

ASSET PLAN

2022-32

Asset
Management

HOBSONS
BAY CITY
COUNCIL



Acknowledgements

Council acknowledges the Bunurong Peoples of the Kulin Nation as the traditional owners of these municipal lands, rivers and coastal areas. We recognise the First Peoples' relationship to this land and offer our respect to their Elders, past and present.

Council acknowledges the legal responsibility to comply with the *Charter of Human Rights and Responsibilities Act 2006* and the *Equal Opportunity Act 2010*. The Charter of Human Rights is designed to protect the fundamental rights and freedoms of citizens under four key values: freedom, respect, equality and dignity.

Council would also like to acknowledge all community members of the Asset Plan Focus Group, other community members and stakeholders who were involved in the consultation to help shape the Asset Plan 2022-32.

For further information on the Asset Plan or to receive a copy of this document in an alternate format, contact Council on 1300 179 944.

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1.0 INTRODUCTION



The effective management of assets now and into the future is a key obligation of Hobsons Bay City Council.

The Hobsons Bay Asset Plan 2022-32 (the Asset Plan) is a proactive approach combining the management of public assets with financial, engineering and technical considerations to ensure an appropriate level of services is provided at the most economical cost to the community. The Asset Plan guides the way Council protects public assets to lengthen their lifespan, and to ensure maintenance and renewal of all assets is undertaken and completed at the appropriate time.

The Asset Plan is a consolidated document that includes information from previous asset management documents including the:

- Asset Management Policy
- Asset Management Strategy
- Asset management plans previously developed for each major asset type

1.1 Asset Plan Purpose

This Asset Plan has been prepared to meet the legislative requirements of section 92 of the *Local Government Act 2020*. It provides a long term strategic planning and financial view of the infrastructure assets owned or controlled by Council over the next 10 years.

The purpose of Asset Plan is to:

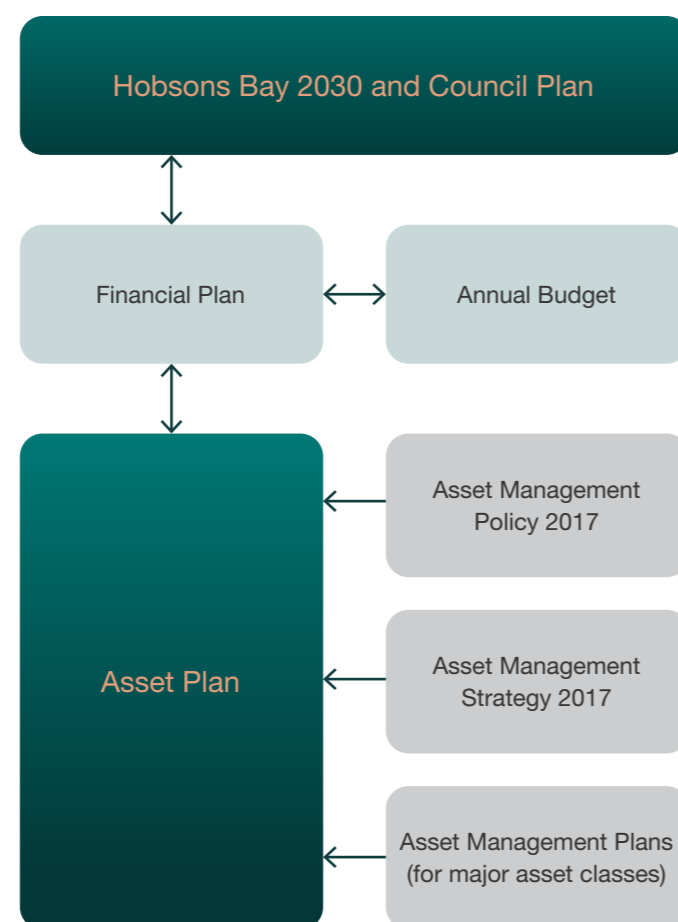
- show how Council will manage its assets responsibly in a cost-effective way to meet the service delivery needs of the Hobsons Bay community now and in the future
- ensure that there is integration between asset management planning outcomes and the Council Plan, Financial Plan and Capital Works Budget
- forecast capital and maintenance expenditure requirements for Council's assets over the next 10 years
- ensure that Council complies with its legislative obligations

1.2 Asset Plan Scope

The scope of this Asset Plan includes all infrastructure assets that are under the control of Hobsons Bay City Council. These include roads, bridges, drainage, pathways, car parks, buildings, open space and recreation assets that are valued at approximately \$1.2 billion as of 30 June 2021.

2.0 STRATEGIC CONTEXT

The Asset Plan is a critical strategic document that ensures Council's assets will be maintained and renewed appropriately to ensure the delivery of community services as documented in the Hobsons Bay 2030 Community Vision and Council Plan 2021-25. The Asset Plan also has a strong interrelationship with the Financial Plan that informs Council's Annual Budget and other strategies and policies that form Council's asset management approach.



