

# Council Policy

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| <b>Council policy title:</b> | <b>Service-Driven Asset Management Policy 2018</b>  |
| <b>Council policy owner:</b> | Director Environment, Recreation and Infrastructure |
| <b>Adopted by:</b>           | Bayside City Council                                |
| <b>Date adopted:</b>         | May 2018  |
| <b>Scheduled review:</b>     | May 2022  |
| <b>Document Reference:</b>   | DOC/18/100034                                       |

## 1. Policy intent

This Policy establishes the guiding principles for the management of Council infrastructure assets, in accordance with the Council Plan and Long Term Financial Plan.

## 2. Policy purpose

This Policy:

- demonstrates a commitment by Council to provide service-driven physical infrastructure assets, that are appropriately managed and relevant to meet community needs;
- establishes a framework to ensure that asset management is undertaken in a structured, coordinated, and financially sustainable manner, and adheres to legislative requirements;
- guides Council decision making with respect to the Capital Works program, Annual Budget, and Long Term Financial Plan.

## 3. Glossary - Definitions and Abbreviations

| <b>Term</b>                     | <b>Meaning</b>  |
|---------------------------------|---|
| <b>Infrastructure Assets</b>    | Infrastructure assets are physical assets that contribute to community access to major economic and social facilities and services.   |
| <b>Service-driven</b>           | The provision of services is a core Council function. The service-delivering capacity of assets shall be the foremost consideration when developing the capital works program and Long Term Financial Plan. |
| <b>Council Plan</b>             | A four-year plan setting out the vision and priorities for the upcoming Council term  |
| <b>Long Term Financial Plan</b> | A 10-year forecast of Council's capital and operating expenditure   |

#### **4. Scope**

This Policy is applicable to all Council owned or managed infrastructure assets that deliver a nominated service to the Bayside community. The Policy applies to all Council services involved in the creation, maintenance, renewal, upgrade, and rationalisation of physical infrastructure assets, and all contracts applicable to these services.

The Policy is not applicable to the acquisition of property for investment or strategic purposes.

#### **5. Policy statement**

Council is the owner and custodian of infrastructure assets used directly by the community, or by the Council to provide a service to the community, and there is an expectation that such assets are managed appropriately. Assets must be fit for purpose to meet the needs of the direct and indirect users within the community.

In fulfilling its responsibilities, Bayside City Council makes the following commitments:

- Priority for investment will be given to the renewal or upgrade of existing assets that can demonstrate a high net community benefit;
- New assets shall be funded only where there is a demonstrated community need for a service, and alternatives to asset creation have been closely assessed;
- Assets that deliver low community benefit or are surplus to demand, shall be considered for rationalisation and/or integration with other assets. The economic, environmental, and social impacts of managing service-delivering assets shall be closely assessed;
- Asset planning shall take into account the physical condition, criticality, utility, and efficiency, and enable renewal modelling of existing assets. This information shall inform the capital works program and Long Term Financial Plan, and deliver assets which are appropriate and capable of providing a desired level of service;
- Capital works shall be approved following documented evidence that the projects can be delivered and that life cycle (operational) costs are estimated and can be budgeted for;
- Council shall maintain a corporate Asset Management system that is integrated with Financial/Accounting, Customer Request, and Geographic Information systems. Council shall meet statutory and legislative requirements in the delivery of responsible asset management.

#### **6. Monitoring, evaluation & review**

Council operates a centralised Asset Management Information System with integrated accounting functions, asset register, and Geographic Information System. Council reports annually to the community on the condition of all assets through the Annual Report and reports to legislative bodies such as the Victorian Auditor General's Office. Council also engages in professional benchmarking through the Municipal Association of Victoria.

## 7. Roles & Responsibilities

The implementation of Asset Management principles requires input from many areas of Council. The development of the Council Plan and Annual Budget provides the intent and resources from which service-delivering assets are renewed, upgraded, and created. An Asset Management steering group shall ensure that the current and future needs of service areas throughout the Council are identified, and that physical assets are available to enable the delivery of these services.

The Manager City Assets and Projects has responsibility for the delivery of fit-for-purpose physical assets which the Council requires to provide services and ensure that Asset Management is carried out in a responsible and efficient manner as described in the policy intent above.

## 8. Related documents

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|-------------------|---|
| <b>Policies</b>   | Asset Accounting Policy 2017  |
| <b>Strategies</b> | Service-Driven Asset Management Plans<br>Road Management Plan<br>Long Term Financial Plan.                  |
| <b>Guidelines</b> | International Infrastructure Management Manual<br>Australian Infrastructure Financial Management Guidelines |

**Please note:** This policy is current as at the date of approval. Refer to Council's website ([www.bayside.vic.gov.au](http://www.bayside.vic.gov.au)) to ensure this is the latest version.