



Asset Management Policy

Version 2

Approval Date: 12 April 2021

Review Date: October 2025

DOCUMENT CONTROL

Responsible GM	Larry Sengstock	
Division	Assets and Presentation	
Last Updated (who & when)	Manager City Assets Kevan Delaney	TBD
DOCUMENT HISTORY		
Authority	Date	Description of change
Council	(day, month & year)	(Insert detail of change to policy)
LCC	2013	Asset Management Plan (v1.0).
LCC	2021	Asset Management Plan (v2.0).
References	Refer to Section 8 and 9 of this policy	
Next Review Date	October 2025	
Published on website	Yes	
Document Reference	No	

WARNING - uncontrolled when printed.

Page 2 of 12

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

1. Background

Latrobe City Council (LCC) manages over \$1.6b of assets on behalf of the community. These assets are used by the community, or directly by LCC to enable it to provide services to the community. LCC has an obligation to manage these assets in a responsible and sustainable manner for both current and future generations.

In order to manage the assets under its care Council uses a framework of plans, strategies, and related systems.

The Local Government Acts 1994 and 2020 obliges Council to have specific plans including a new requirement in the Local Government Act 2020 (LGA) is for Council to develop an Asset Plan.

2. Objectives

LCC owns / manages assets for the purpose of providing services to the community.

All assets that Council manages must:

- Have a purpose;
- Be financially sustainable in both the short and long term;
- Have a lifecycle plan from conception to disposal; and
- Be linked to the Financial Plan (Operational and Capital Budgets).

As an asset manager Council will maintain a suite of strategic plans that document processes that inform decisions and guide the management actions in the provision of assets.

The objective of this policy is to outline the necessary framework and responsibilities to manage Latrobe City's asset portfolio.

3. Scope

This policy covers all existing and future infrastructure assets that underpin Council Services.

Although this policy is focused on asset management, as assets are provided to support the services Council provides they naturally are influenced by and influence other key strategic documents. Figure 1 summarises the relationship of strategic asset plans and strategies relative to inter-related Council plans and strategies.

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

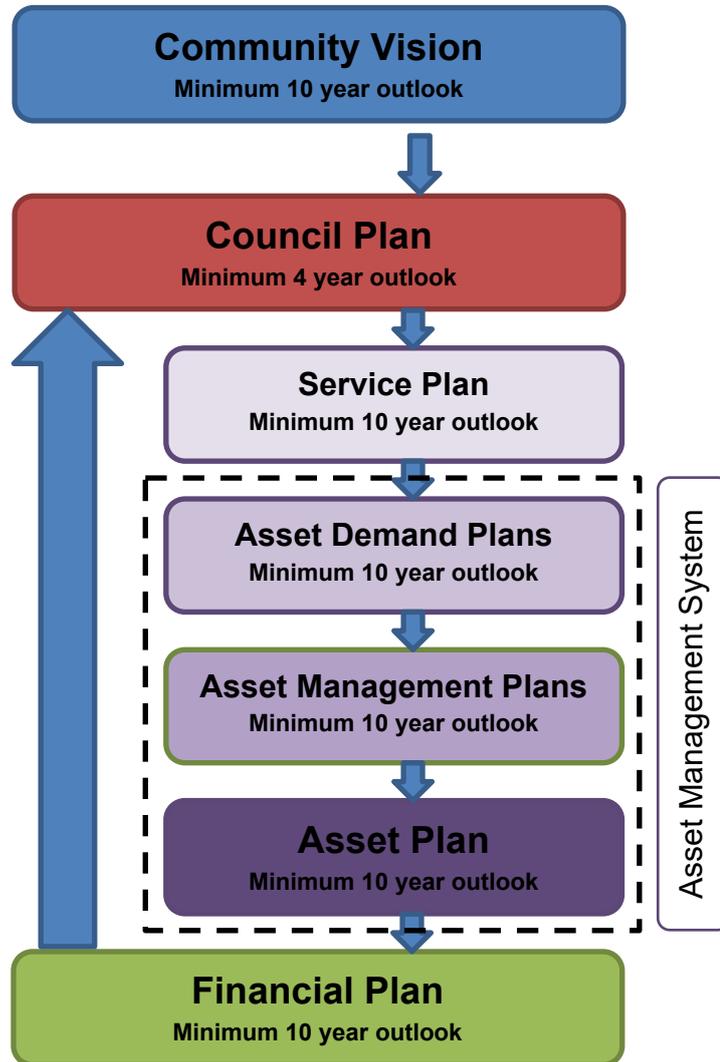


Figure 1 – Relationship of key asset management and strategic documents

In brief: Council will, informed by the Service Plans for each Council service and associated Asset Demand Plans to develop Asset Management Plans (AMP) and the Asset Plan to consolidate the information within the individual AMPs. The Asset Plan in turn will inform the Financial Plan.

