



Asset Management Policy

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1. Purpose

The purpose of this policy is to:

- Provide clear direction for asset management at East Gippsland Shire Council (Council);
- Outline the policy position, criteria and roles and responsibilities for how Council will sustainably manage its assets in a cost effective manner, in accordance with service delivery needs, strategic objectives and legislative requirements and minimise exposure to risk; and
- Guide the development of Council's Asset Management Strategy and Plans based on a sound asset management framework.

2. Scope

This policy applies to:

- All staff (temporary or permanent), Councillors, contractors and other persons involved in the planning, acquisition, operation and maintenance, renewal and disposal of Council assets and to the extent possible, all contracts applicable in these areas.
- All assets owned, controlled, managed and/or maintained by Council including but not limited to roads, drains, buildings, bridges, parks and recreation, waste management and fleet, plant and ICT equipment asset classes.

3. Context

Council is a custodian of more than \$1.36 billion of assets, such as roads, footpaths, bridges, buildings, drains, parks and recreation facilities, foreshore assets, waste management assets, fleet, plant and equipment, etc. to support service provision to the community. This represents a significant investment made over many generations. Prudent management of these community assets is a core Council function to ensure long-term sustainability and growth of the municipality, while also maintaining community safety, amenity and wellbeing and meeting the needs of our diverse communities.

The *Local Government Act* 2020 requires Victorian Councils to produce and maintain 10-year asset plans for infrastructure assets via a deliberative community engagement process and within an integrated planning framework. This results in a growing emphasis on service planning, to determine physical asset needs to support delivery of services at defined levels, with a sustainable level of expenditure.

The *Local Government Act* 2020 also establishes overarching governance principles, the following specifically underpin and are supported by this policy:

- priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- the municipal community is to be engaged in strategic planning and strategic decision making;
- innovation and continuous improvement are to be pursued;

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- the ongoing financial viability of the Council is to be ensured;
- regional, state and national plans and policies are to be taken into account in strategic planning and decision making; and
- the transparency of Council decisions, actions and information is to be ensured.

This policy has been developed to align with Council's Community Vision of ensuring that 'our people, place, environment and economy will be inclusive, connected, sustainable and resilient for the growth and wellbeing of our unique and diverse communities' and also supports the strategic objectives outlined in the Council Plan 2025 – 2029.

4. Statement

This Policy will provide the strategic direction for the management of all assets owned, controlled, managed and/or maintained by Council.

Council's goal for asset management is to provide assets that are accessible, safe, sustainable, inclusive and responsive to meet the current and future needs of our diverse communities and the contemporary environment, in the most cost-effective manner.

The Asset Management Framework shown below is a key component of the overall integrated planning framework of Council, which focuses on the integration of the following three aspects:

- Assets - achieving a 'Core' then 'Advanced' level of asset management maturity
- Services - delivering services to the communities within a financially sustainable context
- Financial Sustainability - ensuring expectations do not exceed funding capacity

It aims to ensure that a systematic approach to asset management is adopted to deliver the necessary prudent and efficient outcomes to meet both corporate and asset management objectives.

