

ASSET MANAGEMENT POLICY

Purpose

The purpose of this policy is to articulate Council's commitment and guiding principles for the sustainable management of the City's assets, ensuring they support the safe delivery of services to the community both now and into the future.

Definitions

The **Act** means the *Local Government Act 1995*.

Asset Management means the coordinated activities of the City to realise value from assets by balancing service delivery, risk and cost, over the assets' lifecycle.

City Assets applies to all Council owned or controlled assets used in the delivery of services to the community including buildings and facilities, infrastructures assets (roads, bridges, footpaths, stormwater drainage), land and property, parks, recreation and open space, fleet and plant, and information technology assets.

Critical Asset means an asset that is essential to core service delivery, public safety or statutory compliance, where failure would have significant consequences.

Disposal is the removal of an asset from the City's asset register following the disposal of asset process.

Fair Value means the financial value of an asset determined in accordance with applicable Australian Accounting Standards.

Level of Service means the defined standard of service the City aims to deliver through its assets, taking into account community expectations, affordability, risk and statutory obligations.

Maintenance means activities

undertaken to sustain an asset in a condition that enables it to perform its intended function.

New Asset means an asset created or acquired to meet additional service demand or provide a new service outcome, rather than to replace an existing asset.

Renewal means works undertaken to restore or replace an existing asset so that it continues to provide its intended service level without materially increasing its capacity or function.

Upgrade means works undertaken to improve an existing asset beyond its original level of service, capacity or function.

Whole of Life Costing/Lifecycle Cost means the total cost of an asset over its life, including capital expenditure, total, maintenance, operating costs and disposal.

Policy Statement

The City is committed to applying sound asset management principles to ensure its assets are planned, acquired, operated, maintained, renewed and disposed of in a sustainable and cost-effective manner. Asset management practices will be aligned with the Integrated Planning and Reporting Framework to support long-term financial and strategic outcomes for our community.

Principles

The City will apply the following principles when making decisions relating to assets and their performance:

- Whole of Life Costings - Asset planning and decision making will consider the full lifecycle cost of assets.
- Renew Before New – The City will prioritise the renewal and optimisation of existing assets before considering investment in new assets.
- Integration with Long Term Financial Planning - Asset management decisions will form part of the City's Long Term Financial Plan to ensure sustainable funding of asset lifecycle costs.
- Recognition that asset decisions should be driven by:
 - service outcomes, as well as,
 - asset condition,
 - and cost.
- Acknowledgement that service levels will balance:
 - Community expectations
 - Affordability
 - Risk
 - Statutory obligations.
- Capital Contributions - where appropriate, the City will consider capital contributions from developers, government agencies, partnerships and community stakeholders to support asset delivery and reduce financial burden on the community.
- Externally funded or contributed assets should only be accepted when the following factors have been considered:
 - Lifecycle costs
 - Future maintenance/renewal obligations
 - Operational impacts
 - Long-term affordability
 - Community value generated.
- The Asset Register will be maintained with up to date, accurate and evidence-based information to assist with decision making.

Asset Management Risk

Asset Management decisions will be based on risk, criticality and consequence of failure.

Renewal/replacement will be prioritised where there are safety, compliance, service continuity, managing climate, resilience or hazard-related risks identified with the asset.

Asset Disposal

Assets that no longer support service delivery or have reached the end of their useful life will be considered for disposal in accordance with the following requirements:

- **Consultation and assessment**
 - Consult relevant business units and, where appropriate, the community before disposing of an asset.
 - Refer to the City's Asset Management Strategy and Asset Management Plan and undertake a cost-benefit analysis that outlines the asset's current performance.
 - Ensure asset information is accurate and up to date to support informed decision-making.
- **Compliance and approvals**
 - Comply with section 3.58 of the Act, the Delegations Register, and the Asset Management Strategy and plans before disposing of an asset.
 - Include scheduled disposals in the Annual Budget.
 - Where required by legislation, report the proposed disposal to Council before proceeding.
- **Special asset considerations**
 - Complete appropriate assessments before disposing of assets listed on the cultural heritage register.
 - Dispose of dangerous goods and hazardous building materials, including asbestos, through authorised methods and in accordance with relevant guidelines and regulations.
- **Conflicts of interest**
 - The officer responsible for disposing of a City asset must prevent conflicts of interest and disclose any actual or perceived conflict that may arise in performing their duties.

Revaluation

The City will undertake asset revaluations on a five-year cycle in accordance with Australian Accounting Standards. All assets are to be measured at fair value at least once within each cycle.

Roles & Responsibilities

Role	Responsibilities
Council	• Act as the steward for Assets on behalf of the community • Adopt Council's Asset Management Policy, Strategy and Plans.
Chief Executive Officer and Directors	• Seek to ensure the City allocates sufficient resources for the development and ongoing management of the Asset Management Strategy, Asset Management Plan and Asset Management Systems. • Ensure information presented to Council for decision-making is accurate, timely and reliable.
City organisational Committees in relation to built infrastructure and natural assets e.g. Working Groups, Control Groups and Steering Groups	• Provide advice and guidance in support of asset management, including the development of strategies, and identification of challenges and opportunities, in relation to built and natural facilities and systems within the local government area.
Asset Managers	• Lead implementation of the Asset Management Policy, Strategy and plans in line with the Integrated reporting framework;

Role	Responsibilities
	- Align planning and lifecycle strategies; - Plan and oversee condition assessment; and - Maintain up-to-date asset data to support informed decision-making.
Asset delivery personnel	- Support to Asset Managers through delivery of asset-related projects and services to agreed standards, provide operational feedback to inform planning and improvements. - Ensure accurate documentation of completed works to support asset data integrity.

Expenditure Classifications

The City's reporting and asset expenditure will be categorised according to the following classifications:

- **Operational expenditure** – day-to-day operational activities required to deliver services.
- **Maintenance expenditure** – routine activities required to keep assets functioning as intended.
- **Renewal expenditure** – works that restore an asset to its original capacity or replaced if asset is non-repairable.
- **Upgrade expenditure** – improvements that enhance an asset's capacity or service level.
- **New expenditure** – creation or acquisition of new assets to meet additional service demand

Related Documents

Legislation & Local Laws	<i>Local Government Act 1995</i> <i>Local Government (Functions and General) Regulations 1996, r.30</i> Australian Accounting Standards
Relevant Delegations	1.3 Disposal of Local Government Property B2 Authorisation to Dispose of Exempt Local Government Property
Strategies & Plans	Council Plan 2025-2035 Asset Management Strategy 2019-2024 Long Term Financial Plan 2026-2036
Related Council Policies	CG08 Significant Decision Making
Procedures, Documents & Forms	Disposal of Council Assets – Property Plant and Equipment Process Capitalising Assets in Synergy and CiA Process Purged Disposed Assets at Year-End Process Capital Works Asset Handover Process Recognition of Portable and Attractive Assets Process Disposal of Portable and Attractive Assets Process Audit of Portable and Attractive Assets Process

Policy Owner

Directorate	Corporate Services
Department	Financial Services

Review Management

Next review due: 2031

Version Management

Version	Date	Council Resolution #	Description
1.0	Aug 2009	14761	Original Policy Adopted
2.0	Dec 2012	152333	Review
3.0	Feb 2017	153710	Review
4.0	Jul 2019	154386	Review
5.0	Aug 2026	OCM260824-06	Review – amalgamation Disposal of asset policy (CF17)