

# Asset Management Policy 2023

<b>Council policy title:</b>	Asset Management Policy 2023
<b>Council policy sponsor:</b>	Director Environment, Recreation and Infrastructure
<b>Adopted by:</b>	Bayside City Council
<b>Date adopted:</b>	19 December 2023
<b>Scheduled review:</b>	July 2027
<b>Document reference:</b>	DOC/23/316017

## 1. Policy intent

Council is the owner and custodian of infrastructure assets used directly by the community, or by Council to provide a service to the community. These assets are important to the local community and are fundamental to service delivery now and in the future.

Implementing Asset Management ensures that these services are delivered in a socially, economically, and environmentally responsible manner, and in a way that does not compromise the ability of future generations to make their own choices. Asset Management achieves this through integrating customer values, priorities and an informed understanding of the trade-offs between risks, costs and service performance using best available data.

## 2. Policy purpose

This Policy establishes the guiding principles for the management of Council infrastructure assets, in accordance with the Bayside 2050 Community Vision, the Council Plan and Long-Term Financial Plan.

This Policy:

- demonstrates a commitment by Council to deliver its vision for service-driven Asset Management, which ensures that its physical assets 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

Term	Definition
Asset Plan	High-level summary that demonstrates Bayside Council's (Council) responsible and sustainable management of its infrastructure assets, and compliance with the <i>Victorian Local Government Act 2020</i> . It also models the funding required to meet the future service needs of the community.
Asset Investment	Actions on the asset which may include operations, maintenance, renewal, upgrade, expansion, new (creation) and disposal.
Asset Management Framework	Set of policies, strategies and plans that underpin the Asset Management processes and procedures of Council.
Asset Management Plan	Council maintains separate detailed Asset Management Plans for Roads, Buildings, Open Space and Drainage which are reviewed on a 4 yearly basis.
Infrastructure Assets	Physical assets that contribute to community access to major economic and social facilities and services.
Service Levels	Measures used to describe an asset's ability to meet the community expectations in terms of condition and fitness-for-purpose.
Community Vision	Consensus aspirational view of a desired future that sets out the key priorities, aspirations and values that Council and the community will use to help make decisions to shape the Bayside of the future.
Council Plan	Four-year plan setting out the vision and priorities for the upcoming Council term.
Long Term Financial Plan	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, departments, officers, employees, and contractors 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. Asset Management Vision

Our vision for Asset Management at Bayside City Council is to be recognised as a model of excellence and innovation in delivering services to the community through efficient, sustainable, and responsible management of the assets.

This will be achieved through:

Service Excellence	Delivering high-quality services to our customers and businesses, through well-maintained and reliable assets.
Sustainability and Resilience	Maintaining assets and open spaces that are sustainable, resilient, and adaptable to changing environmental conditions, ensuring long-term service continuity and community well-being.
Financial Responsibility	Optimising public funds by making informed asset investment decisions that balance short-term affordability with long-term economic and environment value.
Data-Driven Decision-Making	Leveraging data and technology to inform Asset Management decisions, ensuring transparency and accountability in our processes
Community Engagement	Engaging the community to understand their needs and preferences, involving them in Asset Management decisions and prioritizing their interests as identified within the Bayside 2050 Community Vision.
Diversity, Equity, and Inclusion	Providing asset provision and management supports services that are accessible, equitable and inclusive ensuring community safety and fostering diverse utilisation.
Workforce Development	Investing in the workforce to build a skilled, adaptable, and innovative team capable of delivering effective Asset Management decisions.
Regulatory Compliance	Upholding the highest standards of compliance with relevant legislation and industry best practices, demonstrating our commitment to responsible Asset Management.
Continuous Improvement	Cultivating a culture of continuous improvement, regularly reviewing and enhancing our Asset Management plans, processes, and systems.
Legacy Building	Leaving a legacy of well-maintained assets that support the current and future needs of the community.

