as assets that have a life exceeding one (1) year, benefit council in the future provision of services or generation of income and meet the materiality test of having a replacement value greater than \$5,000 per item or greater than \$25,000 for a collection of items (*Source: WCC Physical Asset Accounting Policy*).

Council's physical assets include, but are not limited to -

- Buildings on community land;
- Recreation Assets on community land;
- Transportation Networks of roads, bridges, culverts, kerb and gutter, footpaths, cycle ways and associated assets;
- Stormwater Network of pipes, inlets, outlets, flow control and water quality devices;
- Operational Land and associated buildings and other assets, including waste and recycling facilities;
- Community Land including Crown Land where control is vested with Wollongong City Council;
- Natural Assets; and
- Other Assets such as plant and vehicles, furniture and office equipment, library books, art works, domestic waste bins and information and communication technology.

This policy does not apply to Council's financial, intangible or human resource assets.

PROCEDURE

This policy will be implemented through the following measures –

- Asset Management Strategy
 - Periodically review and update an Asset Management Strategy to guide the implementation of this policy.
 - Align Council's Community Strategic Plan, Delivery Program and supporting Resourcing Strategy with this Asset Management Policy and Strategy.
- Asset Management Plans
 - Identify, through asset condition assessment and risk management, initiatives to reduce the Council's exposure to losses arising from asset related risks.
 - Develop documented service levels for the provision and management of sustainable assets.
 - Develop and maintain asset management plans for each asset class and service area identified in the Asset Management Strategy.
 - Monitor current utilisation and predict future demand changes for all Council's physical assets.
 - Develop and maintain a capital prioritisation process for asset renewal based on minimising risk and maintaining service levels.
 - Use full life cycle costs in decision making on asset acquisition, replacement, disposal and service levels.
 - Comply with Council's Physical Assets Accounting Policy and regulatory Accounting Standards.
 - Record the cost of asset provision against the service consuming them.
- Asset Management Information Systems
 - Develop and maintain an effective Asset Management Information System and business processes which enable the following to be documented for each asset – inventory, condition assessment, valuation and depreciation, capital and maintenance costs, service level requirements, risk management plan, replacement and disposal plans.
- Continuous Improvement
 - Develop and implement an Asset Management Improvement Program.

- Facilitate and monitor continual improvement in asset management within the organisation.
- Deliver enhanced services and organisational performance by optimising and rationalising assets in order to provide the best possible quality and value for money.
- Measure and report on asset performance including utilisation and costing to ensure that the costs incurred do not outweigh the benefits derived.
- Review and update Asset Management Policy, Strategy and Plans periodically as required.

MEASUREMENT

Performance will be measured by -

- Reporting in our annual report the completion and status of agreed improvement actions;
- Comparing levels of service achieved with those planned;
- Evaluating the alignment of delivered projects with the strategic outcomes; and
- Comparing our asset management and service delivery performance with other Councils.

RESPONSIBILITIES

Responsibilities for implementing this policy are shared between Councillors, Executive and staff as follows -

Councillors

- Provide sustainable assets for the community by recognising and considering the full cost of Council acquiring and operating assets throughout their lifecycle.
- Provide assets that deliver sustainable services to benefit the community to a level of service that justifies the costs of owning and operating these assets.
- Act as custodian for assets on behalf of the community.
- Make decisions regarding assets that are made in accordance with Council's Corporate and Community Strategic Directions and Asset Management Policy and Strategy.
- Approve Council's Asset Management Policy.

Executive

- Reflect the corporate and community strategic planning principles embraced by Wollongong City Council in the Asset Management Policy, Strategy and Plans.
- Approve Council's Asset Management Strategy.
- Approve Council's Asset Management Plans.
- Seek to ensure Council allocates sufficient resources to the development, ongoing improvement and delivery of the Asset Management Strategy, Asset Management Plans and supporting systems.
- Integrate and comply with the Asset Management Policy and Strategy in other policies and business processes of Council.
- Comply with Council's legal obligations.

Council Staff

- Develop and maintain Council's Asset Management Strategy.
- Develop and maintain Asset Management Plans for agreed asset/service groupings.
- Deliver asset maintenance, renewal, upgrade and disposal programs in accordance with Asset Management Plans and agreed levels of service.
- Periodically review the Asset Management Policy, Strategy and Asset Management Plans.
- Engage up-to-date technologies, methodologies and continuous improvement processes in the management of Council's assets.

SUMMARY SHEET

Responsible Division	Infrastructure Strategy and Planning
Date adopted by Council	26 June 2017
Date of previous adoptions	7 April 2014, June 2005
Date of next review	April 2020
Responsible Manager	Manager Infrastructure Strategy and Planning
Authorised by	Director Infrastructure and Works