Asset Management Policy for Infrastructure Assets 2022-2026

Preamble

The purpose of this policy is to specify the overarching intentions and guiding principles for Infrastructure Asset Management within Bass Coast Shire Council (BCSC).

The specific objectives of the policy are:

- To ensure the Council's asset management approach has leadership and direction.
- To establish a process of stewardship for asset management practices.
- To ensure transparency and accountability for the Council's asset management approach.

The sustainable delivery of Council's services is dependent on asset infrastructure which has been developed and maintained over generations. This investment continues to grow strongly because of Council's capital investment program and developer contributed assets. The current replacement cost of Council's existing asset base is circa $730M consisting of roads, buildings, open space and drainage assets.

Asset management combines management, financial, economic and technical practices with the objective of meeting required service levels through physical assets in the most cost effective manner.

Policy objectives

This policy sets out Council's commitment to manage and care for its assets, as an integral part of its delivery of services to the community. It ensures the responsible management of assets owned and/or controlled by Council. The policy delivers sustainable social, environmental, economic and governance outcomes, for the ongoing benefit of the Bass Coast community. Methodologies and processes adopted by the policy will conform to ISO55000 standards and the requirements of the Victorian Local Government Better Practice Guide 2022-23. One of Council's key objectives is to shift from an asset centric focus to service centric asset management.

Policy statement

Scope

This policy applies to all infrastructure assets owned or controlled by Bass Coast Shire Council which encompasses community and infrastructure assets.

Most of Council's assets are long lived and require significant ongoing investment in maintenance and renewal activities to ensure they deliver the required levels of service expected by the community. The initial focus will be on Council's long life assets such as:

- Road Network, including kerbs, pathways, bridge structures and car parks.
- Buildings.
- Park & Recreation facilities.
- Open space assets.
- Drainage Network, including flood protection and water sensitive urban design assets.
- Plant and equipment.
- Waste management assets (including landfill facilities).

Intended Outcomes

This policy and the processes that support it will facilitate:

- Achievement of the management objectives for community, infrastructure and operational assets to meet the present and future needs of the community;
- Custodianship of natural and heritage assets in perpetuity;
- The rationalisation of existing assets and the development of appropriate new assets to meet the needs of the Bass Coast community for services at an appropriate level now and in the future;
- The development or enhancement of the community capital of the Council;
- Delivery of assets at the right cost, at the right time with the right standard;
- A service planning approach becoming a way of life at BCSC; and
- Development of appropriate systems, procedures and controls to enable the above.

Definitions

This section defines the key terms used in this policy.

Key Terms	Description
Asset	A physical item which has value, enables services to be provided and has an economic life of greater than 12 months. Items considered to be assets include, property, buildings, facilities, infrastructure, natural and heritage items owned or controlled by Council.

Key Terms	Description
Asset Management	Asset management is the coordinated activities of an organisation, carried out over an asset's whole lifecycle, to realise full value from assets in delivering their service delivery objectives.
Asset Management Framework	The overarching asset management governance framework which guides the delivery of the asset management function.
Asset Management Plan	A document outlining the full physical and financial life cycle of an asset. This includes details of the asset components, asset values, depreciation rates, lifecycle expectations, maintenance and renewal plans for the whole of the life of the asset and its separable components together with any necessary plans for the ultimate sale or disposal of the asset.
Asset Management Strategy	A high-level action plan that gives effect to the asset management framework by documenting the approach to delivering on objectives and plans with supporting systems.
Council	The Bass Coast Shire Council comprised of elected councillors and is led by the Mayor.
Disposal	Activities necessary to dispose of decommissioned assets that are no longer required.
New	Expenditure on new works or acquisitions that create an asset that did not exist in any shape or form.
Renewal	Expenditure on an existing asset which returns the service function or the life of the asset back to its original condition.
Renewal Gap	The difference between the organisation's current renewal funding and the required renewal demand.
Upgrade	Expenditure on an existing asset which enhanced and/or improves its function and a consequence provides a higher level of service.
Community Asset	An asset that is used to enable a service or to provide a service to the community, e.g. community centres, libraries and sports complexes.
Infrastructure Assets	Stationary systems forming a network and serving whole communities where the system as a whole is intended to be maintained indefinitely by continuing replacement and refurbishment of its components, e.g. roads, traffic facilities, footpaths, drains, parks and sports fields.

Key Terms	Description
Operational Asset	An asset utilised to administer and facilitate the operations of the council, e.g. plant & equipment and Council administration facilities.
Natural or Heritage Asset	Bushland, wetlands, foreshores, river frontages and/or historical buildings and facilities of significance which Council seeks to preserve for future generations.
Capital Expenditure	Expenditure for new infrastructure and for the renewal or upgrade of existing assets that enhance the service potential of the assets.
Routine Maintenance	Expenditure which does not meet the definition of Capital Expenditure but is incurred to ensure that the asset continues to provide its pre-determined service capacity and quality and achieves its expected useful life. Routine maintenance expenditure is of a regular and ongoing nature.
Community Capital	The natural, human, social, and built capital from which a community receives benefits and on which the community relies for continued existence.
Financial Sustainability	The financing of the full life cycle costs of Council's assets so as to not unreasonably burden future generations or unreasonably reduce the asset choices of future generations.

Details of Policy

Infrastructure assets owned or controlled by Bass Coast Shire Council must:

- Have an identified strategic purpose that contributes to Council's community infrastructure and/or service delivery objectives as defined in Council's Community Strategic Plan (Community Vision – Guiding Bass Coast Towards 2041) and the Council Plan;
- Be managed so that the assets are structurally sound (fit for service), functionally sound (fit for purpose), aesthetically sound (look good), environmentally sustainable and financially sustainable;
- Be managed with a real life cycle approach where the total life cycle cost of new assets is factored into the creation of new assets in the future.
- Be accessible, adaptable, be designed considering gender impact and have sufficient capacity to meet the varying needs of the Bass Coast community over time;
- Add to or enhance the community capital of Bass Coast;
- Have clearly defined custodianship and operational accountabilities for the respective aspects of their management;
- Be identified, registered and recorded in accordance with relevant legislation and accounting standards;

- Have an Asset Management Plan detailing the whole life cycle of the asset including responsibilities and accountabilities for the delivery, routine maintenance and, as required, the renewal or disposal of the asset;
- Have a current Asset Accounting Policy detailing the methodology of valuations and the calculation of the key financial ratios;
- Have sustainable agreed levels of service in consultation with the community which will then allow Council to determine which assets are required to deliver those agreed levels of service. Council may retire or rationalise assets where appropriate;
- Have a structured Long Term Financial Plan supported by Service Levels from the Asset Management Plan;
- Be managed within an infrastructure planning framework of clear and transparent processes and records so that it can be demonstrated that responsible management practices have been followed;
- Have incorporated responsible asset management principles into long term financial and corporate planning, including the Council Plan and the Strategic Resource Plan;
- Review and adopt Asset Management Plans in accordance with the Local Government Act 2020 for categories of assets:
    - Which include levels of service.
    - That is informed by community consultation and local government financial reporting frameworks.
    - Which communicate information about assets, including particular actions required to provide defined levels of service whilst achieving value for money.
- Estimate the projected asset renewal demand and measure Council's projected renewal gap based on the condition of assets as determined by external audit/survey.
- Allocate priority funding to asset renewal based on assessed condition critical to maintain an agreed minimum service level.
- Utilise asset investment guidelines to assist in determining which renewal, upgrade, expansion and new projects are funded.
- Provide training to Councillors and staff with asset management responsibilities, so that asset management principles, practices and responsibilities are understood.
- Implement and regularly review an Asset Management Strategy which identifies improvement opportunities that will lead to best practice in asset management.
- Maintain a strong governance structure to support progression toward better practice asset management.
- Monitor Council's performance with respect to asset management in accordance with measures developed as part of Council's Asset Management Strategy.
- Develop asset management strategies consistent with Council's declaration of a climate emergency and 2030 zero emissions target.

