

ASSET MANAGEMENT POLICY

1.0 Purpose

Sound asset management is a key concept underpinning the conservation and enhancement of natural and built assets, guided from the objectives of the Council Plan, the strategic intent outlined within the Community Vision, and Asset Plan.

The purpose of this Asset Management Policy is to guide sustainable management of City of Ballarat assets to support services that meet current and future community needs. The Asset Management Policy draws on guidance provided in the International Organisation for Standardisation (ISO) series of international standards for asset management, the International Infrastructure Management Manual, and compliance with the *Local Government Act 2020*.

2.0 Scope

This policy applies to all physical assets owned or managed by the City of Ballarat recognising that efficient asset management is an organisation-wide responsibility that supports the delivery of services provided for the benefit of the community; or are held for future use.

This policy applies to the creation, operation, maintenance, renewal, upgrade, expansion, disposal and optimisation of community assets required for the delivery of services. This includes Committees of Management, contractors and consultants responsible for asset management undertaken for or on behalf of the City of Ballarat.

3.0 Policy Statement

3.1 Principles

The following principles will guide the City of Ballarat's asset management practices:

- Transparent assumptions about service delivery requirements will form the basis of asset management strategies.
- Asset management is integral for corporate and financial planning.
- Decisions must be informed by and incorporate a life-cycle approach to asset management.
- Clear points of accountability and responsibility for the lifecycle of assets, including the assessment of each assets condition, use and performance must be established.
- Works programs use Asset Management Frameworks such as asset criticality.
- Long term sustainability of the Council should guide all decisions.

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3.2 Commitment

Strong leadership of asset management is to be established to ensure all parts of the City of Ballarat work together effectively in the pursuit of responsible asset management as outlined in the following roles and responsibilities.

a. Council

- i. Act as stewards for community assets to ensure the assets and services are managed for current and future generations through an Asset Plan, Asset Management Policy, Strategic Asset Management Plan and Asset Management Plans considering sustainable levels of service, budgets, risk and cost standards.
- ii. Ensure adequate resources for Asset Management activities are considered in Council's Long-Term Financial Plan.

b. Asset Management Sponsor

- i. The Executive Leadership Team will establish its commitment to asset management by appointing an Executive Leadership level 'sponsor' with asset management responsibilities to champion asset management across the whole of the Council and ensure that:
 - Asset management issues are given high priority;
 - Resource requirements are available; and
 - Asset management programs are being effectively implemented.

c. Asset Management Steering Committee

- i. The Steering Committee is to provide guidance to the Executive Leadership Team in relation to Council's asset management needs and provide recommendations to meet asset management objectives.
- ii. The Steering Committee will ensure that the Asset Management Policy, Strategic Asset Management Plan, Asset Management Plan are integrated with the Long-Term Financial Plan and supported by a framework of processes which foster asset management and financial management alignment.

d. Asset Management Plan Workgroups

- i. Plan Workgroups are to collaboratively coordinate and implement Asset Management Plans across the asset lifecycle.
- ii. Plan Workgroups provide guidance to the Asset Management Steering Committee.

3.3 Planning

The City of Ballarat will ensure its Asset Management Policy and Strategic Asset Management Plan incorporate both financial and asset management practices with its corporate objectives and planning, emphasising corporate responsibility, and establishes a strategic approach and direction by:

- Engaging with community on the trade-off between cost, service levels, risks and social equity.
- Managing and communicating risk and affordable service targets.
- Developing long term plans for financial sustainability.
- Providing affordable service level objectives that include a balanced scenario considering performance, cost and risks.
- Integrating the effective management of assets with service planning.

Asset Management Plans are developed to define the services and service levels to be provided, how and when the services are to be provided and what funds are required to provide the services.

3.4 Decision-Making

Asset management decisions will be informed by evaluating alternative means of service provision, full life cycle costing, and performance measurement and monitoring.

Informed decision-making recognises the long-lived nature of infrastructure assets and the need to plan and budget for them on a full lifecycle basis, beginning with the identification of a service need and the means to meet that need. The phases of an asset's life cycle are as follows.

- Acquire: involving the specification of asset type and the timing, financing and means of procurement.
- Operate and Maintain: requiring performance levels, operating and maintenance schedules to be specified.
- Renew: renewal schedules to be specified.
- Dispose: involving the specification of the intended method, costs and timing of disposal or retirement, including options such as transfer for alternative use, rental, sale and/or lease-back, and demolition.

Performance management is the other essential element of informed decision-making. It requires agreed performance indicators to be developed and applied throughout the asset life cycle. The cycle applies to all assets, although some may not be considered for disposal for cultural or heritage reasons.

An essential element of performance management is to clearly communicate scenarios for affordable service levels and corresponding risks, and how these risks will be managed.

