



Strategic Asset Management Plan

2025-26 – 2029-30



Acknowledgment of Country

Kiama Municipal Council acknowledges the Wodi Wodi people on Dharawal country as the traditional custodians of the land on which our Municipality is located. We pay our respects to Elders past, present and future. We are committed to honoring Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to our community.



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Purpose of the Strategic Asset Management Plan

The Strategic Asset Management Plan (SAMP) is an integral part of Council's Resourcing Strategy and is used to ensure that Council has a long term vision for Infrastructure Asset management for the municipality to meet the aims and objectives of the Community Strategic Plan, Delivery Program and Operations Plan. The integration of the SAMP within the Resourcing Strategy informs the decision-making for operations and maintenance, asset renewals, and upgrades that support the sustainability of service delivery.

Resourcing strategy elements

The SAMP is integrated with Council's Long term Financial Plan (LTFP) and has been developed with reference to the requirements of the following:

- ISO 55000 series for Asset Management
- International Infrastructure Management Manual (IPWEA)
- International Infrastructure Financial Management Manual (IPWEA)
- Local Government Act 1993
- Local Government (Content of Plans and Strategies) Order 2014.

Over the ten-year window of this Plan, identified asset renewal and maintenance requirements are planned to be met. Council's rolling capital works program is set to address identified infrastructure renewal whilst providing new and upgraded infrastructure and facilities to meet growing community demand in the future.

Council is committed to achieving strategic asset management improvements to enable better decision-making and will evaluate its effectiveness through the following key performance indicators:

- Funding and budgeting models that support a whole-of-life cycle of assets.
- Achieving Infrastructure-related ratios that meet Office of Local Government targets.
- Identifying and collating project opportunities (ideas and concepts) with priority ratings.
- Optimisation of critical asset renewals.
- Benchmarking Council's Asset Management Framework and systems against industry standards.

The key outcomes of this SAMP will be:

- Increased confidence in budget forecasting using asset lifecycle expenditure analysis.
- Validated funding ratios using asset lifecycles.
- Accurate asset conditions and serviceability life.
- Project prioritisation and critical renewals scheduling.
- Long term operations and maintenance strategies are compiled using asset lifecycle cost analysis.

- Standardised reporting for asset management plans, budget forecasting and risk analysis.
- Robust revaluation processes leading to accurate asset valuations.

Objectives of the Asset Management Strategy

The objectives of the asset management strategy are to:

1. Define the current state of Council's physical assets.
2. Establish an evidence-based set of projections to ensure inter-generational equity in the management of Council's assets.
3. Identify actions aimed at enabling improved asset management by the organisation.

This strategy contains:

- Current asset position
- Status of asset management practices
- Asset management funding
- Future vision of asset management
- Asset management improvement program to facilitate the vision.

This strategy document is fully integrated into Council's suite of Integrated Planning and Reporting publications and contains data derived from Council's Fixed Asset Register and audited financial statements.

Background

Kiama Municipal Council is responsible for a large and diverse asset base. These assets include roads, bridges, footpaths, drains, libraries, holiday parks, convention centre, leisure centre, halls, parks, sporting facilities, fleet, land and information communication technology-related assets. Council manages its assets in accordance with the Guiding Principles for councils (Section 8A) and Principles of sound financial management (Section 8B) under the Local Government Act 1993.

Over time Kiama Municipal Council has progressively added to its assets, which has consequently added depreciation, operation and maintenance costs to an already large existing and ageing asset base.

In order to manage this asset base, the SAMP has been developed to address plans and priorities considering asset life cycles and risk. Such strategies and plans ensure that content addresses priorities in line with organisational objectives and adopted community levels of service. Finance and expenditure are also planned and controlled in line with these priorities. Technical levels of service that relate to compliance requirements in legislation are also maintained. A specific body of asset management work is also underway for Blue Haven Terralong facilities to document and address maintenance, renewal and depreciation.