2.1 Community Vision and Council Plan

The Hobsons Bay 2030 Community Vision captures the community's aspirations for the future of Hobsons Bay. This vision is translated into the Council Plan that guides Council's work over the following four years. The Asset Plan is closely aligned with Objective 4 of the Council Plan on Community Infrastructure, and more specifically relates to Priority 4.2:

4.2 Ensure that our assets are properly maintained now and into the future at the most economical cost to the community and the environment

a) Reduce the asset renewal demand gap for key assets including roads, footpaths, buildings, recreation and community facilities

b) Increase value for money when delivering projects within the capital works program

c) Improve customer satisfaction with quality of sealed local roads and footpaths across the network

2.2 Financial Plan

The Financial Plan is a 10-year financial framework that supports Council achieving the Hobsons Bay 2030 Community Vision and Council Plan.

The Asset Plan is integrated with the Financial Plan to ensure that future funding is allocated in a manner that supports service delivery and the effective management of Council's assets into the future.

The Asset Plan is developed to inform the Financial Plan by identifying the future asset renewal and maintenance funding requirement over the life of each asset type. The level of funding required is informed from a number of factors including asset condition, risk assessment issues and the intervention and service levels for each asset class.

2.3 Link to Asset Management Policy

The Asset Plan includes relevant information from the Asset Management Policy 2017 that reinforces Council's commitment to best practice asset management. The inclusion of this information ensures the below asset management goals are achieved to:

- provide affordable assets that best meet the community's current and future needs and expectations
- make informed decisions about the management of Council's assets incorporating social, economic and environmental factors that influence the health and wellbeing of the community
- maintain assets throughout their lifecycle to deliver appropriate levels of service and optimise the use of available resources in a sustainable way
- ensure that funding for the maintenance, operation and renewal of existing assets is prioritised above the funding of new assets
- ensure that asset investment decisions consider all benefit cost options including provision of new assets by retirement, disposal, rationalisation and consolidation of existing assets to reduce lifecycle costs and climate change risk
- implement best practice asset management in compliance with the Australian Standards ISO55000 and National Asset Management Frameworks

2.4 Other Related Strategic Documents

The Asset Plan is informed by and supports a number of other policies and strategic documents including but not limited to:

- Asset management plans for each asset class
- Community Services and Infrastructure Plan 2020-30
- Corporate Greenhouse Strategy 2013-30
- Climate Change Response Plan
- A Fairer Hobsons Bay for All 2019-23
- Open Space Strategy 2018-28
- Sports Facility Needs Analysis 2018-28
- Road Management Plan 2021

3.0 COMMUNITY ENGAGEMENT



The *Local Government Act 2020* requires the development of the Asset Plan to be completed using a deliberative engagement approach. A deliberative engagement processes consistent with the Hobsons Bay Community Engagement Policy 2021 was used to establish an Asset Plan Focus Group to help inform the development of the Asset Plan.

3.1 Asset Plan Focus Group

An Asset Plan Focus Group of 23 community members with diverse backgrounds from across Hobsons Bay was established to contribute to the development of the Asset Plan.

The use of this deliberative engagement process not only fulfilled the legislative obligations for the development of an Asset Plan within the *Local Government Act 2020*, but also offered opportunities for greater dialogue between Councillors, Council officers and the community. The focus group attended four facilitated sessions in an online setting to comply with COVID 19 restrictions.

Due to the nature of a deliberative process, all focus group members were provided with background material to ensure

they were well informed on the topic at hand. A summary of each workshop is provided below:

- Workshop 1: Introduce topic and give presentations on the Financial Plan, capital works development framework and infrastructure assets overview.
- Workshop 2: Develop guiding principles that can be used to guide Council's decisions on how assets are maintained or renewed.
- Workshop 3: Continuation of discussion from Workshop 2.
- Workshop 4: Finalise high level principles and present them to Councillors and Council officers in attendance.

The focus group participated in identifying and reviewing guiding principles, group writing in breakout rooms, feedback and improvement sessions, deliberation and then voting on each principle with the aim of reaching 80% consensus for the principle to be included.

The group then completed a community report identifying each guiding principle and giving the rationale and examples. An unedited version of the report is attached as Appendix 1.

4.0

ASSET PLAN

FRAMEWORK



The Asset Plan sets the strategic direction to optimising Council infrastructure and community assets for the next 10 years. The framework has been informed by community feedback and aims to reflect their aspirations for the management of Council assets.

The Asset Plan framework includes:

- guiding principles
- objectives listed under each principle

4.1 Guiding Principles

In consultation with the Asset Plan Focus Group, eight guiding principles have been developed to guide asset management decisions on the renewal and maintenance of Council's assets.

