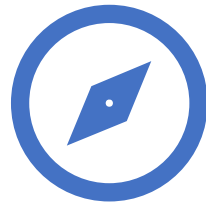


ASSET PLAN GUIDANCE 2022

A guide to the Guide

3 March 2022



Introduction

IPWEA & IPWEA Victoria

IPWEA

- Institute of Public Works Engineering Australasia
- Professional association of 5,000 members in ANZ
- Internationally acknowledged AM expertise

IPWEA Victoria (vic@ipwea.org)

- Formerly the LGEAV, founded in 1959
- Purpose: To enable better public works.
- Committed to building AM capability in Victoria
- Represented on LGV's ISPRF & Asset Plan WGs



Victoria

IPWEA

INSTITUTE OF PUBLIC WORKS
ENGINEERING AUSTRALASIA

Introduction

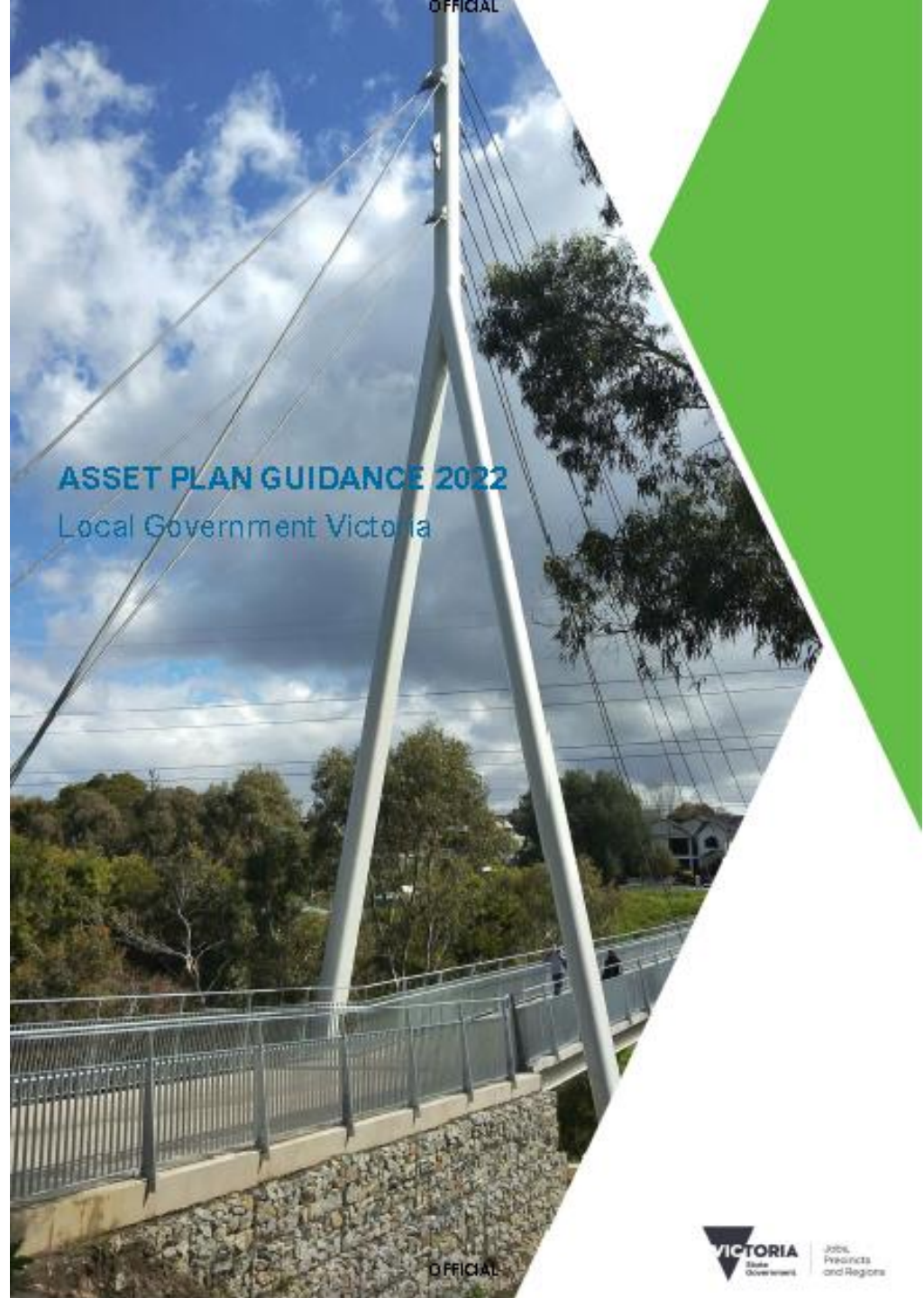
Asset Plan Working Group

Representation

- Local Government Victoria
- Municipal Association Victoria
- 5 regional Councils
- 4 metropolitan Councils
- IPWEA & IPWEA Victoria