This SAMP analyses the following asset classes

Buildings: Community facilities, cultural facilities, childcare centres, public toilets, Exeloos, grandstands, surf life saving clubs, amenities, office/shops, industrial, residences, cabins and leisure centres

Other structures: minor structures such as bus shelters, lighting structures, picnic shelters, waste facility structures and dam walls

Roads: Road seal, base, sub-base, kerb and gutter, guardrails and traffic facilities (roundabouts, speed-humps, medians etc), road and pedestrian bridges, boardwalks and jetties, footpaths and cycleways, car parks and boat ramps, bulk earthworks

Stormwater: Pits, Pipes, Headwalls, Culverts and Riparian Assets

Open Space / Recreation: Pools, playgrounds, sport courts, park furniture, and landscaping

The addition of fleet, plant and equipment and other assets (such as IT, library collection and waste facility assets) will be included in the next iteration of this document. For future versions of this document dam walls will be included in Stormwater.

What is asset management?

For the purpose of this Plan, an asset is defined as “a resource controlled by Council as a result of past events and from which future economic benefits are expected to flow to Council”.

The term “asset management” as defined in Council’s Asset Management Strategy is:

“The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.”

Asset management is a “whole of life” approach that includes planning, acquisition, operation, maintenance and disposal of assets.

Current asset position

Asset valuation

Kiama Municipal Council services a resident population of over 23,000 and many more visitors and tourist throughout each year, all of whom utilise physical assets when using Council's services. Council is responsible for the management of assets valued at \$799 million. Of these assets \$541 million degrade through use and time and will need to be replaced; these are Council's depreciable assets. The replacement value of Council's assets is provided below:

Asset class	Gross replacement cost (\$,000)	Depreciation expenses (replacement cost – net carrying amount \$,000)
Buildings	153,601	46,312
Other structures	7,404	5,126
Roads	297,948	119,568
Stormwater drainage	94,040	29,161
Open space (including pools)	8,196	1,482

Table 1. Valuations of Council assets source: Kiama Municipal Council Special Schedule 7 report on infrastructure assets as of 30 June 2024

The straight line method of depreciation is used and is consistent with Council's Asset Accounting Policy. This method reduces the major peaks or troughs in depreciation expense from year to year and ensures a uniform rate of depreciation of property, plant and equipment. It also provides greater confidence in budget forecasting for the delivery of services for ratepayers and visitors to the region.

Progressive reviews of useful life and condition are conducted on a scheduled basis with major reviews of road, stormwater and community land assets undertaken in the last two years. Reviews of buildings and recreational assets are currently underway. The result of these reviews has typically resulted in an increase in depreciation expense, through reviewed valuations and useful life. A complicating factor since the onset of COVID-19, is the resulting construction cost increases that are fluent and causing upward economic pressures. The estimated useful lives of assets are set out in the table below.

Plant and equipment	
Office equipment, furniture & fittings	2 to 50 years
Vehicles, heavy plant / road marking equipment	5 to 8 years
Other plant and equipment	5 to 40 years
Other equipment	
Playground equipment	5 to 15 years
Benches, seats etc.	10 to 25 years
Buildings	
Buildings: masonry	50 to 200 years
Buildings: other	20 to 40 years

Stormwater drainage	
Culverts	50 to 100 years
Drains	80 to 120 years
Flood control structures	20 to 120 years
Transportation assets	
Sealed roads: surface	12 to 30 years
Sealed roads: structure	80 to 100 years
Unsealed roads	20 years
Bridge: concrete	100 years
Bridge: other	55 years
Kerb, gutter and paths	40 to 190 years
Other infrastructure	
Bulk earthworks	Infinite
Swimming pools	50 to 100 years
Other open space / recreational assets	15 to 95 years

Table 2. estimated useful lives for each asset class

Council's infrastructure, property, plant and equipment are valued at fair value per Australian Accounting Standard 116 Property, Plant and Equipment and the Local Government Code of Accounting Practice and Financial Reporting. The Local Government Code of Accounting Practice and Financial Reporting states that a comprehensive revaluation of each asset should be performed at a minimum every five years, however councils need to ensure that revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Advice obtained by asset management staff is that revaluations occur with increased regularity to ensure that economic conditions are appropriately accounted for.

Asset revaluation timetable

As infrastructure, property, plant and equipment are already valued at fair value as opposed to historical cost, the periodic revaluations to fair value are not likely to result in material changes to forward estimates. The remaining life of each individual asset is based on condition assessment of the asset and future development plans.

