



Council Policy

13.7 ASSET MANAGEMENT

PURPOSE

The purpose of this policy is to set out the basis on which Council manages the assets in its care so as to enable relevant, effective and sustainable delivery of services to the community in alignment with the 2050 Community Vision and Council Plan 2021-25.

SCOPE

This policy applies to all assets over which Council has ownership or control or for which Council has the authority to determine either technical or service standards.

These assets include:

- Fixed physical assets such as road, pathway, recreation, and building infrastructure
- Mobile/ Non-fixed physical assets such as heavy plant, fleet, and furniture
- Non-physical assets such as software and licenses.

These assets exclude:

- Physical assets that are the responsibility of others
- Financial assets such as money
- Natural or environmental assets such as trees.

DEFINITIONS

Asset:	A resource controlled by Council from which future economic, social and environmental benefits or service potential are expected to flow to the municipality or the community.
Asset Management:	The combination of management, financial, economic, engineering and other practices applied to assets with the objective of balancing costs, opportunities and risks against the desired performance of assets to achieve an organisation's objectives.
Asset Management Plan:	A plan developed for the management of one or more asset groups that combines multi-disciplinary management techniques (including technical and



financial) over the asset lifecycle in the most cost-effective manner to provide a defined level of service.

- Asset Management Strategy:** A strategic framework that effectively guides the management, planning, construction, maintenance and operation activities of assets in the implementation of Council’s Asset Management Policy.
- Asset Plan:** Council’s 10 year plus planning document that outlines key elements, processes, management, and resource allocation for assets of which council is the custodian.
- Financial Plan:** Council’s 10 year plus planning document that outlines the financial management, key elements, and resource allocation of the organisation.
- Integrated Strategic Planning and Reporting Framework:** The linked strategic and reporting framework required under the Local Government Act 2020 (Victoria).
- Level of Service:** The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, satisfaction and cost.
- Lifecycle Costs:** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs, also referred to as ‘Whole of Life Costs’.
- Maintenance:** All actions necessary to manage the physical condition of an asset until rehabilitation or replacement is necessary.
- New Asset:** Refers to an asset that has been created, produced or introduced for the first time, not existing before.
- Operation(s):** The active process of utilizing an asset which will consume resources such as manpower, energy, chemicals and materials.
- Renewal:** Refers to works required or undertaken to return the asset to its “as-new” condition.
- Sustainable:** Able to be maintained or kept going at a certain rate or level by the application of defined actions, process and/ or funding.
- Upgrade:** With respect to any physical asset, any physical enhancement or series of physical enhancements, including any such physical enhancements that would increase the product or service it provides.



REFERENCES

2050 Community Vision
Council Plan 2021 – 2025
Financial Plan 2021-22 to 2030-31
Local Government Act 2020
Local Government (Finance and Reporting) Regulations 2004
International Infrastructure Management Manual

STATEMENT OF POLICY

POLICY

- Council will pursue asset management best practice aimed at providing sustainable service levels from its asset portfolio over the long term.
- Asset Management decisions shall be based on community service delivery needs.
- Asset Management decisions will be aimed at optimising the use of the funding available to undertake relevant and prioritised asset renewal works.
- Council will firstly assess the financial impact on Council's ability to sustain its own asset base before it commits funding (including grant funding) to new, upgraded or expanded assets, including consideration of the whole of lifecycle costs of the proposed assets.
- The potential decommissioning or sale of an asset will be determined by ongoing strategic need, increasing or diminishing usage, condition, risk, lifecycle costs, and overall service priorities.
- Asset management decisions will consider the whole of lifecycle costs (maintenance, operation, and renewal), risk, and the evaluation of alternative options, to allow full assessment, project evaluation and reporting.
- Council's Asset Plan and asset planning shall be integrated with Council's Financial Plan, corporate and business plans, capital works programs, budgets and reporting processes, as part of the Integrated Strategic Planning and Reporting Framework.
- Whole of life costs will be assessed in asset management plans for each long life infrastructure asset group which will inform Council's overall Asset Plan.
- Financial and Asset Management reporting shall be categorised in terms of operational, maintenance, renewal, upgrade and new expenditure classifications to enable sound Asset Management decisions.
- Staff with asset and financial responsibilities will be appropriately trained and skilled in relevant asset and financial management principles and processes.



