



# Asset Management Policy

Policy outcome	The City of Port Phillip understands that Asset Management is a key foundation supporting delivery of organisational strategies, plans, and service objectives that represent the value customers and community seek from us. Port Phillip is committed to the sustainable management of our assets supporting both the immediate and future demands of community. In order to maximise value derived from our assets, we recognise the balance of managing risks, benefits, and costs over the life of our assets and addressing the challenges of the future such as climate change.
Responsible area	Assets Team, Property and Assets Department, City Infrastructure Division
Version	Version 3.0
Date approved/adopted	19 November 2025
Planned review date	November 2029

## 1. Purpose

The purpose of this policy is to outline the principles, guidelines, and practices that guide the City of Port Phillip's decisions on asset investment and management throughout the asset lifecycle, in order to achieve the outcomes stated earlier.

It is intended to review this policy once every four (4) years to ensure it remains current

## 2. Scope

This Policy applies to:

- All assets under the management of Council that are considered in our investment and planning decisions. Our diverse asset portfolio includes land, buildings, infrastructure, and soft assets. Soft assets are intangible, such as intellectual property or digital assets. Collectively, these assets encompass libraries, sporting facilities, parks and play spaces, roads, footpaths, piers and jetties, public lighting, drainage pipes, infrastructure technology, trees and vegetation, public art, and library collections.
- All Councillors, Executive Team members, Council officers, and contractors involved in asset management whether directly or through contract management who share responsibility and accountability for managing Council's assets effectively and efficiently.

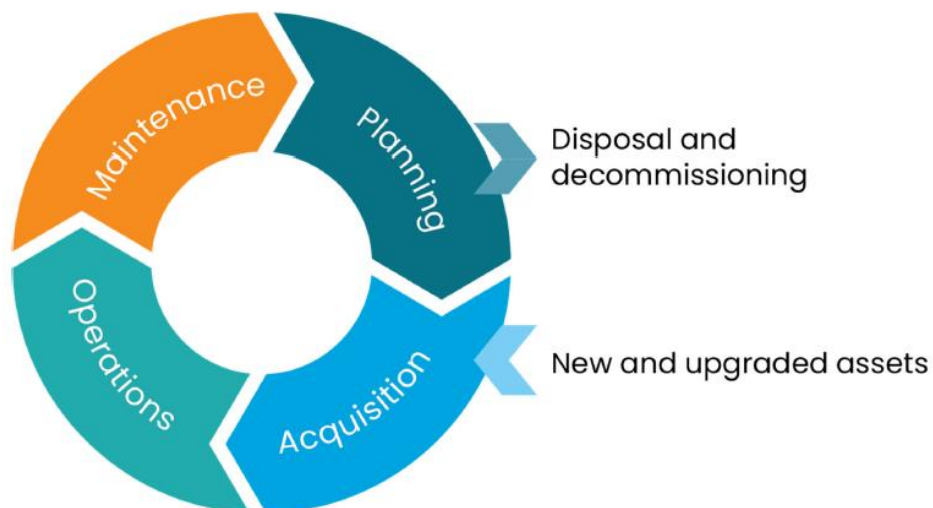
Council's leadership ensures assets are managed sustainably, transparently, and in alignment with community needs. Strong governance supports informed decision-making and long-term planning.



We apply a Strategic Asset Management Framework to guide decisions across the asset lifecycle (refer Figure 1.), including:

- Planning: We plan for new, upgraded, expanded, or renewed assets to ensure they remain fit for purpose and cost-effective.
- Acquisition: We assess, design, and deliver assets through feasibility studies, construction, and handover.
- Operations: We manage performance and respond to service issues to keep assets functioning well.
- Maintenance: We carry out regular servicing and repairs to meet safety, compliance, and community expectations.
- Disposal and Decommissioning: We responsibly retire or remove assets that are no longer needed or useful.