Asset condition

In assessing the condition of assets, Council has considered the existing condition and function of each asset. Where assessed condition data is not available, condition rating has been derived based on remaining lives of each asset as outlined below and professional judgement. This is consistent with condition rating methods and scales used by local government entities across Australia as identified in the International Infrastructure Management Manual. Council is progressively updating asset condition data using the most recently available information on materials and use and improving confidence in the data. The aim is to improve the accuracy of asset values to inform reporting and meet service level objectives.

Rating	Explanation (indicative remaining life)
1	<i>As new</i> – no work required (>80% life remaining)
2	<i>Good</i> – minor maintenance required (between 80% and 50% life remaining)
3	<i>Fair</i> – regular scheduled maintenance required (between 50% and 20% life remaining)
4	<i>Fair</i> – regular scheduled maintenance required (between 50% and 20% life remaining)
5	<i>To be replaced</i> – include in current program (<5% life remaining)

The following graph shows the current condition of assets in each asset class. Plant & equipment assets do not have condition ratings as they typically have short lives, with replacement schedules based around utilisation.

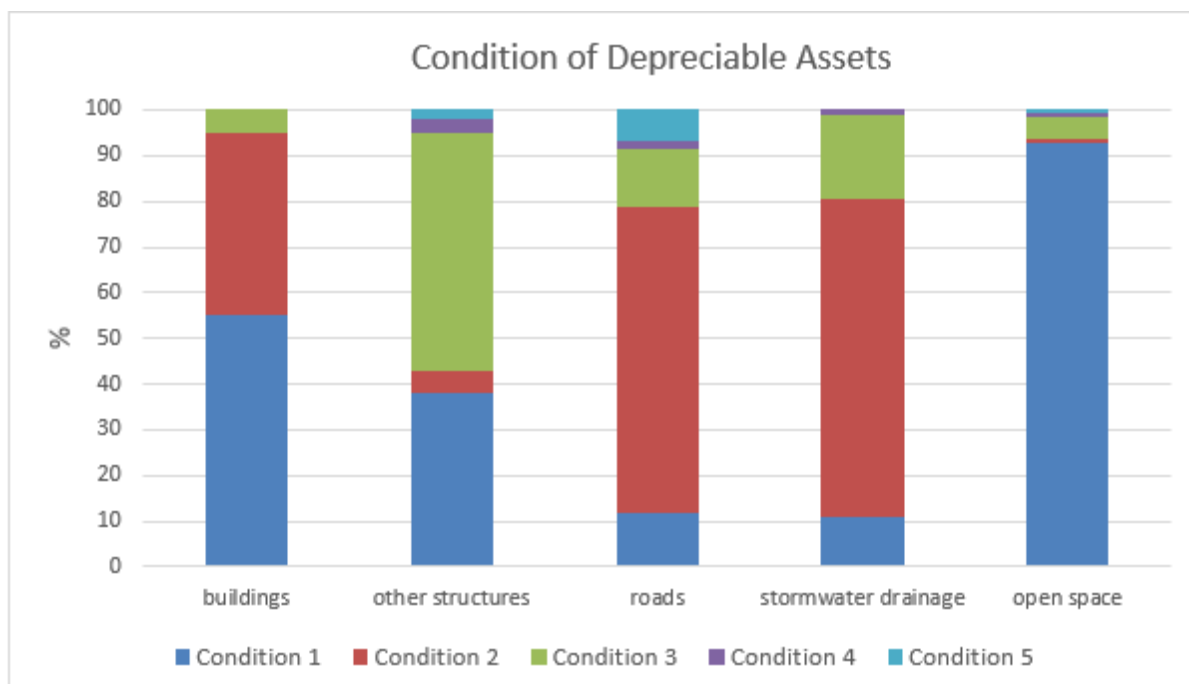


Chart 1. Asset condition profile by asset class as a percentage of gross replacement cost *source: Kiama Municipal Council Special Schedule 7 report on infrastructure assets as of 30 June 2024*

Using condition levels from physical inspections and risk assessments, the estimated asset renewals for the next ten years will be detailed in each Asset Management Plan, which in turn will inform the Long Term Financial Plan.

Current status of asset management practices

Kiama Municipal Council has adopted the most appropriate asset management practices using the Institute of Public Works Engineering Australia International Infrastructure Manual as its basis. The following sets out Council's current status of each major practice area.

