

# Asset Management Policy

Corangamite Shire

May 2025



**CORANGAMITE  
SHIRE**

# Council Policy



## Asset Management

### Introduction

How Council manages its assets has direct implications for its communities. The primary aim of Council's asset management is to maintain its suite of assets in a manner that allows Council to effectively meet current and future demand for services in a financially sustainable manner.

The *Local Government Act 2020* specifies that the role of a council is to provide good governance in its municipal district for the benefit and wellbeing of the community. This is performed by promoting economic, social and environmental sustainability of the municipal district and ensuring the ongoing financial viability of the Council.

The physical assets managed by Council supports the delivery of core services, facilitates economic activity and strengthen the community and pride of place.

Asset management is the manner in which Council looks after its assets both from a day to day (recurrent) and medium to longer term (strategic) basis.

### Purpose

The purpose of this Policy is to provide a clear direction for Council's asset management and to define the key principles by which Council will deliver asset management in order to:

- provide for the core council function as a steward of infrastructure.
- provide sound asset management practices across the whole organisation
- integrate Council's financial and asset management practices with its corporate objectives.

### Scope

This policy applies to all Council maintained assets.

### Definitions

**Asset** – all assets including infrastructure such as buildings, roads, stormwater drainage and non-infrastructure such as land, trees, plant and equipment and attractive and valuable minor assets.

**Asset Class** - a group of assets having a similar nature or function e.g. road, footpath, building.

Asset Renewal – the process of improving the service potential as asset deliver through replacement, rehabilitation or reconstruction

## References

*Local Government Act 2020*

*Local Government Asset Management Better Practice Guide*, Local Government Victoria 2015

*Asset Management and Maintenance by Councils*, Victorian Auditor-General's Report 2014

Asset Valuation and Revaluation Policy

Disposal of Assets Policy

Attractive & Valuable Minor (Portable) Asset Policy

Procurement Policy

*Gender Equality Act 2020*

## Policy Detail

Council's commitment to asset management is underpinned by its Council Plan and the sector wide approach and guidelines provided by Local Government Victoria and Victorian Auditor General's Office.

### Asset Management Strategy

The guiding principles to Council's asset management are:

1. To integrate asset management with Council's corporate planning
  - Asset Management outcomes will take into account the objectives and strategies of the Council Plan which incorporate the intent of the Community Vision.
  - Council's Strategic Resource Plan, Long Term Financial Plans and annual budget will take into account Asset Management Plans and financial forecasts for asset renewal
  - Detailed asset registers will be maintained for all assets owned by Council or under its control
  - Asset Accounting will be applied to all asset infrastructure in accordance with AASB116 or the relevant accounting standards at any particular time
2. To ensure Council's asset management is governed by service delivery needs
  - Council will regularly monitor community or customer satisfaction through feedback from asset users to guide the recurrent or strategic approach to asset management within the budget framework.
  - Council's Asset Management Plans will be developed for individual asset classes based on transparent assumptions about service delivery needs.
  - Asset condition and related data will be considered of paramount importance to inform the development of Asset Management Plans
3. To ensure Council's asset management is supported by policy, service, risk cost and community

- Asset Management Plans will provide ten year forecast financial impact and priority works to ensure the levels of service are maintained with available resources
  - Asset Management Plans will identify risks associated with affordable service levels and provide an alternative approach where required
  - To periodically complete full lifecycle analysis for the organisation's assets
4. To provide accountable asset management
- To provide a level of service in accordance with the objectives set out in the Asset Management Plan
  - Council will report to the community on its service performance through its Annual Report
  - Council will report, where required, on the cost to manage assets in accordance with relevant local government frameworks
  - Council will undertake assessment of asset condition of its asset classes in accordance with Council's Asset Valuation and Revaluation Policy
5. To ensure asset management is implemented in a sustainable manner
- Ensure "Whole of Life " planning for the present and future generations
  - Planning, maintenance and renewal will reflect actual asset consumption
  - Renewal of assets will be funded before the funding of new and upgrade works
  - Actively seek external contributions and funding towards capital works
  - To ensure environmental sensitivities are considered with any renewal, upgrade or new works
  - Develop a broad capital evaluation framework that takes into account life cycle costs and for use in prioritising capital works and maintenance programs.

