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| <b>POLICY LOCATION</b> | Infrastructure and Delivery | <b>POLICY TITLE</b>  | Asset Management Policy |
| <b>POLICY NUMBER</b>   | CA01                        | <b>DATE ADOPTED</b>  | 20 August 2025          |
| <b>REVISION NUMBER</b> | 3.0                         | <b>REVISION DATE</b> | 20 August 2029          |

## Purpose

This policy is designed to set a framework for undertaking asset management in a structured, coordinated, cost effective and financially sustainable manner across the organisation and to assess continued ownership and the management of risk.

This Policy will ensure that Council's non-current assets are measured, valued and depreciated in accordance with the relevant Accounting Standards and other State Government Policies.

In addition, this policy enables consistency of decision-making and enables Council to ensure that its assets continue to function and meet the needs and expectations of the community.

## Scope

This Asset Management Policy applies to Councillors, Senior Management, Staff, Committees of Management, consultants and the community, who are involved with the operations, maintenance, use, refurbishment, renewal, upgrading and development of Council's existing and new infrastructure assets.

## Definitions

|                       |                                                                                                                                                                                                                                                                                                                                               |
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| Asset                 | Resources controlled by Council as a result of past events and from which future economic benefits or service potential are expected to flow to it. Council has full control over the future economic benefits or service such that it is able to enjoy those benefits or services and deny or regulate the access of others to the benefits. |
| Asset Management      | The systematic and coordinated activities and practices of the Council to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets.                                                                                                                                                      |
| Asset Management Plan | Long-term plans (usually 5 years or more) that outline the asset activities and programs for each service area and resources applied to provide a defined level of service in the most cost-effective way.                                                                                                                                    |
| Renewal Gap           | The difference between the current asset management practices and the required asset management practices to achieve levels of service. It may be written as a financial amount.                                                                                                                                                              |

## Policy Statement

The Asset Management Policy provides for a flexible approach to ensure the importance of best appropriate practice asset management for the Council's assets to meet the demands of the present and future generations.

The Policy reflects Council's vision, mission, and asset management objectives as set out in the Council Plan.

The benefits of a strategic approach in establishing an asset management policy, together with a sustainable asset management improvement strategy, include:

- Better allocation of limited Council resources.
- Improved alignment of assets with services and community expectations.
- Reduced demand for new Council assets through better integration of service planning and asset planning.
- More effective use and maintenance of existing Council assets.
- Improved processes and accountability for capital and recurrent works.
- Use of non-asset solutions to meet service demand.
- An increase in environmentally sustainable solutions.
- Compliance with relevant accounting standards and legislative requirements for asset management

## Asset Management Vision

To provide the right assets to the right standards which support affordable and quality outcomes for our community and the environment.

In doing this Council will comply with all legal, regulatory, safety and environmental requirements placed upon it and will not compromise the safety of its employees or the public.

## Principles

In support of the asset management vision, Council's principles that underlie its asset management are:

- **People first approach** - We will be driven by understanding the needs and aspirations of our community so that our assets support social and economic wellbeing.
- **Access, inclusion, and equity** - We will work towards having safe, accessible, and functional assets that respond continuously to changing needs.
- **Resilience and environmental care** - Our assets will be good for the environment and will be climate resilient. Through our actions we will care for and respect the Traditional owners of Country.
- **Lifecycle approach** - We will take a whole-of-life approach to managing our assets that minimises risk, ensures compliance, and optimises our asset spending.
- **Financial responsibility** – We will aspire to provide sustainable levels of funding and resources for the benefit of current and future generations.

- **Leadership and innovation** - Through innovation and good governance, we will embed good practice where the whole organisation plays an integral role in the overall management of our assets.

## Asset Management Practice

Council is the custodian and trustee of public assets and is responsible to effectively account for and manage these assets to prolong their life and provide for their eventual replacement.

Asset management is a systematic process to guide the planning, acquisition, operation, maintenance, renewal and disposal of assets. The objective is to maximise asset service delivery potential and manage related risks and costs over the asset's life cycle.