Transparency

All asset management principles and planning including expenditure are clearly documented and accessible to the community

Technical

Utilise best practice, innovative methods and engineering techniques to achieve quality, compliant, cost effective asset management solutions

Community Engagement

Undertake community engagement for major maintenance and renewal projects to ensure community needs are considered

Equity

Ensure all suburbs have equal high quality well maintained assets with resources allocated to most critically needed areas

Inclusivity & Accessibility

Ensure all assets are designed and maintained to provide universal use and accessibility for all members of the community

Sustainability

Prioritise sustainability in asset management, from an economic, social and environmental perspective that also include climate change consideration

Relevance

Provide assets that remain contemporary and relevant to community requirements

Safety

Keep everyone safe whilst also protecting the community's assets and infrastructure

4.2 Objectives

In addition to the guiding principles that set the high-level aspirations of the Asset Plan, a number of objectives have been developed within each principle.

The objectives build on the existing asset management practices and place increased emphasis on adopting key service delivery planning principles and practices.

Transparency

All asset management principles and planning including expenditure are clearly documented and accessible to the community

- make the Asset Plan and all strategic documents available on Council's website for easy access of information by the community
- consult with the community when preparing the annual capital works program that includes renewal budget allocations for each asset class
- communicate the asset renewal gap to the community as part of Council's annual State of Asset reporting

Relevance

Provide assets that remain contemporary and relevant to community requirements

- provide asset maintenance and renewal funding in the Annual Budget and Financial Plan consistent with this Asset Plan
- investigate the use of latest construction materials, methods and technology to prolong the useful life of assets

Community Engagement

Undertake community engagement for major maintenance and renewal projects to ensure community needs are considered

- continue to monitor community satisfaction regarding asset performance
- review and improve community engagement processes for major maintenance and renewal projects

Safety

Keep everyone safe while also protecting the community's assets and infrastructure

- prioritise the provision of funding for legal compliance, renewal, maintenance and operation of existing assets in preference to financing new works or asset upgrades
- implement a risk-based evaluation when prioritising works that understands the consequence of asset failures, and develop mitigating strategies that reduce potential risks
- establish and deliver maintenance standards that maintain assets to the agreed level of service and mitigate any safety or risk issues
- continuously improve Council's risk management techniques and processes to minimise insurance premiums and claims
- maintain occupancy agreements with all tenants that clearly identify who is responsible for maintenance and renewal

Sustainability

Prioritise sustainability in asset management from an economic, social and environmental perspective that also includes climate change consideration

- ensure assets are designed and utilised to maximise environmental, economic and social benefits while also considering future repurposing, recycling, and end-of-life impacts
- review asset lifecycles based on reliable asset condition, performance data and the 'best practicably available information about the potential impacts of climate change
- provide appropriate lifecycle funding for renewal, maintenance and operations within the capital works and operational budget when approving a new or upgrade capital works project

Technical

Utilise best practice, innovative methods and engineering techniques to achieve quality, compliant, cost-effective asset management solutions

- manage and maintain Council's assets in a manner that ensures compliance with relevant legislation and regulations
- allocate appropriate budget to respond to legislation or regulation changes to ensure compliance occurs in a timely manner
- monitor the maintenance of roads and related assets to ensure ongoing compliance with the Road Management Plan
- conduct asset condition assessments proactively to monitor the condition and performance of Council's asset portfolio
- utilise an integrated asset management system to deliver monitoring and forecasting, development of long term maintenance and renewal programs, risk management and financial reporting of assets
- continuously monitor and improve asset data, and maintain the asset register to include maintenance inspections and works histories
- undertake the valuation of Council's assets in accordance with the standards set by the Australian Accounting Standards Board applicable for local governments within the State of Victoria, and asset lifecycles shall reflect the service potential of the relevant category

Equity

Ensure all suburbs have equal access to high quality and well-maintained assets with resources allocated to most critically needed areas

- proactively inspect and monitor the condition and performance of Council's asset portfolio through a periodic asset condition assessment program
- implement asset renewal programs that prioritise the renewal or replacement of assets that are in poor and very poor condition
- recognise the needs of the future generations especially those most vulnerable to the potential impacts of climate change

Inclusivity & Accessibility

Ensure all assets are designed and maintained to provide universal use and accessibility for all members of the community

