

ASSET MANAGEMENT POLICY

1. Purpose

Ballarat is a growing regional city with public assets that range from historical to newly built. Residents and visitors alike expect assets to be fit for purpose and maintained to ensure safety and amenity, reinforcing Ballarat as a great place to live, work and visit.

The City of Ballarat (Council) manages assets currently valued at ~\$1.97 billion. Asset types include roads, drainage, street trees, street furniture, footpaths, parks, playgrounds and buildings and their contents. Population increase causes a greater usage of assets. With a finite budget for maintenance and renewal and the added pressure of rate capping, a planned and measured approach to the management of community assets is necessary to ensure a fair and fiscally appropriate response to asset maintenance and renewal.

Asset management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of both natural and constructed assets. Its objective is to maximise asset service delivery potential and manage related risks and costs over the asset's useful life. Asset management principles can also be applied to the preservation of historical and culturally important assets. These assets have an unquantifiable value beyond their function, such as bluestone kerb and channel or designated significant trees.

Council applies a life-cycle approach to meet service delivery needs in an informed, transparent and sustainable way. This maximises the useful life of assets and provides for present needs while ensuring resourcing for future maintenance, preservation and renewal of assets.

2. Scope

This policy applies to all Council employees, Councillors and contractors, recognising that efficient asset management is an organisation-wide responsibility.

It directly supports staff working in the area of maintenance, property and capital works to determine which assets require maintenance or renewal. This ensures the safety and suitability of assets given their location, frequency of use, condition and age, while guarding against overspending on maintenance.

It is acknowledged that data accuracy and completeness regarding assets will produce better quality asset management. New assets are added as recently constructed residential and commercial subdivisions are handed over to the municipality, and old assets such as underground drainage are constantly being discovered and entered into the system. Data not yet captured in the database is an opportunity to better inform our system and asset profile, with the aim being for continuous improvement. Periodic review of asset maintenance and renewal costs by asset type is also necessary for accurate cost and valuation reporting.

This policy links the strategic objectives of the Council Plan with the more specific Asset Management Strategy and Asset Management Plans. These work collaboratively to set out the framework and long-term goals for service delivery, programs for inspection and maintenance, financial management and performance measurement, and assigns responsibility for each component.

3. Policy Statement

3.1 Objectives

A life-cycle approach to asset management requires that:

- Asset data is captured, organised and maintained in a suitable system;
- Assets are proactively and reactively inspected for specific defects and overall condition;
- Repair and maintenance are undertaken in a timely, risk adverse and fiscally appropriate manner, based on predetermined levels of service, the asset's age and stage in its life cycle;
- Use of existing assets is optimised, ensuring maximum return on asset spending;
- Asset valuation data is used to inform funding requirements to support and maintain our infrastructure;
- Maintenance data and costs captured in the system are used to inform decisions about future capital and maintenance decisions; and
- New assets are constructed only when existing assets are unable to meet the required level of service, and the whole life cost and responsibility for the asset has been determined and accepted.

3.2 Responsibility for development and implementation

All departments that are responsible for asset acquisition, maintenance and disposal will work with Asset Management to:

- Provide input to the Asset Management Strategy and Asset Management Plans relevant to their assets;
- Determine acceptable levels of service, adhering to legislation and standards where applicable, and considering the Community Engagement Principles;
- Input data using uniform methodology, working to include all data, both historical and new;
- Capture defects and maintenance costs in the system to allow for accurate reporting and financial planning;
- Participate in reviews to ascertain how we're tracking in level of service provision; and
- Understand the implications funding gaps may have on the delivery of services to future generations and work to remedy them

3.3 Community engagement

Council will work with the community and user groups to:

- Determine appropriate levels of service;
- Provide services and infrastructure that supports the agreed levels of service in a way that's sustainable and allows for these services to be available for future generations; and
- Be transparent in our decision-making processes.

4 Supporting documents and references

4.1 Legislation

- *Local Government Act 2020*

4.2 Associated Documents

- *Local Government Asset Management Better Practice Guide, 2015*
- *The Ballarat Strategy, 2015*

- *Council Plan, 2015-2019*
- *Asset Management Strategy*
- *All asset management plans*

4.3 Definitions

Asset	An owned, physical resource that provides benefit to the community.
Asset management	A systematic process to guide the planning, acquisition, operation, maintenance, renewal and disposal of assets.
Levels of service/service levels	The standard to which an asset needs to perform, and how quickly and to what standards it needs to be maintained.
Life-cycle approach	The process of balancing maintenance and maintenance expenditure with planned renewal of an asset, getting the longest possible useful life from an asset before it's more economical to renew rather than continue to maintain and extend the useful life of an asset.
Useful life	The length of time an asset can perform as intended before it's no longer able to meet agreed service levels.
Maintenance	The activities required to repair asset defects, ensuring assets remain operational and reach their expected useful life. Spending on such is considered operational expenditure.
Renewal	Replacing an existing asset, ideally that has reached the end of its useful life, with a new version of that asset. Spending is considered capital expenditure.

5. Policy owner

Executive Manager Infrastructure

6. Authorisation

Adopted by Ballarat City Council on 16 September 2020 (R246/20).