

# Asset Management Policy



## 1. Purpose

The purpose of this policy is to define a broad framework and principles for sustainable and effective management of Council's assets to meet current and future needs of the community.

This policy outlines the principles and assigns responsibilities for how the Campaspe Shire Council will manage its assets to comply with good governance and in line with applicable legislation and regulations.

## 2. Scope

This policy applies to assets of a physical nature, owned or controlled by Council throughout the Shire of Campaspe area that:

- are used by the community.
- support the delivery of services provided for the benefit of the community or
- are held by Council for future use.

The policy applies to all Councillors and employees (including full time, part time, casual employees, agency staff and students), involved in the creation, operational maintenance, upgrade, renewal, purchase and rationalisation of Council assets.

## 3. Policy Statement

Council is committed to meeting the expectations of the present and future community for the delivery of asset-based services at the lowest long-term economic and environmental costs, through the development and implementation of appropriate asset management practices.

All areas of Council are involved in asset management, this includes areas which plan services, provide services, manage assets and financial functions. Councils' sustainability will be considered when making decisions related to assets.

To achieve this policy Council will adhere to the following principles:

1. Service delivery requirements will be considered when making decisions about assets.
2. Asset management planning will be linked to long-term financial planning.
3. The use of financial resources will be directed to assets required to deliver agreed levels of services before considering upgrades to existing assets or acquisition/development of new assets.
4. Assets will not automatically be replaced at the end of their useful life.
5. Cyclical reviews will be applied to all asset classes to ensure that assets are managed, valued and depreciated in accordance with best practice and accounting standards.

### **Principle 1 – Service delivery requirements will be considered when making decisions about assets.**

Before adding an asset to the renewal schedule the requirements of the key service(s) that utilise the asset will be considered. Consultation with the relevant service manager will be undertaken to establish the requirements in relation to asset renewal.

## **Principle 2 - Asset management planning will be linked to long-term financial planning.**

Linking asset management planning to long-term financial planning recognises that this is an essential part of infrastructure management and good governance. Long term planning includes capital renewal or replacement, disposal, acquisition, costs of collecting data on the condition of assets and operating and maintenance costs.

## **Principle 3 - The use of financial resources will be directed to assets required to deliver agreed levels of services before considering upgrades to existing assets or acquisition/development of new assets.**

Through councils planning processes financial resources will be directed towards renewal expenditure to enable the delivery of agreed levels of services. Then consideration will be given to the upgrade/expansion of existing assets or the acquisition/development of new assets to meet community needs.

## **Principle 4 - Assets will not automatically be replaced at the end of their useful life.**

Council should only own, provide, operate and maintain asset which meet agreed service levels. Service planning may identify assets that are surplus to needs because the service(s) they support is no longer required by the community, no longer exists or the service can be delivered differently. In these circumstances it may be appropriate to dispose of the asset after engaging with relevant stakeholders, freeing up resources that can be directed to required assets.

## **Principle 5 - Cyclical reviews will be applied to all asset classes to ensure that assets are managed, valued, and depreciated in accordance with best practice and accounting standards.**

Accurate and current data will be maintained in the asset management system for each class of assets. This will be managed by conducting regular asset condition reviews to ascertain where the asset sits within its useful life.

### **3.1. Roles and responsibilities**

Council recognises that asset management requires a “whole of organisation” approach and involves the participation of, and is the responsibility of Council, Executive and other staff. To achieve this, the following key roles and responsibilities are identified.

#### **Council**

- Act as overall stewards for infrastructure assets that are owned or controlled by Council.
- Commitment to sustainable asset management principles through the incorporation into the Council Plan.
- Approve appropriate resources for asset management activities in the Long-Term Financial Plan and the Annual Budget.
- Review and adopt the Asset Plan to comply with the Local Government Act 2020.

#### **Executive Leadership Team**

- Provide leadership and direction in the implementation of the Asset Management Policy and Strategy.
- Ensure that community needs and the outcomes of service reviews are incorporated into asset management planning.
- Ensure assets are managed in accordance with relevant legislation, best practice, and comply with legal obligations.

- To ensure that the training needs of Councillors and staff in financial and asset management practices are provided.