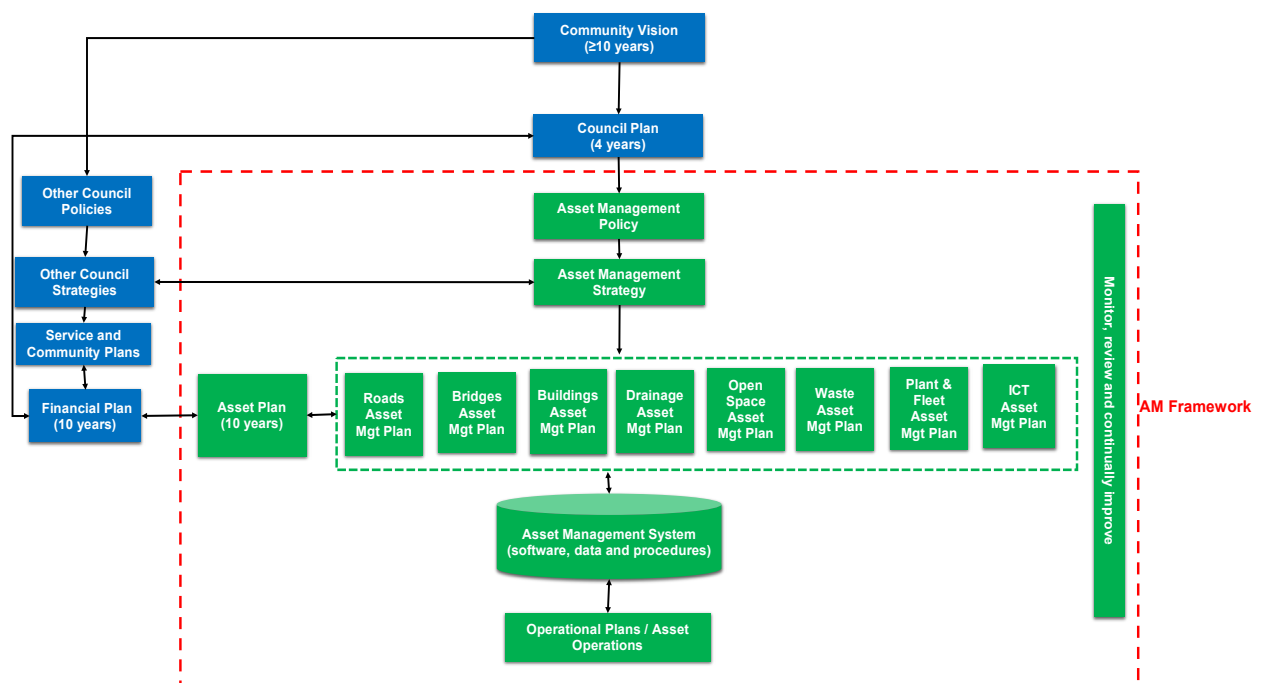


Figure 1: Asset Management Framework

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In implementing this policy, Council will be guided by the following eight (8) key principles:

- **Asset Management Framework** - Embed the above asset management framework, aligned with Council's vision and objectives, legislative, statutory and best practice requirements.
- **Sustainable Service Delivery** - Ensure service delivery needs form the basis of asset management within the context of best value – balancing services, financial, environmental and social aspects, including focused sustainable approaches to asset and disaster resilience.
- **Evidence-based Decision-making** - Ensure asset management decisions are informed, evidence based and prioritised by focusing on asset renewal, demand management and innovative and better use solutions to limit expansion of the asset base, unless justified.
- **Community Engagement** - Direct the preparation of asset management plans aligned with Council's long-term plans and informed by community engagement.
- **Management Culture** - Promote a culture of accountability, responsibility and collaboration for asset condition, use and performance with respect to each asset class and reporting to the community on outcomes.
- **Data Availability** – Implement a fully integrated asset management information system to ensure a common asset data set is available for strategic, operational and financial reporting purposes.
- **Whole of Lifecycle Approach** - Ensure that asset management is informed through asset lifecycle cost analysis, performance monitoring and analysis of alternative scenarios, leading to efficient resource utilisation and a cost-effective asset base.
- **Risk Management** - Establish a risk-based approach to asset management and managing impacts of climate change, to achieve a desired balance of cost, risk and performance.
- **Continuous Improvement** – Continue to enhance Council's asset management maturity in alignment with International Asset Management Standards and the National Asset Management Assessment Framework.