Asset management framework

Asset Management Strategy

The Asset Management Strategy derived from Asset Management Plans for asset categories is the corner stone of Council's asset management framework and is fully integrated with all the Integrated Planning and Reporting documents. The key aspects of the 10-year capital renewal schedule and 10 year new capital items schedule ensures that there is full integration of the asset management capital requirements in future budgets.

The Asset Management Strategy is a strategy for the implementation and documentation of asset management practices, plans, processes and procedures within Kiama Municipal Council. It provides a better understanding of how to align Council's overall asset portfolio so that it best meets the service delivery needs of the community, both now and in the future. It is underpinned by the Asset Management Policy (refer attachment 1), as well as the specific Asset Management Plans for each asset type and collectively support the delivery of Council's Strategic Plan.

Council has made significant advances and continues to seek and implement initiatives to increase Council's productivity in the asset management context. The Community Strategic Plan, Delivery Program and Operations Plan, together with a number of other financial sustainability strategies have created a renewed focus on asset management provision and lifecycle planning.

Actions within Council's Asset Management Strategy supporting these broader objectives are detailed more in the Asset Management Improvement Program and include the following:

- Review and adoption of an updated overarching asset management policy.
- Review and enhancement of the asset management framework and governance structure.
- Creation and continuous review of all detailed infrastructure asset management plans.
- Coordination of infrastructure data collection projects aimed at improving the quality of the underlying base asset data for roads, stormwater drainage, trees, parks and open spaces, and buildings and their components.
- Development of whole-of-life analysis for all asset-related purchases, acquisitions and implementations to ensure inter-generational equity.
- Creation of advanced asset condition and prioritisation methods to develop renewal works programs.

Asset Management Policy

The Asset Management Policy enables the delivery of our asset management actions that are consistent with our strategic goals set out in the Community Strategic Plan and other strategic documents. The complete policy is an appendix of this document.

The policy objectives are:

- Provide infrastructure and services to sustain the Municipality's' communities.
- Implement a life-cycle approach to the management of infrastructure and public assets.
- Ensure that service delivery needs are the primary driver for infrastructure asset management practices.
- Provide a sustainable funding model that provides assets aligned with the Council's long-term plans and community needs.
- Develop and implement best value environmentally sustainable asset management practices.
- Create a resilient Municipality by modelling and planning to make it adaptable to acute shocks and chronic stresses.
- Provide reliable asset and infrastructure data through supported digital platforms.
- Implement an integrated decision support system.
- Ensure compliance with legislative requirements.
- Allocate asset management responsibilities.

Asset Management Plans

The foundation for asset management at Kiama are Council's Asset Management Plans. These provide an additional level of detail to various asset categories and are fully integrated with all Integrated Planning and Reporting documents and are currently under review.

As part of Council's drive to improve understanding, accountability and sustainability of its finances, Council is currently validating the data in the physical asset register within system. The resulting list of reviewed Asset Management Plans will be:

- Stormwater
- Roads
- Buildings (Council)
- Recreation
- Footpaths and cycleways
- Other assets
- Fleet, plant and equipment
- Holiday parks
- Blue Haven Terralong

Asset Management Information Registers

Council's asset data is stored in the corporate Asset Management Information System. At the time of preparing this SAMP, the Physical Asset Register (containing inventory records and condition data) is transitioning from the "Authority" system to a new TechnologyOne product, to be completed in the 2024-25 financial year. The Financial Asset Register has been

transferred into the TechnologyOne financial management information system and will be directly linked to the inventory records when the physical register is transferred. Asset register data in the current system is fully integrated with Geographical Information System layers to improve the navigation to inventory records. This special integration will be transitioned as part of the new system implementation.

Asset inventory data

Council has followed the guidelines for the fair value accounting of Infrastructure Assets resulting in the formation and auditing of key asset inventory data. The result of these processes is that all inventory records are periodically validated through routine inspections, programmed condition assessments and revaluation processes resulting in key attribute data of location, dimensions, materials, condition, current replacement cost and remaining lives being regularly reviewed and updated.

Risk management

Council minimises the risk of asset failure and injury to staff and the community by conducting inspections and condition assessments. This is supported by the Customer Request Management System to support incidents and issues that have occurred between scheduled inspections.