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

4. Principles of Management

The overarching principle for asset management is that the assets provided are fit for purpose, that the provision of the assets is sustainable such that they do not create an unsustainable operational or maintenance burden.

Strategic plans

Figure 1 outlines the major strategic documents that underpin good asset management. A short definition of relevant documents follows including responsibility to develop/contribute to the plan.

Service Plans

Service Plans are broad reaching but in respect of this policy, they identify the planning and management aspects of providing the Council Service and critically, define the asset requirements to deliver the service that being the Asset Demand Plan.

Service Plans are developed by the team responsible for delivering the service.

Asset Demand Plan

The Asset Demand Plan for each service is to be completed prior to the development of Asset Management Plans. It is to be updated on a cycle of every 4 years or whenever a material change occurs. A revised and updated Asset Demand Plan, including details of the impacts to the Financial Plan to be included for all Budget Bids for Capital Works.

The Asset Demand Plan is to cover the following:

- Capital cost of construction, including design, approvals etc for all new assets;
- Ongoing yearly operating costs including general maintenance, utilities, regular inspections, compliance etc;
- Anticipated renewal spending;
- Plan for decommissioning and disposal and associated costs;
- Planned usage, including which community groups / individuals who will be using the asset;
- Anticipated income streams, either grants or fees; and
- KPI's to be used in the evaluation of the asset/asset class.

An Asset Demand Plan will be jointly developed by the service owner who is responsible for the planning and delivery of the service and Council's City Assets department.

WARNING - uncontrolled when printed.

Page 5 of 12

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

The responsibilities in providing the information and decision making over an asset's life cycle are outlined in Figure 2, with maroon showing the Service Provider sphere of influence and blue the City Assets department sphere of influence.

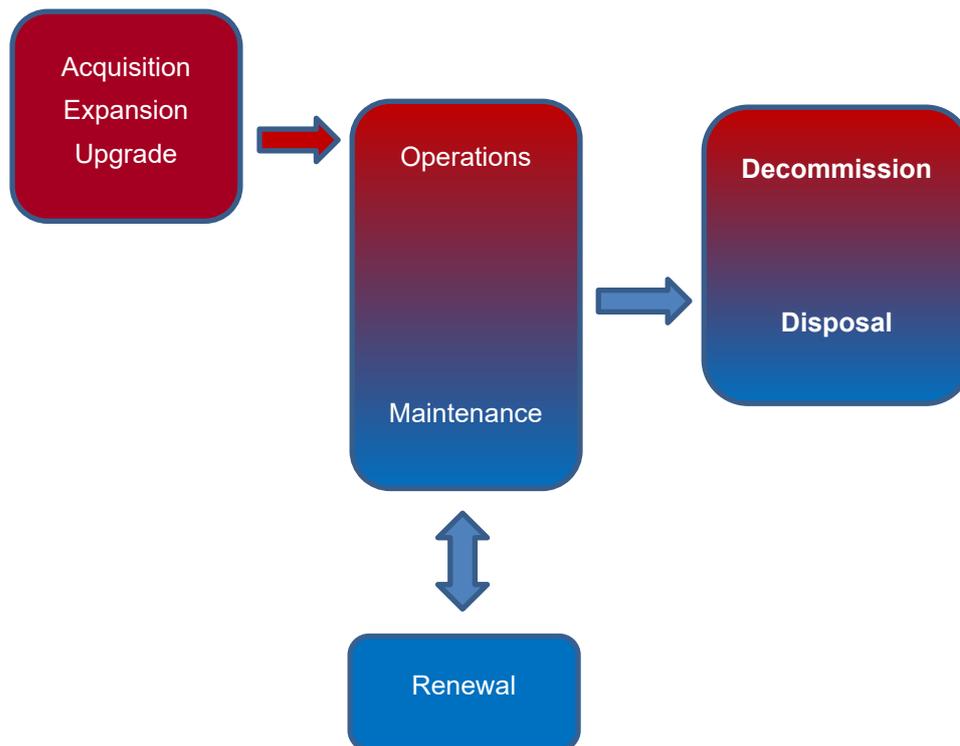


Figure 2 – Responsibilities in developing the Asset Demand Plan and Asset Management Plans

Asset Management Strategy

An Asset Management Strategy will be developed that guides the development and implementation of the Asset Management system (see Figure 1).

The City Assets department will be responsible for developing the Strategy under the guidance of the Asset Management Working group.

WARNING - uncontrolled when printed.

Page 6 of 12

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

Asset Management Plans

Asset Management Plans are detailed plans created for each category of assets and are the main strategic document for the provision of the asset. They also inform the Asset Plan of the key information required to strategically plan for the entire asset portfolio.

Asset Management Plans will be developed the City Assets department in conjunction with the service owner (fundamentally through information provided in the Asset Demand Plan).

Asset Management Plans will be developed for the following categories, they will have a planning horizon of 10 years, and be reviewed at least every 4 years.

