



Council Policy

16.12 CAPITAL PROJECTS PRIORITISATION POLICY

PURPOSE

The purpose of this policy is to ensure that Council's limited funds available for capital expenditure on New, Upgrade and Expansion projects are utilised as effectively as possible and are allocated transparently, equitably and in accordance with the principles of best practice asset management.

This policy provides a framework whereby competing projects can be assessed and prioritised to ensure Council's long term financial sustainability and improve asset management practices by applying the principles to Council's capital expenditure decisions.

SCOPE

This policy applies to all Capital Works which constitute expenditure for Upgrades, New and Expansion projects. This includes projects approved within Colac Otway Shire's Year 1 CWP and 10 Year indicative CWP.

DEFINITIONS

Capital Works – physical works to Council owned assets and property delivered by or on behalf of the Colac Otway Shire Council.

CWP – Capital Works Program is a proposed program of capital projects to be constructed in a given financial year.

1 Year CWP – Capital Works Program developed annually as part of budget process

10 Year Indicative CWP – a program of forecast capital investment over the next 10 years

Renewal – Expenditure on an existing asset or on replacing an existing asset that returns the service potential and extends the life of the asset beyond that which it had originally.

Upgrade – Expenditure which enhances an existing asset to provide a higher level of service.

New - Expenditure which creates a new asset that does not currently exist to meet additional service levels.

Expansion – Expenditure that extends the capacity of an existing asset at the same service level.

REFERENCES

International Infrastructure Management Manual, 2015 (IPWEA)

Local Government Act 2020

Local Government (Finance and Reporting) Regulations 2004

Risk Management Act 2004

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STATEMENT OF POLICY

The principles guiding the allocation of Council funds to capital projects are underpinned by the following set of project evaluation criteria. Priority will be given to projects that;

Principle 1 – Strategic Alignment

- 1.1 are identified in the Council Plan, an approved Strategy, Council Policy and/or Council Resolution or projects that are consistent or aligned to broader regional strategies.
- 1.2 meet an identified demand, substantiated by a thorough process of data collection, analysis and community consultation.

Principle 2 – Economic Benefit

- 2.1 can leverage external funding.
- 2.2 limit or reduce impacts on Council's operating costs.
- 2.3 support or provide benefits to the local economy.
- 2.4 can increase revenue for Council.

Principle 3 – Social Benefit

- 3.1 have the support of the majority of the community and key stakeholders.
- 3.2 do not duplicate an existing service(s) currently provided to intended users or participants.
- 3.3 increase access or participation opportunities for a disadvantaged, or vulnerable community groups.
- 3.4 demonstrate improved social interaction, physical and mental health and wellbeing outcomes
- 3.5 improve the liveability of the municipality.
- 3.6 contribute to the protection of Council's cultural and/or heritage values.
- 3.7 reduce community emissions.

Principle 4 – Environmental Benefit

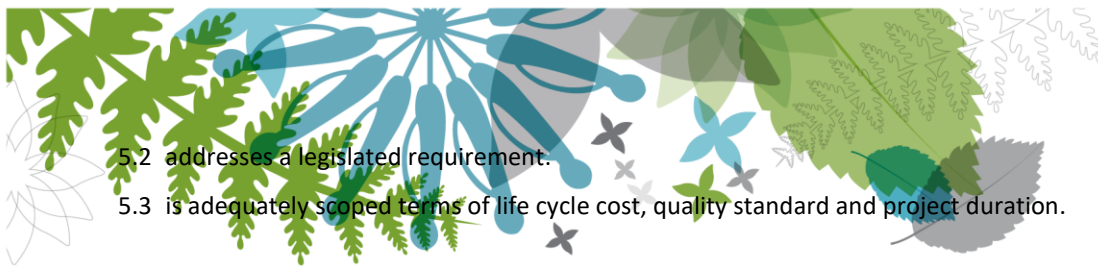
- 4.1 minimise energy and water use and reduce waste disposal/ maximise recycling opportunities
- 4.2 protect s and/or contributes to biodiversity values.
- 4.3 contributes to achieving Council's carbon neutral target.

Principle 5 – Safety, Risk and Compliance

- 5.1 addresses a safety issue.

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5.2 addresses a legislated requirement.

5.3 is adequately scoped terms of life cycle cost, quality standard and project duration.

RELATED DOCUMENTS

- Capital Funds Allocation Policy
- Council Plan 2021– 2025
- Acquisition and Disposal of Council Property Policy 2021
- Asset Accounting Policy
- Asset Management Policy 2018
- Asset Management Strategy (under review)
- Road Management Plan 2021
- Roads Asset Management Plan 2018
- Bridges Asset Management Plan
- Footpath Asset Management Plan
- Building Asset Management Plan
- Open Space and Recreation Asset Management Plan
- Colac Otway Shire Risk Register
- Risk Management Policy
- Environment Strategy

DOCUMENT CONTROL

Policy owner	Manager Assets and Project Delivery	Division	Environment and Infrastructure
Adopted by council		Policy Number	16.12
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