

Policy number	Policy 222
Policy title	Asset management
Strategic outcomes supported	EC2 – Connecting businesses and people to our local activity centres through place planning and activation EN4 - Increasing and improving public open spaces EN5 – Providing facilities that are well-built and well-maintained CL1 – Effectively managing resources and performance

Policy objective:

The objective of the Asset Management Policy is to ensure that services delivered by Town are appropriately managed to ensure that they provide sustainable and cost-effective services to the community.

The policy guides the Asset Management Strategy that the Town will apply to ensure:

- Asset management practices and decisions consider the outcomes and priorities of the Strategic Community Plan and Corporate Business Plan, and the long-term community and financial sustainability of the Town.
- Asset management outcomes are incorporated into the Town’s long term financial plan.
- Assets are maintained and are performing at an appropriate service level.
- Assets are appropriately planned, acquired and managed considering whole of life costs.

Policy scope:

This policy applies to the management of all assets owned by the Town, of which are grouped into Asset Management Plans according to their classification.

Asset Management Plan	Asset Category
Property and Facility Asset Management Plan	<ul style="list-style-type: none"> • Land • Buildings • Furniture and Equipment
Transport Asset Management Plan	<ul style="list-style-type: none"> • Roads • Drainage • Pathways • Other Infrastructure
Outdoor Recreation Asset Management Plan	<ul style="list-style-type: none"> • Parks and Reserves • Playgrounds • Artworks (Structures/Sculptures)
Plant and Equipment Asset Management Plan	<ul style="list-style-type: none"> • Light Fleet • Heavy Vehicles & Machinery • Equipment
Information and Communication Technology Asset Management Plan	<ul style="list-style-type: none"> • ICT Hardware • ICT Software

Policy definitions:

Assets refers to a physical component which has a value, enables a service to be provided and has an economic life of greater than 12 months. The value of the asset is determined by a defined process depending on whether there is a market for identical items, for similar items, or no market.

Asset Management refers to the systems and processes applied by an organisation to manage their assets from planning, acquisition, operation, maintenance, to replacement and/or disposal with the objective of providing the required level of service in the most cost-effective manner.

Asset Management Plan (AMP) refers to a long-term plan (usually 10-20 years) for the sustainable management of an asset category that combines multi-disciplinary management techniques (including technical and financial) to provide a specified level of service.

Level of Service refers to the outputs or objectives an organisation or activity intends to deliver to customers. It includes the functionality, capacity, design and presentation of an asset. The higher the level of service, the greater the cost could be to deliver the service. The aim of asset management is to match the asset and level of service of the asset to the relevant need and level of affordability.

Life Cycle means the cycle of activities that an asset goes through while it retains an identity as a particular asset, including planning, acquisition, maintenance, and disposal. The useful life of the asset (also known as the economic life) is the period over which the asset delivers a service to the Town: any continued physical life after disposal is not relevant in life cycle considerations by the Town

Maintenance means regular ongoing day-to-day work necessary to keep asset operating and to achieve its optimum life expectancy.

New means creation of a brand new asset to meet additional service level requirements. New assets can be constructed by the Town or can be received as gifted assets by external parties. New assets increase the current replacement cost of the asset portfolio, and hence increase annual depreciation.

Operations means the regular activities to provide public health, safety and amenity and to enable the assets to function e.g. road sweeping, grass mowing, cleaning, street lighting and graffiti removal. Operations does not improve the condition of the asset, but can improve the functioning of the asset and surrounding assets (an example is street sweeping, which improves the user's experience of the street and also protects the stormwater network).

Renewal means to restore, rehabilitate, replace existing asset to its original capacity / level of service – Like for like taking into account modern equivalents. This may include the fitment of new components necessary to meet new legislative requirements in order that the asset may achieve compliance and remain in use. Renewals will be preferred over new works, because renewals do not increase the current replacement cost of the asset portfolio, and hence do not increase annual depreciation.

Resources means the combination of plant, labour and materials, whether they be external (contractors/consultants) or internal (staff/day labour).

Upgrade means enhancing an existing asset to increase its functionality and/or capacity to provide higher level of service.