Infrastructure assets are important to the local community and are fundamental to Council's overall service delivery, Council will:

- Allow the Community Vision to inform asset requirements to reflect community priorities.
- Comply with all legislative and regulatory obligations.
- Establish an appropriate governance structure so that ownership, control, accountability, and reporting requirements for assets are established, clearly communicated, and implemented.
- Prepare service plans that document affordable and financially sustainable levels of service. Development of levels of service will include community engagement.
- Monitor and report Council's service performance to the community.
- Manage assets include utilising a multi-disciplinary, cross-functional asset management working group to ensure all stakeholders are involved.
- Aim to deliver long term financial sustainability by making decisions that lead to a cost-effective asset base. This will be supported by focussing on asset renewal before providing new assets, rationalising under-utilised assets, and limiting asset expansion unless justified.
- Maintain an Asset Management Strategy that will define the status of asset management practices and include a roadmap for achieving Council's desired state of asset management practice.
- Develop and maintain Asset Management Plans for each asset class identifying the full life cycle costs, service level requirements, maintenance requirements, risk management plan, refurbishment, replacement, and disposal requirements. Asset Management Plans will cover a period of at least 10 years.
- Commit to prioritising asset expenditure based upon agreed service levels, the ability of the current assets to meet the needs of the community, and Council's available resources.
- Use "whole of life" costs as the basis for making decisions regarding asset acquisition, replacement, maintenance, and disposal.
- Apply systematic and cyclic reviews to all asset classes to ensure they are managed, valued, and depreciated in accordance with appropriate best practice as prescribed by Australian Standards, including the Australian Accounting Standards Board's AASB 116.
- Monitor and report on Council's asset management expenditure in terms of operational, maintenance, renewal, new and upgrade costs.

- Identify, through risk management and condition assessment, initiatives to reduce the exposure to injury, liability, and asset failure.
- Provide relevant information to support asset management, including the effective collection, collation, and analysis of asset data.
- Keep up to date on issues relating to asset management and encourage continuous improvement and innovation.
- Aspire to achieving advanced asset management practices that are service driven, align with the strategic priorities and directions of Council, and are informed by community input.
- Make investment in appropriate and timely asset management training and development programs for staff.

## **Accountability and Responsibility**

### Council

- Acts as steward for assets that are owned or controlled by Council.
- Sets corporate asset management policy and vision with linkage to the Council Plan.
- Endorses levels of service for all business areas that will best balance community aspirations and financial sustainability.
- Ensures that asset management requirements and lifecycle costs are appropriately considered in decision making and catered for in council planning and financial management.
- Approves the Asset Management Policy, the Asset Management Strategy, and Asset Plan.
- Approves Asset Management Plans prepared for key asset classes.
- Approves a Financial Plan that provides appropriate resources for asset management activities.
- Provides appropriate resources for asset management.
- Ensures asset management is part of senior management performance criteria.
- Promotes and raises awareness of asset management with the community

### Senior Leadership Team

- Ensures alignment / compliance with Council's legislative responsibilities including under the Local Government Act 2020 (Vic).
- Ensures that Council meets all obligations of the Australian Accounting Standards as they relate to asset management.
- Accountable for overall organisational asset management and service planning performance.
- Fosters and supports the multi-disciplinary, cross-functional implementation of asset management.
- Ensures that accurate and reliable information is presented to Council for decision-making.
- Ensures Council's agreed levels of service are funded in the Financial Plan including renewal and development investments.
- Provides adequate resources and oversight in the implementation of the asset management framework.

- Ensures accurate and reliable information is presented to Council for decision making.
- Ensures that asset management and its governance are integrated into corporate governance including corporate planning, financial management, reporting, and risk management.
- Ensures that asset management performance, skills and training needs are identified as part of staff performance appraisal process.

#### Asset Management Team and Council Staff

- Prepares, implements, and reviews the Asset Management Policy, Asset Management Strategy, Asset Plan, and Asset Management Plans.
- Manages asset systems, develop procedures, and ensure compliance with standards and to support decision making, accountability and improvement.
- Maintains detailed asset registers providing a common data set for organisational purposes.
- Effectively and efficiently manages funds allocated for asset maintenance, operations, and asset related projects.
- Promotes and raise awareness of asset management across the organisation and through the community.
- Proactively seeks the development of skills, abilities, and education where required to meet the requirements of functional roles.
- Provide assets information and assistance to Council's Service Managers.
- Be innovative, identify and communicate opportunities for improvement.

### **Policy Review**

This Policy will be monitored continuously to ensure its relevance in terms of community needs and expectations, Council goals and statutory requirements. The policy will be reviewed on an ongoing basis and amended as required.

Monitoring of asset management will be provided by:

- Internal audits
- Public consultation and feedback
- Annual reviews of strategies and plans

### **Legislation and Regulations**

This policy was developed in accordance with the following legislation:

- Charter of Human Rights and Responsibilities Act 2006 (Vic)
- Local Government Act 2020 (Vic)
- Local Government (Planning and Reporting) Regulations 2020 (Vic)
- Road Management Act 2004 (Vic)

## Documents

This Policy is implemented in conjunction with the following documents:

- Long Term Community Vision
- Council Plan
- Financial Plan
- Asset Management Strategy
- Asset Plan
- Asset Management Plans
- Risk Management Policy
- Community Engagement Policy