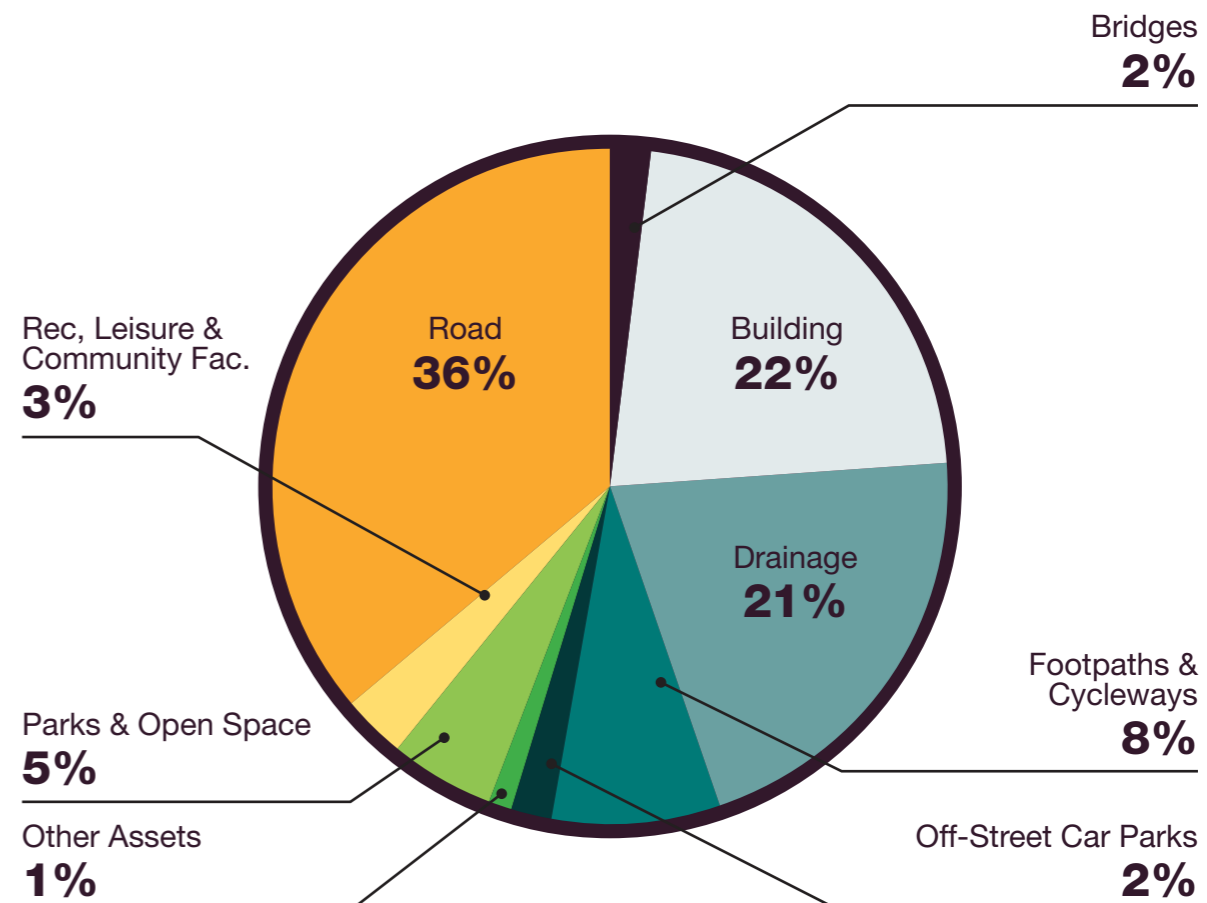
- provide fit for intended purpose assets that adequately support service provision
- maintain, renew and upgrade assets to ensure they can be used by all members of the community

5.0 COUNCIL'S ASSETS

Council manages a significant portfolio of infrastructure assets worth approximately \$1.2 billion as of 30 June 2021.



Hobsons Bay Infrastructure Asset Value (\$1.163 billion)



Asset Type	Replacement Value	Asset Type	Replacement Value
Bridges	\$27,906,497	Other Assets	\$13,288,758
Building	\$259,791,729	Parks & Open Space	\$54,804,686
Drainage	\$243,115,520	Rec, Leisure & Community Facilities	\$36,244,448
Footpaths & Cycleways	\$89,999,826	Road	\$416,075,645
Off-Street Car Parks	\$21,448,183		

Roads, buildings and drainage are the three largest asset types, adding up to about 80% of Council's total asset value.

5.1 State of Council's Assets

The condition of Council's asset portfolio is regularly monitored with the development of asset management plans for each asset class. Asset management plans provide the below technical information related to each asset type:

- asset portfolio with levels of service
- demand forecasts
- lifecycle analysis
- risk management
- any climate change impact
- financial forecasts
- operation and maintenance levels, renewal and disposal

The asset management plans will be updated for each asset class following the completion of a whole of asset condition audit that is completed every four or five years.

A State of Assets Report is completed annually, taking information from asset management plans for each asset class. It provides a summary of each asset type, the asset description, quantity and value, condition, and the required renewal expenditure and recommended 10-year renewal budget. The 2021 State of Assets Report (Appendix 2) provides a summary of the current state of Council's infrastructure assets at 30 June 2021.

A summary of each asset type is provided below.