5. Roles and Responsibilities

The following teams or positions have direct and/or supporting responsibilities associated with this Policy:

Position	Roles and Responsibilities
Council	<ul style="list-style-type: none">• Act as steward for community assets and set the corporate vision and policy for asset management.• Approve adequate resources to maintain community assets for delivering on the agreed levels of service.• Approve Council Plans, Annual Budgets, the 10-year Financial Plan and Asset Plan.
Executive Leadership Team	<ul style="list-style-type: none">• Foster an asset management culture that aims to implement consistent, compliant and best practice asset management across the organisation.• Support integration of the Asset Management Framework with the overarching corporate planning framework.• Promote development of sustainable long-term financial plans that reflect the state of the assets and agreed levels of service.• Enable appropriate management arrangements, ownership, control, accountability and reporting requirements for all asset classes under Council's management.• Support the reporting and presentation of reliable information to Council for optimal decision-making purposes.• Receive and review regular reports on the performance and state of the assets.

Position	Roles and Responsibilities
Asset Management Steering Committee	<ul style="list-style-type: none"> • Provide a co-ordinated and collaborative approach to asset management and improvements consistent with this policy. • Promote good asset management practices throughout the organisation. • Monitor and evaluate asset management practice and the development and implementation of the Asset Management Strategy. • Oversee development and annual review of asset management plans, ensuring that community needs are appropriately reflected in the service levels set for asset performance. • Oversee, review and monitor the implementation and utilisation of Council's asset management information system. • Drive skill development and training programs that increase awareness and build internal Asset Management capability. • Report to the Executive Leadership Team on asset management performance.
Asset and Service Managers	<ul style="list-style-type: none"> • Consult with stakeholders and deliver levels of service to agreed risk and cost standards. • Develop and implement asset management plans and service plans to deliver on agreed levels of services. • Develop and maintain approved policy operating statements for their respective areas in asset management and service delivery. • Implement asset maintenance, renewal, upgrade, expansion and new works programs in accordance with asset management plans and service delivery needs. • Utilise an integrated asset management information system appropriately for recording, viewing and analysing asset lifecycle. • Monitor and report on asset performance in delivering the required services.
Project managers	<ul style="list-style-type: none"> • Liaise with Asset and Service Managers (as primary clients) in the coordination of the procurement of new assets or the renewal or upgrading of existing assets. • Ensure that circular economy principles are adopted and that materials, tools and techniques used for the design and construction of assets are environmentally sustainable and resilient to climate change impacts. • Ensure that the procured assets are consistent with agreed design plans and are fit for purpose in delivering the required services. • Arrange for asset handover to Asset and Service Managers using agreed asset handover processes and standards across the organisation.

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Position	Roles and Responsibilities
Manager Finance	<ul style="list-style-type: none"> Implement processes whereby Council assets are appropriately recognised and valued, consistent with relevant Australian Accounting Standards. Undertake financial reporting on assets aligned with Local Government reporting regulations.
Staff and Contractors	<ul style="list-style-type: none"> Apply agreed asset management practices in their area of work. Develop and manage all service contracts that impact on the creation, upgrade, renewal and maintenance of assets to support the outcomes of this policy.
Council's Audit & Risk Committee	<ul style="list-style-type: none"> Reviews management's approach and compliance to this policy Monitors and reviews effectiveness of the asset management framework.

6. Definitions

Term	Meaning
Acquisition	Expenditure that creates a new asset that provides a service that does not currently exist.
Action Officer	Member of East Gippsland Shire Council staff responsible for answering or responding to a request for information.
Asset	A physical item (e.g. roads, drains, buildings, open space infrastructure, bridge, fleet, plant, equipment, etc.) that is owned or managed by Council, which enables the provision of a service.
Asset Management	The combination of management, financial, technical and other practices that are applied to physical assets with the objective of providing the required level of service in the most sustainable, cost effective manner.
Asset Management Framework	A set of documents, systems and processes that address an organisation's asset management objectives, strategies, plans and responsibilities.
Asset Management Plan	Long-term plans (at least 10 or more years) 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 manner.
Community	People who live in East Gippsland; People and organisations who are ratepayers in East Gippsland; and People and organisations who conduct activities in East Gippsland.
Contractor	Person or company engaged to undertake works for Council, including service providers / service partners
Council	East Gippsland Shire Council
Councillor	Person who has been elected to the office of "Councillor" of East Gippsland Shire Council.

