



## Policy No. 33 – Asset Management

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Version: 5

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Council Minute No: 110/2025

Statutory Authority: Section 70 C of the *Local Government Act 1993* and Ministerial Orders  
Australian Accounting Standards

### OBJECTIVE

To ensure that adequate planning and provision is made for the long-term replacement of major assets by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner, delivering the appropriate levels of service to residents, visitors and the environment.
- Safeguarding Council assets (including physical assets and employees) by implementing appropriate asset management strategies, plans, and appropriate financial resources for those assets.
- Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the Council.
- Meeting legislative requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

### POLICY

**1.0 PURPOSE** To establish guidelines for implementing consistent asset management processes throughout Dorset Council.

**2.0 SCOPE** This policy applies to all Council activities.

**3.0 POLICY** **3.1 BACKGROUND**

3.1.1 Council is committed to applying appropriate asset management best practices across all areas of Council. This includes ensuring that assets are planned, created, operated, maintained, renewed, and disposed of in accordance with Council's priorities for service delivery.

- 3.1.2 Council owns and maintains approximately \$244 million of non-current assets to support the delivery of services to the community.
- 3.1.3 Asset management practices impact directly on the business and community-based activities of Council. Appropriate asset management is required to achieve Council's strategic service delivery objectives.
- 3.1.4 All of Council's asset management practices are to be integrated with the Strategic Plan, Financial Management Strategy (FMS) and Long-Term Financial Plan (LTFP).
- 3.1.5 Asset management relates directly to the current adopted overall Council Strategic Plan, covering:
- Leadership and Governance
  - Economic Development
  - Natural and Built Environment
  - Liveable Community
- 3.1.6 A strategic approach to asset management will ensure that the Council delivers the highest appropriate level of service through its assets. This will provide positive impact on;
- Members of the Community and Councils employees;
  - Council's financial position;
  - The ability of Council to deliver the appropriate level of service and infrastructure;
  - The political environment in which Council operates; and
  - The legal liabilities of Council (Risk Mitigation).

## 3.2 PRINCIPLES

- 3.2.1 A consistent risk-based Asset Management strategy must exist for all major asset categories.
- Transport – Bridges, Footpaths, Roads, and Stormwater
  - Property – Land, Buildings and Land Improvements
  - Plant – Plant, equipment and machinery, Computers and telecommunications and Fixtures, fittings and furniture.
- Systematic asset management and appropriate asset management best-practice will be implemented throughout all Departments of Council.
- 3.2.2 Relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- 3.2.3 Asset management principles will be integrated within existing planning and operational processes.

- 3.2.4 Inspection regimes will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities.
- 3.2.5 Asset renewals required to meet agreed service levels and identified in infrastructure and asset management plans and long term financial plans will be incorporated in the annual budget estimates. Funding is to be made available to mitigate risk to an agreed level.
- 3.2.6 Asset and infrastructure spend must be fully funded from operational cash flows generated from Council's underlying surplus, and from capital grants.
- 3.2.7 No debt funding is used for asset renewals as this would jeopardise the financial viability of Council in the long term.
- 3.2.8 Service levels agreed through the Annual Plan and those defined in Asset Management Plans will be funded in the annual budget.
- 3.2.9 Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- 3.2.10 Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with applicable Australian Accounting Standards.
- 3.2.11 Future life cycle costs (whole of life costing) will be reported and considered in all decisions relating to the provision of new services and assets and upgrading of existing services and assets.
- 3.2.12 Community consultation will be integral in delivering future service levels

**4.0 RESPONSIBILITY**     **Councillors** are responsible for adopting the policy and ensuring that sufficient resources are applied to manage the assets.

The **General Manager** has overall responsibility for developing an asset management strategy, plans and procedures and reporting on the status and effectiveness of asset management within Council.

**Asset Management Team** (a cross functional team) are responsible for:

- Reviewing Asset Management Strategies, systems and processes; and reporting to the General Manager.
- Development of Asset Management Plans for asset categories.
- Implementing improvement, operational and financial plans for asset categories
- To deliver levels of service to agreed risk and cost standards
- To prepare and present asset management reports to Council and General Manager
- Internal audit and review and closure of identified corrective actions.

**External Auditor/Assessors** engaged by Council are responsible for formally reporting on the level of compliance with relevant acts and standards that apply to this policy.