Buildings

Council has 214 buildings.

Replacement value: \$260 million

Condition ratings:

- Excellent or good: 34%
- Average: 57%
- Poor or very poor: 9%

Value to renew current backlog: \$23 million

Annual renewal requirement over 10 years: \$6.3 million

Footpath and cycle ways

Council has 751km of footpaths and cycleways.

Replacement value: \$90 million

Condition ratings:

- Excellent or good: 41.5%
- Average: 56%
- Poor or very poor: 2.5%

Value to renew current backlog: \$2.3 million

Annual renewal requirement over 10 years: \$0.9 million

Bridges

Council has 63 bridges with a total length of 1,285m.

Replacement value: \$27.9 million

Condition ratings:

- Excellent or good: 5%
- Average: 94.5%
- Poor or very poor: 0.5% (7% at component level)

Value to renew current backlog (including components): \$1.9 million

Annual renewal requirement over 10 years: \$0.35 million

Drainage

Council has 547km of drainage pipes and 21,000 drainage pits.

Replacement value: \$243 million

Condition ratings:

- Excellent or good: 85%
- Average: 13%
- Poor or very poor: 2%

Value to renew current backlog: \$4.5 million

Annual renewal requirement over 10 years: \$1 million per year over the first five years and then \$0.5 million per year from year six to year ten

Off-street car parks

Council has 130 off-street car parks.

Replacement value: \$21.5 million

Condition ratings:

- Excellent or good: 76%
- Average: 18%
- Poor or very poor: 6%

Value to renew current backlog: \$1.2 million

Annual renewal requirement over 10 years: \$0.5 million

Road

Council has 435km of roads.

Replacement value: \$416 million

Condition ratings:

- Excellent or good: 50%
- Average: 36%
- Poor or very poor: 14%

Value to renew current backlog: \$59 million

Annual renewal requirement over 10 years: \$15 million

Parks, open space and recreation

Council has about 18,000 parks, open spaces and recreation assets (excluding buildings).

Replacement value: \$66 million

Condition ratings:

- Excellent or good: 62%
- Average: 33%
- Poor or very poor: 5%

Value to renew current backlog: \$3.3 million

Annual renewal requirement over 10 years: \$0.5 million*

*Note: The above figure does not account for recreation and foreshore assets. The total annual renewal demand figure is estimated to be \$4.1 million, which will be confirmed following the completion of a detailed condition audit of open space and recreation assets in the 2021-22 financial year.

5.2 State of Assets Summary

The state of council's asset portfolio and current renewal demand is summarised below.

Asset Class	Replacement Value	Poor and very poor condition	Backlog	Annual Renewal Demand
Bridges	\$27,906,497	7%*	\$1,953,454	\$350,000
Buildings	\$259,791,729	9%	\$23,381,256	\$6,300,000
Drainage	\$243,115,520	2%	\$4,862,310	\$1,000,000
Footpaths and cycleways	\$89,999,826	2.5%	\$2,249,996	\$900,000
Off-street car parks	\$21,448,183	6%	\$1,286,891	\$500,000
Parks and open space and recreation	\$91,049,134	5%	\$4,552,456	\$4,100,000**
Roads	\$416,075,645	14%	\$58,250,590	\$15,000,000
Other assets***	\$13,288,758	N/A		\$300,000****
TOTAL	\$1,162,675,293		\$96,536,695	\$29,000,000

* Calculated at a component level.

** Estimate based on the available data. The figure will be confirmed following the completion of the open space and recreation assets condition audit in the 2021-22 financial year.

*** Other assets include traffic signs, traffic islands, traffic speed humps, parking meters, street furniture

**** Estimate based on available data.

6.0 FINANCIAL EXPENDITURE FORECAST



Expenditure on Council infrastructure assets is categorised as follows:

Maintenance

Repair and service works required to keep assets operational, e.g. roof leak repairs, road pothole patching

Operation

Regular activities to provide public health, safety and amenity, e.g. street sweeping, grass mowing

Renewal

Replacing an existing asset to its original capacity, e.g. resurfacing a road

Upgrade/ Expansion

Enhancing an existing asset to provide higher levels of service, e.g. widening an existing pathway to allow for cyclists

New

Creating a new asset to meet additional service level requirements, e.g. new building, new sportsground

The projected expenditure requirements for Council infrastructure assets over the next 10 years is as shown in the table below. These outlays have been determined based on the affordability assessments made in Council's Financial Plan and represent the investment that is required to maintain and renew Council's existing infrastructure assets.

The operation and maintenance budget are based on the adopted 2021-22 budget with a projection of a 3% increase per year for the next 10 years. The figures for renewal, new, upgrade and expansion works were extracted from Council's 2021-22 Capital Works Budget.