- Transport (Roads, Bridges, Paths, Aerodromes, Carparks);
- Stormwater;
- Buildings;
- Recreation, Leisure and Community Facilities;
- Waste; and
- Parks, Gardens and Streetscapes.

Asset Plan

The Asset Plan is required under the LGA 2020. It will consolidate the asset information and requirements from the individual Asset Management Plans, be based on a holistic assessment of the financial and resource needs to provide the full suite of Council's assets. As per the LGA Asset Plan will have a 10 year planning horizon and will be reviewed and endorsed by 31 October in the year following a Council election.

The Asset Plan informs the Financial Plan, which in-turn will be a key consideration in the development of the Council Plan.

The Asset Plan will be developed primarily by the City Assets department in conjunction with the Financial Performance department.

The Assets Plan will:

- Be developed in accordance with Councils deliberate engagement practices
- Have a planning horizon of at least 10 years
- Contain the financial requirements for:
 - o Maintenance;

WARNING - uncontrolled when printed.

Page 7 of 12

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

- Renewal;
- Acquisition;
- Expansion;
- Upgrade;
- Disposal; and
- Decommissioning.

WARNING - uncontrolled when printed.

Page 8 of 12

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

Training

The competent development and delivery of asset planning depends on officers being well trained in the principles and practice of asset management. Training will be provided to all people developing plans and strategies or similarly influencing the management of assets.

Asset Management Working Group

To provide support in the application of this policy, an Asset Management Working group (AMWG) will be maintained. The functions of this group and the specific membership forms part of a separate document, however the key principles are:

- Be chaired by General Manager Assets and Presentation and consist of internal staff who have a direct role in asset management;
- Coordinate an integrated approach to asset reliant service planning and asset management;
- Support asset management decisions and report progress to the executive team;
- Develop increased understanding and involvement of Latrobe City teams that provide services which are supported by physical assets;
- Monitor the results of relevant audits and guide organisational responses;
- Review the implementation of the Asset Management Policy, Asset Management Strategy, Asset Management procedures and refer relevant documentation to the Latrobe City Audit Committee; and
- Remain operation for the duration of this Policy.

5. Accountability and Responsibility

Accountability and responsibility for this policy is outlined below:

5.1. Council

- Responsible to support professional asset management through decisions and strategic development of the systems necessary to do this.
- Responsibility for the decision to develop and approve this Policy by Council Resolution.

5.2. Chief Executive Officer

- Overall responsibility for compliance with this policy.
- Overall responsibility for enforcing accountability.
- Overall responsibility for providing resources.

WARNING - uncontrolled when printed.

Page 9 of 12

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

- Overall responsibility for performance monitoring.

5.3. General Manager

- Responsibility for compliance with this policy
- Responsibility for enforcing accountability
- Responsibility for providing resources
- Responsibility for performance monitoring

The Management Teams listed below are responsible for developing and maintaining Asset Demand Plans for the following services:-

5.3.1 CEO

- Engagement and Customer Focus

5.3.2 Assets and Presentation

- Transport
- Stormwater
- Waste and Landfill
- Recreation and Open Space
- Urban Amenity
- City Presentation
- Environment

5.3.3 Community Health and Wellbeing

- Leisure
- Family Services
- Aged Care Services
- Emergency Management
- Local Laws
- Libraries
- Halls and Meeting Spaces

5.3.4 Regional Growth and Investment

- Latrobe Regional Airport
- Events and Tourism

WARNING - uncontrolled when printed.

Page 10 of 12

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

- Creative Arts

5.3.4 Organisational Performance

- Property and Statutory

5.4. Managers

The Manager City Assets has the responsibility to:

- Develop frameworks and procedures in compliance with this policy.
- Enforce responsibilities to achieve compliance with frameworks and procedures in conjunction with the relevant General Manager.
- Advocate for appropriate resources for the execution of the frameworks and procedures.

5.5. Employees, Contractors and Volunteers shall:

- Participate where required in the development of frameworks and procedures in compliance with this policy.
- Comply with frameworks and procedures developed to achieve compliance with this policy.

6. Evaluation and Review

This policy will be reviewed on request of Council, in the event of significant change in the Executive team, significant changes to legislation applicable to the subject matter of the policy or, in any other case, during each Council term (generally four years).

7. Definitions

Definitions used within this Policy specifically and in Asset Management generally are defined in Appendix 1.

8. Related Documents

Asset Accounting Policy

Asset Management Strategy

Capital Works Policy

Community Engagement Strategy

Recreation Infrastructure Funding Policy

WARNING - uncontrolled when printed.

Page 11 of 12

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------

9. Reference Resources

Local Government Act 2020

Local Government Act 1989

ISO 55000

ISO 55001

ISO 55002

ISO 55010

10. Appendices

1. Terms, Definitions and Abbreviations used in Asset Management

Responsible Division	Assets and Presentation	Approved Date	12 April 2021	Review Date	October 2025
----------------------	-------------------------	---------------	---------------	-------------	--------------