Accountability process

Responsibilities

Council recognises that the nature of asset management requires input from, and interaction between, all facets of the organisation including areas that do not have specific responsibility for asset management but make use of Council owned or managed assets in the delivery of services.

The responsibilities and relationships associated with asset management within Bass Coast Shire Council are:

Council

- To act as overall stewards for infrastructure assets that are owned or controlled by Council.
- To adopt the corporate Asset Management Policy and Asset Management Strategy.
- To approve appropriate resources for asset management activities in the Long Term Financial Plan and the annual budget.

Executive and Management Team

- To foster and support the cross-functional Asset Management Steering Group.
- To ensure that accurate and reliable information is presented to Council for decision-making.
- To ensure that adequate resources are provided to implement the approved Asset Management Strategy and Asset Management Plans.

Asset Management Steering Group

- To represent the key asset management functions e.g. Infrastructure Planning, Maintenance and Delivery, Finance, Community Engagement and direct service provisions such as Recreation & Culture, Aged & Disability and Community Services;
- To monitor and review the implementation of the Asset Management Policy and Asset Management Strategy;
- To monitor the development and implementation of the Asset Management Strategy;
- To provide guidance for the development of long term Asset Management Plans for major asset groups;
- To ensure the community needs and expectations are considered in the development of Asset Management Plans;
- To review the performance of asset management programs such as maintenance programs and capital works programs;
- Ensure efficient and effective use of Council funds and optimising “life cycle” cost of all assets;
- Promote and raise awareness of asset management to the Council, staff, key stakeholders and the community;

- To evaluate and prioritise Renewal Capital Works projects and recommend the annual and 10 year program to the Executive and Management Team

Council Staff

- Council staff who are responsible for the management, acquisition (including gifted assets), upgrade or disposal of any asset must perform their duties in accordance with the principles and values of this Asset Management Policy.

Review process

This policy shall be reviewed at an interval not exceeding four (4) years. Accountability for reviewing this policy rests with the General Manager Place Making.

Gender Impact Assessment (GIA) Statement

Because infrastructure assets are created and used to provide services that have a direct and significant impact on the public, this policy has been reviewed in accordance with the *Gender Equality Act 2020.* This Policy is free from Gender bias and includes provisions to ensure the design of services using infrastructure assets consider Gender Impact.

References

1. ISO 55000 – International ISO standards for Asset Management.
2. Department of Environment, Land, Water and Planning- Better Practice Guide and Asset Planning and Accountability Framework for Local Government.
3. Asset Genetics and Unlocking Hidden Capital – McKinsey Report Global Infrastructure Initiative 2016.
4. International Infrastructure Management Manual (IIMM)
5. Australian Infrastructure Financial Management (AIFM) Guidelines
6. National Asset Management Assessment Framework (NAMAF)
7. Council Plan 2021-2025
8. Community Vision 2041
9. Climate Change Action Plan 2020-30

Approval

Adopted by Council at its meeting held on Date: 19 / 10 / 2022

Signed by the Mayor Cr Michael Whelan…….

…….. Date ……/……../……..



BASS COAST

Asset Management Strategy for Infrastructure Assets **2022 - 2026**

Document Control

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Rev No	**Date**	**Revision Details**	**Author**	**Reviewer**	**Approver**
0.1	May 2022	Completion of AM Strategy	Ashay		
0.2	August 2022	Update AM Strategy	Raston N		
0.4	September 2022	Reviewed Strategy Final	Simon H	Gabrielle P	Angus Cameron

Contents

1	Executive Summary	5
2	Introduction	8
2.1	National strategic context (australian context)	8
2.2	State strategic context (victorian context)	10
2.3	Council's vision, priorities and objectives (local context)	12
3	Council's Assets And Their Management	14
3.1	Victorian asset management planning and accountability framework	14
3.2	What assets do we have?	16
3.3	State of the assets	16
3.4	Asset condition and asset consumption ratio	17
3.5	Measuring council's asset management competencies	19
4	Where Do We Want To Be?	22
5	How Will We Get There?	23
5.1	Improvement actions	23
5.2	Monitoring progress	23
6	Summary	28
7	References	29
8	Definitions	30

Tables

Table 1: Asset Management Practice Improvement Actions 7
Table 2: Linkages between Council's Themes and Strategic Asset Management 13
Table 3: Assets used for providing services 16
Table 4: Financial Status of the Assets 16
Table 5: Asset Consumption Ratio and Portfolio Phase Relationship 17
Table 6: Better Asset Management Practice Improvement Plan 24

Figures

Figure 1: Victorian Asset Management Planning and Accountability Framework 15
Figure 2: Asset Replacement Values showing Replacement Cost and Percentage of Total Asset Portfolio for each Asset Class 16
Figure 3: Asset Consumption Ratios 18
Figure 4: Asset Management Competency Assessment Progress 21

Executive summary

This Asset Management Strategy has been prepared to enable Bass Coast Shire (Council) to improve the way it delivers services from infrastructure assets[1] including roads, bridges, footpaths, stormwater drainage, buildings, streetscapes, and land improvements. These infrastructure assets at 31 March 2022 have a replacement value of circa $730M.

The Asset Consumption Ratio[2] for Council's infrastructure assets is predominately in the range of 61 percent to 83 percent which places them in the stable phase of their life cycle. In this phase, the majority of assets are in the early to middle portion of their life and the demand and urgency on funding i.e. capital renewal expenditure is lower relative to the later life phases. As these assets degrade further over the next few years they move into the action phase. It is for this very reason that Bass Coast is embracing a strategy and the improvement actions in the strategy to reduce and remove the future risks of assets deteriorating to an action phase. It is imperative to note that assets that have deteriorated to an action phase will require additional maintenance funding and also require renewals or upgrades in the short to medium term depending on the criticality of the assets.

It is in the action phase (circa 20 percent of asset portfolio) where the majority of assets transition from the middle period of their life cycle to their penultimate phase. This means the requirement for asset renewal expenditure will grow at a significantly faster rate than historical levels. The cost of repairs is four to five times the cost in the stable phase and this inherently leads to an increased risk of future backlogs[3]. Every 10 percent of Council's assets that progressively slip into the action phase potentially poses a high likelihood risk of needing immediate replacement to the tune of 10 percent of the replacement value equating to $73M out of a circa $730M. This is our challenge and our motivation to embrace this strategy.

The purpose of this document is to outline Council's asset management systems and strategies to manage the delivery of its infrastructure assets effectively and efficiently.

This Asset Management Strategy (AM Strategy) defines how Council:

- Will achieve and deliver asset management practices which are aligned to ISO 55000:2014[4] without seeking ISO accreditation, ensuring the integration of Councils' asset management practices with its long-term strategic plan[5].
- Aims to provide alignment between our stakeholder's requirements, Council's organisational objectives and the resulting asset management objectives, to ensure that the assets are being managed to provide the value required of them by the organisation and stakeholders;
- Describes the role of the Asset Management System (AMS) in supporting the achievement of the Asset Management Policy and Objectives, delivering appropriate Levels of Service (LOS) cost-effectively, and meeting legislative requirements;
- Documents information that specifies how organisational objectives have been realised as AM Objectives; and
- Informs the approach for developing Asset Class Asset Management Plans (Asset Class AM Plan).