The Long-Term Financial Plan determines the available funding scenarios and an assessment of affordability and social impact of these scenarios.

3.5 Accountability

To manage assets effectively, responsibility for their control must be defined and assigned, which requires:

- Effectively linking responsibility for service provision with responsibility for asset management.
- Asset registers are kept up-to-date and provide information that meets decision-making requirements.
- Control, accountability, risk management and reporting requirements for assets established, clearly communicated, and implemented.
- Contribution to asset management will form part of performance management reviews.

3.6 Sustainability

Assets will be managed so that the benefits of the services supported are available for future generations. Intergenerational equity will be considered and any requirement for existing users to pay for their asset consumption, rather than leaving their costs to be borne by future generations promoting sustainability by:

- Planning, maintenance and renewal to reflect current asset consumption.
- Evaluating all potential methods to meet service delivery demands, including non-asset solutions.
- Demand management strategies, such as beneficiary/user-pays charges where these are deemed appropriate.

4.0 Supporting documents and references

4.1 Legislation

- *Local Government Act 2020*
- *Road Management Act 2004*
- *Gender Equality Act 2020*

4.2 Associated Documents

- *City of Ballarat Community Vision 2021-2031*
- *City of Ballarat Council Plan 2021-2025*
- *Long-term Financial Plan (Financial Plan)*
- *City of Ballarat Asset Plan 2022-2032*
- *City of Ballarat Asset Management Framework*
- *ISO 55000;2014 – Asset Management*
- *International Infrastructure Management Manual (IIMM)*

4.3 Definitions

Asset	Resources controlled by the City of Ballarat as a result of past events and from which future economic benefits or service potential are expected to flow to the City of Ballarat. An essential characteristic of an asset is that the City of Ballarat must have control over the future economic benefits or service such that it is able to enjoy those benefits or services and deny or regulate the access of others to the benefits. Where Council (City of Ballarat) is the Committee of Management for a Crown reserve, assets located on the reserve are considered controlled assets and should be included in City of Ballarat's corporate asset register.
Asset Management	The systematic and coordinated activities and practices of the City of Ballarat to optimally and sustainably deliver its objectives through the cost-effective lifecycle management of assets.
Asset Management Plan (AMP)	Long-term plans that outline the asset activities and programs for each service area and resources applied to provide a defined level of services in the most cost-effective way.
Asset Management System	The way the City of Ballarat uses people, processes, data and information systems to manage assets and services.
Creation (New)	Expenditure on new works or acquisitions that create an asset that did not previously exist in any shape or form.
Council	Consists of the Councillors who are democratically elected to represent the Ballarat municipality in accordance with the <i>Local Government Act 2020</i> .
City of Ballarat	The body corporate constituted in accordance with the <i>Local Government Act 2020</i> .
Disposal	Activities necessary to dispose of decommissioned assets that are no longer required.
Expansion	Expenditure which extends an existing asset or a new asset at the same standard currently enjoyed by users to a new group of users.
Levels of Service	A relevant measurable standard or target that reflects the required performance of assets to meet agreed community expectations in relation to the type, quality and quantity of services delivered by the City of Ballarat.
Lifecycle Management	Effectively manage City of Ballarat assets throughout their lifecycle (i.e. creation, operations, maintenance, renewal, upgrade, expansion and disposal) to support delivery of the City of Ballarat's services.

Maintenance	All actions necessary for maintaining an asset as operational but does not increase the service potential of the asset or keep it in its original condition, instead slowing down deterioration and delaying the need for renewal.
Operation	The active process of utilising an asset which will consume resources such as human resources, energy or materials.
Optimisation	The process to identify and prioritise all potential renewal options to achieve asset management objectives considering performance and utilisation, aiming for high return on investment and service delivery.
Renewal	Expenditure on an existing asset which returns the service function or the life of the asset back to its original condition.
Strategic Asset Management Plan (SAMP)	A high-level action plan that gives effect to the City of Ballarat’s Asset Management Policy, containing documented information that specifies the approach for developing Asset Management Plans, and the role of the asset management in supporting achievement of objectives.
Upgrade	Expenditure on an existing asset which enhanced and/or improves its function, and a consequence provides a higher level of service.

5.0 Administrative Updates

From time to time, circumstances may change leading to the need for minor administrative changes to this policy. Where an update does not materially alter this policy, such a change may be made administratively. Examples of minor administrative changes include changes to names of Council departments or positions, change to names of Federal or State Government departments or a minor amendment to legislation that does not have material impact. Where any change or update may materially change the intent of this policy, Council must consider it.

6.0 Policy owner

Executive Manager Infrastructure

7.0 Authorisation

Adopted by Ballarat City Council 26 March 2025 (R47/25).