Contribution

- Sep-Dec 2021 > 5 Group meetings
- Nov-Feb 2022 > sub-Group meetings



Why?

s92

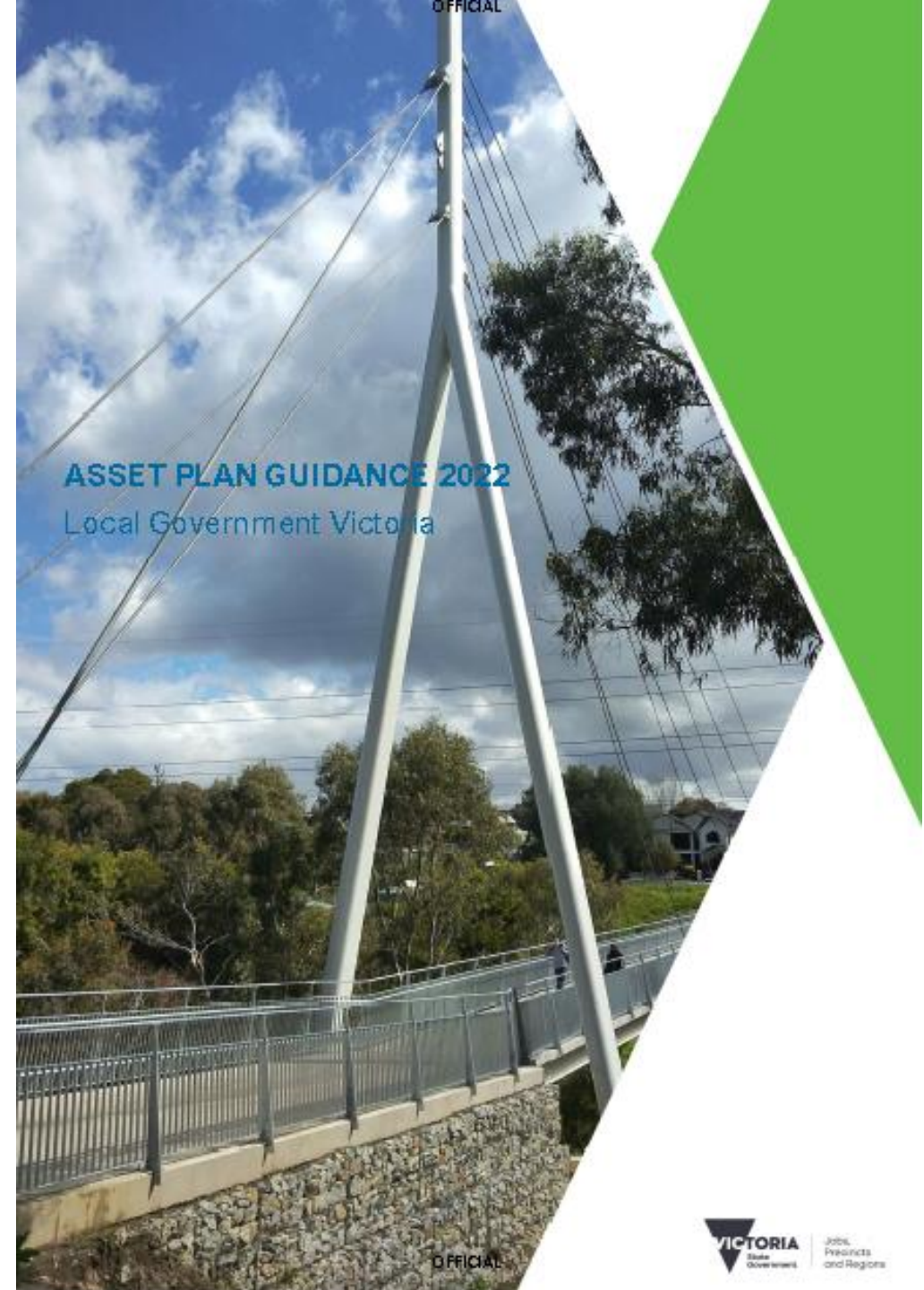
Asset Plan

- (1) Subject to subsection (6), a Council must develop, adopt and keep in force an **Asset Plan** in accordance with its deliberative engagement practices.
- (2) The scope of an **Asset Plan** is a period of at least the next 10 financial years.
- (3) An **Asset Plan** must include the following—
 - (a) information about maintenance, renewal, acquisition, expansion, upgrade, disposal and decommissioning in relation to each class of infrastructure asset under control of Council;
 - (b) any other matters prescribed by the regulations.
- (4) Subject to subsection (6), a Council must develop or review the **Asset Plan** in accordance with its deliberative engagement practices and adopt the **Asset Plan** by 31 October in the year following a general election, other than the first general election to be conducted under section 257(1)(a).
- (5) The **Asset Plan** adopted under subsection (4) has effect from 1 July in the year following a general election.
- (6) A Council must develop and adopt an **Asset Plan** in accordance with its community engagement policy by 30 June 2022 following the first general election to be conducted under section 257(1)(a).