Adopting this AM Strategy will also assist Council in meeting the requirements of the National Sustainability Frameworks and the Victorian Local Government Act 2020 (LG Act 2020) by demonstrating the levels of service to be delivered in a financially sustainable manner.

Moving forward, the challenge for Council is continuing to deliver expected quality services to the community from its aging and increasingly more costly infrastructure while making the best use of its financial resources. Also acknowledging the full impact and duration of the pandemic is unknown and may also have an impact on future design and construction of buildings, service delivery models and how the workplace will operate. It is however already documented that the pandemic has exacerbated and magnified existing inequalities, which Council will need to take into account when prioritising asset management activities.

Climate change will see an increased risk of extreme weather events including storm events, flooding, sea level rise and fire events. It is expected that climate change will intensify in the medium to long term future resulting in an increase of extreme weather events. There will be an increase in structural damage caused by extreme events and an increase in deterioration rates of the infrastructure network. Forces on a global scale around environmental sustainability are now a hugely important local concern.

There is an increasing need to create more sustainable lifestyles for Council's current and future communities. Bass Coast Shire Council has declared a climate emergency and developed a Climate Change Action Plan 2020-30 recognising the role of both Council and the community in our collective response to reduce our emissions, build community resilience against the local impacts of climate change and ultimately reverse global warming.

The short to medium main focus for Council is to provide a mechanism of recovery from the pandemic by supporting the community with various initiatives and activities that allow the community to not only get back on the feet but also to recover confidently from the major interruptions. Council will also be incorporating climate impact on strategic asset modelling and exploring climate resilient assets collaboratively with other Councils and external consultants. Council is committed to providing an asset base to support this within the parameters of sustainable financial planning within Council Plan 2021-25.

[1] Not including non-infrastructure assets such as information, communication and technology assets, fleet, plant and equipment.
[2] The current life left in our assets based on a condition based assessment approach
[3] Using Asset Genetics to Unlock Hidden Capital –McKinsey Global Infrastructure Initiative
[4] Suite of international standards for asset management.
[5] LGPMC, 2009, Framework 2 Asset Planning and Management, p 4.



To meet the asset management challenges, Council will embark on a continuous improvement journey to build on its asset management competencies and capabilities so that it becomes a 'Better Practice' organisation. Our focus has to shift from an 'Asset Centric Focus' to a 'Service Centric Focus'. The action plans in the Strategy are aligned to achieve these competencies.

The roadmap for improvement over the next four years, to evolve into an organisation that is practicing service driven optimisation is set out in this strategy as an Improvement Plan (Section 5.1). This comprehensive plan is set out in Table 1 below.

Table 1: Asset Management Practice Summary Improvement Actions

Ref	Improvement Action
1	Continue to review Councils Asset Management Plans on a four year cycle
2	Establish a service structure and criticality framework.
3	Establish assessment guidelines for Council's major infrastructure assets[6].
4	Review community and technical levels of service for buildings in Building Asset Management Plan.
5	Document comprehensive community and technical levels of service for open space in either Open Space Asset Management Plan or Open Space Business Process Manual.
6	Document comprehensive community and technical levels of service for transportation in either Transport Asset Management Plan or Transport Business Process Manual.
7	Develop Council's AM skills and resources

6 Council currently has Buildings and Open Space Business Process Manuals

2. Introduction

First and foremost, this Asset Management Strategy recognises that Bass Coast Shire purpose is to provide services to its community. A key issue facing us, no different to other Councils throughout Australia is the optimal management of these services now and into the future. This strategy is an enabling framework to develop an action plan for us to be:

1. In a position where we understand the core services we provide;
2. Able to adopt a process of rationalisation and optimisation; and
3. Determine the future plan i.e. which assets are in need of renewal, upgrade, replacement and disposal/relocation/redistribution of services. This is the essence of service centric asset management.

At Bass Coast, our infrastructure assets such as roads, drains, bridges and public buildings present particular challenges. Their condition, functional fitness for the future and compliance with standards affects their future relevance and longevity, and therefore our ability to deliver services. Financing needs for Bass Coast in the future can be large, requiring planning for large peaks and troughs in expenditure for renewing and replacing such assets. The demand for new and improved services from these existing assets adds to the planning and financing complexity.

The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle. Adding to these challenges is that Bass Coast is a dual community i.e. we have a vast majority of holiday home residents[7].

The goal of asset management at Bass Coast is to address these challenges and provide an appropriate level of service for present and future ratepayers through the management of assets in the most cost effective manner.

2.1 National Strategic Context (Australian Context)

The national frameworks on asset planning and management and financial planning and reporting, endorsed by the Local Government and Planning Ministers' Council (LGPMC), require Councils to adopt a longer-term approach to service delivery and funding comprising:

- A strategic long-term plan covering, as a minimum, the term of office of the councillors and:
  - bringing together asset management and long term financial plans;
  - demonstrating how Council intends to resource the plan; and

[7] On the Census night, 10 August, 2021 more than 10,000 properties were vacant accounting for just over 39 per cent of the total.

    - consulting with communities on the plan.
- An annual budget showing the connection to the strategic objectives; and
- An annual report with:
    - explanation to the community on variations between the budget and actual results;
    - any impact of such variances on the strategic longer-term plan; and
    - report of operations with a review on the performance of the Council against strategic objectives.

The Local Government and Planning Ministers' Council Framework 2 - Asset Planning and Management (May 2007), seeks to develop a nationally consistent asset management framework to support improvement in local government's asset management performance and sustainability.

The framework has seven elements to assist in highlighting key management issues, promote prudent, transparent and accountable management of local government assets and introduce a strategic approach to meet current and emerging challenges. The seven elements of the framework are:

- Asset management policy;
- Strategy and planning;
    - Asset Management Strategy;
    - Asset Management Plans;
- Governance and management arrangements;
- Defining levels of service;
- Data and systems;
- Skills and processes; and
- Evaluation.

As part of the framework, this Asset Management Strategy enables Council to:

- Meet the objectives set out in its Strategic Plan;
- Satisfy the service delivery needs of its community into the future;
- Comply with its Infrastructure Asset Management Policy; and
- Integrate asset management with its Long Term Financial Plan.

2.2 State Strategic Context (Victorian Context)

The new Local Government Act 2020 is the most ambitious reform to the local government sector in over 30 years. It is intended that the Act will improve local government democracy, accountability and service delivery for all Victorians.

The Act sets out that local government in Victoria:

- **Section 92 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 the control of the 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 under this section 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.

- **Section 89 Strategic planning principles:**

1. A Council must undertake the preparation of its Council Plan and other strategic plans in accordance with the strategic planning principles.
2. The following are the strategic planning principles—
    a. an integrated approach to planning, monitoring and performance reporting is to be adopted;
    b. strategic planning must address the Community Vision;
    c. strategic planning must take into account, the resources needed for effective implementation;
    d. strategic planning must identify and address the risks to effective implementation;
    e. strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.

- **Section 65 Community Asset Committee**

1. A Council may establish a Community Asset Committee and appoint as many members to the Community Asset Committee as the Council considers necessary to enable the Community Asset Committee to achieve the purpose specified in subsection (2).
2. A Council may only establish a Community Asset Committee for the purpose of managing a community asset in the municipal district.



2.3 Council's Vision, Priorities And Objectives (Local Context))

Our community's aspirations and priorities for the future in Bass Coast Shire.
Our Community Vision has been developed to address five themes that capture what our community members most value about our community. It sets out the future vision and aspirations for the community. The Vision describes the focus of our work over the next 20 years and ensures we target our resources and activities to make Bass Coast the place our community wants it to be.

