Glenorchy City Council

ASSET MANAGEMENT

1. Purpose

This policy explains how Glenorchy City Council will manage its assets consistently across the organisation. Its aim is to ensure that Council's assets are managed to deliver agreed service levels at the lowest reasonable life-cycle cost by:

- Ensuring that Council's services and infrastructure are provided in a sustainable manner with the appropriate levels of service to the community and the environment;
- Safeguarding Council assets through sound asset management strategies and suitable funding;
- Creating an environment where all Council employees play an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the organisation by way of mentoring, training and development;
- Meeting legislative requirements for asset management;
- Identifying and allocating the resources, skills and responsibilities needed to manage assets; and
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

2. Scope

This policy applies to all Council assets owned and/or managed by Council, and to all activities connected with the management of Council's assets.

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3. Related Documents

This Policy is to be read in conjunction with the following documents:

- Community Plan 2015 -2040
- Strategic Plan 2023-2032
- Strategic Asset Management Plan 2023-2032 (including Asset Management Strategy and the summary of individual Asset Management Plans)
- Individual Asset Management Plans for major asset classes
- Long-Term Financial Plan
- Asset Management Annual Review Guideline

4. Statutory Requirements

Acts	*Section 70 C of the Local Government Act 1993* *(a) be consistent with the strategic plan for the municipal area; and* *(b) guide the development of the long-term strategic asset management plan for the municipal area; and* *(c) guide the development of the long-term financial management plan for the municipal area; and* *(d) contain at least the matters that are specified in an order made under section 70F as required to be included in an asset management policy.*
Regulations	Not applicable
Australian/ International Standards	Asset Management Standards ***ISO 55000 Series*** • ISO 55000 Asset Management: Vocabulary and Principles • ISO 55001 Asset Management Systems: Requirements • ISO 55002 Guidelines for the Application of ISO 55001 • ISO 55010 Alignment of Financial and Non-financial Functions • ISO 55011 Guidance for Government Asset Management Policy • ISO 55012 People Involvement and Competence

- ISO 55013 Management of Data Assets and Asset Information

Australian Accounting Standards Relevant to Asset Management

Asset Recognition, Measurement and Valuation

- AASB 13 Fair Value Measurement
- AASB 116 Property, Plant and Equipment
- AASB 138 Intangible Assets
- AASB 140 Investment Property
- AASB 1051 Land Under Roads

Leasing

- AASB 16 Leases

Revenue and Contributed Assets

- AASB 15 Revenue from Contracts with Customers
- AASB 1058 Income of Not-for-Profit Entities

Asset Disposal and Impairment

- AASB 5 Non-current Assets Held for Sale and Discontinued Operations
- AASB 136 Impairment of Assets

Liabilities and Obligation*s*

- AASB 137 Provisions, Contingent Liabilities and Contingent Assets

Financial Reporting

- AASB 101 Presentation of Financial Statements
- AASB 1049 Whole Government and General Government Sector Financial Reporting
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

5. Definitions

Asset means a resource controlled by an entity from which future economic benefits are expected to flow to the entity.

Asset Class means a group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Asset Management means the combination of management, financial, economic, and engineering and other practices applied to assets to achieve the required level of service in the most cost-effective manner.

Asset Management Policy sets out the principles by which the Council undertakes its asset management to achieve its organisational objectives.

Asset Management Strategy means Council's adopted approach to the long-term management of its assets to ensure they meet the service delivery needs of the community into the future.

Asset Management Plan defines the activities, resources and timescales required for an individual asset or grouping of assets to achieve the organisation's asset management (service) objectives. It is aligned to the asset management strategy.

Long Term Financial Plan a long-term financial management plan is a plan for generating and investing future income and raising and repaying borrowings. It contains the financial implications of Council's proposed activities in the management of its assets.

Level of Service means the defined service quality for a particular service/activity against which service performance is measured. Service levels relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability, and cost.

Life Cycle Cost means the total cost of an asset throughout its life, including planning, design, construction, acquisition, operation, maintenance, and rehabilitation and disposal costs.

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Asset Renewal means expenditure on, or replacement of, an existing asset that returns the service capability of the asset to its original level.