- (7) The **Asset Plan** adopted under subsection (6) has effect from 1 July 2022.

Overview

Asset Plan Guidance 2022

- Purpose
- Compliance
- Strategic Context
- ISPRF
- Community Engagement
- Principles
- Key components



Purpose

What it isn't:

An Asset Plan is **not an Asset Management Plan.**

The Asset Plan is not intended to be a technical document.

What it is:

An Asset Plan is a **strategic, public-facing document.**

The Asset Plan is intended to inform the community how council-controlled assets will be managed to achieve the Council Plan and Community Vision.

Compliance

“The Local Government (Planning and Reporting) Regulations 2020 require councils to record their **compliance with section 92 (the Asset Plan) of the Act by completing the Governance and Management Checklist.**

While the Checklist only requires a simple Yes/No response, and the Mayor and Chief Executive Officer certifying the Checklist, the Act **further requires Councils to ensure that the Asset Plan aligns with the Council Plan, Council Budget, Annual Report, Community Vision and Financial Plan, in keeping with the ISPRF.”**

Version No. 001

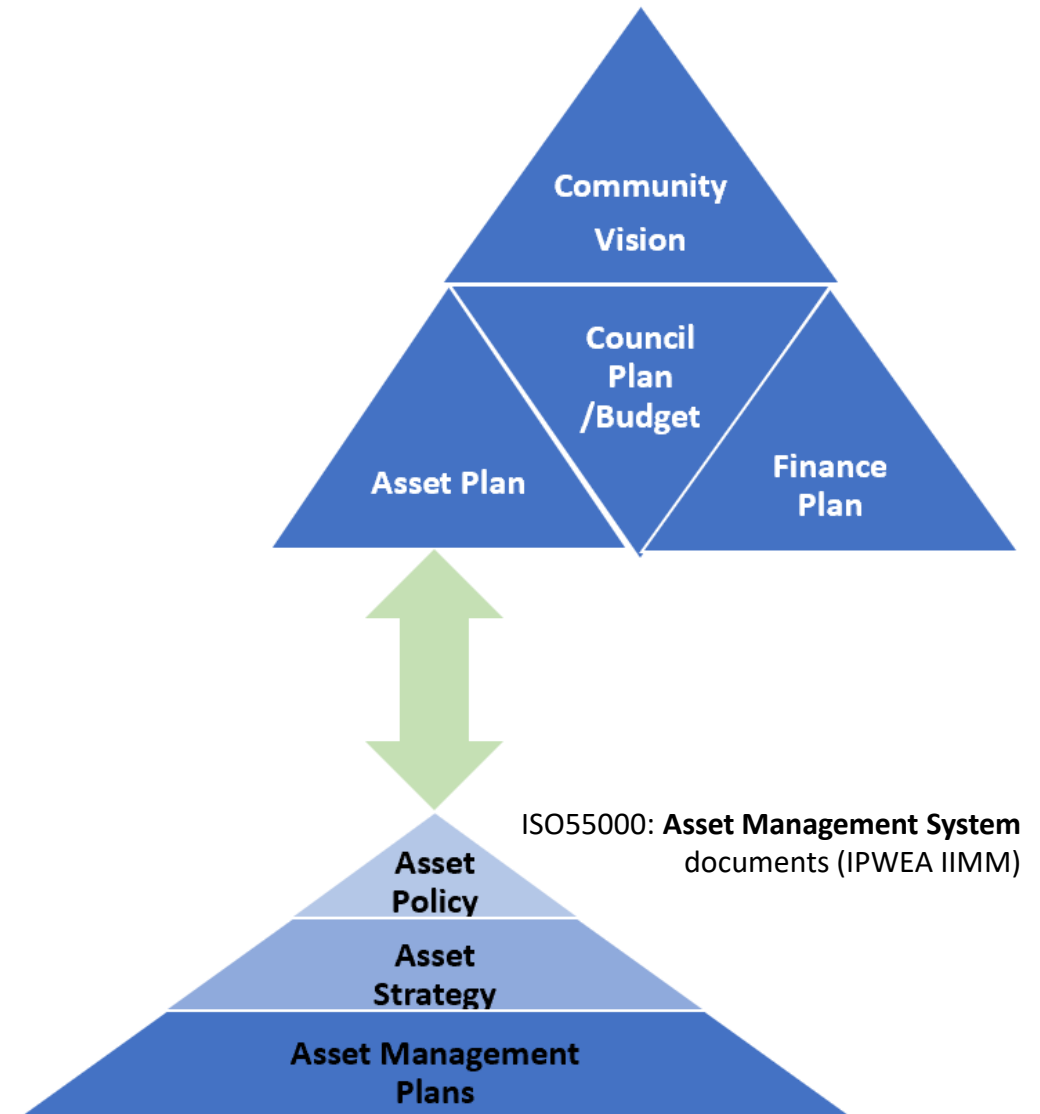
**Local Government (Planning and Reporting)
Regulations 2020**

