

## ASSET MANAGEMENT POLICY

<b>Approval Level:</b>	EMT
<b>Policy Type:</b>	Organisation
<b>Approval Date:</b>	31/10/2023
<b>Review cycle:</b>	Four years
<b>Review Date:</b>	October 2025, following the next Council Plan and Asset Plan
<b>Responsible Officer:</b>	Chief Executive Officer and Executive Management Team
<b>Owner:</b>	Financial Strategy
<b>Responsible Director:</b>	Corporate Performance
<b>Relevant Legislation/Authority:</b>	<i>Local Government Act 2020</i>
<b>DOCSETID:</b>	2375960

### 1. PURPOSE

The purpose of this Asset Management Policy is to guide sustainable management of City of Greater Bendigo (the City) assets to support services that meet current and future community needs.

### 2. BACKGROUND

In 2014 the Victorian Auditor General Office (VAGO) presented a report 'Asset Management and Maintenance by Councils' which assessed whether local councils were effectively managing their physical infrastructure assets.

In 2019 a further report 'Asset Management and Compliance' focussed on assessing whether local councils accurately documented infrastructure assets in their information systems and use this data in their asset management and planning.

Sound asset management is a key concept underpinning the Council Plan. This policy takes guidance from the objectives of the Council Plan, the strategic intent outlined within the Asset Plan, and from the recommendations within the above mentioned VAGO reports. Together this guidance informs the Asset Management Plan/s which describe the current state of the City's assets and provide a roadmap for improving the City's asset management services.



### 3. SCOPE

This Policy is applicable to all City owned and managed assets that:

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

This Policy guides the City in the acquisition / construction, operation, maintenance, upgrade, renewal and optimisation of City assets required for the delivery of the City's Services. This includes Committees of Management and consultants responsible for asset management undertaken for or on behalf of the City.

### 4. DEFINITIONS

Refer to the Asset Plan (Glossary).

### 5. PRINCIPLES

The City will apply a strategic approach to asset management practices guided by the following core principles:

1. **Lifecycle Management:** Effectively manage City assets throughout their lifecycle (i.e. operations, maintenance, renewal, upgrade, expansion and disposal) to support delivery of the City's services.
2. **Decision Making:** Make infrastructure investment decisions<sup>1</sup> using a structured, transparent and consistent approach, considering:
  - a. Requirements of Service Plans and Asset Management Plans,
  - b. Long-term financial sustainability,
  - c. Operational resourcing requirements, and
  - d. Mitigation of strategic risks.
3. **Optimisation:** Strive to optimise asset performance and utilisation, aiming for high return on investment and service delivery.
4. **Rationalisation:** Decommission and dispose of assets that are under-utilised and no longer economically viable.
5. **Analysis:** Leverage technology and data analytics to improve asset management processes, enhance decision-making, and support predictive maintenance.
6. **Preservation:** Prioritise proactive/programmed maintenance and renewal of existing assets that support required services ahead of investment in new assets.
7. **Continuous Improvement:** Monitor and report on asset management performance routinely and strive to continuously review and improve processes.

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<sup>1</sup> Refer to [Capital Investment Framework ECM 3750027](#)

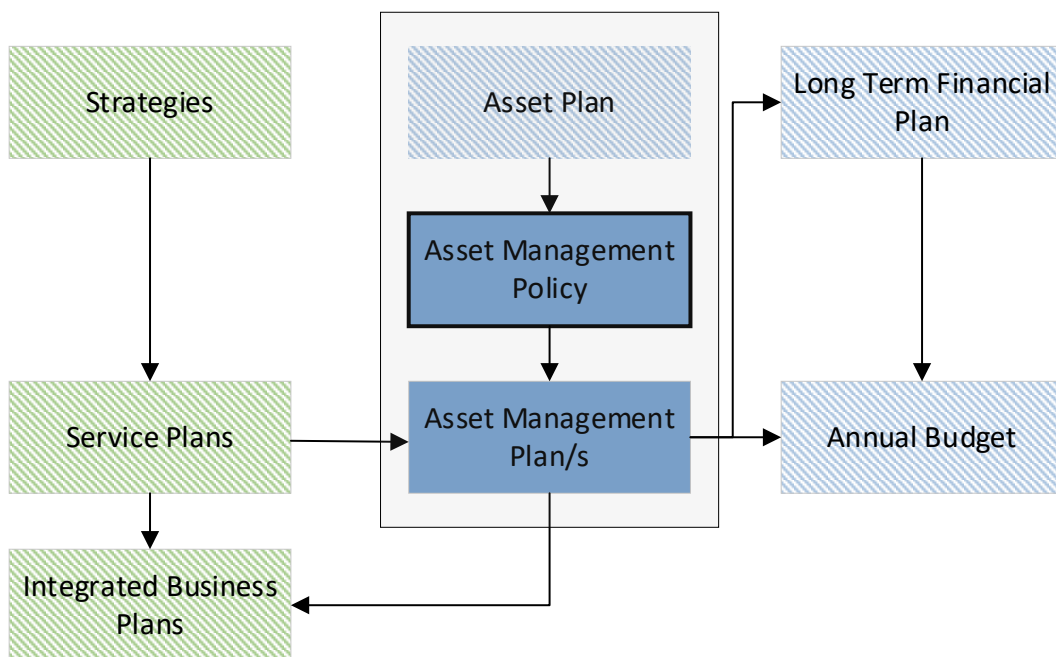
8. **Sustainability:** Consider the long-term environmental impact of asset management decisions and how to build resilience and mitigate future risk.

Failure to align our practices and decision making with these principles will increase the risk of poorly coordinated service and asset management practices; under and/or over investment in some assets; and an increase in the gap between our actual renewal expenditure and our need (renewal gap).