## 6. Objectives

To achieve the Asset Management vision the following need to be met:

- Developing an Asset Management framework which ensures that services and infrastructure are provided in a financially sustainable manner, with the

appropriate levels of service to customers and the environment, including mitigation and planning for climate change risks in a manner consistent with Council's declared Climate Emergency.

- Safeguarding infrastructure assets including physical assets and employees by implementing appropriate Asset Management strategies and appropriate financial resources for those assets.
- Developing Asset Management plans that balance service, financial cost, and future risk to underpin the decision making in Council.
- Meeting the *Local Government Act 2020* requirement to produce and maintain a 10-year asset plan and Asset Management plans via a deliberative community engagement process and within an integrated planning framework.
- Improving the data available to the decision making of the council including the quality and accessibility of the data to decision makers within council.
- Creating an environment where all employees take an integral part in overall management of infrastructure assets, by creating and sustaining an Asset Management awareness throughout the organisation via training and development.
- Engaging the community in strategic planning and strategic decision making.
- Ensuring resources and operational capabilities are identified and responsibility for Asset Management is allocated.
- Demonstrating transparent and responsible Asset Management processes that align with demonstrated best practice to support social equity and civic participation through the consideration of impact assessments.

## **7. Policy statement**

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

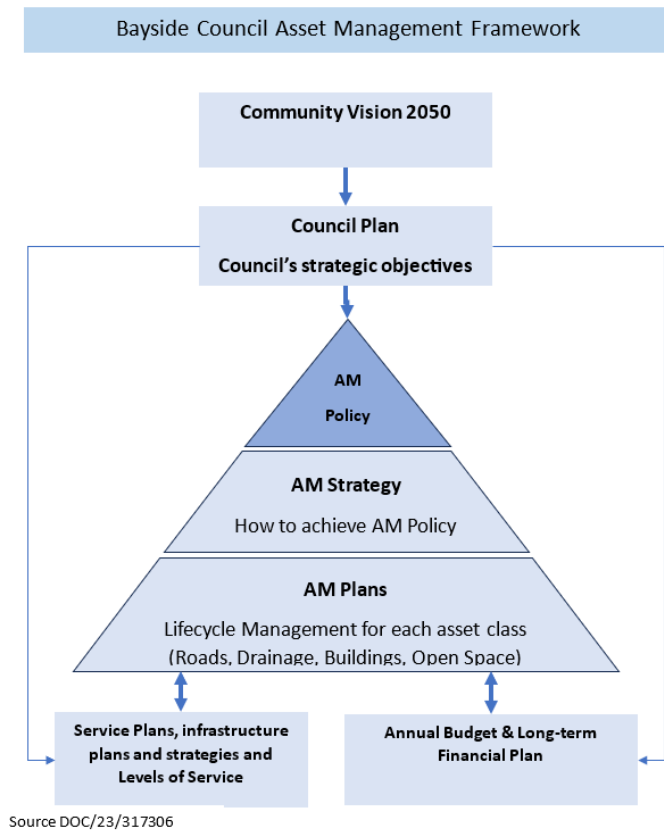
1. Ensure that its Asset Management practices are service driven and align with the strategic priorities and directions of Council and are informed by community input and local government financial reporting guidelines.
2. Continuously develops and maintains its Asset Management framework by providing sufficient financial resources to accomplish them through:
  - Updating its Asset Management strategy to reflect the status of Asset Management maturity.
  - Developing Asset Management plans for all major asset / service areas covering 10 years, which provide mitigation of the risks within the Risk Management Plan.
  - Undertaking regular and systematic reviews to all Asset Management plans to ensure the assets are managed, valued, and depreciated in accordance with appropriate best practice.

