



13.7 ASSET MANAGEMENT POLICY

Responsible Officer:	Manager Assets and Engineering	Due for Review:	2030
----------------------	--------------------------------	-----------------	------

PURPOSE

The purpose of this policy is to set out the basis on which **Council** manages the **assets** in its care to enable relevant, effective and **sustainable** delivery of services to the community in alignment with the **2050 Community Vision** and **Council Plan 2025-2029**.

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.

RATIONALE

Council requires an Asset Management Policy to provide a structured framework for the **sustainable**, cost-effective, and safe **lifecycle** management of community infrastructure (roads, buildings, parks, etc). An Asset Management Policy ensures our financial sustainability by aligning long-term financial planning with **asset** needs, minimizing risks, and maximizing value for money.

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**.

Uncontrolled when printed					
Policy No.	13.7	Record No.	D26/78121	Date Adopted	28 July 2026



- 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.
- Council will proactively pursue operational practices, suppliers, and material that positively contribute to a healthy environment and actively promotes a circular economy within renewal and capital works.
- Council will consider future climate change impacts such as higher temperatures and higher intensity of rainfall when renewing or upgrading its assets.
- 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.
- Outline governance responsibilities for management of Council's assets
- Ensure compliance with legislation and regulatory requirements.
- Consider and minimise detrimental impacts on the natural environmental

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.

Uncontrolled when printed

Policy No.	13.7	Record No.	D26/78121	Date Adopted	28 July 2026
------------	------	------------	-----------	--------------	--------------



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

ASSET MANAGEMENT GOVERNANCE

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, Financial Plan 2025-26 to 2034-35 and Colac Otway Shire's **Council** Plan 2025-2029.
- Review and adopt (when required) 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 Asset Management 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 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 (when required).

Council Staff with Asset Management Responsibilities:

- Develop and maintain Council's Asset Management Policy, Asset Management 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, Asset Management 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.

Uncontrolled when printed

Policy No.	13.7	Record No.	D26/78121	Date Adopted	28 July 2026
------------	------	------------	-----------	--------------	--------------



Asset Management Working Group

The Asset Management Working Group is established to provide coordinated oversight and strategic guidance for asset management practices across the organisation. The Working Group meets **quarterly** and is comprised of the **Executive Management Team**, Manager Assets and Engineering, Asset Management Coordinator, Finance Manager and other relevant officers as required to support effective asset management outcomes. The key functions of the Asset Management Working Group include:

- Providing strategic direction and governance oversight for the Council's Asset Management Framework and related policies
- Supporting the development, review, and integration of asset management plans, lifecycle strategies, and defined service levels
- Ensuring alignment between asset management practices, the Council Plan, Financial Plan, and annual budget processes
- Facilitating cross-departmental collaboration to improve consistency, data quality, and evidence-based asset decision-making
- Monitoring asset performance, condition, risk, and compliance with legislative, regulatory, and best-practice requirements
- Reviewing and discussing asset condition modelling during the second and third quarterly meetings to inform renewal forecasting and capital investment planning
- Overseeing and reviewing the end-of-financial-year asset revaluation and capitalisation processes, including assumptions, methodologies, and outcomes, during the second and third quarterly meetings
- Identifying and advising on asset investment priorities, renewal needs, and service level trade-offs
- Promoting continuous improvement in asset management capability and organisational maturity
- Providing advice and recommendations to the Executive on emerging asset-related risks, opportunities, and strategic issues

DEFINITIONS

Terms presented in ***bold italics*** in this policy represent terms used across multiple Council policies and their definitions are detailed in the "Council *Policy Terms and Definitions*" document located on Council's website www.colacotway.vic.gov.au.

Other terms, specific to this document are detailed below:

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.

Uncontrolled when printed

Policy No.	13.7	Record No.	D26/78121	Date Adopted	28 July 2026
------------	------	------------	-----------	--------------	--------------



Financial Plan:	Councils 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.

RELATED DOCUMENTS AND PROCEDURES

2050 Community Vision
Council Plan 2025-2029
Financial Plan 2025-26 to 2034-35
Asset Plan 2025-2035
Asset Management Strategy (under review)
2025 Building Asset Management Plan
2025 Road Asset Management Plan
2025 Bridge Asset Management Plan
2025 Pathway Asset Management Plan
2025 Stormwater Asset Management Plan
2025 Open Space and Recreation Asset Management Plan
2025 Risk Management Framework

Uncontrolled when printed

Policy No.	13.7	Record No.	D26/78121	Date Adopted	28 July 2026
------------	------	------------	-----------	--------------	--------------



REFERENCES

2050 Community Vision
Council Plan 2025-2029
Financial Plan 2025-26 to 2034-35
Local Government Act 2020
Local Government (Finance and Reporting) Regulations 2020
International Infrastructure Management Manual (Edition 6)

DOCUMENT HISTORY

Version	Document History	Approved by	Date
V1	D22/188287	Council	August 2022
V2	D26/78121	Council	28 July 2026

Uncontrolled when printed

Policy No.	13.7	Record No.	D26/78121	Date Adopted	28 July 2026
------------	------	------------	-----------	--------------	--------------