Term	Meaning
Council officer	A current member of East Gippsland Shire Council staff with the authority to engage in activities on behalf of Council.
Disposal	Works to remove an asset
Expansion	Expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to existing beneficiaries.
ICT assets	Information and Communication Technology assets
Level of Service	The defined service quality for an activity or a service area against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.
Lifecycle	The stages of an asset's life, including planning, acquisition, operation, maintenance, renewal and disposal.
Maintenance	All actions necessary for retaining an asset as near as practicable to its original condition and service potential, excluding renewal.
Operation	The active process of utilising an asset which will consume resources such as workforce, energy and materials.
Planning	All actions necessary for the acquisition, operation, maintenance, renewal and disposal of an asset including consultation, design and construction.
Renewal	Expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
Responsible Officer	An officer of East Gippsland Shire Council who has responsibility for the general area/subject matter to which a record pertains.
Shire	The geographic area of East Gippsland Shire Council.
Staff	All staff engaged by East Gippsland Shire Council, including all full-time, part-time and casual employees, labour hire agency staff, contractors and volunteers.
Upgrade	Expenditure that enhances an existing asset to provide a higher level of service or increases the life of the asset beyond its original life.
Volunteer	Formally recognised, unpaid member of the public who assists with the provision of Council services e.g. Visitor Information Centre, Library.

7. Human Rights

Council is committed to upholding the Human Rights principles as outlined in the *Charter of Human Rights and Responsibilities Act 2006* (the Charter). This Policy has been assessed as compliant with the obligations and objectives of the Charter.

8. Gender Equality

This Policy has had a Gender Impact Assessment (GIA) completed and is compliant with the objectives of the *Gender Equality Act 2020*.

9. Risk Reference

This Policy is implemented as a control to mitigate risks in the following categories:

Risk Category	✓	Risk Category	✓
Environmental	✓	Technology and Information Management	✓
Health and Safety		Assets, Facilities and Security	✓
Project, Product and Service Delivery	✓	Human Resources	
Financial and Economic	✓	Procurement	
Leadership and Political Awareness		Corporate Governance and Compliance	
Reputation and Corporate Image		Legal	

10. References and Supporting Documents

10.1 Applicable Legislation:

- *Local Government Act 2020*
- *Local Government (Planning and Reporting Regulations) 2014*
- *Road Management Act 2004*
- *Building Act 1993*
- *Gender Equality Act 2020*
- *Victorian Charter of Human Rights and Responsibilities Act 2006*

10.2 Applicable Policy and Procedure:

- Community Engagement Policy
- Risk Management Policy

10.3 Supporting Documents:

- East Gippsland Shire Council Plan 2025-2029
- Council Budget
- 10-year Financial Plan
- Asset Plan 2026 - 2035
- Asset Management Plans
- Facility and Open Space Management Plans
- Road Management Plan

11. Review and Revision History

Version Number	Date Approved	Approved By	Review Summary
Original	July 2006	Council	
2	July 2009	Director	Administrative Update
3	November 2009	Council	Comprehensive Review
4	October 2010	Director	Administrative update to reflect new National Framework requirements
5	December 2011	Council	Comprehensive Review
6	July 2013	Council	Comprehensive Review
7	24 August 2021	Council	Comprehensive Review to align with Asset Management Requirements of the <i>Local Government Act 2020</i> and Council Plan 2021-25
8	23 June 2025	Council	Comprehensive review to align with new Community Vision, Council Plan 2025 -2029 and <i>Gender Equality Act 2020</i> .

11.1 Administrative Updates

Minor amendments to this document may be required from time to time. Where amendments do not materially alter the intent of a document, they will be made administratively and approved by the Document Owner.

Major revision of this policy will be completed every four years, in alignment with the Community Vision and Council Plan endorsed by the newly elected Councillors.

11.2 Document Control Disclaimer

Printed copies of this document are considered uncontrolled. Please refer to the Corporate Document Register on Council's intranet to access the most current version of this document.