The Community Vision themes will be linked with the Council Plan by the following key:

- **Climate Emergency and Climate Preparedness**
  Community Aspiration: We take immediate and urgent action to protect and prepare Bass Coast for the serious risk that climate change poses, to secure a liveable and healthy future for our community.
- **Protect and Enhance Natural Environment**
  Community Aspiration: We work together to care for our land and coast, sharing our knowledge and skills. Through sensible planning and development, we live in balance with our natural environment.
- **Healthy and Inclusive Communities**
  Community Aspiration: We have culturally appropriate and safe services and facilities that encourage wellbeing and ensure everyone has a roof over their head. We are caring and connected and welcome all people, celebrating and supporting diversity and uniqueness.
- **Access and Movement**
  Community Aspiration: We have equal access to a carefully planned, reliable, expansive and innovative transport network. We can move freely and easily within Bass Coast and beyond.
- **Education, Creative Economy and Industry**
  Community Aspiration: We have fulfilled lives with unique opportunities to create, explore, learn, work and grow. We are empowered to make a difference.

Council's Council Plan and Municipal Health and Wellbeing Plan 2021-25[8] sets out six key Strategic Objectives together with a number of strategies to guide achieving each of the objectives. These Strategic Objectives are as follows:

- Protecting our Natural Environment;
- Healthy Community;
- Our Places;
- Growing our Economy;
- Sustainable Development;
- Leading for our community

Sound infrastructure asset management is closely intertwined with the delivery of Council's strategic objectives and thus becomes an implied strategic objective itself.

Council plan is linked to the Community Vision through the five key themes set out in Table 2 below together with linkages to Council's strategic asset management activities.

Table 2: Linkages between Council's Themes and Strategic Asset Management

Theme	Measure	Linkages to Infrastructure Assets
Climate Emergency	We take action to protect and prepare Bass Coast for the serious risk that climate change poses	Council's assets are designed and maintained in consideration of climate change, i.e. climate resilient materials[9].
Protect And Enhance Natural Environment	Maintain and protect the natural environment	Council's assets are designed and maintained to protect the natural environment and to provide access in a controlled manner
Healthy and Inclusive Communities	We are a healthy and active community	Council's assets enhance community health and wellbeing while promoting a sense of community pride
Access and Movement	We can move freely and easily within Bass Coast and beyond	Council's assets are designed and maintained to fit with landscape, lifestyle and climate for enjoyment of the place we live
Education, Creative Economy and Industry	Expanding, attracting and retaining business and investment	Council's assets support the efficient operation of education, local businesses and when mutually beneficial Council will engage local businesses to support its asset management activities

[8] Source: Bass Coast Council Plan and Municipal Health and Wellbeing Plan 2021-25
[9] Reviews of AM Plans to incorporate climate change impacts on infrastructure.

3. Council's Assets And Their Management

3.1 Victorian Asset Management Planning And Accountability Framework

Soundly executed, asset management planning, based on a service centric philosophy will provide significant community benefit to our Shire in terms of:

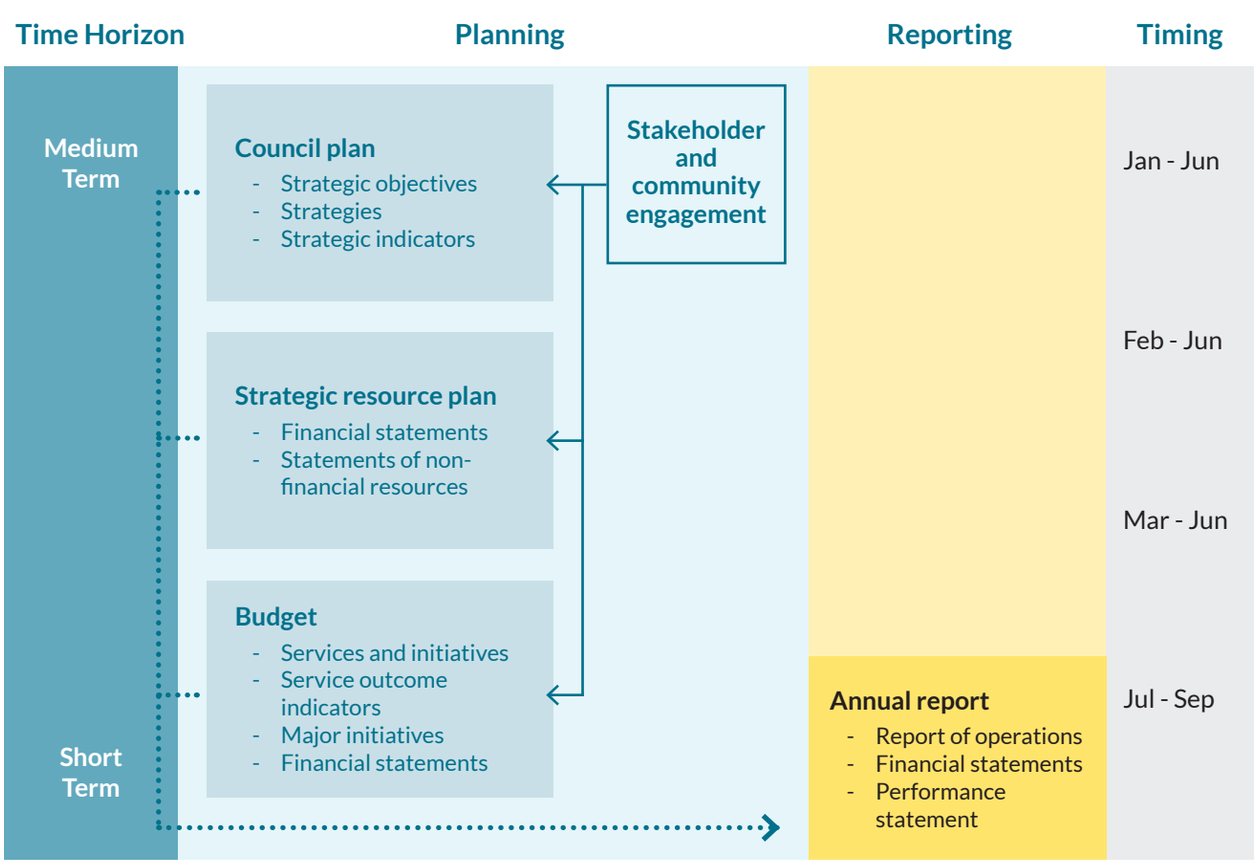
- **Transparency** - an open and consistent decision-making environment based on pre-determined criteria and standards.
- **Accountability** - an open management environment where actions and outcomes are reported to the community.
- **Quality of Service** - identification and delivery of a balance between the service levels the community desires from its public infrastructure in terms of core performance, aesthetics, and access and inclusion and the service levels it can afford and is willing to pay for.
- **Responsiveness** - timely delivery of new and upgraded infrastructure assets required to match increasing and/or changing service level demands and the timely provision of maintenance support to enable the ongoing delivery of services to the community and the minimisation of any risks.
- **Value for Money** - optimising the cost of asset provision, the cost and timing of asset renewal and the ongoing costs of operating and maintaining assets to achieve the lowest total life-cycle cost in order to deliver the best possible service to the community at the lowest cost.

As shown in Figure 1 on the next page, the asset management planning process draws broad directions of the community requirements and expectations from Council's Vision and Strategic Plan. The philosophies and frameworks for asset management practice are detailed in a suite of documents comprising:

- **Asset Management Policy** - sets out the broad objectives, responsibilities and accountabilities for asset management;
- **Asset Management Strategy** - sets out the broad scope of asset management as it applies to Council with a focus on improving Council's asset management processes (this document);
- **Service Plans, Strategies and Master Plans** - separate documents for each service delivery function which detail the processes Council uses to track the changing levels and types of services required by the community together with processes used to translate the community expectations into funded and agreed development plans;
- **Asset Management Plans** - separate documents for each asset class which detail the processes Council uses to manage its infrastructure assets and the funding scenarios required to deliver defined levels of service to the community.

