

THE CITY OF  
GREATER GEELONG

# ASSET MANAGEMENT POLICY

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**VERSION: 3.0**

**Approval Date:** 14 August 2024

**Approved by:** Executive Leadership Team

**Review Date:** August 2027

**Responsible Officer:** Manager Asset Management

**Authorising Officer:** Executive Director City Infrastructure

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# Introduction

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## **PURPOSE**

The purpose of this policy is to specify the overarching intentions and guiding principles for Asset Management at the City of Greater Geelong.

## **OBJECTIVES**

- To provide leadership and direction to the City's asset management approach
- To establish a process of stewardship for the delivery of Asset Management services
- To ensure transparency and accountability for the City's Asset Management approach.

The sustainable delivery of the City's services is dependent on asset infrastructure which has been developed and maintained over generations. This investment continues to grow strongly because of the City's capital investment program and developer contributed assets. The current<sup>1</sup> replacement cost of the City's existing asset base is \$4.1 billion.

Asset Management combines management, financial, economic and technical practices with the objective of meeting required community service levels through physical assets in a financially sustainable manner.

## **SCOPE**

This policy applies to all assets owned or under the control of the City.

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<sup>1</sup> As at June 2024

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# Definitions

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## ASSET

An item that has potential or actual financial value to an organisation. This includes physical assets, such as buildings, roads, pathways, land and non-physical assets such as leases and licences, digital assets and intellectual property rights. (note that this policy relates to physical assets only).

## ASSET LIFE CYCLE

Incorporates the following phases of the life of an asset:

- Acquisition
- Operation
- Maintenance (includes upgrade and renewal)
- Disposal.

## ASSET CLASS WORKING GROUPS

Comprises the following representatives:

- Asset management
- Asset planning
- Service Management
- Asset Custodian
- Asset Maintenance.

## ASSET MANAGEMENT

Asset management is the coordinated activities of an organisation, carried out over an asset's life cycle, to realise full value from assets in meeting their service delivery objectives.

## ASSET MANAGEMENT FRAMEWORK

The overarching Asset Management governance framework which guides the delivery of the Asset Management function.

## ASSET MANAGEMENT PLAN

Long term plan documenting information that specifies the activities, resources and timescales required for a defined level of service for an individual asset category or group of assets, to achieve Councils asset management objectives.

## ASSET MANAGEMENT STEERING COMMITTEE

Comprises the following appointments:

- Executive Director City Infrastructure –Chairperson
- Executive Director Corporate Services – Deputy Chairperson
- Manager Asset Management - Secretary
- Manager Civil Infrastructure
- Manager Community Experience
- Manager Financial Planning and Analysis
- Manager IT Operations
- Manager Major Projects
- Manager Planning and Growth
- Coordinator Property and Leasing.

## **ASSET MANAGEMENT STRATEGY**

A high-level action plan that gives effect to the asset management framework by documenting the approach to delivering on asset class objectives and plans with supporting systems.

## **ASSET MANAGEMENT SYSTEM**

A system used for asset management with the function of recording and facilitating the data and processes required to deliver the asset management objectives.

## **ASSET VALUE**

The process of balancing asset costs, risks, opportunities and performance benefits.

## **CITY**

The City of Greater Geelong organisation led by the CEO.

## **COUNCIL**

The City of Greater Geelong Council comprised of elected councillors and led by the Mayor.

## **DISPOSAL**

Activities necessary to dispose of decommissioned assets that are no longer required.

## **LIFE CYCLE COSTING**

An essential asset management function that considers the whole of life cost implications of planning, acquiring, operating, maintaining, and disposing of an asset.

## **NEW WORKS**

Expenditure on new works or acquisitions that create an asset that did not exist in any shape or form.

## **RENEWAL WORKS**

Expenditure on an existing asset which returns the service function or the life of the asset back to its original condition.

## **RENEWAL GAP**

The difference between the organisation's current renewal funding and the required renewal demand.