Asset Upgrade means expenditure on an existing asset that increases the capacity or functionality of the asset.

6. Policy Statement

Background

Council is committed to using consistent asset management practices across the organisation. This includes ensuring that assets are planned, created, operated, maintained, renewed, and disposed of in line with Council's service priorities.

Council owns and manages an extensive portfolio of assets to support delivery of services to the community.

Adopting asset management principles assists Council in achieving its Strategic Plan, Asset Management Strategy and Long-Term Financial Plan objectives. A strategic approach helps Council manage assets to deliver the right level of service. This has positive impacts on:

- members of the public and staff
- Council's financial position
- the ability of Council to deliver the adopted levels of service and infrastructure now and into the future
- Council's operating and decision-making environment.
- the legal liabilities of Council.

Policy Statement

Council will support sustainable service delivery by planning and funding assets properly over the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets by:

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1. Ensuring that Council's assets are provided in a manner that supports financial, cultural, economic, and environmental sustainability.
2. Meeting all relevant legislative and regulatory requirements.
3. Using clear and responsible asset management processes based on recognised best practice.
4. Implementing sound Asset Management plans and strategies and providing sufficient resources to accomplish them by:

    a) Asset Management Strategy, which forms part of Council's Strategic Asset Management Plan is developed for a consistent, systematic, and appropriate asset management throughout Council.
    b) Individual Asset Management Plans are developed and implemented for Council's major asset classes. The plans are informed by sound asset management practices, financial planning, and reporting.
    c) Council will regularly review all asset plans.to ensure that assets are managed, valued, and depreciated in line with appropriate best practice.

        I. Keeping detailed asset registers on all assets owned or under the control of the Council
        II. Planned asset acquisitions, modifications or disposals follow Council's auditing and capitalisation processes
        III. Each Council asset is assigned a useful life, written-down value and depreciation value determined in accordance with current applicable accounting standards and requirements
        IV. Depreciation is calculated on an appropriate basis with the objective being to use a method that best reflects how the asset is used over time
        V. Asset revaluation must take place often enough to ensure the asset class value does not materially differ from its fair value at the reporting date

    d) Regular inspection will be used as part of the asset management process to ensure agreed service levels are maintained and to identify asset renewal priorities.
    e) Future life-cycle costs will be considered when deciding on new services, new assets or upgrades and reported to Council unless already included in an approved council strategy or asset management plan.

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VI. Applying the principle of 'Renew before Upgrade, Expansion or New' philosophy for asset related projects.
VII. Council will assess and prioritise new projects based on asset benefits, risks, options and whole-of-life costs.
VIII. Council will assess grant-funded new or upgrade projects for full life-cycle costs.

f) Asset management plans and long-term financial plans will identify the costs needed to meet agreed service levels. This includes costs for asset renewal, upgrades, new assets, operation, maintenance and disposal. These plans will inform annual budget estimates, including the service and risk impacts of any changes to costs or available funding.
g) Council will consult the community when setting future service levels and related costs.
h) Ensuring Council has the capacity, skills and resources needed to manage assets effectively.
i) Creating a corporate culture where all employees play a part in overall care for the Council's assets by providing necessary awareness, training, and professional development; and
j) Providing service levels, the community is willing and able to pay for.

Roles and Responsibilities

Council is responsible for adopting the policy, providing high level oversight of the asset management strategy and plans.

The Chief Executive Officer has overall responsibility for developing Council's asset management strategy, plans and procedures, including reporting on including reporting on how well asset management is working across Council.

The Chief Executive Officer is responsible for the allocation of resources

maintaining accountability so resources are assigned to Council's strategic plans and priorities

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7. Version Control

Version	V 4.0	**Adopted**	31 August 2026	**Commencement date**	1 September 2026
Minutes reference	Item 9.1			**Review period**	4 years from adoption
Previous versions	V3.0 adopted 29 August 2022 (Council meeting, Item 14) V 2.0 adopted 30 July 2018 (Council meeting, Item 15) V 1.0 adopted 13 June 2017 (Council meeting, Item 13)				
Responsible Directorate	Infrastructure and Development	**Controller**	Manager Asset, Engineering and Design		
ECM Document no	Policies by Directorate				