Figure 1. Asset Lifecycle



### 3. Policy statements

We seek to achieve the following outcomes from asset management:

- Fit-for-purpose: Assets will deliver agreed levels of service to the organisation and community in terms of function (including safety, compliance, gender and accessibility), condition, and capacity.



- Community Benefit: Council will innovatively use its asset base to support the social, cultural, and economic wellbeing of the community. This will be informed through consultation.
- Environmental sustainability: Assets are planned and developed to incorporate climate resiliency and mitigate our environmental impact. Adaptation actions will be guided by the Climate Change Risk Register and aligned with Council's broader sustainability goals.
- Financial sustainability: Council makes asset management decisions that support long-term financial health. We invest efficiently to maintain and improve assets in line with lifecycle needs, ensuring they serve current and future generations without creating unnecessary financial pressure.
- Better decision-making: Council will use evidence and risk-based approaches including the use of technology to consider the full lifecycle costs of its asset base and how to prioritise and optimise investment.

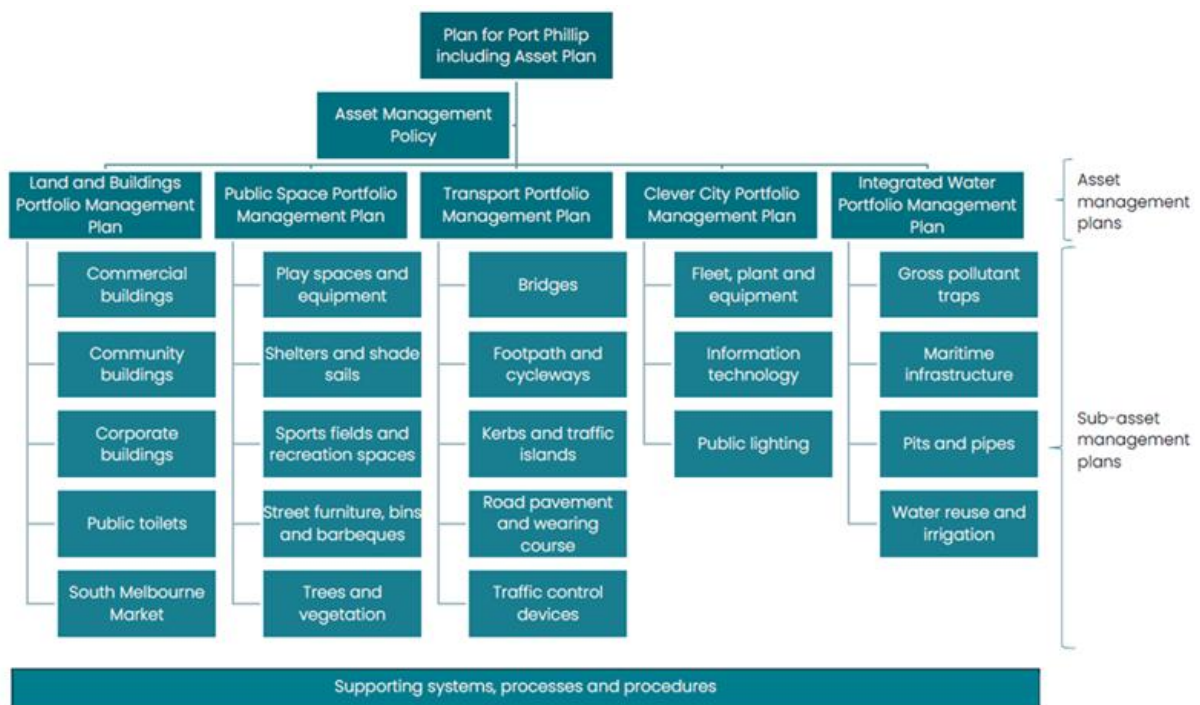
Complementing these outcomes are the following general initiatives:

- Asset management will be integrated into corporate governance including enterprise planning, reporting, and risk management frameworks and practices. It will be considered in this way through the Council Plan, Asset and Financial Plans, Annual Budgeting and Reporting, and comply with the requirements in the *Local Government Act 2020*.
- We seek to operate to stay in the Victorian Auditor-General's Office (VAGO) low-risk range for asset renewal and capital replacement ratios over time, unless there is a clear reason not to. We invest in renewing and replacing assets at a rate that matches depreciation. A low VAGO risk rating shows we're funding renewal properly, helping prevent service disruptions and costly emergency fixes.
- We consider and balance any competing needs (e.g. risk, community, economic, environmental) of the organisation and our stakeholders in order to deliver agreed/accepted benefits and value in both the short and the long term.
- We ensure strong alignment with other City of Port Phillip Policies, Strategies and Plans.
- We understand accountabilities, responsibilities and ensure co-ordination between all internal organisational areas and other external authorities that contribute to asset management and asset life cycle functions within the municipality.
- We commit adequate resources including capability training to achieve agreed Service and Asset Management objectives and overall Asset Management Framework uplift.
- We endeavour to align with the ISO55000 standards, the International Standard for Asset Management.



- We apply an approach of continual improvement to our Asset Management Framework (refer Figure 2.), Strategy, Plans, processes, procedures, information, data, and overall system performance.

Figure 2. Port Phillip Asset Management Framework (Plan for Port Phillip 2025-2035)



4. Supplementary policy documents

- Plan for Port Phillip 2025-2035
- Fixed Asset Accounting Policy 2024
- Community Engagement Policy 2024
- Public Transparency Policy 2023
- Property Policy 2019

5. Related legislations and documents

- Local Government Act 2020 (Vic)
- Road Management Act 2004 (Vic)



- *Disability Discrimination Act 1992* (Cth)
- ISO 55000:2024
- Asset Plan Guidance 2022 (Local Government Victoria)
- Local Government Asset Management: Better Practice Guide 2015 (Local Government Victoria)

## 6. Definitions

Term	Definition
<b>Asset Management</b>	The coordinated activity of an organisation to realise value from assets, present and future. In City of Port Phillip context this ensures consistent levels of service as agreed with the community.
<b>Asset Lifecycle</b>	The time interval that commences with the identification of the need for an asset, it's acquisition, operation, maintenance and terminates with the disposal and decommissioning of the asset or any liabilities thereafter.
<b>Asset Management Framework (Strategic Asset Management)</b>	The framework (refer Figure 2.) incorporating policies, strategies, plans, processes, procedures, data, and information that supports effective asset management performance, operational and capital investment.
<b>New Assets</b>	Expenditure that creates a new asset that provides a service that does not currently exist due to new demands.
<b>Asset Upgrade</b>	Expenditure that (a) enhances an existing asset to provide a higher level of service; or (b) increases the life of the asset beyond its original life.
<b>Asset Renewal</b>	Expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability and ongoing requirements.
<b>Asset Expansion</b>	Expenditure that extends the capacity of an existing asset to provide benefits to new users at the same standard as is provided to existing beneficiaries.
<b>ISO 55000</b>	International Standards Organisation, governing the standard for best practice for asset management.  <i>Noting that the current standard is ISO 55000:2024.</i>



## 7. Administrative updates

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively. However, any change or update which materially alters this document must be made with a resolution of Council.

## 8. Document history

Version	Approval date	Changes made	ECM record
1.0	01/06/2017	Adoption v1.0	#20/13/14
1.1	04/06/2018	Desktop Review nil changes v1.1	#20/13/14
1.2	06/06/2019	½ term review- Update organisation changes v1.2	#20/13/14
1.3	11/06/2019	Desktop review- Update Organisation changes position descriptions v1.	#20/13/14
2.0	18/06/2021	Alignment with new CoPP Policy Template	#20/13/14
3.0	19/11/2025	Review of policy, including alignment with IPWEA template, streamlining to include only necessary policy information, removal of duplicated content from Asset Plan, currency check, and update of template.	TBA

## 9. Attachments

Nil