Moira Shire Council
Asset Management Policy

Policy type	Council
Policy Number	PR-03
Version Number	7
Responsible Director	Infrastructure Services
Responsible Officer	Manager Property and Assets
Date adopted by Council	
Scheduled for review	This policy will be reviewed two years from the date of adoption, or sooner if required.

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Administrative changes do not materially alter the document (such as spelling/typographical errors, change to the name of a Council department, a change to the name of a Federal or State Government department). Administrative updates can be made in accordance with the Policy Framework Guidelines.

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1. PURPOSE

The purpose of this policy is to establish Council's principles and governance requirements for managing assets throughout their lifecycle. It supports safe, reliable and financially sustainable service delivery by requiring asset decisions to balance community service needs, cost, risk and performance, and to align with Council's strategic objectives, financial management obligations and legal requirements.

2. SCOPE

This policy applies to all Councillors, employees, contractors, volunteers of Council.

This policy provides the overarching management principles for Council's asset portfolio and is integrated within the Asset Management Framework which includes the:

- Asset Management Policy: a community facing Council Policy that determines the principles for the management of Council's asset portfolio.
- Asset Management Framework: a strategic internal document that establishes a consistent approach to the management of Council's asset portfolio.
- Asset Plan: Council's long-term strategic plan for managing the renewal of Council's infrastructure assets. It serves as Council's Strategic Asset Management Plan (SAMP), aligning with the principles of the *International Standard for Asset Management, ISO 55001* and the requirements of the *Local Government Act 2020.* The Asset Plan establishes Council's asset management priorities over a 10 year timeframe and guides service planning, investment decisions, and long-term financial planning.

This policy applies to all physical and intangible assets controlled by Council throughout their lifecycle, from acquisition through to disposal. Detailed operational requirements, asset-class methodologies and financial thresholds are set out in the Asset Management Framework, Asset Plan, accounting procedures and related standards. Insurance valuations are outside the scope of this policy.

3. DEFINITIONS

Term	Definition
Acquisition	The gifting, purchase, or construction of asset which are added to Council's fixed asset register to maintain and renew.
Asset	Any Council-controlled physical resource required to deliver future benefits or services. Assets are generally categorised as physical (e.g., land, roads buildings) or intangible (e.g., intellectual property, software) and are those that are expected to provide value over a useful life greater than one year.
Asset Manager	The Council officer or manager with operational responsibility for the relevant asset or asset class.
Asset Capitalisation	The process of recording expenditure as a capital investment (an asset) within Council's financial statements rather than as an expense on the income statement. Capitalisation occurs when asset-related costs exceed defined monetary thresholds, and the asset provides a long-term benefit. Once capitalised, the asset is

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	subject to depreciation over its useful life and is on the fixed asset register.
Asset Class	Groups of assets with a similar nature, purpose, or function within Council operations which streamline management and reporting processes, allowing for the organisation to disclose similar assets collectively in financial reports. Examples of asset classes include land and buildings, plant and equipment, roads, footpaths.
Capitalisation threshold	A specific dollar amount for each asset class to determine whether asset-related expenditures are capitalised or expensed. Expenditures that meet or exceed the threshold are added to the fixed asset register, while those below the threshold are considered operational expenses. Thresholds are established to ensure materiality and compliance with financial reporting standards.
Depreciation	The systematic allocation of an asset's capital value over its total useful life. Depreciation reflects the consumption of the asset's economic benefits over time, reducing its recorded value annually. Council applies depreciation to all non-current physical and intangible assets, aligning with Australian Accounting Standards for accurate financial reporting.
Disposal	The process of permanently removing an asset from Council's ownership and asset lists, through sale, donation, recycling, or decommissioning in a transparent and financially sustainable process once it is no longer economically viable, the service is no longer aligned with Council service provisions, or the asset has reached the end of its useful life. Disposed assets are removed from the fixed asset register.
Fair Market Value	The market value of an asset at disposal. Fair market value reflects the market conditions at the time of valuation and is used in asset revaluation to ensure Council's asset values are accurately represented in financial statements.
Fixed asset register (FAR)	A register that maintains detailed records of all Council-owned non-current assets, including acquisition costs, capitalisation details, valuation, revaluation, and depreciation. The FAR provides a basis for financial reporting and asset management activities.
Revaluation	The process of updating the value of an asset or asset class to reflect its current fair market value. Revaluation is conducted periodically, usually based on market conditions to ensure that asset values remain accurate in financial records. Revaluation frequency varies by asset class and is governed by Council's revaluation schedules included in this policy.
Useful life	The estimated period over which an asset is expected to last before requiring replacement due to its condition. The useful life influences depreciation schedules and helps determine replacement and maintenance strategies to maximise the asset's service potential.