#### Strategic Linkages

This policy will provide the overarching framework to guide Council's commitment and approach to asset management in accordance with the Local Government Act

Council's Long Term Asset Management Plan will include key elements of Council's Asset Management Strategy and this Policy and the asset management plans for each of the asset classes.

#### 1. Asset Class

Asset classes are established at the material level at which Council will prepare the annual balance sheet for reporting in the Annual Report; for example, the Roads Asset Class might include Asset Categories such as sealed roads, unsealed roads etc.

Council has defined asset classes as follows:

- Bridges & Major culverts
- Buildings
- Car Parks
- Culverts
- Drainage
- Footpaths

- Kerb & Channel
- Land
- Roads
- Bus Shelters
- Light Fleet
- Heavy Fleet
- Play Grounds
- Street Furniture
- Computer, IT and AudioVisual equipment

## 2. Asset Plan

Section 92 of the *Local Government Act 2020* has specified that Council is to have an Asset Plan covering a minimum of 10 years.

The Asset Plan referred to in the Act is intended to be a strategic public facing document that informs the community on how the council-controlled (infrastructure) assets are to be managed to achieve the Community Vision and supporting Council Plan objectives.

The Asset Plan is not an Asset Management Plan which is technical in nature. The Asset Plan is a document that will show Council's assets will be managed and maintained over at least 10 financial years and how Council's stewardship of community assets will meet the community needs and interests.

## 3. Asset Management Plans

Asset Management Plans will be developed to:

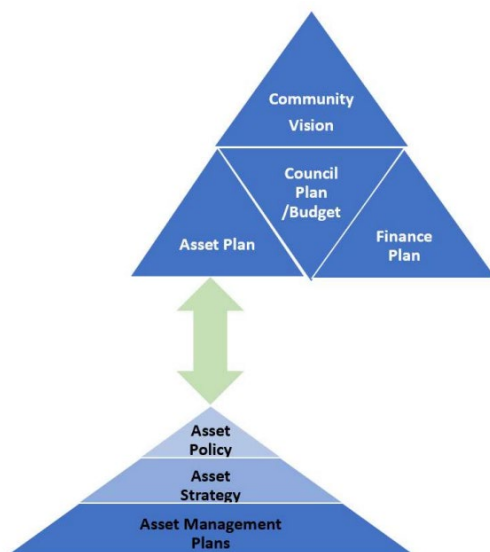
- describe Council's current asset management status
- specify actions to be undertaken to enhance asset management
- define resources required to achieve the corporate objectives
- define the services provided, and levels of service provision
- provide details of planned works and financial forecasts
- provide analysis of 10-year funding requirements
- provide financial capacity assessment
- provide gender impact assessment of the specific assets in accordance with *Gender Equality Act 2020*
- identify asset management practice improvements

The level of detail for asset management plans will be governed by the size of the asset class or number of assets.

As a minimum asset management plans will be developed and/or maintained for Council's critical assets, in the following asset groups:

- Roads and Road Related Assets - this will include sealed and gravel local roads, kerb and channel, footpaths, bridges and major culverts, and drainage assets
- Buildings
- Fleet – this will include light and heavy fleet
- Open Space and Recreation Infrastructure – this will include street furniture, memorials and playground assets

Figure 1 on the following page provides a flow chart depicting the links between Council's strategic and operating approach to asset management



**Figure 1 Council's Key Strategic Documents and relationship to Council's Asset Management documents**

### Asset Management Governance

Council will

- act as stewards for all assets
- approve Council Plan and monitor its outcomes
- set corporate asset management policy and vision
- determine levels of service, risk and cost standards
- ensure appropriate resources for asset management activities are made available.

#### 1. Roles and Responsibilities

Responsibilities of Council Officers as asset managers of particular assets are defined in the table below. This does not preclude other Council staff from being responsible under this policy if they are custodian of a Council asset.