Council manages risk via appropriate insurance, inspection, maintenance and renewal. Risk analysis is documented for assets in each Asset Management Plan.

The following major causes of hazards to Council's infrastructure assets and asset management planning, for which risk management responses have been developed include:

- Condition and service-quality decline through age and use.
- Natural disasters and environmental events causing direct impact or accelerate decline in condition or service quality.
- Accelerated development resulting in increased contributed assets.
- Significant change in external financial factors impacting maintenance, or renewal costs.

These risks are managed through routine actions of:

- Asset inspections and periodic condition assessments.
- Revaluation of assets and critical reviews of capital program/project estimates.
- Updates of Asset Management Plans and Developer Contributions Plans.
- Identification of critical assets impacted by natural disasters to focus improvement investments and external funding opportunities.
- Routine inspections to meet statutory requirements and conducting preventative maintenance.

Infrastructure supplied by developers

Council becomes liable for maintenance of assets and spaces provided and paid for by the developers of residential estates one year after they are created. There are a number of areas that have potential for future growth and potential for new residential estates to be built. Council may become liable for maintenance of assets and spaces provided by private developers of residential estates at:

- Spring Creek
- Cedar Grove
- Kiama

- Jamberoo
- Gerringong.

Maintenance costs that may arise from future developments have not been quantified. When the costs are quantified, they will be included in future updates of the SAMP and LTFF. Donated assets will be included in future asset management plans and funding scenarios.

Due to environmental and topographical constraints, there are limited opportunities for large scale residential and commercial developments in the local government area. There has been and will continue to be increased infill development. It is expected that the developments mentioned above will eventuate; however, the estimated future increase in the number and value of assets, has been estimated conservatively with these constraints in mind.

Asset management confidence levels

Asset management confidence levels are reflective of an organisations Asset Management journey. Low confidence in asset management systems limits the ability of the data for business decisions and further analysis. Each asset management plan will outline actions for improving asset data. Current confidence levels for each of Council's Asset Management Plans are:

Asset Management Plan	Confidence Level
Stormwater	Medium
Transport	Medium - High
Buildings	Medium
Recreation	Medium
Footpaths and cycleways	Medium
Other assets	Medium
Holiday parks	Medium
Blue Haven	Low - Medium

Asset management funding

To achieve the objectives of the Community Strategic Plan, the lifecycle costs associated with delivery of services will be identified. Council allocates funding from a variety of sources towards the maintenance, operation, renewal and upgrade of its infrastructure assets. Expenditure profiles for annual operating costs and capital costs will be forecast and translated into the updated detailed asset management plans. This will enable and align with Council's ten-year long term financial plan.

Expenditure is classified as one of the following:

Operations & maintenance = expenditure required to keep an asset operational for its intended purpose and condition for its intended life. Examples are repainting buildings, mowing parks and filling potholes on our roads.

Capital renewal = expenditure required to replace an asset or its components prior to enable the current service to be continued with a replacement asset. An example would be reconstruction of a failed section of footpath or replacement of an old stormwater pipe with a new culvert structure.

Capital new/Upgrade = expenditure planned to expand or upgrade an existing asset or create a new asset to expand services to the community. An example may be a major upgrade of an Amenities building or creation of a new footpath.

Disposal = expenditure to demolish or remove an asset that has reached its end of life and is no longer needed. An example may be demolition of an old picnic shelter that is no longer required.

Council is finalising its asset recycling plan as a source of funding for renewal, repair and replacement of current assets.

Asset management expenditure values

Predicted expenditures for maintenance and capital funded projects is indexed at between 2% and 2.5% annually over the life of the LTFP, funded from a mix of revenue and grant funding.

10 Year Capital Renewal Program

The Capital Renewal program is derived from condition-based assessments to determine the remaining life of assets. The Capital Renewal program for 2025-26 to 2026-27 includes specific projects to renew assets at the end of life. The program forecast costs will reflect community expectations and be modelled on LTFP scenarios to determine sustainability levels and inform decision making.

It is appropriate to compare the annual depreciation expense to the funding allocated for renewal. Annual depreciation expense reflects the decline in value or use of Council's asset stock in order to allocate sufficient budget on average to match depreciation expense.