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4. POLICY STATEMENT

Asset Management is the coordinated activity of Council to realise service value from assets. The principles in this policy help to manage the trade-offs between cost, risk, and service performance of assets over the short, medium, and long term when making decisions about Council managed infrastructure assets. The goal is to ensure infrastructure assets are available and safe to enable the delivery of services of value to the community today whilst providing certainty of service delivery for future generations. Asset Management therefore is the combination of service delivery, engineering, financial and maintenance practices applied to physical assets with the objective of providing an agreed level of service and functionality in a financially sustainable manner. It includes the management of the whole life cycle (acquisition, design, construction, commissioning, operating, maintaining, repairing, modifying, replacing and decommissioning/disposal) of physical and infrastructure assets.

Council is committed to the following principles:

Principle 1: Service-Focused Stewardship and Accountability

Community assets will be managed transparently and accountably to meet current and future service needs and deliver lasting, sustainable community value.

Principle 2: Renew Before New and Manage the Full Lifecycle

Decisions will prioritise renewing and optimising existing assets, supporting new or expanded assets only where a clear ongoing service need and affordable whole-of-life obligation can be demonstrated.

Principle 3: Financial Sustainability

Affordable asset decisions will be made based on whole-of-life costs and long-term financial capacity so future liabilities remain sustainable.

Principle 4: Evidence-Based Decisions that Balance Cost, Risk and Performance

Reliable asset information and risk-based analysis will be used to balance service outcomes, cost, performance and affordability and direct investment for the greatest community value.

Principle 5: Integrated Planning and Governance

An integrated asset, service and financial planning approach will be used through clear governance and collaboration across the organisation.

4.1 Asset Capitalisation, Condition Inspections, and Revaluation programs

Investment in Council's assets will be capitalised and depreciated according to the Australian Accounting Standards, ensuring long-term investments are classified, managed, and reported accurately within Council's financial statements.

To ensure accuracy in financial reporting, Council will periodically revalue non-current assets to reflect fair market value, aligning with Australian Accounting Standards. Valuation updates will follow the revaluation schedule frequencies detailed in the Asset Management Framework and will include independently completed condition assessments.

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4.2 Asset Acquisition and Disposal

Assets may be acquired by Council in several ways including construction through a Council approved contract or inherited from developer's works, purchasing, or receiving gifted assets from community groups or the State Government.

Pre-Purchase Risk Assessment
A documented and approved Pre-Purchase Risk Assessment must be completed before acquiring plant, equipment, or other assets where operational, safety, environmental, or compliance risks may exist.

The assessment must consider:

- Fitness for purpose and operational requirements.
- Work health and safety risks.
- Legislative and regulatory compliance.
- Training and competency requirements.
- Maintenance, servicing and lifecycle impacts.
- Environmental impacts.
- Warranty and supplier support arrangements.
- Risks and controls associated with the asset's use.

The completed Pre-Purchase Risk Assessment must be approved by an officer with authority under Council's procurement requirements and the responsibility and authorisation matrix below before acquisition proceeds. Approval of the assessment does not replace any separate financial, procurement, contractual or safety approval required for the acquisition.

Assets on Council's fixed asset register may also be disposed of if they are no longer required for service provision, are not financially viable to operate or cost-effective to maintain or have reached the end of their useful life in relation to the condition of the asset.

All asset disposals must be undertaken in accordance with Council's Asset Disposal Standard Operating Procedure and be supported by a completed Asset Disposal Form. Disposal decisions must consider the asset's condition, service requirements, value, disposal method, environmental impacts and any other relevant considerations prior to approval.

Decisions of this nature will:

- Require a formal decision according to the responsibility and authorisation matrix below;
- Ensure asset valuation and asset register are updated at the time;
- Follow transparent and documented process;
- Align with Council's strategic objectives, such as reinvesting proceeds in new or upgraded assets;
- Ensure environmental considerations, prioritising recycling or repurposing wherever feasible;
- Follow data security protocols where applicable.
- Ensure transparency and achieve best value by prioritising public auction or open tender as Council's preferred methods of asset disposal; and
- Investigate and exhaust all available return-under-warranty options prior to the disposal of a defective asset by sale or any other disposal method.

The applicable approval threshold for an asset disposal will be determined using the higher of the asset's current written-down value recorded in Council's asset register and a current, supportable estimate of market value. An independent pre-sale valuation must be obtained where required by legislation, Council policy, the disposal method, the nature or value of the asset, or where a reliable market value cannot otherwise be established.