Whole of Life Costs refers to all the total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, renewal and disposal costs.

Policy statement:

1. The Town will implement processes and practices to maintain and renew assets as needed in a cost-effective manner, so they remain safe, serviceable, and fit for purpose. The Town will prioritise the maintenance and renewal of existing assets before acquiring new assets where possible, if considered more cost-effective over the life of the asset to do so.

2. The Town will implement a life-cycle approach to the management of assets where:
Asset planning decisions are based on an evaluation of alternatives that consider the “whole of life” of an asset through acquisition, operation, maintenance, renewal and disposal;
 - a. The asset management cycle considers the current and future environmental, economic and social needs and priorities as expressed in the Town’s suite of Informing Strategies.
 - b. Asset solutions for service delivery that eliminates the need for the life-cycle management cost of assets will be considered for assets not owned by the Town.
 - c. The Town will consider rationalising assets that are no longer used or where the community does not have any ongoing or future demand for its intended service for which the asset was originally acquired.

 3. The Town is committed to making informed and evidence-based decisions in relation to its assets. To achieve this, the Town will prepare an Asset Management Strategy that is aligned to industry best practices expressed in the Institute of Public Works Engineering Australasia (IPWEA) body of knowledge to guide the decision-making processes and their associated information requirements. This includes:
 - a. Data management processes
 - b. Condition audits
 - c. Asset valuations
 - d. Capital works and maintenance planning
 - e. Performance management and
 - f. Change management

 4. The Town will prepare Asset Management Plans for each relevant asset class to appropriately describe and detail the requirements and performance of the assets. This includes:
 - a. Description and quantities of the asset class inventory
 - b. Current performance of the assets such as a condition summary
 - c. Current asset valuations
 - d. Community demand and service levels
 - e. A long-term plan projecting the asset maintenance and renewal requirements
 - f. Long-term funding requirements sufficient to inform the Town’s long-term financial plan and to leverage any external funding
- The Asset Management Plans are to be reviewed in alignment with the Strategic Community Plan and Corporate Business Plan to ensure strategic objectives continue to be aligned.
5. The Town will adopt a consultative approach to its capital works planning, ensuring that a cross-section of internal teams provide oversight into the development of the Town’s capital works program. This is to ensure that project works are coordinated, and multiple objectives throughout the organisation are cohesively integrated into one project or one outcome wherever possible.

 6. The Town will adopt a financially sustainable approach to the management of the Town’s assets:
 - a. Long-term asset management budget projections will be discussed with the Town’s finance team annually during the preparation of the Town’s Long-Term Financial Plan to ensure smoothing of expenditure where possible, and the appropriate management of any asset renewals gaps or surpluses.
 - b. All capital projects will be evaluated in accordance with a “whole of life” cost assessment and take into account capital cost, ongoing cost of operating and maintenance, replacement/refurbishment costs and/or disposal costs. These costs shall be projected in the Long-Term Financial Plan to determine any potential financial restraints now and in the future.

Related documents

- [Local Government \(Financial Management\) Regulations 1996](#)
- [Australian Accounting Standards AASB13 – Fair Value Measurement](#)
- [Australian Accounting Standards AASB116 – Property, Plant & Equipment](#)
- [IPWEA Asset Management Guidelines](#)
- [Disability Access and Improvement Plan \(DAIP\)](#)
- [Town of Victoria Park Social Infrastructure Plan](#)
- [Policy 221 Strategic Management of Land and Property Assets](#)
- [Policy 310 Leasing](#)
- [Policy 301 Purchasing](#)
- [Policy 223 Light Fleet Management](#)

Responsible officers	Coordinator Strategic Assets
Policy manager	Manager Technical Services
Approval authority	Council
Next evaluation date	April 2026

Revision history

Version	Action	Date	Authority	Resolution number	Report number
1	Adopted	16/06/2020	Council	438/2020	Item 15.3
2	Reviewed and amended	12/04/2022	Council	73/2022	Item 15.5
3	Administratively amended	24/08/2023	Delegation		
4	Reviewed and amended	21/05/2024	Council	84/2024	Item 11.3