10 Year Capital Additions Program

Previously, Council has fully funded the Capital New Plan, predominantly from external funding sources or service-specific reserves. Significant allocations reflected major approved grant funding for asset upgrades such as Hindmarsh Park upgrades, new cycleways, and new and upgraded community facilities. Council's strategy is to minimise allocation of Council revenue to capital new/upgrades and to focus on seeking external funding opportunities to support these projects.

As consideration for future grants is made, the supporting detailed asset management plans and the long term financial plan will be updated to reflect any new grants for capital new/upgrade projects.

It is a fundamental principle that consideration of capital new/upgrade projects will consider the whole-of-life costs and implications on Council. This means that, any allocation for capital new/upgrade will also result in increased maintenance and operations costs, increased depreciation and a future renewal expenditure based on the expected life of the new/upgraded asset.

10 Year Operational & Maintenance Program

The Operational and Maintenance Program will be developed as part of each Asset Management Plan encompassing the asset requirements contained in the Community Strategic Plan. Council has previously fully funded the Operational and Maintenance Program.

Asset-related financial performance indicators

The following indicators are the asset-related measures set by the Office of Local Government to assess Council's fitness for the future. Council's predicted performance against these indicators, together with the other financial indicators will be updated in the LTFP.

Building and Infrastructure Asset Renewal Ratio

Definition:	<p>A ratio of 100% indicates that expenditure on asset renewals matches the cost of asset deterioration for the year. A ratio of below 100% indicates an increasing infrastructure backlog as existing assets are deteriorating faster than they are being renewed. A renewals ratio above 100% indicates a diminishing backlog.</p> <p>Ratio = asset renewals (building and infrastructure / depreciation, amortisation and impairment (building and infrastructure))</p>
Analysis:	NSW Treasury Corporation uses a benchmark for the Building and Asset Renewal Ratio of greater than 100%.

Infrastructure Backlog Ratio

Definition:	<p>This ratio measures the estimated cost to bring assets to a satisfactory condition divided by total infrastructure, building, other structure and depreciable land improvement assets.</p> <p>Ratio = estimated cost to bring assets to a satisfactory condition / total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets.</p>
Analysis:	NSW Treasury Corporation uses a benchmark for the Infrastructure Backlog Ratio of less than 2%.

Asset Maintenance Ratio

Definition:	<p>This ratio reflects the actual asset maintenance expenditure relative to the required asset maintenance. The ratio provides a measure of the rate of asset degradation (or renewal) as it shows whether a council is fulfilling all maintenance requirements or allowing some assets to degrade.</p> <p>Ratio = actual asset maintenance / required asset maintenance.</p>
Analysis:	NSW Treasury Corporation uses a benchmark for the Asset Maintenance Ratio of greater than 100%.

The future of Council's assets

The challenge for Kiama Municipal 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, within a tightly constrained funding environment. Council's vision is that via the effective management of current and future assets Council delivers sustainable levels of service 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 system and processes must be in place to provide the necessary information to make informed decisions.

The following items form part of this asset management vision:

- Asset management is fully aligned with Council's Integrated Planning and Reporting documents.
- Generational equity in consumption of infrastructure assets.
- Levels of service defined and met for all Council's services.
- Budgets to meet defined service levels inclusive of all life cycle costs.
- Regular condition assessments undertaken for all assets to manage and reduce organisational and community risk.
- Asset management information system used to:
 - Provide a central source of asset related data
 - Forecast renewal expenditure
 - Estimate life cycle costs associated with new infrastructure projects and proposals using standard unit rates
 - Facilitate operations management via scheduled work orders.
- Community consultation used to prioritise and set levels of service.
- Proposals to alter levels of service are accompanied by documented business cases including life cycle cost estimates and a funding method.

Asset Management Improvement Program

The following improvement program has been identified to enable Kiama to achieve and maintain its vision for asset management:

Asset Management Plans

The Asset Management Plans are key to Council's asset management framework. Each plan is fully integrated with the previous version of the SAMP and the Integrated Planning and Reporting documents at that time. The physical asset register and financial asset register are used to inform the Asset Management Plans and will be updated to reflect the current state of Council's assets and to enable accurate forecasts and projections for the life of the plan.

Updating the Asset Management Plan documents which are dated from 2018, will be the main focus for improvement.