### **Asset Management Steering Committee**

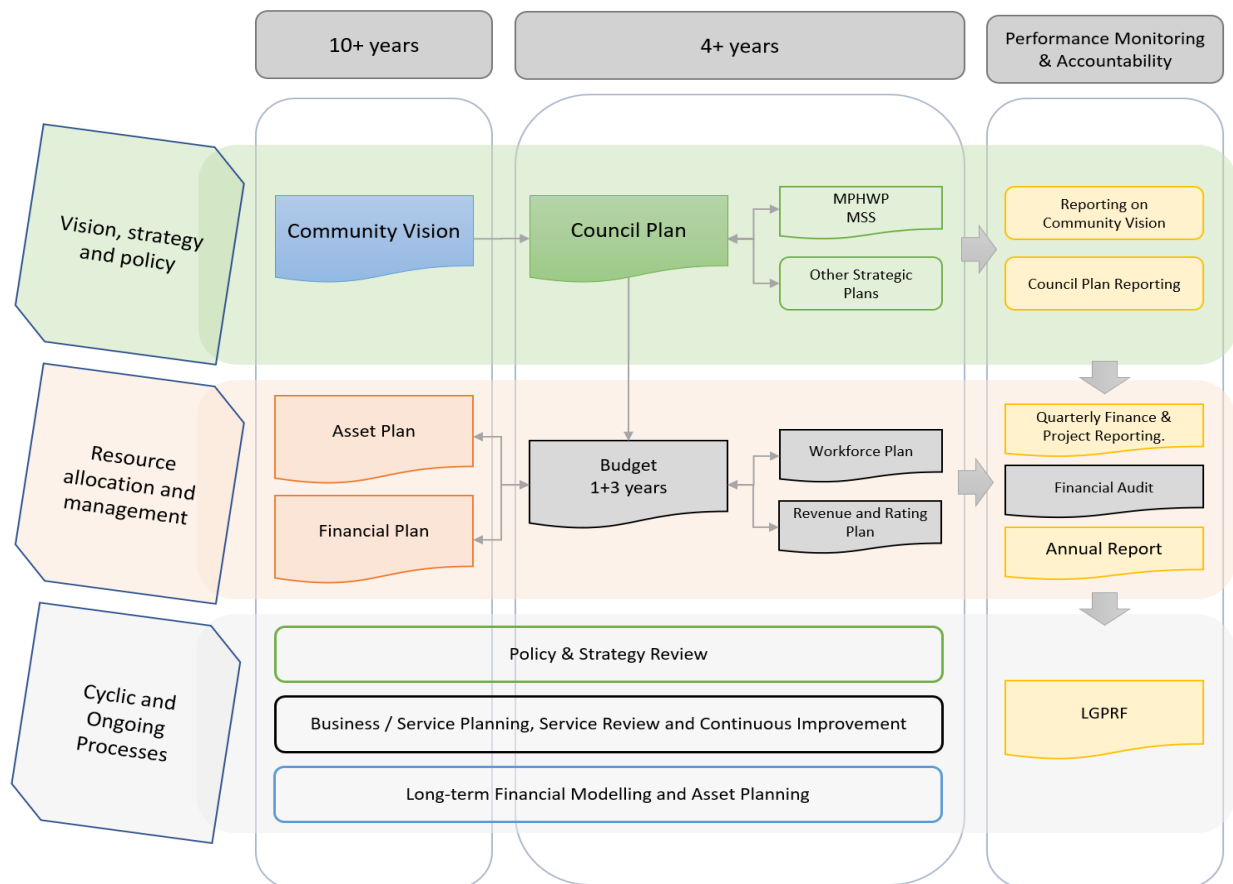
- Promote and raise awareness of asset management within the organisation.
- Monitor the development and implementation of asset management improvements.
- Monitor and review the implementation of the Asset Management Policy and Asset Management Strategy.
- Review and report to Council yearly on the “state of the assets”, sustainability of asset services, and expenditure in terms of operational, maintenance, renewal and/or upgrade.
- Ensure that community needs and the outcomes of service reviews are incorporated into asset management plans.

### **Strategic Asset Management Team**

- Review the Asset Management Policy and Asset Management Strategy as required.
- Lead the development and review of Councils Asset Plan following an election.
- Develop procedures to guide asset management processes.
- Review existing or develop asset management plans for individual asset classes and present to the Asset Management Steering Committee and Executive Leadership Team for review. Then to Council for endorsement.
- Ensure that the Asset Management System data is correct and kept up to date.
- Generate asset lists based on condition data to inform the annual and 10-year capital works programs and maintenance works.
- In collaboration with the Finance team prepare and present a paper to the audit and risk committee prior to 30 June each year that outlines the:
  - requirements of council's Asset Accounting Policy with respect to property, infrastructure assets, plant and equipment.
  - approach to assessing the fair value of each class of property, infrastructure assets, plant and equipment, including the engagement of an expert valuer (where applicable) and key milestones.
  - likely outcomes for the respective reporting cycle (expected movements in fair value and resultant impact on the financial report).