## **SERVICE PLANNING**

A comprehensive review and planning of a particular area of Council service delivery. The focus of service planning is on quantity, efficiency and ability to sustainably meet the needs of the community/ informing provision of current and future assets.

## **SUSTAINABLE ASSET MANAGEMENT**

The capacity to ensure meeting the needs of the future by balancing social, economic, cultural, and environmental outcomes or needs when making informed decisions today.

## **UPGRADE WORKS**

Expenditure on an existing asset which enhances and/or improves its function and therefore, provides a higher level of service.

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# Policy

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**The City will take a lifecycle approach to the management of its asset portfolio. It will ensure the financial sustainability of Council through a Long-Term Financial Plan and an Asset Management Plan.**

In accordance with the Local Government Act, the City will prepare a 10-year Long Term Financial Plan informed by the City's Asset Management Plan. The Asset Management Plan will incorporate the following principles:

- Asset investment decisions will be informed by asset information and strategic asset management modelling to ensure that it is evidence (data) based. This includes the potential impacts of climate change.
- The Asset Management Strategy is to be aligned with key corporate documents. They will be informed by the 30-year vision "*A Clever and Creative City*" and the Council Plan.
- All proposed works will be assessed against community needs and include whole of lifecycle costs as part of the project evaluation, adopting the principle of "renew before new".
- Long term planning shall reference the Asset Renewal Gap in accordance with the class Asset Management Plans.
- Financial management and asset management reporting is to be categorised in terms of operational, maintenance, renewal, upgrade, new and disposal expenditure classifications to enable informed and sustainable Asset Management decisions.
- The City shall adopt a risk-based approach to asset management.

**Service Planning will be central to informing the City's Asset Management decision making. Stakeholder consultation will inform Asset Management and Service Planning outcomes to meet community needs.**

The City's assets exist to support the provision of services to the community. The levels of service are determined through balancing the needs of the community, the capacity of the asset and the operations and maintenance capability of the City. Asset Management Systems and planning will be informed and integrated with Service Planning systems, data and insights across the organisation. Asset management decision making and the financial sustainability of the City are intertwined.

The City will actively engage with all stakeholders, in determining the levels of service and drive asset utilisation and performance, within the means of the City. Key stakeholders will include:

- The community
- Councillors
- Internal stakeholders across the organisation

The City will monitor and report on customer satisfaction with the services provided.

**The City will establish and maintain a governance framework which best responds to our Asset Management needs.**

The City's governance framework will incorporate the asset management function and needs of the community. The Asset Management Strategy will document the City's Asset Management needs.

The City will strive to ensure that Asset Management roles and responsibilities are clear and understood. The roles and responsibilities of asset owners, asset custodians, asset maintainers, service providers, asset planners and those responsible for governance at all levels will be documented and available to the organisation.

**The City will invest and resource its Asset Management System to ensure the accuracy and suitability of asset information.**

Asset information will be managed in accordance with the City’s information management and asset management standards and policies. Data will be shared through digital platforms.

**KEY ROLES AND RESPONSIBILITIES**

The following are the key roles required for the effective delivery of the asset management function within the City:

Title	Role	Responsibilities
Asset Owner	Provides overall stewardship of the assets on behalf of the Council. For all assets, the asset Owner will be represented by the Manager Asset Management	<ul style="list-style-type: none"> <li>Support Council in managing the City’s asset portfolio</li> <li>Ensure there is an effective asset management system at the City to manage the asset portfolio</li> <li>Provide asset management leadership</li> </ul>
Asset Planner	Provides strategic planning of the asset from initial concept to detailed design, in accordance with agreed council planning criteria	<ul style="list-style-type: none"> <li>Provide service management planning for specific asset classes</li> <li>Ensure asset planning is evidence based, supported by data</li> <li>Contribute to whole of life asset costings</li> </ul>
Service Manager	Is responsible for the Council service that is delivered from the asset, or using the asset	<ul style="list-style-type: none"> <li>Deliver Council services utilising council assets (where applicable)</li> <li>Contribute to service management planning</li> <li>Contribute to asset life cycle planning (future needs)</li> </ul>
Asset Custodian	Is accountable to the Service Manager for the effective operational management of the asset	<ul style="list-style-type: none"> <li>Ensure assets are operated as per design</li> <li>Ensure asset faults are reported in a timely manner</li> <li>Coordinate the conduct of asset maintenance</li> </ul>
Asset Maintainer	Provides maintenance services to the asset to ensure its ongoing operational viability	<ul style="list-style-type: none"> <li>Maintain the asset in accordance with the asset management plan</li> <li>Contribute to asset renewal planning (where applicable)</li> <li>Manage maintenance service providers</li> </ul>