The infrastructure requirements from the Service Delivery Plans inform the expansion and upgrade requirements for Council's infrastructure assets which, with the asset renewal requirements identified through the Assets Management Plans, inform the funding scenarios in the Asset Management Plans which, in turn, inform the development of Council's Long Term Financial Plan (LTFP). The management processes from the Asset Management Plans and adopted funding levels in the LTFP then combine to set the operational plans that Council follows in delivering its services to the community.

Figure 1: Victorian Asset Management Planning and Accountability Framework



3.2 What Assets Do We Have?

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is listed in Table 3 below.

Table 3: Assets used for providing services

Asset Class	Description	Services Provided
Roads and Transport	Public roads, kerbs, footpaths, bridges & major culverts, carpark and road traffic management devices and street furniture.	Transportation access into and throughout the municipality.
Stormwater Drainage	Underground pipe network, culverts & channels.	Collection of stormwater and discharge into natural waterways and the sea.
Buildings and Facilities	Civic buildings, administrative & operational buildings and community & recreational facilities.	Accommodation for community-based activities and services, accommodation for Council to deliver its services.
Open Space	Reserves, gardens, sporting fields, playgrounds and natural environments.	Aesthetic and functional public open spaces for active and passive recreation.

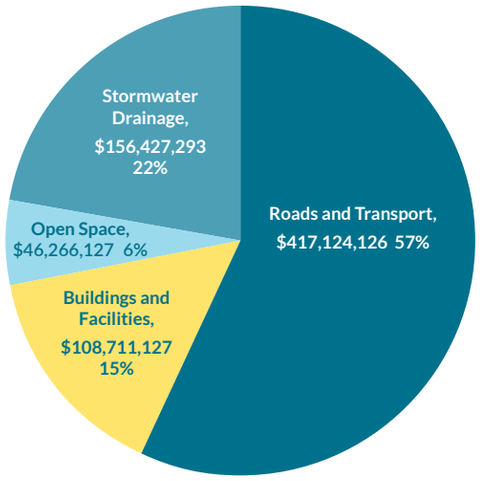
3.3 State Of The Assets

The financial status of Council's assets is shown below in Table 4 below. The figures are as recorded in the Financial Statements at 31st March 2022. Figure 2 below shows the distribution of the replacement values of Council's infrastructure assets.

Table 4: Financial Status of the Assets

Asset Class	Gross Replacement Cost	Written Down Value	Annual Depreciation	Accumulated Depreciation
Roads and Transport	$417,124,126	$305,964,822	$8,409,134	$73,746,850
Buildings and Facilities	$108,711,127	$57,237,809	$1,739,056	$27,536,107
Open Space	$46,266,127	$25,325,748	$1,745,557	$15,982,213
Stormwater Drainage	$156,427,293	$114,711,265	$1,058,665	$24,077,328
Total	$728,528,673	$503,239,644	$12,952,412	$141,342,498

Figure 2: Asset Replacement Values showing Replacement Cost and Percentage of Total Asset Portfolio for each Asset Class



3.4 Asset Condition And Asset Consumption Ratio

The Asset Consumption Ratio for infrastructure assets is the depreciated replacement cost divided by the current replacement cost. This ratio is a high-level indicator of the average proportion of 'serviceable-condition' left in assets. When taken at a portfolio level, the Asset Consumption Ratio indicates the management phase that the portfolio is in and characterises the management actions required. The three management phases are set out in Table 5 below.

Table 5: Asset Consumption Ratio and Portfolio Phase Relationship

Portfolio Phase	ACR Range	Portfolio Characteristics
Stable	60% - 100% (typically 60-80% for Australian LGA)	- The vast majority of assets are in the early to the middle phase of their lives and only require regular maintenance to ensure that the planned asset lives are achieved. - A small number of assets will be approaching or at the end of their useful life and require renewal. - Annual budgets for Capital Renewal are manageable for the foreseeable future (short term 5-10 years).
Action	40% - 60%	- The majority of assets are transitioning from the middle phase of their lives to the final phase where the rate of deterioration and the cost of maintaining and renewing those assets is increasing. - Increasing numbers of assets will be at the end of their useful lives and renewal is necessary to avoid asset failure. - Annual budgets for Capital Renewal are increasing and must be funded to prevent the portfolio from descending into the Critical phase.
Critical	0% - 40%	- The vast majority of assets will be near or at the end of their useful lives and renewal is required to avoid asset failure. - Annual budgets for Capital Renewal will be very high and will be a considerable impost on the community.

Asset portfolios that comprise a large proportion of new or recently renewed assets like Bass Coast's asset portfolio will, by default, fall into the upper end of Stable phase. Within a portfolio in the Stable phase, there still will be assets that require renewal as they reach the end of their useful lives and so even in this phase, sound asset management practices are required. This is to avoid the issue of future creep[10].

Infrastructure asset portfolios are rarely ever a homogeneous collection of assets evenly distributed in time across the life-cycle range. As a consequence, an organisation must expect its asset portfolios to fall into the Action phase at some point as attempting to avoid this phase altogether wastes asset capacity and unnecessarily increases asset expenditure. The key to the Action phase is how an organisation responds with timely increases in Capital Renewal funds.

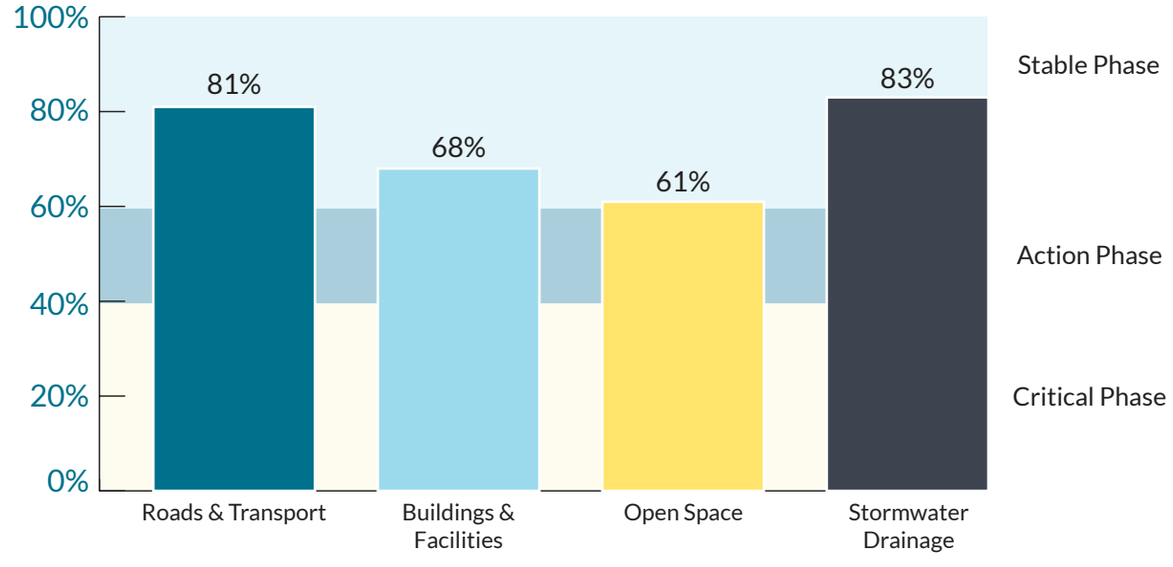
Failing to adequately respond to the Action phase will inevitably lead to the Critical phase where assets are failing and causing pain for the community. This pain is exacerbated by the significant increases in funding required to return service levels to acceptable levels.