### 3.2. Key asset management documents

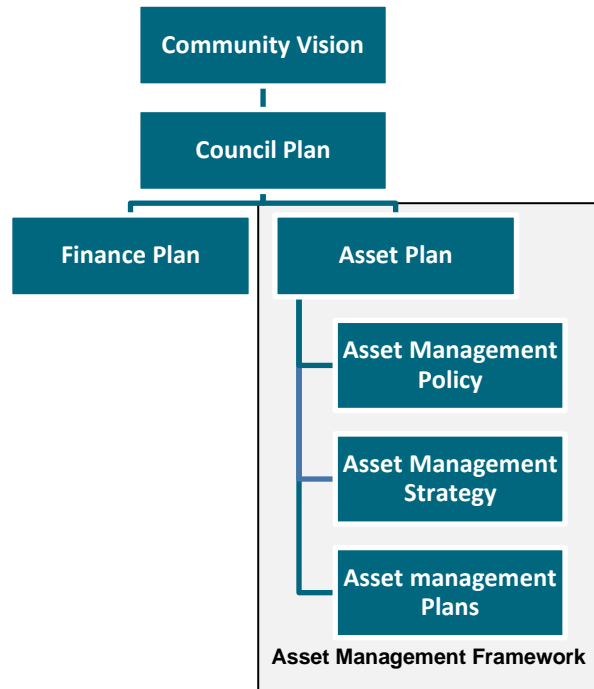
The integrated planning framework that applies to local government in Victoria outlines how Councils develop the strategies and policies that guide the delivery of services. Underneath this framework sits Councils Asset Management Framework.



Source: Department of Jobs Precincts and Regions

The figure below shows the components of the Asset Management Framework and the documents within the framework that guide asset management practices.

This policy is one of a suite of documents that guides Councils asset management practices.



### 3.3. Recognition of Assets Matrix

Land Ownership	Asset Management							
	Council Managed (Direct)	Council Managed (Delegated)	Council Managed (Contract)	Council Leased, Licenced or Agreed (Council Lessee/Licensee)	Asset Commercially Leased (Council Lessor)	Other (non-commercial) Lease (Council Lessor)	DEECA or DEECA Local Committee	Other
Council Land								
Crown Land - Shire of Campaspe Committee of Management								
Crown Land – Vested								
Crown Land – Lease								
Crown Land–Non-Council Managed								
Private Land								Proposed Subdivisions
Government Road*								

Mobile/Non-Fixed Physical Asset Ownership	Asset Management							
	Council Managed (Direct)	Council Managed (Delegated)	Council Managed (Contract)	Council Leased, Licenced or Agreed (Council Lessee/Licensee)	Asset Commercially Leased (Council Lessor)	Other Lease (Council Lessor)	DEECA or DEECA Local Committee	Other
Council								
Private								

Other Physical Asset Ownership	Asset Management							
	Council Managed (Direct)	Council Managed (Delegated)	Council Managed (Contract)	Council Leased, Licenced or Agreed (Council Lessee/Licensee)	Asset Commercially Leased (Council Lessor)	Other Lease (Council Lessor)	DEECA or DEECA Local Committee	Other
Council								
Private								

	Assets in these categories will be included in the Asset System
	Assets in these categories will be included in the Asset System (with management as per lease or formal agreement)
	Assets in these categories will not be included in the Asset System
	Assets in these categories will be included in the Asset System as 'Proposed Assets' to be confirmed as Council Assets once subdivision gains Statement of Compliance
	Scenario is not possible

\* Note that further to Government Roads 'Freehold Roads' exist under the local Government Act 1958. These are extremely complex and where these are identified Council's Asset Management obligations will need to be determined in each individual case.

## 4. Definitions

Terms and definitions used in this policy include:

Term	Details
Asset	An item or thing that has potential value to an organisation and for which the organisation has a responsibility. An asset includes roads, bridges, buildings, footpaths and sporting facilities and playgrounds and many more.
Asset condition review	The process of inspection, assessment and interpretation of the resulting data to indicate what maintenance or other works are needed to return the asset to its original potential.
Asset class	A group of assets having common characteristics.
Asset management	The combination of management, financial, economic, engineering and other practices applied to assets with the objective of providing the required level of service in the most cost-effective manner.
Asset system	An electronic system that records all the information related to an asset to enable informed decision making.
Level of service	A defined quality for a service/activity against which service performance can be measured.
New asset	An asset that did not exist before and has been newly created or acquired for the first time.
Renewal works	Works required to return an asset to its 'as new' condition
Service manager	The council manager that leads the provision of a service to the community.
Stakeholders	A stakeholder is an individual or group that has an interest in or is affected by any decision or activity of an organisation. Stakeholders could be but are not limited to; community member/s or group/s, Councilors, other levels of government and other agencies.
Upgrade works	Works that increase the capacity of an asset or increase the amount of service that can be delivered from the asset.

## 5. Acknowledgements

### 5.1. Traditional Owners

The Shire of Campaspe is the traditional lands of the Dja Dja Wurrung, Taungurung and Yorta Yorta Peoples. We respect and acknowledge their unique Aboriginal cultural heritage and pay our respect to their ancestors, descendants and emerging leaders as the Traditional Owners of this country. We acknowledge their living culture and their unique role in the life of this region.

## Policy Information

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<b>Related Strategic Documents, Policies, or Procedures</b>	Council Plan 2021-2025 Finance Plan Asset Plan 2022-2032 Asset Management Strategy Asset Management Plans		
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<b>Approval History: Date:</b>	<b>Reason for review</b>
16/09/2024	New policy – replaces the Asset Rationalisation Policy and the Sustainable Asset Management Policy which are to be rescinded.

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