The following table represents the allocation of roles across a selection of asset classes/sub classes.

Asset Class	Asset Sub Class	Asset Owner	Asset Planner	Service Manager	Asset Custodian	Asset Maintainer
Civil Infrastructure	Roads Other - Bridges	Manager Asset Management	Coordinator Development Planning	Manager Civil Infrastructure	Coordinator Civil Infrastructure Planning	Manager City Works
Specialised Buildings	Kindergartens	Manager Asset Management	Manager planning and Growth	Manager Children Services	Kindergarten Liaison Officer	Buildings -Coordinator Facilities Maintenance Other – Asset Custodian
Recreation	Pools	Manager Asset Management	Manager Planning and Growth	Manager Leisure and Recreation Services	Facilities Operations Coordinator	Facilities Operations Coordinator
Fleet	Light Fleet	Manager Asset Management	Manager City Works	Manager City Works	Coordinator Fleet and Stores	Coordinator Fleet and Stores

Asset Class	Asset Sub Class	Asset Owner	Asset Planner	Service Manager	Asset Custodian	Asset Maintainer
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The Asset Management Strategy lists key roles and responsibilities for all the City's asset classes and sub classes.

## TRAINING

The City shall ensure that all staff and contractors that are involved in asset management, including asset finance accounting staff are provided with the necessary training to perform their role. The following training matrix identifies the level of asset management training for staff and Councillors across the City:

Staff Level	Awareness	Basic	Intermediate	Other (Tertiary)
Councillors	✓	✓		
All staff	✓			
Asset custodians	✓	✓		
Service Managers	✓	✓		
Asset Planners	✓	✓	✓	
Asset Maintainers	✓	✓		
Asset Management Staff	✓	✓	✓	✓
Asset Finance Staff	✓	✓		✓