ASSET PLAN FINANCIAL FORECAST 2022 TO 2032

Bridges	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Operation and Maintenance	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,477	\$134,392
Renewal	\$100,000	\$470,000	\$375,000	\$770,000	\$340,000	\$340,000	\$340,000	\$400,000	\$400,000	\$400,000
New, Upgrade and Expansion	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Buildings										
Operation and Maintenance	\$6,099,163	\$6,282,137	\$6,470,602	\$6,664,720	\$6,864,661	\$7,070,601	\$7,282,719	\$7,501,201	\$7,726,237	\$7,958,024
Renewal	\$3,400,000	\$540,000	\$1,850,000	\$1,220,000	\$4,502,000	\$6,170,000	\$5,990,000	\$6,460,000	\$6,460,000	\$6,460,000
New, Upgrade and Expansion	\$8,360,000	\$1,445,000	\$600,000	\$2,300,000	\$6,600,000	\$-	\$-	\$-	\$-	\$-
Drainage										
Operation and Maintenance	\$1,030,000	\$1,060,900	\$1,092,727	\$1,125,509	\$1,159,274	\$1,194,052	\$1,229,874	\$1,266,770	\$1,304,773	\$1,343,916
Renewal	\$1,292,500	\$1,000,000	\$1,005,000	\$550,000	\$550,000	\$520,000	\$520,000	\$550,000	\$550,000	\$550,000
New, Upgrade and Expansion	\$540,000	\$665,000	\$6,900,000	\$640,000	\$3,230,000	\$5,680,000	\$3,230,000	\$3,330,000	\$3,340,000	\$3,340,000
Pathways										
Operation and Maintenance	\$1,236,000	\$1,273,080	\$1,311,272	\$1,350,611	\$1,391,129	\$1,432,863	\$1,475,849	\$1,520,124	\$1,565,728	\$1,612,700
Renewal	\$1,147,000	\$2,396,500	\$2,178,300	\$150,431	\$1,750,000	\$2,250,000	\$2,250,000	\$2,290,000	\$2,350,000	\$2,350,000
New, Upgrade and Expansion	\$810,000	\$250,000	\$200,000	\$200,000	\$1,840,000	\$1,926,000	\$290,000	\$687,000	\$332,000	\$332,000
Parks, Open Space and Recreation (excluding trees)										
Operation and Maintenance	\$7,865,965	\$8,101,944	\$8,345,002	\$8,595,352	\$8,853,213	\$9,118,809	\$9,392,373	\$9,674,144	\$9,964,369	\$10,263,300
Renewal	\$1,510,000	\$1,230,000	\$1,910,000	\$4,015,000	\$3,770,000	\$2,180,000	\$1,980,000	\$2,150,000	\$2,000,000	\$2,000,000
New, Upgrade and Expansion	\$7,800,000	\$6,180,000	\$7,085,000	\$5,460,000	\$6,280,000	\$10,262,000	\$7,556,000	\$3,760,000	\$5,810,000	\$5,810,000
Roads and Car Parks										
Operation and Maintenance	\$1,957,000	\$2,015,710	\$2,076,181	\$2,138,467	\$2,202,621	\$2,268,699	\$2,336,760	\$2,406,863	\$2,479,069	\$2,553,441
Renewal	\$9,824,500	\$16,595,700	\$9,055,000	\$16,721,704	\$12,420,000	\$12,760,000	\$13,090,000	\$14,165,000	\$12,670,000	\$12,670,000
New, Upgrade and Expansion	\$1,020,000	\$550,000	\$1,590,000	\$50,000	\$1,145,000	\$1,010,000	\$1,010,000	\$1,020,000	\$1,020,000	\$1,020,000
Foreshore										
Operation and Maintenance	\$1,442,000	\$1,485,260	\$1,529,818	\$1,575,712	\$1,622,984	\$1,671,673	\$1,721,823	\$1,773,478	\$1,826,682	\$1,881,483
Renewal	\$100,000	\$90,000	\$50,000	\$5,200,000	\$2,100,000	\$2,100,000	\$1,362,000	\$4,240,000	\$4,169,000	\$4,169,000
New, Upgrade and Expansion	\$4,880,000	\$2,700,000	\$-	\$-	\$520,000	\$60,000	\$-	\$-	\$-	\$-