OBJECTIVES

The objectives of this Asset Management Policy are to:

- Define an asset management framework that will provide for sustainable delivery of relevant services to the community through fit for purpose assets.
- Provide a clear basis for asset management decision making in relation to Council's delivery of services to the community, including the appropriate management of service and asset related risks.
- Define the roles and responsibility of Council and its staff.
- Ensure compliance with legislation and regulatory requirements.
- Consider environmental impacts.

PRINCIPLES

Asset management involves all areas of Council including those that plan services, provide services, manage assets and manage financial functions. Asset Management is a key element of Council's Integrated Strategic Planning and Reporting Framework.

Council will ensure that when considering the social, environmental, financial and organisational impacts of any decision they will also properly consider the impact on Council's services and the assets that support them.

Council will provide and manage its assets to ensure they are appropriate to service the needs of the community within its financial constraints.

Assets will be effectively and sustainably utilised and maintained at agreed levels of service. Council will manage its assets through the implementation of an Asset Management Strategy and Asset Plan as part of Council's Integrated Strategic Planning and Reporting Framework.

Asset management practice will include utilising up-to-date technologies, methodologies, systems, and community consultation to provide relevant, strategic, and efficient delivery of services to the community.

Decisions regarding allocation of resources will have regard to sustainable maintenance of assets and the ongoing provision of services provided by those assets.

ROLES AND RESPONSIBILITIES

Council:

- Provide sustainable assets for the community by recognising and considering the full cost of Council acquiring, maintaining, renewing and operating assets throughout their lifecycle.
- Provide assets that deliver sustainable services to benefit the community at a level of service that justifies the costs of owning and operating these assets.
- Acts as the asset custodian on behalf of the community.
- Make decisions regarding assets in accordance with the 2050 Community Vision and Colac Otway Shire's Council Plan 2021-2025.
- Review and adopt the Asset Management Policy, Asset Management Strategy, and Asset Plan.



Chief Executive Officer and Executive Management Team:

- Reflect the corporate and community strategic planning principles embraced by Council in the Asset Management Policy, Strategy, Plans, and Asset Plan.
- Seek allocation of sufficient resources to the development, ongoing improvement and delivery of the Asset Management Strategy, Asset Management Plans, Asset Plan and supporting systems.
- To ensure the Asset Management Policy and Strategy integrates with the Asset Plan and Financial Plan within the Integrated Strategic Planning and Reporting Framework, and with other policies and business processes of Council.
- To ensure Councillors and the organisation as a whole understand the principles and importance of asset management, and that training needs for Councillors and staff are assessed and programmed .
- To ensure that there is a cross-functional corporate asset management group that provides high level involvement, oversight, accountability, promotion, and reporting of asset management status and effectiveness within Council.
- Review and adoption of Asset Management Plans.

Council Staff with Asset Management Responsibilities:

- Develop and maintain Council's Asset Management Policy, Strategy, Asset Plan, and Asset Management Plans.
- Develop asset maintenance, renewal, upgrade and disposal programs in accordance with the Asset Plan, Asset Management Plans, agreed levels of service, and budget allocation.
- Periodically review the Asset Management Policy, Strategy, Asset Plan, and Asset Management Plans in accord with the required timeframes.
- Engage up-to-date technologies, methodologies and continuous improvement processes in the management of Council's assets and its asset management system.
- Ensure that Asset Management skills and training needs are identified and completed as part of the staff performance appraisal process.

RELATED DOCUMENTS

2050 Community Vision

Council Plan 2021-2025

Financial Plan 2021-22 to 2030-31

Asset Plan (under review)

Asset Management Strategy (under review)

Building Asset Management Plan

Road Asset Management Plan Bridge

Asset Management Plan Pathway

Asset Management Plan

Stormwater Asset Management Plan

Open Space and Recreation Asset Management Plan

Capital Funds Allocation Policy 2022 (under review)

Capital Project Prioritisation Policy 2022 (under review)

Risk Management Policy



DOCUMENT CONTROL

Policy owner	Manager Assets and Engineering	Division	Infrastructure and Operations
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