

## 지역 공공시설 자산관리계획에 관한 기초연구

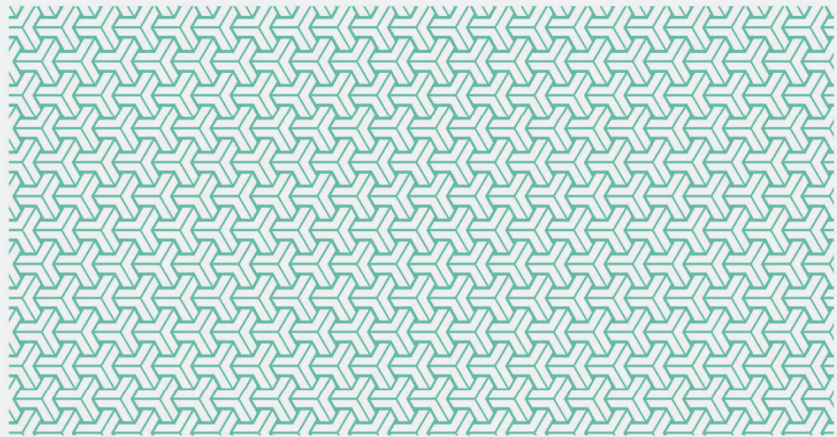
An Initial Research on the Asset Management Plan for the Local Public Facilities

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# An Initial Research on the Asset Management Plan for the Local Public Facilities

Summary



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## Chapter 1. Introduction

It is a basic research for exploring the introductive direction of asset management in local public facilities, as a solution to the problems due to the heavy burden of local public facilities and the inefficiency of facility utilization and management by local governments, which are in a rapidly changing socio-economic situation, such as population decline, low growth and aging.

Major developed nations such as the United States and Japan already have an asset management system to ensure sustainability of local public facilities and financial efficiency in response to changing public service needs in the region. However, at present, Korea's management system for enhancing sustainability and utilization value of local public facilities is very weak condition. Rather, it is limited to individual facility unit supply and management system, and recent SOC policy and various government subsidy programs are still focusing on quantitative supply of local public facilities. There is a concern that the financial capacity available to the local governments and the needs and demands of the users may not be properly considered in the operation and management stage after the establishment of the facilities.

The purpose of this study is to present the necessity and introduction conditions of local public institution asset management and to examine the local public institution asset management system of major developed countries, for the purpose of suggesting directions for asset management in local public facilities.

The local public facilities subject to this study shall be based on the National Land Planning Act and the Urban Regeneration Act, taking into account the legal status and effectiveness of the asset management plan established by the local government. The scope of property management activities of local public facilities is diversified into asset acquisition, new construction, maintenance, disposal and sale, remodeling and large repair, change of use, and relocation.

## Chapter 2. Necessities and Conditions for Introducing

## Asset Management in Local Public Facilities in Korea

Here, we clarify the necessity of introduction of local public institution asset management in Korea and establish the concept of asset management in order to grasp the introduction condition, and examined domestic and foreign major issues related to introduction of asset management and domestic legal system.

The concept of local public facilities asset management as defined by this study is a term that is extended to the concept of preventive maintenance from the post - countermeasure maintenance to the concept of business management. It is a term in which all local public facilities to ensure that they are managed in an optimal manner from the viewpoint of the public and private sectors, thereby providing satisfactory public services to the present and future communities and users in a sustainable way.

The necessity of Korea 's introduction of local public institution asset management has been discussed in three aspects in consideration. First, it is necessary to respond to rapidly changing supply of public facilities and public services and new requirements. Second, there is a need for place-based planning to improve the utilization efficiency of local public facilities. Finally, there is a need to establish a cost-effective management infrastructure for local public facilities that meet local government financial levels. The plan required for local public facility asset management should be able to identify the relevant local public facilities and provide a basis for determining the operation/management activities such as new construction and recycling of facilities based on spatial planning. And it should be linked with budgeting.