S.R. No. 117/2020

Version as at
24 October 2020

Strategic Context

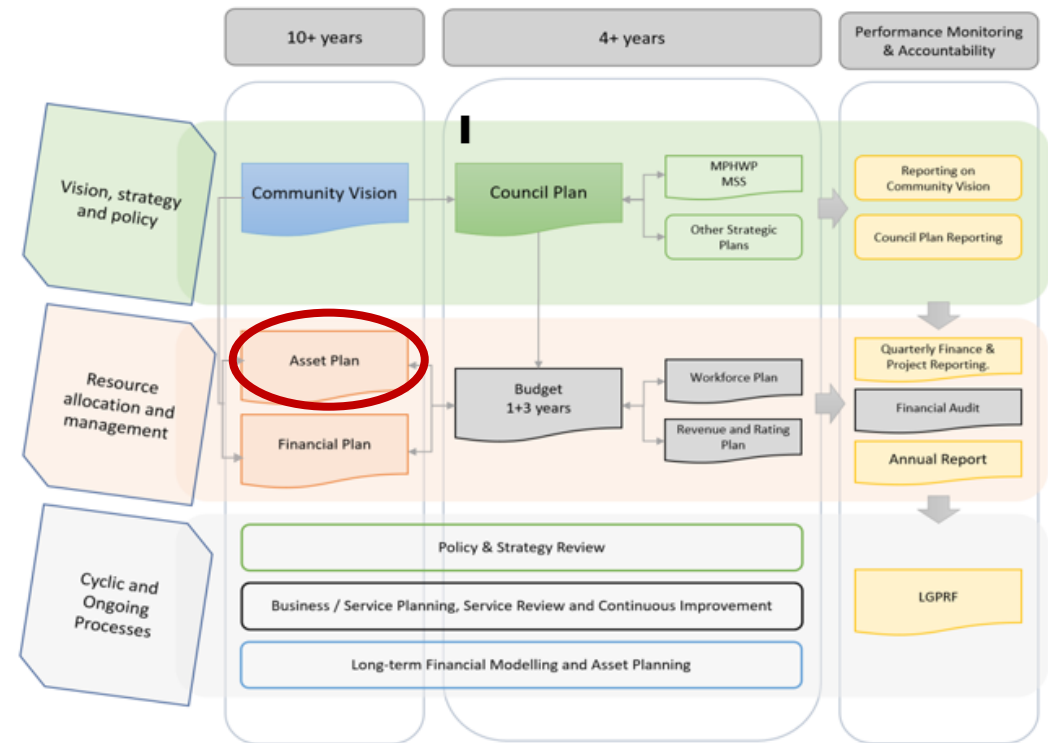
- The Asset Plan is a vital component of the Local Government ISPRF.
- As such, the plan should align with and complement the other council planning and reporting documents, including the:
 - Council Plan
 - Council Budget
 - Annual Report, as well as the other longer-term planning documents:
 - the Community Vision, and
 - the Financial Plan.