- Incorporating expenditure projections from Asset Management Plans into the organisation's Long-Term Financial Plan. When applicable, long term financial plans will form the basis of annual budget estimates with the service and risk consequences of variations documented.
  - Ensure alignment of the Asset Plan with the requirements of the *Local Government Act 2020*, so that future service levels and associated delivery costs will be determined in line with the council's community engagement policy.
  - Complete regular inspections to ensure agreed service levels are maintained and to identify asset renewal priorities.
  - Develop transparency and confidence through aligning Asset Management align with demonstrable good practices.
3. In making investment and maintenance decisions regarding its assets, Council shall:
- Drive financial sustainability by prioritising the renewal of existing assets over the creation of new assets, rationalising under-utilised assets and limiting asset expansion unless justified.
  - Adopt a life cycle management approach and technologies, optimising the performance cost and risk of the asset portfolio, and incorporating life cycle costing and net community benefit into Asset Investment categories.
  - Ensure service affordability, by providing those we serve with services and levels of service for which they are willing and able to pay.
  - Improve the robustness and repeatability of its decisions by utilising available data, and providing feedback where this data is insufficient.
4. Take an integrated approach to service and asset planning and reporting which:
- Aligns with Council's Community vision and broader governance frameworks.
  - Accounts and reports for asset expenditure in the appropriate Asset Investment categories.
5. Make investments to continuously improve Asset Management processes, systems and capabilities via the Asset Management and Data Improvement Plans. Improving capabilities includes staff development and training in Asset Management for all stakeholders.
6. Create a culture where all employees play a part in overall care for Council's assets by increasing awareness and providing training and professional development.

Meet all relevant legislative and regulatory requirements of the assets Council manages.

- Continue to develop a corporate Asset Management system that is increasingly integrated with Financial/Accounting, Customer Request, and Geographic Information systems.

## 8. Asset Management Framework



Under the Asset Management (AM) Framework, this policy is guided by the 2050 Community Vision. It sets the foundation that aims to ensure that the Annual Budget and Long-Term Financial Plan is informed by meaningful AM Plans.

AM Plans in turn are informed by increasingly well-developed infrastructure plans and strategies.

AM Plans and Infrastructure Plans and Strategies are increasingly developed using improved data from asset inventories and deliberative community engagement on service level preferences.

## 9. Monitoring, evaluation & review

The application of this policy will be monitored and reported on through the Asset Management Steering Committee.

Specific performance measures will include:

- Asset Consumption Ratio and Asset Renewal Funding Ratio, as per the Australian Infrastructure Financial Management Guidelines (2009).
- Maturity Assessment through the National Asset Management Assessment Framework.

The Coordinator City Assets will be responsible for reporting to the Steering Committee on the application of the policy.

## 10. Roles & Responsibilities

Stakeholder	Responsibility
Council	<p>Adopting the policy, allocating resources, and providing high level oversight of the delivery of the organisation's Asset Management strategy and plans.</p> <p>Council is also responsible for:</p> <ul style="list-style-type: none"> <li>considering the full cost of acquiring, maintaining, renewing and operating assets throughout their lifecycle, and</li> <li>providing assets that deliver sustainable benefits to the community at a level of service that justifies the cost of owning and operating these assets.</li> </ul>
Executive Team	Championing the Asset Management strategy and Asset Management plans.
Asset Management Steering Committee	Overseeing the continued implementation, monitoring and review of this policy and the wider Asset Management framework and ensuring accountability and transparency through periodic reports to Council's Executive Leadership Team.
Manager City Assets and Presentation	The delivery of fit-for-purpose physical assets and related data which Council requires to provide services and ensuring that Asset Management is carried out in a responsible and efficient manner as described in the policy intent above.
Coordinator City Assets	<p>Asset Management activities including:</p> <ul style="list-style-type: none"> <li>Asset Plan</li> <li>Asset Management Strategies</li> <li>Asset Management Plans</li> <li>Capital investment decision making support with lifecycle modelling</li> <li>Asset Management improvement plan</li> <li>Asset data and systems improvement plan</li> <li>Reporting to Steering Group on Asset Management maturity, performance and activities.</li> <li>Supporting service areas on infrastructure strategies.</li> </ul>
Finance	Long Term Financial Plan that considers asset needs and balances cost risk and performance of assets.
Service Managers	Service infrastructure plans, community engagement on the plans, and developing levels of service.
Project Managers	Delivery of capital projects and ensuring hand back of appropriate assets and related data.