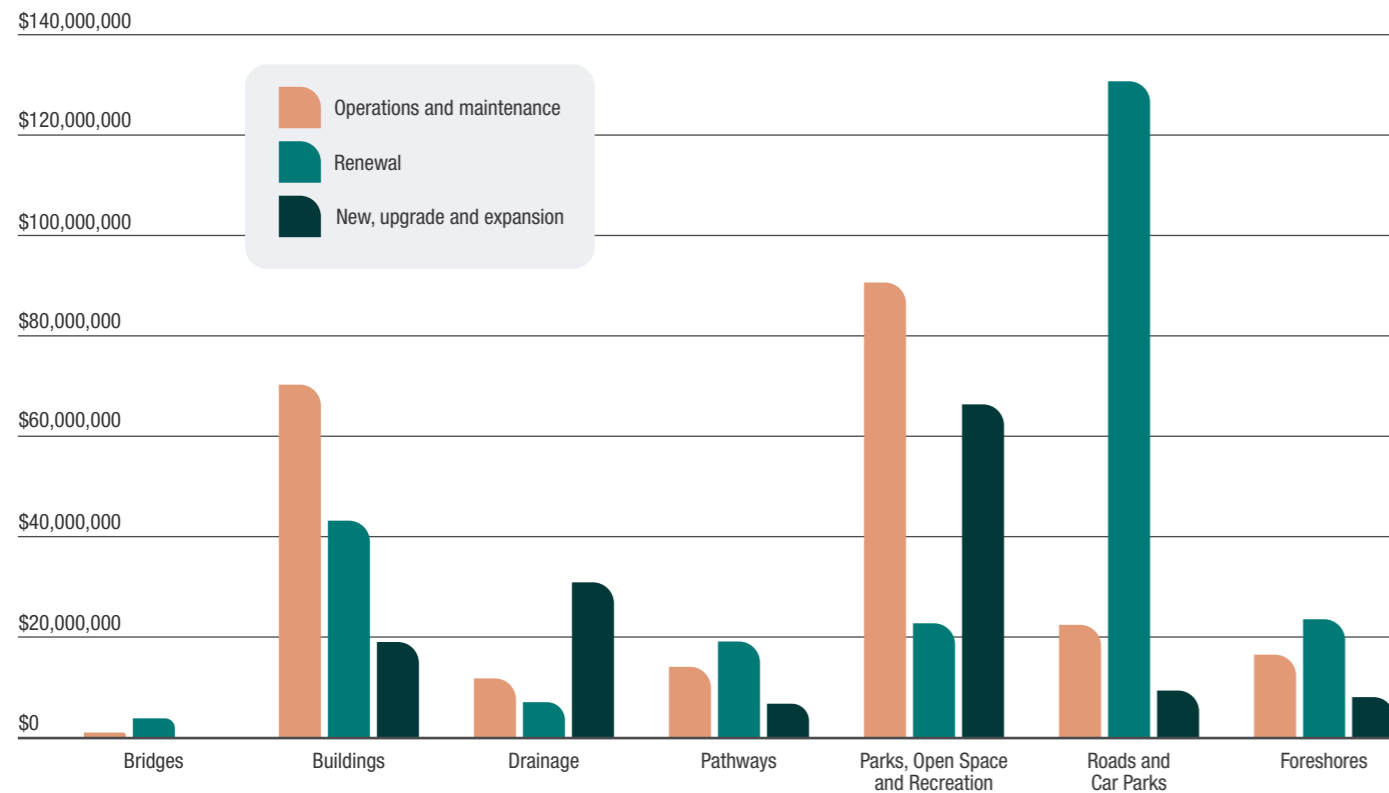
Note: Renewal and New/Upgrade and Expansion figures extract from the Adopted Capital Works Program version 2.5 (12-July-2021)
Operation and maintenance budget is based on the 21/22 budget with a projection of 3% increase per year for the next 10 years.