ISPRF

Factors which could be considered within this framework include the future impacts of:

- ✓ climate change
- ✓ service delivery
- ✓ demographic change
- ✓ emerging technologies and practices
- ✓ political environments
- ✓ asset volume
(such as duplication, redundancy, or scarcity)
- ✓ asset condition
- ✓ other drivers identified by council
- ✓ financial capacity

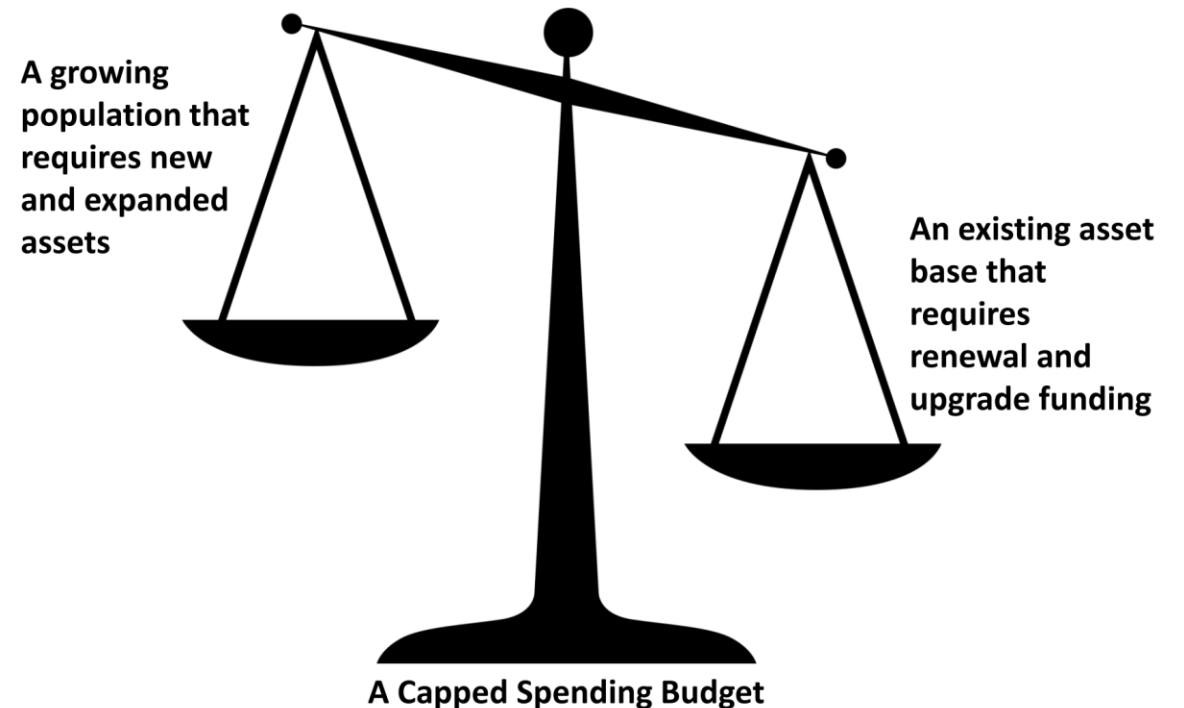


Community Engagement

The first Asset Plan must be adopted by 30 June 2022 and should be developed and prepared in accordance with each council's **Community Engagement Policy**.

Community engagement is **not mandatory for the first iteration** of the Asset Plan unless council's Community Engagement Policy prescribes it. Thereafter, councils must adopt a community engagement policy that includes **deliberative engagement practices**.

When delivering engagement on the Asset Plan, **councils may want to consider communicating to the community the challenges they face** when making decisions that must balance between infrastructure performance and expenditure choices.



Principles

The Act does not specifically state the core principles of an Asset Plan, but it has provided sufficient direction to enable the development of a set of core principles.

The **Asset Plan Working Group** developed some core principles to support planning and continuous improvement in asset management decision making.

As the Asset Plan will be a public facing document, it is recommended that the communications team in council is consulted **before the document is released** to the public to ensure it is accessible and easy to digest by the community.

1. **Be community focussed and non-technical:**

- *clear in scope and definition*
- *simple to understand*
- *accessible to all members of the community*

2. **Use reliable inputs:**

- *a reliable and robust asset register*
- *up-to-date annual forecasts and analytics*
- *informed maintenance programs*
- *an informed understanding of service requirements*
- *employ a continuous improvement process*
- *draw on learnings from the deliberative engagement process*

3. **Be integrated and strategic:**

- *make a positive contribution to the pursuit of the Community Vision and the delivery of the Council Plan, Financial Plan and Annual budget process*
- *successfully address the strategic planning principles in the Local Government Act 2020.*

Key Components

To meet the expectations of the Act, the Asset Plan should address the following:

1. Strategy

AM decision-making basis

2. Linkages

Integration with ISPRF documents

3. Financial integration

Responsible budget allocation

4. Asset Classes

All infrastructure asset classes

5. State of the Assets

Current and forecast condition

6. Challenges and Choices

Agreed Council/community trade-offs

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