The target for all organisations is to appropriately respond to the Action phase to return their asset portfolios to the Stable phase.

The Asset Consumption Ratios shown in Figure 3 below indicate that the Buildings and Open Space assets are comfortably in the Stable phase as is common for these asset classes. Although still in the Stable phase, they are close to transitioning into the Action phase. As a consequence, for these classes of assets, Council will experience:

- An increasing rate of asset deterioration as they experience further use and impacting need for additional maintenance funding;
- Increasing numbers of assets requiring renewal, upgrades and transition to a different way to provide the services;
- The cost of renewal projects rising as the extent of work required increases.

Figure 3: Asset Consumption Ratios



[10] Infrastructure Creep and Backlog –McKinsey Global Infrastructure Initiative

Looking to the future, if Council is to honour its obligations to the community by delivering the desired services from its infrastructure assets now and into the future, it is essential that it:

- Maximises the benefit gained from the available funding and resources through science and optimisation (better practice asset management);
- Adopts a service-centric focus based on prioritisation driven by asset criticality;
- Focuses on the whole-of-life cost of owning assets;
- Puts caring for existing infrastructure assets ahead of constructing new ones; and
- Plans for the ongoing additional costs of ownership when new assets are constructed.

Put simply, Council must adopt Better Practice Asset Management.

3.5 Measuring Council's Asset Management Competencies

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define ten elements for asset management. Assessment criteria have been developed from these ten elements[11] to assess 'core' competency under the National Assessment Framework.

Bass Coast Shire's financial and asset management competencies have been assessed using this assessment tool that tests Council's current capabilities in the following 13 categories:

- **Levels of Service** - this tests if Council has a defined process for determining current and target levels of service and costs;
- **Asset Data** - this tests if Council has appropriate data structures for its infrastructure assets;
- **Condition Assessment** - this tests if Council has a rigorous asset condition assessment methodology and is routinely applying that methodology with appropriate data quality checks;
- **Service Capacity Assessment** - this tests if Council has a rigorous methodology to assess the capacity demands on its infrastructure assets and if it is routinely applying that methodology with appropriate data quality checks;
- **Asset Functionality Assessment** - this tests if Council has a rigorous methodology to assess its infrastructure assets are fit for purpose and if it is routinely applying that methodology with appropriate data quality checks;
- **Asset Inspections** - this tests if Council has appropriate regimes in place for the conduct of regular risk and maintenance inspections of its assets;

[11] Asset Planning and Management Element 2 Asset Management Strategy and Plans divided into Asset Management Strategy and Asset Management Plans competencies.

- **Capital Works Planning & Annual Budgeting** - this tests if Council has suitable processes in place to ensure that capital works programs are developed to deliver the agreed Levels of Service and that budgets are developed in line with the forecast long-term service delivery and asset renewal requirements;
- **Maintenance Planning** - this tests if Council has suitable processes in place to ensure that maintenance programs are developed to deliver the agreed Levels of Service and the expected useful lives of the infrastructure assets;
- **Asset Accounting** - this tests if Council's asset accounting practices are in line with the Australian Accounting Standards;
- **Staff Skills** - this tests if Council staff with relevant skills to manage its infrastructure asset portfolio;
- **Resource Levels** - this tests if Council has the appropriate number of skilled staff;
- **Resource Morale** - this tests if there is a positive culture among the relevant asset management staff;
- **GIS Functionality** - this tests if Council is maximising the value of its GIS capability in the management of its infrastructure assets.

Collectively, the above categories assess an organisation's Advanced Asset Management Competency. Each of the above categories is assessed with multiple questions aimed at identifying where Council is on its journey to Better Practice Asset Management. While a score of 100 percent indicates that Better Practice has been achieved in a particular assessment category, a score of 80 percent indicates that Good Practice Asset Management standard has been achieved. It is generally accepted that the organisational target should be to achieve a Good Practice Asset Management standard across all categories before aiming higher.

The results of an assessment of Bass Coast Shire Council undertaken in 2022 are shown in Figure 4 on page 21 by the blue bars. As marked by the blue bars in Figure 4, our Council is operating at "Good Practice" level in 15 of 20 detailed areas of assessment. Council had identified 5 areas that haven't achieved a "good practice" and detailed improvement actions under Section 4.

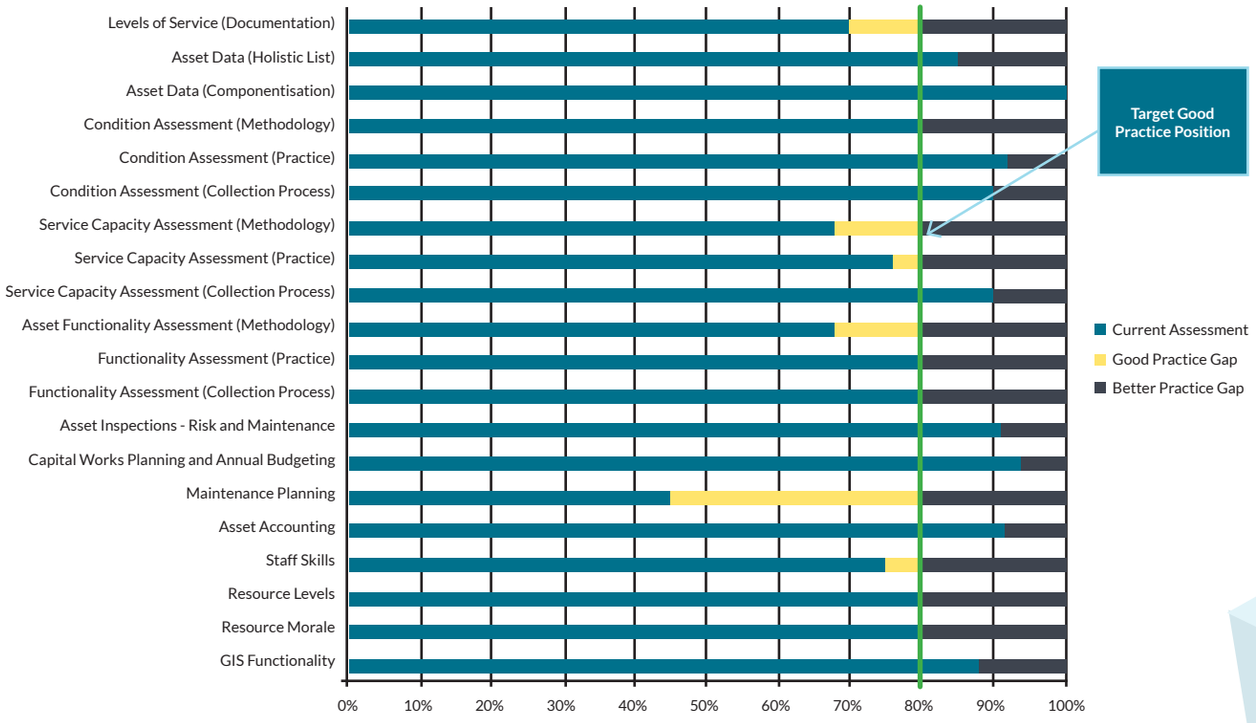
The identified areas requiring the greatest level of improvement are those involving the levels of service, capacity and functionality assessment of Council's infrastructure assets which are characteristics of advanced asset management maturity and a service oriented framework to manage assets.