## 6. KEY ASSET MANAGEMENT DOCUMENTS

The Asset Plan is a key part of the Integrated Strategic Planning (ISP) Framework's Long-Term documents and provides a strategic overview of how the City manages assets on behalf of the community, now and into the future.

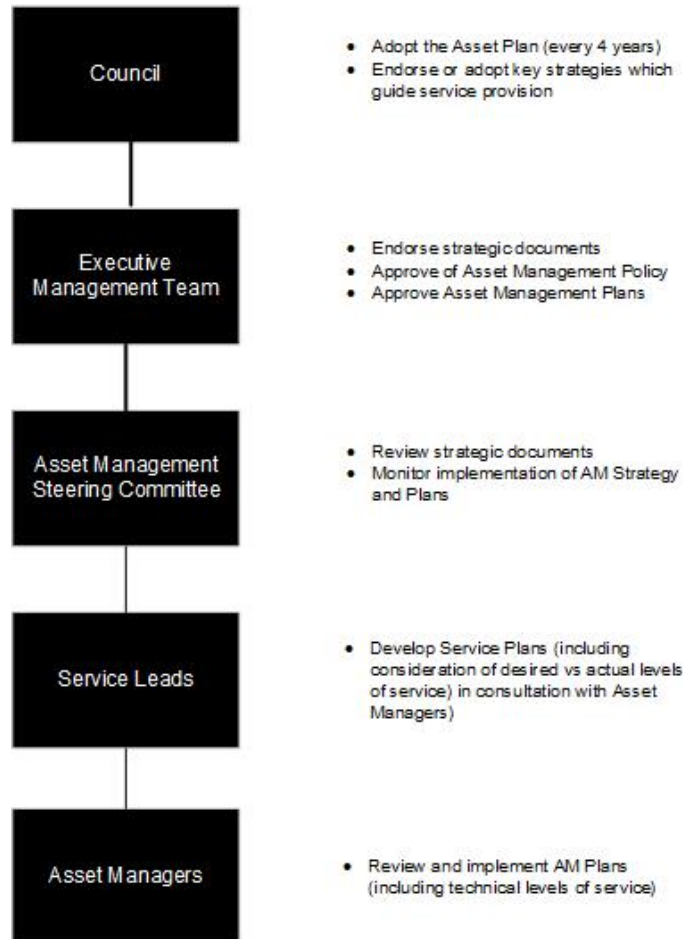
This Asset Management Policy is informed by the Asset Plan and will be used to guide asset management requirements and actions detailed within the asset management plan/s.





## 7. GOVERNANCE

This Policy is applicable across the organisation as shown in the governance structure below.



Refer to Asset Management Plan – Part A – General, and to the [Asset Custodian Matrix ECM 4231714](#) for more information and detail across the City's asset portfolio on Service Leads, Asset Managers and maintenance responsibilities.

## 8. MONITORING AND REVIEW

This Policy shall be reviewed on a 4-year cycle alongside or after developing the City's Council Plan and Asset Plan, usually within 12-18 months following Council elections.

This Policy will be monitored regularly to ensure its relevance in terms of community needs and expectations and strategic alignment to our Council Plan and legislative requirements. The Chief Executive Officer and Executive Management Team shall review compliance with this Policy on a regular basis and report to Council as needed.

The Asset Plan Actions will be reviewed annually, with Asset management plans (and associated improvement actions) reviewed independently at intervals not greater than 4 years.



## 9. RELATED DOCUMENTS

Related documents include:

- Council Plan
- Asset Management Plans – being Part A – General Information and summary actions and Parts B to I for each asset class:
  - Sealed roads
  - Unsealed roads
  - Bridges and major culverts
  - Pathways
  - Aquatic facilities
  - Buildings and structures
  - Stormwater drainage
  - Recreation and open space
  - Plant and fleet
- Road Management Plan
- Long-Term Financial Plan (Financial Plan)
- Integrated Strategic Planning Framework
- Asset Capitalisation Policy
- Capital Investment Framework
- Project Management Framework

Resource documents that help to inform this policy include:

- International Infrastructure Management Manual, International Edition - Version 6, 2020.
- Australian Infrastructure Financial Management Manual – Edition 2, 2015.
- National Asset Management Assessment Framework, 2009.
- Australian Accounting Standards Board (AASB 116 Property, Plant and Equipment), 2004.
- International Standards for Asset Management – ISO 55000 series, 2015.

Further information or advice on this policy should be directed to Financial Strategy.

## 10. HUMAN RIGHTS COMPATIBILITY

The implications of this policy have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

## 11. ADMINISTRATIVE UPDATES

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this, such a change may be made administratively. Examples include a change to the name of a City unit, a change to the name of a Federal or State Government department, and a minor update to legislation which does not have a material impact. However, any change or update which



materially alters this document must be made through consultation with the staff Consultative Committee and with the approval of EMT or where required, resolution of Council.

## 12. DOCUMENT HISTORY

<b>Date Approved</b>	<b>Responsible Officer</b>	<b>Unit</b>	<b>Change Type</b>	<b>Version</b>	<b>Next Review Date</b>
23/10/2013			<i>Develop</i>	1.0	
20/09/2017		FSU	<i>Review</i>	2.0	<i>September 2021</i>
31/10/2023	Manager Finance Strategy	FSU	<i>Update and move to EMT Policy</i>	3.0	October 2025, following new Council Plan and update of Asset Plan
17/11/23	Rebecca Maple	Gov	<i>Admin change - transfer to policy template (footers and headers added)</i>	3.0	October 2025, following new Council Plan and update of Asset Plan