<b>Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>Overall responsibility for all Council assets</li> <li>Approval of asset procurement as per Council's Procurement Policy</li> <li>Approval of asset disposal as per Council's Asset Disposal Policy</li> </ul>
<b>Directors</b>	<ul style="list-style-type: none"> <li>Responsibility for Council assets assigned within their Directorate</li> <li>Responsible for asset manager compliance with asset procurement as per Council's Procurement Policy</li> <li>Responsible for asset manager compliance with asset disposal as per Council's Asset Disposal Policy</li> </ul>
<b>Department Managers</b>	<ul style="list-style-type: none"> <li>Responsibility for Council assets assigned within their Department</li> <li>Responsible for asset procurement as per Council's Procurement Policy</li> <li>Responsible for asset disposal as per Council's Asset Disposal Policy</li> <li>Ensure that employees comply with relevant procurement and disposal policies within their delegations.</li> <li>Responsibility for complying with this policy.</li> </ul>
<b>Manager Assets Planning</b>	<ul style="list-style-type: none"> <li>Administer the policy and responsible for its interpretation and application.</li> </ul>
<b>Manager Finance</b>	<ul style="list-style-type: none"> <li>Responsible for Asset Valuation and Revaluation Policy</li> </ul>
<b>Plant Maintenance Team Leader</b>	<ul style="list-style-type: none"> <li>Manage the acquisition and disposal of vehicles and heavy fleet in accordance with this policy, Council's Procurement Policy and Disposal of Assets Policy.</li> </ul>
<b>Staff allocated an asset (custodian)</b>	<ul style="list-style-type: none"> <li>Responsible for adhering to Council's code of conduct and relevant policies with regard to the correct use, security and care of Council's asset.</li> </ul>
<b>Community Asset Committee or relevant Committee of Council</b>	<ul style="list-style-type: none"> <li>Responsible for adhering to Council's code of conduct and relevant policies with regard to the correct use, security and care of Council's asset.</li> </ul>

## 2. Asset Management Working Group

The Asset Management Working Group will comprise members of the Works and Services Directorate and Corporate and Community Service's Directorate involved in the management and administration of assets to:

- Provide refinement of the Asset Management Policy and Asset Management Plans for consideration by Executive Leadership Team and Council.
- Develop Asset Management Plans in "every day language" for individual asset classes, using the *Local Government Victoria Better Practice Guide 2015* as a guide and with reference to Council's Asset Management Policy

- In consultation with the community and key stakeholders establish and deliver asset management “levels of service” to agreed risk and cost standards and within Council’s budget resources.
- Integrate Asset Management Policies and Asset Management Plans into the corporate governance framework
- Develop capital investment list for review as a part of Council’s annual budget and capital expenditure review process.
- Develop and implement a capital evaluation framework for use in prioritising capital works and maintenance programs.
- Review preventative maintenance programs where applicable and budget permits, to ensure the lowest life cycle cost is achieved and asset values maintained.
- Coordinate asset management planning and implement procedures that ensure the asset database is maintained and updated to provide accurate information and required reports to Council to meet their statutory and legal responsibilities.
- Develop and implement processes and procedures that allow for the “whole of life” and continued management and ownership of assets including all asset life cycle management functions.
- Promote and raise awareness of asset management to the Council, staff, users and community.

The Asset Management Working Group will meet on an as-required basis but particularly in relation to the following processes:

- Development of forecast modelling for reporting to Council (December)
- End of Financial Year Revaluation and Capitalisation process (March – July)

### 3. Responsible council officers

Council officers with primary responsibility for asset management will be responsible:

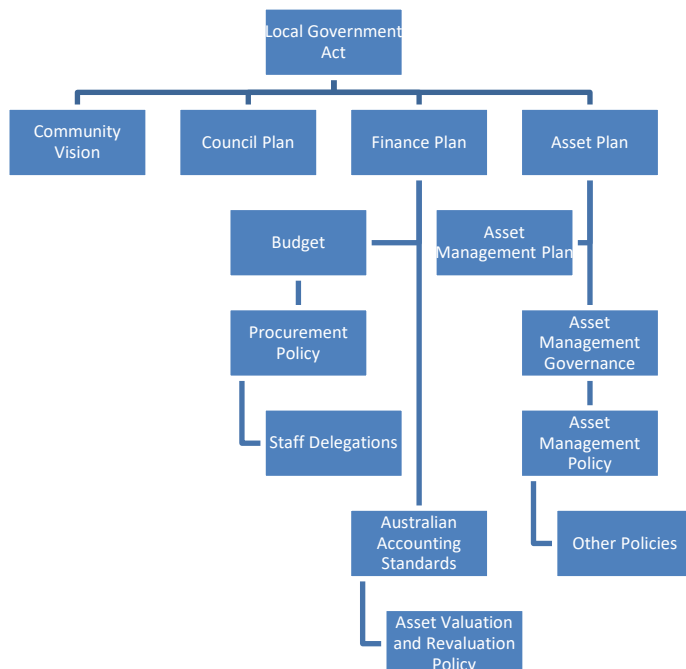
- To implement the Asset Management Plans with agreed resources
- To ensure that accurate and reliable information is presented to Council for decision-making
- To implement maintenance programs and capital works programs for individual asset groups in accordance with Asset Management Plan and Annual Plan.
- To deliver levels of service to agreed risk and cost standards
- To undertake asset condition inspections and risk assessments
- To capture information on asset activities undertaken to assist in the analysis of current and future works and expenditure
- To ensure that asset management skills and training needs are identified as part of the staff performance appraisal process.
- To ensure all Position Descriptions for asset management roles define asset management responsibilities.
- To promote and raise asset management awareness to the Councillors.