If these particular areas of assessment are set aside, the assessment actually shows that our Council is operating at a “good practice” level for Core Asset Management Competency.

The adoption of this Asset Management Strategy will see Council rise towards the ‘good practice’ level across all areas within the Advanced Asset Management Competency and then continue on towards ‘Better Practice’.

Figure 4: Asset Management Competency Assessment Progress



4. Where Do We Want To Be?

The Asset Management Competency assessment revealed that, for all practical purposes, Council is operating at the Good Practice level of Core Competency. However the asset management competency journey should not end there. Recognising that we are entering the second phase of the Action for the life cycle for many of the infrastructure assets means we must continue to develop our asset management competencies. To do this, we now need to adopt advanced maturity practices (service based planning that links social infrastructure planning to asset management planning) and keep moving towards better practice.

Council's asset management objectives are to:

a. Achieve Good Practice in all aspects of Advanced Asset Management Competency;

b. Continue developing on the pathway to Better Practice.

Achieving these objectives will:

- Ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability;
- Safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets;
- Enable Council to prioritise the provision of new and upgrades to infrastructure as well as sets service standards for the provision of future infrastructure based on demographics and social needs
- Embed the long term financial plan as the basis for all service and budget funding decisions;
- Meet legislative requirements for all Council's operations;
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated; and
- Provide high level oversight of financial and asset management responsibilities through Audit Committee/CEO reporting to Council on development and implementation of Asset Management Strategy, Asset Management Plan and Long Term Financial Plan.

5. How Will We Get There?

The pathway to being 'Better Practice' is a journey of continuous improvement of Council's asset management policies, practices and procedures. It will require developing world-class competencies in all Council staff engaged across the spectrum of asset management activities through:

- Training and skills development;
- Exposure to best-of-breed industry expertise;
- Transformational Strategic Asset Management Optimisation Technology;
- Overhaul of asset data and asset condition profiles guided by data maturity assessment.
- A major shift from asset centric to service centric.

It is about being in a position where we can predict what is likely to happen and fix it before its cost triples in just a few years.

5.1 Improvement Actions

The next step on the journey to 'Better Practice' is to lift Council's asset management competencies to that of Good Practice across all measures. With the objective of lifting all assessment scores to 4 or more within the life of this strategy, Table 6 (commencing on the following page) sets out an extensive program of Improvement Actions.

Completion of these Tasks will provide Council with:

- Increased knowledge and understanding of its infrastructure assets;
- Improved ability to forecast future funding requirements not just for renewal but also upgrade for Council's asset portfolio;
- Enhance linkages between the LTFP and the service levels delivered;
- Improved asset management practices;
- Asset Management competencies delivering Better Practice;
- A true service centric model.

5.2 Monitoring Progress

The Asset Management Strategy and the Asset Management Improvement Plan (Table 6) should be reviewed every year to ensure that it remains relevant in the context of industry development and unforeseen events acting on Council and the region.

Table 6: Better Asset Management Practice Improvement Plan

Note: Implementation Plans will be developed for each improvement action. All improvement actions will be completed by the end of the life of the Strategy.

Ref	Improvement Action	Purpose	Tasks (to be completed over the life of this Strategy)	Timeline	Resource Level of Effort
1	Continue to review Councils Asset Management Plans on a four year cycle	To demonstrate the responsive management of infrastructure assets (to provide services from the infrastructure assets), compliance with regulatory requirements, and communicating funding needed to provide the required levels of service.	a) Review Councils Open Space Asset Management Plan	2023 - 2024	20 person days
			b) Review Councils Road Asset Management Plan	2023 - 2024	30 person days
			c) Review Councils Drainage Asset Management Plan	2023 - 2024	20 person days
			d) Review Councils Building Asset Management Plan	2022 - 2023	20 person days
2	Establish a Service Structure and Criticality Framework.	The first fundamental aspect of True Asset Management is knowing what services we provide, which services are primary and which are secondary. By doing Tasks 2(a) to (c), we will be in a position of uniquely identifying and attributing each asset to key service and criticality.	a)Document a comprehensive service framework that outlines service classification, financial classification and the mandatory attributes of each asset type that will form the basis of measuring the service	Start July 2023	60 person days
			b) Develop a matrix of 'must have' attributes and 'nice to have' attributes for each asset type. These should be implemented as part of the asset DNA for gifted assets handover.	Start July 2023	Included in the 2(a)
			c) Develop and document the asset family tree showing the relationship between parent, child and grandchild asset. This relationship should be service based i.e. a pathway belonging to a public hall should be a child asset related to the hall.	Start July 2023	Included in the 2(a)
3	Establish Assessment Guidelines for Council's infrastructur e assets.	Knowing the current condition and functionality/fit for purpose of assets is required to provide appropriate reporting on asset valuations, fair value and depreciation as well as accurate forecasts for future renewal prediction and capital works programs.	Develop a functionality assessment framework that enables assessments of asset functionality separate from asset condition. In combination with asset condition, the asset management process should then enable us to articulate the service potential embodied in each asset as well as the network of assets in each class/sub-class e.g. buildings/public toilets.	In line with AM Plan Reviews 1(a)to(d) and linked with (4)	50 person days

Ref	Improvement Action	Purpose	Tasks (to be completed over the life of this Strategy)	Timeline	Resource Level of Effort
4	Review Community and Technical Levels of Service for Buildings in Building Asset Management Plan.	Community Levels of Service provide Council with high-level measures and KPIs to assess the effectiveness of service based planning. Technical Levels of Service provide Council with detailed measures and KPIs to guide business processes and assess the effectiveness of service plans at a tactical level.	Determine Council's current performance against each measure (Current Levels of Service) for Community Levels of Service	In line with AM Plan Reviews 1(d)	Ongoing and continuous monitoring
5	Document comprehensive Community and Technical Levels of Service for Open Space in either Open Space Asset Management Plan or Open Space Business Process Manual.	Community Levels of Service provide Council with high-level measures and KPIs to assess the effectiveness of service based planning. Technical Levels of Service provide Council with detailed measures and KPIs to guide business processes and assess the effectiveness of service plans at a tactical level.	a) Develop a set of high-level measures that will be used as Community Levels of Service to assess the effectiveness of AM actions e.g. community satisfaction, appearance of parks, compliance with standards and regulations, project delivery and financial management performance.	In line with AM Plan Reviews 1(a)	10 person days
			b) Expand the current 'BSC Horticultural Levels of Service' into a set of detailed measures that will be used as Technical Levels of Service to guide processes and assess performance e.g. planned and programmed mowing, asset provision based on a service hierarchy, scheduled safety actions and reactive responsiveness.	In line with AM Plan Reviews 1(a)	10 person days
			c) Determine Council's current performance against each measure (Current Levels of Service).	In line with AM Plan Reviews 1(a)	Ongoing and con-tinuous monitoring
			d) Document a target level of performance for each measure that is considered to be both reasonable in terms of service quality and deliverable within Council's existing systems and resources (draft Desired Levels of Service).	In line with AM Plan Reviews 1(a)	Included in the above
			e) Publish the adopted service levels in a Level of Service Manual which records each Level of Service, its KPI and the method of assessing performance.	In line with AM Plan Reviews 1(a)	5 person days
			f) Develop a plan to engage with relevant community sectors to undertake a review of the Community Levels of Service.	In line with AM Plan Reviews 1(a)	60 person days

Table 6: Better Asset Management Practice Improvement Plan

Note: Implementation Plans will be developed for each improvement action. All improvement actions will be completed by the end of the life of the Strategy.