In terms of policy promotion conditions, some conditions have been established. The central government is putting financial resources into local public facilities through various state aid projects that utilize various financial resources such as balanced budget special account and facility fund with the policy goal of balanced national development. In 2019, the Korea Government decides to invest about 8.7 trillion won to promote the supply of local public facilities. In addition, regulations on the valuation of public facilities in the accounting standards of national

and local governments are prepared ('09).

On the other hand, the heads of the local governments are not aware of the need to reduce the burden of operation and maintenance of local public facilities, the budget is mainly focused on the construction of new facilities. This is due to the practice of establishing a population-growth based urban plan through new development, rather than establishing a plan that takes the reality of local areas' shrinking status causing local finances and revenues reduction. Still, the current legislative system related to public facilities focuses on regulations on supply and installation, acquisition, disposal and management. In comparison, active recycling activities such as compounding, facility relocation and remodeling are insufficient or not specified at all.

In the current statutory plan system, by the National Land Planning Act, or by the Urban Regeneration Special Law, or by the Shared Property and Goods Management Act, it is necessary to examine how to establish an asset management plan related with the existing legal planning systems.

### Chapter 3. Analysis of Asset Management System in Public Facilities in Developed Countries

The US, Japan, the United Kingdom, and Canada have recognized the need for local public institution asset management since the 1990s and have gradually introduced and operated asset management systems led by the government and local governments. We have discussed the basis of asset management practices in each country, asset management strategy, asset management plan, asset DB system, and decision making system. These countries have developed an asset management system since the nation established asset management strategies. Common items in the asset management strategy are enhancing asset utilization value, improving service level of facilities, and increasing cost benefits by life cycle.

All 4 countries have established an asset management plan, which includes autonomy to form various forms and contents according to local

conditions, including asset management strategies, asset management necessities, and asset management practices. In Japan, the asset management plan established by the basic municipalities focuses on establishing a gradual reduction plan for facilities beyond what is needed in the future, based on the forecasts of population and financial changes as well as the status of local public facilities. As a result of examining the asset management system of local public facilities in developed countries, policy implications can be seen in terms of introduction of asset management system, establishment of asset management plan, and establishment of asset DB system.

First, the asset management system introduced and operated by developed countries consists largely of asset management strategy, asset management plan and DB system construction and operation. In order to introduce asset management system in Korea, asset management strategy should be established first, and asset management plan should be prepared so that the person in charge of asset management can establish a management plan with the aim of achieving the strategy. The core contents of the asset management plan consist of basic survey of local public facilities, evaluation of asset value, facility operation and maintenance plan, repair and remodeling plan, and asset management support organization operation plan. Considering the main purpose of introducing the asset management system in the local public facilities, the asset management plan considers the conditions of the local environment, such as the sudden drop in the population and the continuation of the production age population, the aging, the local financial crisis. Also, it is important to consider not only the current conditions but also the future prospects. This will be an important factor for decision makers to decide whether to maintain or downgrade the size of local public facilities and the level of public services.

## Chapter 4. Introduction of Asset Management in Local Public Facilities and Establishment of Asset Management Plan

In this chapter, we have established the introduction direction of asset management in local public facilities and proposed directions for the

introduction of local public facility asset management in the short and medium term perspective. The main tasks were establishing the investigation and information construction of local public facilities, the development of asset valuation standards, establishing asset management plan standards, and establishing a strategic decision-making system.

The goal of introducing asset management in local public facilities in Korea is presented in three main directions.

First, it is to maximize the utility value of public facilities and to maintain or improve the level of public services that enhance the quality of life of local residents and improve the quality of life of residents, and to support reasonable financial investment in accordance with the lifecycle costs of public facilities.

Second, it is aimed at actively regenerating the idle facilities to match the service demand level of the local area and to avoid the irresponsible supply of new facility in the limit situation of the region such as the extinction of the local life in the demographic and economic aspects. Here, the service demand level considers the needs and demands in a comprehensive manner, and regards the needs as priority over demand.

Third, it aims to reduce the financial burden of local public facilities provision, operation and management of local governments and to maximize the utilization of existing facilities so that future generations can enjoy them.

**Keywords :**

Local Public Facilities, Asset Management, Asset Management Strategy, Asset Management Plan, Asset DB System