## Asset Management Controls

### 1. Policy

Council Policy and Procedures are developed to provide appropriate guidance to employees. Council's asset management policy framework is as follows:



**Figure 2 Asset Management Framework**

### 2. Accounting

#### a. Valuation and Revaluation

Council will undertake periodic revaluation of all non-current physical assets owned or managed by Council in accordance with Council's Asset Valuation & Revaluation Policy, relevant Australian Accounting Standards and State Government Guidelines to ensure the efficient and effective administration of Council's assets with regard to fair value and to ensure asset values are reviewed in accordance with applicable Australian Accounting Standards.

#### b. Capitalisation

Costs including all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads are tallied, and the item capitalised and depreciated.

- Constructed Assets: As written
- Purchased Assets: Purchase cost including costs incidental to its purchase and commissioning
- Contributed or gifted assets: at valuation e.g. Mt Noorat / Subdivision assets
- Repairs and maintenance: As written

Where repairs and maintenance results in the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The threshold limits for capitalisation is \$10,000 for all asset classes with the exception of land assets which are capitalised at any value.

### 3. Purchasing

All assets that are purchased should be in accordance with Council's Procurement Policy.

### 4. Recording

Council will maintain an asset register of all assets which they are responsible for, which identifies the asset, key characteristics (location, age, etc) and its condition whether by asset component or asset subcomponent.

Council will maintain a maintenance program that is linked to the inventory which provides details of all maintenance and inspections (date and details of works).

Council will record all assets purchased, lost and disposed of in its asset register and on Council's central filing system where necessary.

### 5. Reporting

Oversight of asset procurement and use will be supported by regular management reporting to Executive Leadership Team on asset acquisitions, disposals, losses, replacement and monitoring results.

Council will consider for approval Council's Asset Management Plans.

### 6. Security

Council will implement appropriate controls to manage the security of its assets and to safeguard Council against loss of assets or those unable to be accounted for. This will include but not be limited to:

- Secure storage
- Identification and tagging of asset
- Global Positioning system (GPS) in vehicles / plant
- Stocktake and random audits
- Regular administration of Council's asset register
- Management Reporting

### 7. Monitoring

Council will maintain the integrity of its assets and asset management through appropriate monitoring controls to ensure its assets are appropriate for use and are consistent with relevant Asset Management Plans. This will include but not be limited to:

- Inspections

Council will implement periodic assessments relevant to each asset class for preventative analysis but will attend to assessments of individual assets or asset classes where required on a reactive basis.

All inspections will be documented and will be undertaken by suitably qualified, experienced, and/or accountable staff.

- Random audits

Random audits of equipment and assets against Council's asset inventory and register will be undertaken periodically.

**Reference to linked Procedure or Guidelines, if applicable**

Roads Asset Management Plan 2016

Buildings Asset Management Plan 2017-2027

Urban Street Tree Asset Management Plan 2018-2028

Playground Asset Management Plan 2017-2027

Recreation and Open Space Strategy 2016-2026

**Review Date**

May 2029

**Gender Impact Assessment**

The *Gender Equality Act 2020* requires Council to undertake gender impact assessments when developing or reviewing any policy, program or service which has a direct and significant impact on the public. A Gender Impact Assessment has been undertaken and the policy adjusted to ensure that it meets the needs of people of different genders, addresses gender inequality, and promotes gender equality.

**Human Rights**

It is considered that the Policies in this manual do not impact negatively on any rights identified in the *Charter of Human Rights and Responsibilities Act 2006*.