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Responsibility and Authorisation matrix			
Method of acquisition or disposal	**$1- $100,000**	**$100,001 - $350,000**	**$350,001 +**
Trade in	**Responsibility:** Asset Managers **Authority:** Director Infrastructure Services	**Responsibility:** Asset Managers **Authority:** Chief Executive Officer (CEO)	**Responsibility:** Asset Managers **Authority:** Council resolution
Expression of interest			
Open tender			
Sale			
Public auction			
Demolish/Recycle			
Charity gifting	CEO	CEO	Council resolution
Land exchange or sale	CEO	Council resolution	Council resolution

5. RESPONSIBILITIES

Council	• Endorsing the Asset Management Policy. • Endorsing the Asset Plan • Endorsing the 10-year asset plan and long-term financial plan • Endorsing the annual capital works budget in alignment with policy priorities • Approving acquisition and disposal of assets as per the responsibility and authorisation matrix • Providing governance and accountability for asset-related decisions, ensuring transparency and responsible stewardship of public assets • Complying with legislation and Council policies and practices.
Chief Executive Officer (CEO)	• Primary responsibility for compliance with the Asset Management Policy, Asset Plan and Asset Management Framework throughout the organisation. • Approval of the Asset Management Framework • Ensuring asset sustainability and service delivery by monitoring performance against policy objectives • Complying with legislation and Council policies and practices.
Executive and Senior Leadership Teams	• Receiving reports relating to suspected events or instances of breaches of this policy. • Ensuring staff understand their responsibilities through adequate supervision, acting within their delegated powers, written procedures, and position descriptions. • Ensuring that appropriate corporate systems, procedures, and processes are in place and managed within their departments and operational units. • Ensuring that staff implement recommendations to

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	eliminate or reduce the impact of deviation from the policy.
Manager Property & Assets	• Coordinating the review of Council's Asset Management Policy, Asset Plan and Asset Management Framework • Ensuring that an effective asset management system is established and maintained. • Overseeing the development and implementation of the 10-year asset management plan and integration with the long-term financial plan • Coordinating a periodic Asset Management Risk Assessment, in line with Council's Risk Management Framework. • Ensuring regular updates are provided (including assurance of controls) in line with Council's Risk Management Plan.
Employees, Contractors, and Council Volunteers	• Acting with propriety in all Council activities and not using their position with the Council to gain personal advantage or to confer advantage, or disadvantage, on any other person. • Safeguarding Council assets against theft, misuse or improper use and reporting incidents. • Aligning with Asset Management principles • Conducting themselves with honesty, accountability, and integrity and in line with the Employee Code of Conduct and Corporate Values.
Audit & Risk Committee	• Reviewing reports of breaches of this policy.
Internal and External Audit	• Playing an important role in the improvement of asset management activities by independently reviewing systems, procedures, and controls to ensure there are adequate safeguards to prevent, detect and respond to policy deviations; with particular attention paid to areas where there is a significant risk. • Providing findings and recommendations to Council for consideration. • Certifying that Council's accounts represent a true and fair view of the Council's financial position (undertaken by External Auditor – Victorian Auditor General's Office).

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6. MONITORING AND EVALUATION

Monitoring and reporting of asset management risks will be undertaken in accordance with Council's Risk Management and Asset Management Frameworks. The Asset Management and Governance, Risk & Performance teams will monitor compliance with this policy and in instances where a deviation from the policy is detected, Council will reassess the adequacy of controls and determine whether remedial actions are required.

6.1 RELATED DOCUMENTS

Related Legislation

Local Government Act 2020
Local Government (Planning and Reporting) Regulations 2020
Road Management Act 2004

Related Council Policies and Procedures

Employee Code of Conduct
Administrator/Councillor Code of Conduct
Competency Framework
Disciplinary Procedure
Gifts, Benefits and Hospitality Policy Conflict of Interest Guide
Risk Management Policy Purchase Card Policy
IT Security Policy
Budget and Financial Reporting Community Strengthening Grants Policy Procurement Policy
Records Management Policy Motor Vehicle Policy Instruments of Delegation
Pre-Purchase Risk Assessment
Asset Disposal Standard Operating Procedure
Asset Disposal Form

Standards, Guidelines, and other supporting information

Australian Accounting Standards – specifically but not limited to:

- *AASB 116 Property, Plant, and Equipment: This standard outlines the accounting treatment for most types of property, plant, and equipment. It includes guidelines on recognition, measurement, depreciation, and impairment of assets.*
- *AASB 138 Intangible Assets: This standard provides guidance on the accounting treatment for intangible assets, including their recognition, measurement, and amortisation.*
- *AASB 13 Fair Market Value Measurement: This standard defines fair Market value, sets out a framework for measuring fair Market value, and requires disclosures about fair Market value measurements.*

International Infrastructure Management Manual Infrastructure Design Manual
Moira Shire Council Plan
Moira Shire Council Long Term Financial Plan Moira Shire Council Asset Management Plan(s)
Local Government and Planning Ministers' Council,
Local Government financial sustainability nationally consistent frameworks, Framework 2 – Asset planning and Management (May 2009)
Australian Centre of Excellence for Local Government – National Assessment Framework
Australia Local Government Association – State of the Assets 2015
International Standard for Asset Management ISO55001

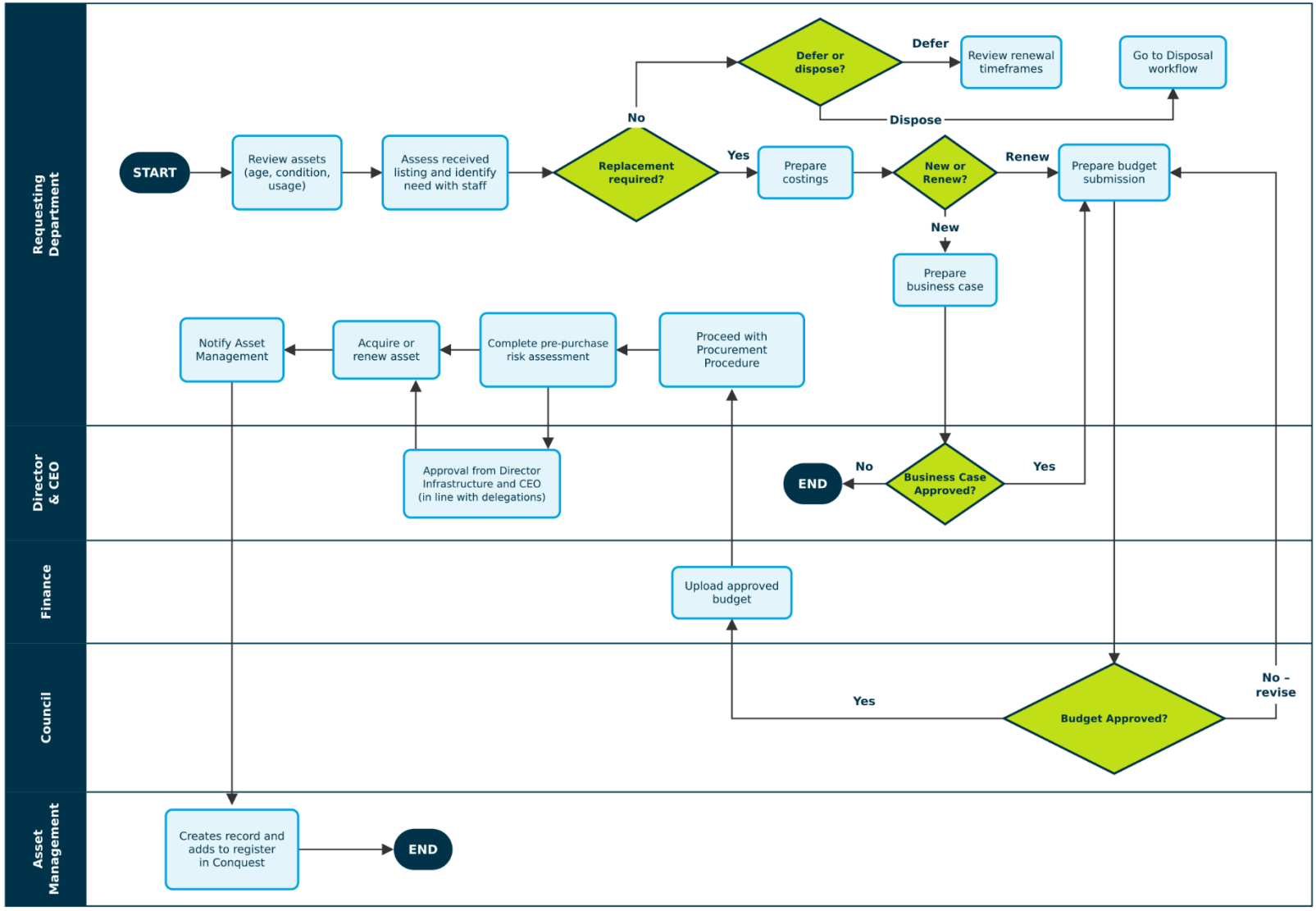
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7. DOCUMENT REVISIONS