As part of this review and to support the asset management vision, Council will:

- Establish community and technical levels of service for each service-based asset plan, in consultation with the community. These will be used in the preparation of the Integrated Planning and Reporting process for the following reporting period.
- Review and revise the asset management plans on an annual basis.

Asset management information registers

Council's asset data is centralised in a corporate asset management information system with valuation linked to the physical inventory, however, this information is spread across two computer software systems.

The focus of this plan will be to:

- successfully transition and migrate the physical asset register from the current "Authority" system across to the TechnologyOne system and to fully integrate it with the financial register.
- enable further progression in integrating works management, project delivery and customer request modules with the asset register to create seamless information flow for planning, reporting and response.

Asset management framework

To support Council's understanding of its current state of maturity in asset management and opportunities for improvement in line with industry recognised best practice, following transition and consolidation of the asset register within a single system as outlined above, Council will commission a suitable consultant to undertake a maturity assessment of Council's asset management system.

Key focus areas identified for improvement will be incorporated into a full revision of the asset management policy, the SAMP and updated asset management plans.

It is expected that key areas of focus will be on the following areas:

1. Asset management governance
2. Asset management resources, skills and processes
3. Asset information and systems
4. Levels of service
5. Financial sustainability
6. Resilience in our infrastructure assets.

Strategic Asset Management Plan review

This document will be reviewed annually and updated to reflect changes to the ongoing 10 Year Financial Plan and supporting Asset Management Plans.

Attachment 1: Draft Asset Management Policy

Policy owner	Manager Engineering and Technical Services
Department	Infrastructure & Liveability
Date endorsed	Draft only
Next review date	Draft only
TRIM reference	TBC

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Policy objectives

The purpose of this policy is to establish a framework for the sustainable and effective management of Kiama Municipal Council's assets to achieve the best possible value.

This policy establishes a framework for sustainable and coordinated asset management, which will provide the agreed levels of service to the community as described in the Community Strategic Plan (CSP) and the Delivery Program (DP).

The objectives of this Policy are:

- Sustainability: asset management practices promote environmental, financial, and social sustainability.
- Compliance: adherence with legislative and regulatory requirements, including the *Local Government Act 1993* and the NSW Integrated Planning and Reporting Framework.
- Community-centric: asset management is aligned with community needs and priorities, informed through engagement and consultation.
- Lifecycle management: asset lifecycle costs are optimised, including acquisition, operation, maintenance, renewal and disposal.
- Financial responsibility: finance and asset management to plan allocation of asset renewal and maintenance resources to meet service level expectations.
- Risk management: identify, assess and manage asset risks to ensure safety, reliability and resilience.

Policy statement

Kiama Municipal Council will:

- Provide infrastructure and services to sustain the municipality's communities.
- Implement a life-cycle approach to the management of infrastructure and public assets.
- Ensure that service delivery needs are the primary driver for infrastructure asset management practices.
- Provide a sustainable funding model that provides assets aligned with Council's long-term plans and community needs.
- Develop and implement best value environmentally sustainable asset management practices.
- Create a resilient municipality by modelling and planning to make it adaptable to acute shocks and chronic stresses.
- Provide reliable asset and infrastructure data through supported digital platforms.
- Implement an integrated decision support system.
- Ensure compliance with legislative requirements.
- Allocate asset management responsibilities.

Scope

This Policy applies to all infrastructure assets under Council's ownership, management, or control, including but not limited to:

- Roads and bridges
- Stormwater and drainage

- Buildings and facilities
- Open spaces and recreation areas
- Plant and equipment.

References

- NSW Local Government Act 1993
- Local Government (General) Regulation 2021
- Institute of Public Works and Engineering (IPWEA) publications, including the International Infrastructure Management Manual.
- ISO 55000 - 55002 standards of asset management.
- Australian Accounting Standards
- Local Government Code of Accounting Practice and Financial Reporting
- Community Strategic Plan
- Delivery Program 2022 - 2026
- Annual Operational Plan
- Enterprise Risk Management framework
- Disability Inclusion Action Plan

Consultations

- Executive Leadership Team
- Management Leadership Team
- Governance

Definitions

Term	Definition
Asset management	The combination of management, financial, economic, engineering, and other practices applied to physical assets with the objective providing the required level of service in the most cost-effective manner

Variation and review

Council reserves the right to review, vary or revoke this Policy.