## 11. Related documents

<b>Legislation</b>	Local Government Act 2020 Road Management Act
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<b>Policies</b>	Asset Accounting Policy Community Engagement Policy
<b>Strategies/Plans</b>	Asset Management Strategy Council Plan
<b>Other</b>	Community Vision 2050

**Please note:** This policy is current as at the date of approval. Refer to Council's website (<https://www.bayside.vic.gov.au/council/plans-strategies-and-policies>) to ensure this is the latest version.



## Compliance Considerations

### Human Rights Charter

This Policy has been assessed against the principles of the *Victorian Charter of Human Rights and Responsibilities Act 2006* (the Charter) and is considered to be compatible with the Charter. In assessing the proposed changes, consideration has also been given to the *Equal Opportunity Act 2010*.

### Equity Impact Statement

The implications of this policy have been assessed and are compliant with the requirements of the *Gender Equality Act 2020*.

In the development of this Policy, the requirement for Equity Impact pre-assessment has also been completed. The pre-assessment concluded that this policy does meet the requirement and must complete the full Equity Impact Assessment.

The Equity Impact Assessment and associated checklists was completed on 14/11/2023.

### Governance Principles

In the development of this Policy, the requirements of the Governance Principles as per the *Local Government Act 2020* have been considered and are summarised below:

LGA S 9.1	Governance Principle	Consideration
a)	Compliance with the law	<p>The <i>Local Government Act 2020</i> emphasises compliance and accountability in managing public assets in the following domains:</p> <ul style="list-style-type: none"><li>• Asset Management Plans</li><li>• Asset Registers</li><li>• Long-Term Financial Plans</li><li>• Community Engagement</li><li>• Reporting</li><li>• Asset Valuation and Depreciation</li><li>• Asset Maintenance and Renewal</li><li>• Risk Management.</li></ul> <p>This policy addresses each of these domains.</p>

b)	Achieve best outcomes for the community	This policy demonstrates Council's commitment to providing assets that are fit for purpose to support the delivery of Council services in a financially responsible manner.
c)	Promote the sustainability of the municipality	This policy promotes assets and open spaces that are sustainable, resilient, and adaptable to changing environmental conditions, ensuring long-term service continuity.
d)	Engage the community in strategic planning and decision making	<p>The <i>Local Government Act 2020</i> does not require community engagement on an Asset Management Policy.</p> <p>The Act does require engagement on underlying decisions and plans, for example deliberative engagement on Infrastructure Plans (i.e. Public Toilet Strategy, Sporting Pavilion Strategy ) and the Asset Plan.</p>
e)	Strive for innovation and continuous improvement	This policy explicitly promotes continuous improvement: regularly reviewing and enhancing our Asset Management plans, processes, and systems.
f)	Collaborate with all other levels of government and government agencies	<p>This policy is Bayside specific and does not require collaboration.</p> <p>Underlying components of the AM Framework (Asset Strategy and Asset Management Plans and Infrastructure Strategies) may identify a requirement of collaboration on a case-by-case basis (for example, the Stormwater Asset Management Plan).</p>
g)	Secure the ongoing financial viability of Council	The policy has significant impact on Council's ongoing viability. It delivers financial sustainability by focusing on asset renewal before new assets, rationalising under-utilised assets and limiting asset expansion unless justified.

h)	Strategic planning and decision making must take into account plans and policies in operation at all levels.	This policy outlines the Asset Management Framework which shows the integration with infrastructure plans and strategies developed by different parts of the organisation.
i)	Council decisions, actions and information must be transparent.	This policy will be reviewed and adopted through the public decision-making forum; Council Meetings. The policy will be publicly available via Council's website.