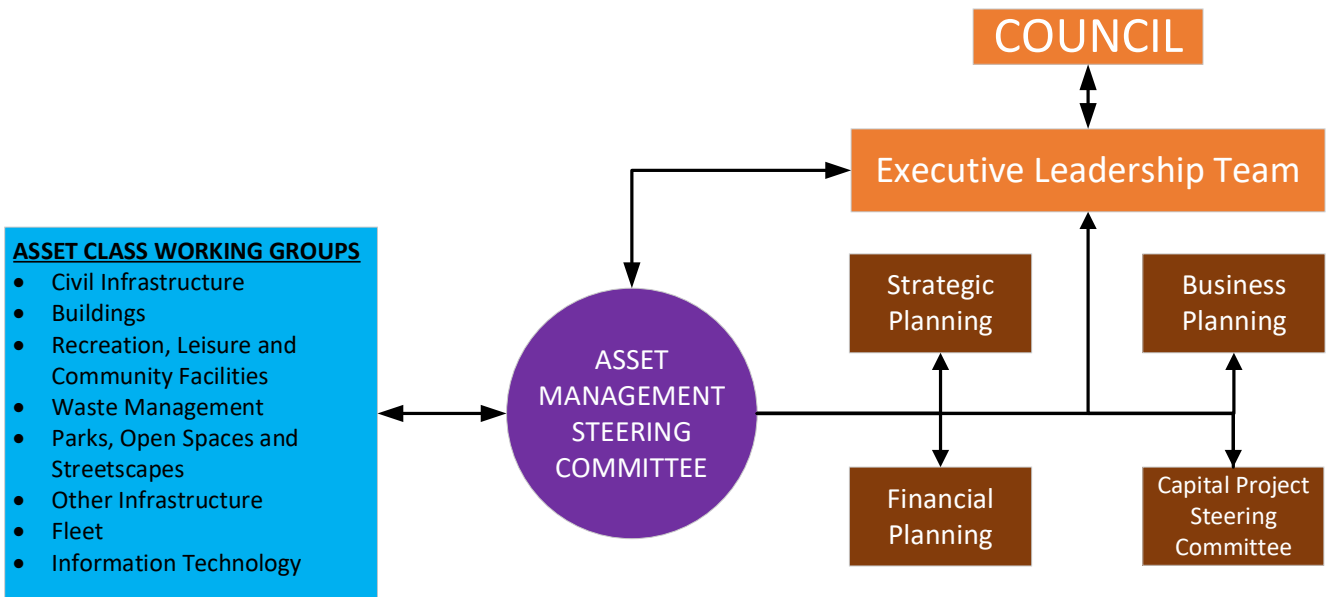
## GOVERNANCE

Asset Management will be governed through the Asset Management Steering Committee. Objectives of this committee are:

- Provide asset management leadership;
- Ensure alignment between the City's organisational strategy and:
  - Asset Management Policy,
  - Asset Management Strategy,
  - Asset Information Strategy, and
  - Asset Management Plan.
- support capital investment decision making;
- Support the development of the annual asset renewal program and recommend asset prioritisation;
- Develop risk profiles and manage high risk assets;
- Review and respond to any audit issue or regulatory change applicable to any asset class;
- Determine KPI's in relation to strategic asset management.

The governance framework for asset management is detailed below:

## ASSET MANAGEMENT GOVERNANCE FRAMEWORK



### REPORTING

The Asset Management Steering Committee will meet, as a minimum twice per year and will report into the Executive Leadership Team. Asset Class Working Groups will meet on a quarterly basis and report to the Asset Management Steering Committee.

## **RELATED POLICIES, PROCEDURES AND DELEGATION**

- Asset Management Plan
- Asset Management Strategy (to be issued)
- Asset Accounting Policy
- Asset Data Strategy (to be issued)
- Enterprise Risk Management Policy
- Social Infrastructure Plan
- Asset Handover Procedure
- Capital Projects Delivery Framework Management Procedure

## **LEGISLATION**

*Local Government Act*

*Local Government Regulations*

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# Implementation of this Policy

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## MONITORING AND REPORTING

The application of this policy will be monitored and reported on through the Asset Management Steering Committee.

Specific performance measures will include:

- Asset Consumption Ratio and Asset Renewal Funding Ratio, as per the Australian Infrastructure Financial Management Guidelines.
- Maturity Assessment through the National Asset Management Assessment Framework,

The Manager Asset Management will be responsible for reporting to the Asset Management Steering Committee on the application of this policy.

## ADVICE AND ASSISTANCE

The Responsible Officer for this policy manages the provision of advice to the organisation regarding this policy.

## RECORDS

The City must retain records associated with this policy and its implementation for at least the period shown below.

Record	Retention / Disposal Authority	Retention Period	Location
Asset Management Strategy	Manager Asset Management	7 Years	Rex
Asset Management Plans	Manager Asset Management	7 Years	Rex (Various)

## REVIEW

The City should review and, if necessary, amend this policy within 3 years of the approval date.

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# References

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- Asset Accounting Policy
- Enterprise Risk Management Policy
- Greater Geelong, a Clever and Creative Future
- Council Plan
- Asset Management Accountability Framework, Department of Treasury Victoria
- Australian Accounting Standards Board 116 – Property, Plant and Equipment
- International Infrastructure Management Manual (IIMM)
- Australian Infrastructure Financial Management (AIFM) Guidelines
- National Asset Management Assessment Framework (NAMAF)
- ISO55000 Asset Management