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document.

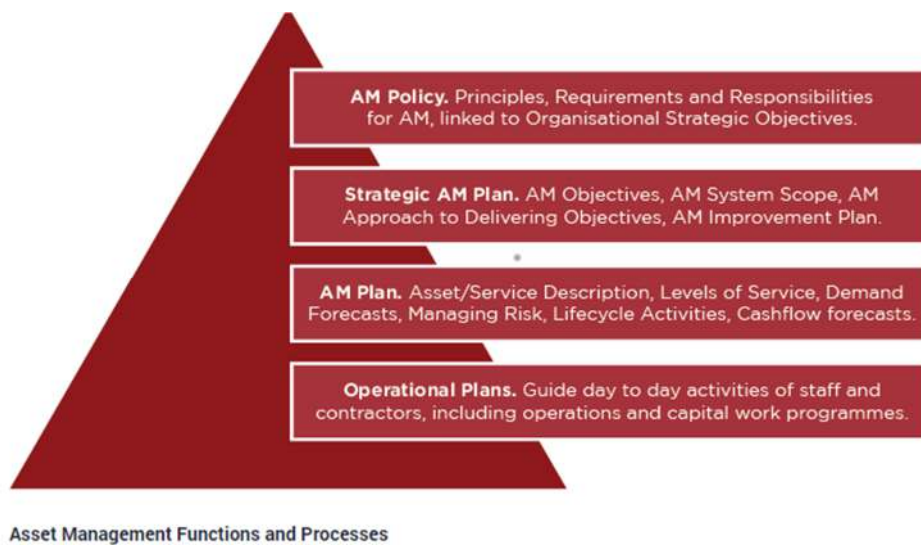
Where an update does not materially alter this document, such a change may be made administratively. Examples include a change to the name of a KMC department, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact.

Review history

Date reviewed	Date adopted / endorsed	Brief detail of amendments
10/04/2025	Under consideration	Draft only

ASSET MANAGEMENT FRAMEWORK

The Council's asset management activities will be guided by the following key documents. Kiama Municipal Council has responsibilities under the *Local Government Act 1993 (NSW)* for the responsible and sustainable management of infrastructure assets to comply with the Integrated Planning and Reporting (IP&R) framework, in particular the asset management planning documents:



Asset management responsibilities will be clearly and appropriately allocated through the organisation.

The asset management system will:

- Provide lifecycle management of Council's assets including acquisition, renewal, upgrade, maintenance, operation and disposal.
- Mitigate failures and expensive reactive maintenance.
- Provide an accurate, consistent, costed and current asset inventory.
- Inform insurance cover.
- Provide for levels of service agreed with the community.

1. Roles and responsibilities

1.1. Councillors

- Adopt the Asset Management Policy and ensure alignment with community priorities.
- Allocate resources to implement asset management objectives.

1.2. Chief Executive Officer

- Oversee the development and implementation of asset management strategies and plans.

1.3. Directors and Managers

- Develop and maintain Asset Management Plans for respective asset classes.
- Ensure compliance with statutory obligations and Council policies.

1.4. All staff

- Contribute to the effective management of assets through adherence to established processes and practices.

2. Strategic actions

2.1. Address Performance Improvement Order items

- Prioritise projects that resolve identified deficiencies and align with the Council's Performance Improvement Order Action Plan.

2.2. Develop and update Asset Management Plans

- Incorporate risk assessments, condition reporting and lifecycle analysis.

2.3. Enhance data management

- Invest in asset management systems to improve data reliability and decision-making capabilities.

2.4. Strengthen financial sustainability

- Implement a 'renewal-first' approach and integrate funding requirements into the Long Term Financial Plan.

3. Monitoring and reporting

- Council will monitor asset management performance through key metrics, including asset renewal ratio and service levels.
- Annual reporting on asset condition, expenditure and progress against Performance Improvement Order action items will be provided to stakeholders and the community.

Related forms / documents

Nil

Attachments

Nil

Authorisation

Name: ELT meeting date OR Council resolution No: ****

Date: Date endorsed by ELT or adopted by Council

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KIAMA MUNICIPAL COUNCIL
your council, your community