Ref	Improvement Action	Purpose	Tasks (to be completed over the life of this Strategy)	Timeline	Resource Level of Effort
6	Document comprehensive Community and Technical Levels of Service for Transportation in either Transport Asset Management Plan or Transport Business Process Manual.	Community Levels of Service provide Council with high-level measures and KPIs to assess the effectiveness of service based planning. Technical Levels of Service provide Council with detailed measures and KPIs to guide business processes and assess the effectiveness of service plans at a tactical level.	a) Develop a set of high-level measures that will be used as Community Levels of Service to assess the effectiveness of AM actions e.g. community satisfaction, ride comfort on roads, appearance of footpaths, compliance with standards and regulations, project delivery and financial management performance.	In line with AM Plan Reviews 1(b)	10 person days
			b) Expand the current Technical Levels of Service into a set of detailed measures that will be used to guide processes and assess performance e.g. response time to fault reports, routine inspection intervals, and intervention levels at which action is triggered.	In line with AM Plan Reviews 1(b)	10 person days
			c) Determine Council's current performance against each measure (Current Levels of Service).	In line with AM Plan Reviews 1(b)	Ongoing and continuous monitoring
			d) Document a target level of performance for each measure that is considered to be both reasonable in terms of service quality and deliverable within Council's existing systems and resources (draft Desired Levels of Service).	In line with AM Plan Reviews 1(b)	Included in the above
			e) Publish the adopted service levels in a Level of Service Manual which records each Level of Service, its KPI and the method of assessing performance.	In line with AM Plan Reviews 1(b)	5 person days
			f) Develop a plan to engage with relevant community sectors to undertake a review of the Community Levels of Service.	In line with AM Plan Reviews 1(b)	60 person days

Ref	Improvement Action	Purpose	Tasks (to be completed over the life of this Strategy)	Timeline	Resource Level of Effort
7	Develop Council's AM skills and resources	Ensures Council has the capacity to be at the forefront of AM better practice. This means adopting a service centric approach to asset management.	a) Undertake a Gap Analysis of Council's current Asset Management resource capacity and capability.	Start August 2023	30 person days
			b) Undertake a Gap Analysis of Council's current Project Management resource capacity and capability.	Start August 2023	20 person days
			c) Identify capacity shortfalls and develop a strategy to close the gaps using internal and/or external resources.	Start August 2023	Included in the above
			d) Identify capability shortfalls and develop a training and development strategy to close the gaps.	Start August 2023	Included in the above
			e) Ensure responsibilities for Asset Management are identified and incorporated into all relevant staff position descriptions across the breadth of Council.	Start August 2024	20 person days

6. Summary

The Asset Management Strategy enables Council to meet national asset management frameworks, State legislative requirements and the provision of community services in an equitable and financially sustainable manner. It presents the current state of Council's assets and Asset Management System[12], highlighting the improvements necessary to meet service delivery requirements as described in the Council Plan and Asset Management Policy.

The Asset Management Strategy establishes the framework to support and guide planning and prioritisation of infrastructure investment and activities with holistic data and analysis regarding capital works, maintenance and operation of infrastructure essential for Council to provide services to the community. It answers two key questions:

How well is Bass Coast Shire infrastructure performing and how well will it perform into the future?

Overall the asset portfolio is in relatively good condition with the majority of assets are in the early to middle portion of their life and the demand and urgency on funding is lower relative to the later life phases.

As these assets degrade further over the next few years they move into the action phase. It is for this very reason that Council is embracing a strategy and the action plans in the strategy to reduce and remove the future risks of assets deteriorating to an action phase.

How well equipped is Bass Coast Shire to manage its infrastructure now and into the future?

Council has made significant progress in preparing and enabling itself to better manage its asset portfolio. Measurement against national standards shows good growth in maturity but highlights a need for a continued, focused effort to achieve its 'core' maturity target.

An improvement and performance measurement program is in place to continue to guide Council towards its asset management objectives

[12] Asset management — Management systems — Guidelines for the application of ISO 55001

7. References

1. Local Government and Planning Ministers' Council Framework 2 - Asset Planning and Management
2. Victorian Government Local Government Act 2020
3. Victorian Auditor-General's Office Asset Management and Maintenance by Councils 2015
4. Bass Coast Shire Council 2021-25 Strategic Plan
5. Bass Coast Shire Council Asset Management Policy
6. Bass Coast Shire Council 2020-21 Annual Report & Financial Statements
7. ACEAM Asset Management Competency assessment tool
8. ISO 55000 - International ISO standards for Asset Management.
9. Department of Environment, Land, Water and Planning- Better Practice Guide and Asset Planning and Accountability Framework for Local Government.
10. Asset Genetics and Unlocking Hidden Capital - McKinsey Report Global Infrastructure Initiative 2016.

8. Definitions

Asset	A physical item which has value, enables services to be provided and has an economic life of greater than 12 months. Items considered to be assets include Plant, Equipment, Property, Buildings, Facilities, Infrastructure, Commercial Investments, Natural and Heritage Items owned or administered by Council.
Asset Management Plan	A document outlining the full physical and financial life cycle of an asset. This includes details of the asset components, asset values, depreciation rates, lifecycle expectations, maintenance and renewal plans for the whole of the life of the asset and its separable components together with any necessary plans for the ultimate sale or disposal of the asset.
Capital Expenditure	Expenditure for new infrastructure and for the renewal or upgrade of existing assets that enhance the service potential of the assets.
Community Asset	An asset that is used to enable a service or to provide a service to the community, e.g. community centres, swimming pools, libraries and sports complexes.
Community Capital	The natural, human, social, and built capital from which a community receives benefits and on which the community relies for continued existence.
Community Levels of Service	Customer Levels of Service relate to how the customer receives or experiences the service and are generally defined in terms of Customer Satisfaction, Condition, Function and Capacity / Use
Financial Ratios	Planning methodology for infrastructure that uses a service defined approach based on primary and secondary services that Council provides. Service Planning ensures that Council's focus is on delivering an outcome and assets simply become a means to an end.
Financial Sustainability	The financing of the full life cycle costs of Council's assets so as to not unreasonably burden future generations or unreasonably reduce the asset choices of future generations
Infrastructure Assets	Stationary systems forming a network and serving whole communities where the system as a whole is intended to be maintained indefinitely by continuing replacement and refurbishment of its components, e.g. roads, traffic facilities, footpaths, drains, parks and sports fields.
Long Term Financial Plan	A Financial Plan based on a Service Level Target that produces a year by year forecast of the investment needed in capital renewals, capital upgrades, new infrastructure and ongoing maintenance.
Natural or Heritage Asset	Bushland, wetlands, foreshores, river frontages and/or historical buildings and facilities of significance which Council seeks to preserve for future generations.
Operational Asset	An asset utilised to administer and facilitate the operations of the Council, e.g. plant & equipment and Council administration facilities.

Routine Maintenance	Expenditure which does not meet the definition of Capital Expenditure but is incurred to ensure that the asset continues to provide its pre-determined service capacity and quality and achieves its expected useful life. Routine maintenance expenditure is of a regular and an ongoing nature.
Service Centric	An approach where the characteristics, locations, condition and functional fitness of future assets are defined by the services that Council intends to provide and the levels at which these services are targeted.
Technical Levels of Service	Technical Levels of Service relate to what the organisation does to deliver the service and are generally defined in terms of Operations, Maintenance, Renewal and Upgrade / New.

Asset Management Strategy for Infrastructure Assets **2022 - 2026**

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1300 BCOAST (226 278) or (03) 5671 2211 or via the National Relay Service (if you are deaf and/or find it hard hearing or speaking with people who use a phone) on their website:

infrastructure.gov.au/media-technology-communications/phone/services-people-with-disability/accesshub/national-relay-service

basscoast.vic.gov.au