Version	Summary of Changes	Approved by	Date
1	Original Asset Management Policy adopted	Council	07/07/2003
2	Policy review	Council	21/03/2011
3	Policy review	Council	18/03/2013
4	Policy review	Council	22/03/2017
5	Policy review	Council	23/10/2019
6	Review included combining Asset Management Policy, Revaluation and Valuation Policy, Asset Capitalisation Policy and incorporating disposal and acquisition.	Council	30/06/2025
6.1	Administrative amendment: Removal deviation approval from Section 5. Responsibility and Authorisation Matrix defines approval requirements so this eliminates confusion.	CEO	27/07/2025
7	Policy review	Council	13/10/2026

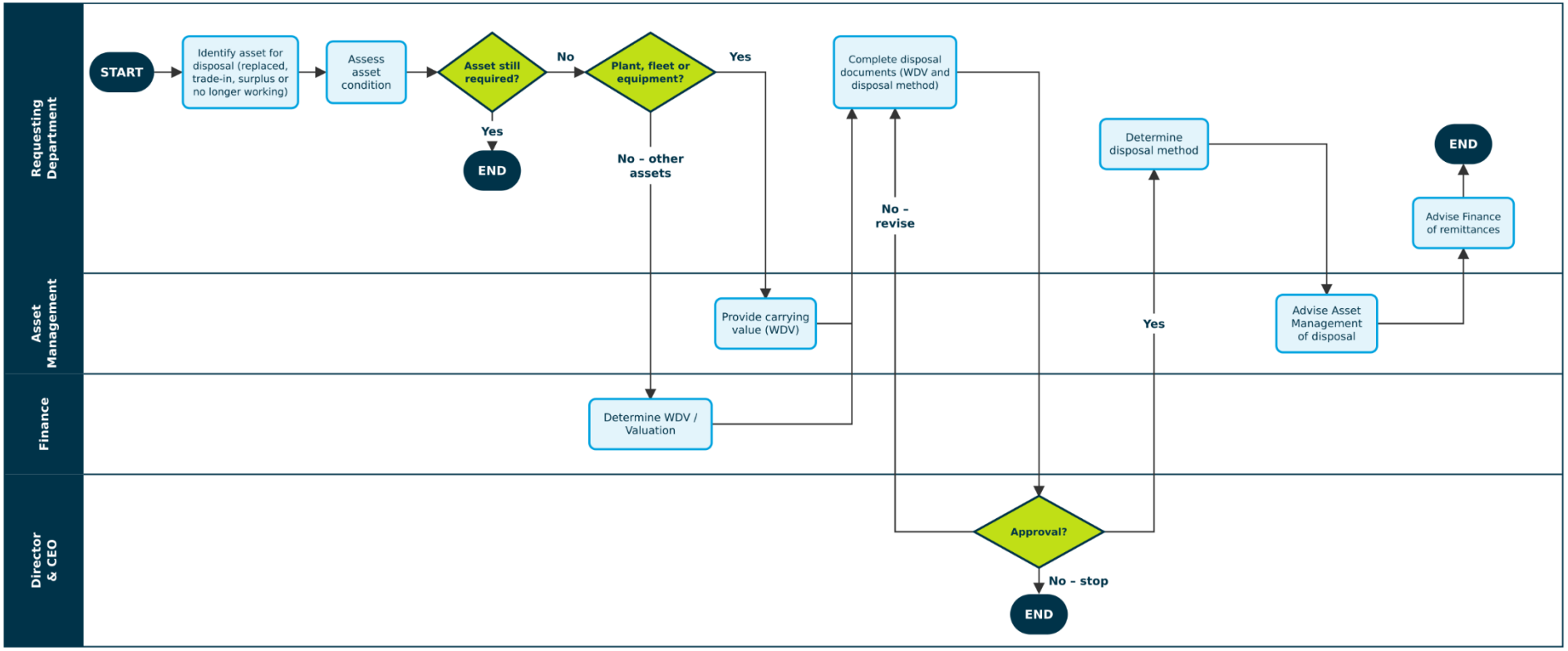
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8. ATTACHMENT 1 – ASSET ACQUISITION PROCESS



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9. ATTACHMENT 2 – ASSET DISPOSAL PROCESS



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