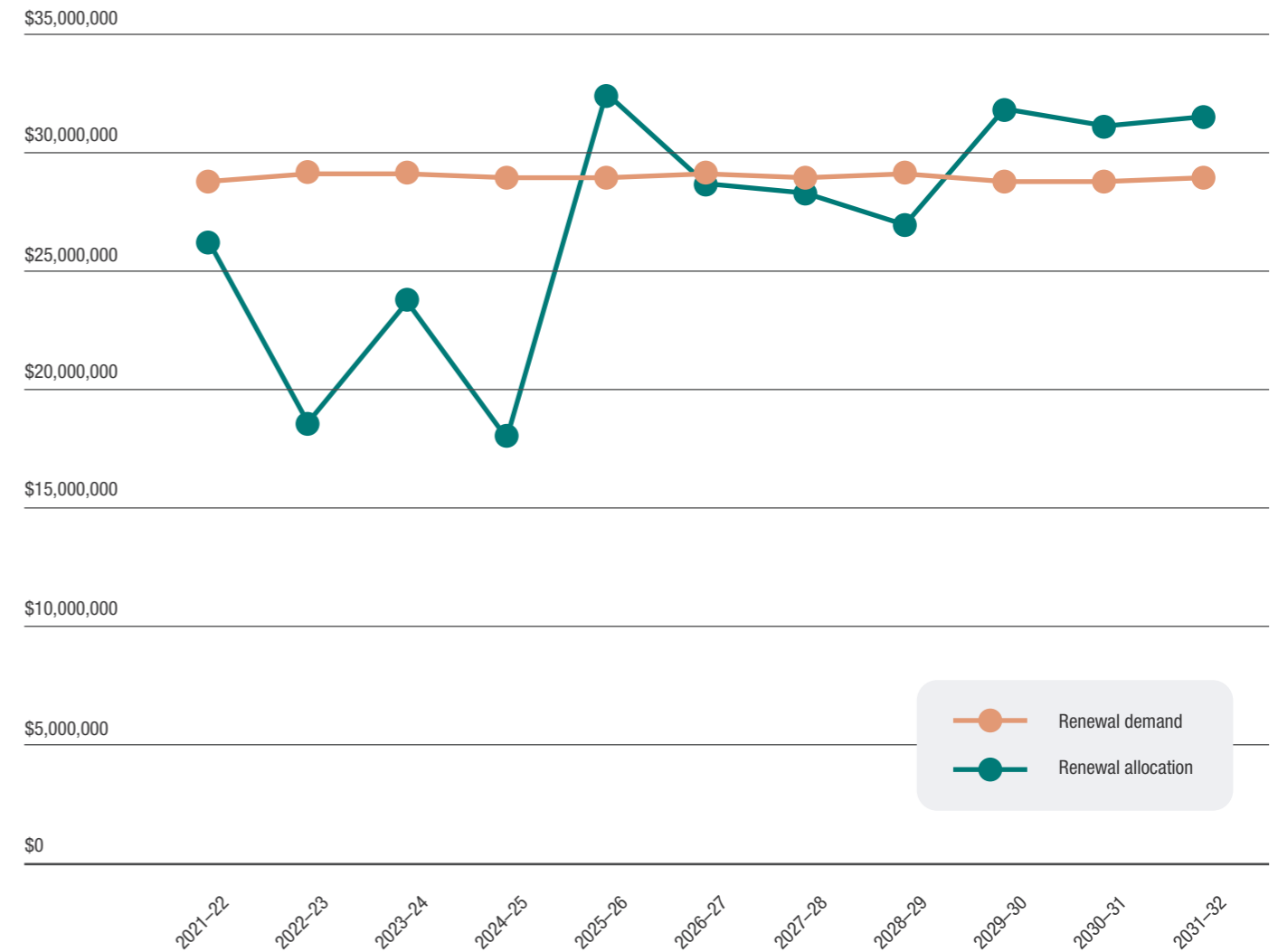
Over the next 10 years, for each asset class, the below estimated amounts are required for operation and maintenance, renewal and provide new, upgrade and expansion.

Asset Plan Financial Forecast 2022 to 2032 (10 Years Total)

Asset Type	Operation and maintenance	Renewal	New, upgrade and expansion	Total
Bridges	\$1,181,000	\$3,935,000	\$ —	\$5,116,000
Buildings	\$69,920,000	\$43,052,000	\$19,305,000	\$132,277,000
Drainage	\$11,808,000	\$7,088,000	\$30,895,000	\$49,791,000
Pathways	\$14,169,000	\$19,112,000	\$6,867,000	\$40,148,000
Parks, Open Space and Recreation (excluding trees)	\$90,174,000	\$22,745,000	\$66,003,000	\$178,922,000
Roads and Car Parks	\$22,435,000	\$129,972,000	\$9,435,000	\$161,842,000
Foreshore	\$16,531,000	\$23,580,000	\$8,160,000	\$48,271,000
TOTAL	\$226,218,000	\$249,484,000	\$140,665,000	\$616,367,000



The below graph compares the annual renewal demand of Council's assets based on current condition, and the current annual renewal allocation in Council's adopted 2021-22 Financial Plan. The asset renewal gap is expected to continue in the next few years.



Disposal and decommissioning of infrastructure assets may occur when there is no longer any use of the asset or continued existence of the asset is not justified. At the end of each financial year, Council will record all assets that have been disposed and decommissioned as part of the end of year asset valuation.

7.0 ACTIONS

The Asset Plan identifies a list of improvement strategies to enable its principles and objectives to be achieved. Each action is included under the below standard asset management practise groupings.

Asset Data Knowledge and Processes

Review data capture requirements and methods

- Review current level of data and future asset data requirements to identify the specific data fields required to implement improved asset management processes.
- Review the existing data capture techniques and develop a strategy for the ongoing capture of data including frequency of data collection, methods of collection, resourcing requirements, and the capture of data for new assets.

Undertake asset condition audits

- Continue the implementation of a periodic asset condition audits to collect up-to-date data to deliver specific asset management functions including condition monitoring and forecasting, age profiling, risk management, long term risk-based works prioritisation, lifecycle costing, financial reporting and asset modelling.

Review and implement asset Capitalisation and asset Handover Guidelines and Processes

- Review and implement asset handover guidelines about newly created assets. This includes updating asset inventories, asset management system and relevant financial systems.
- Update asset handover process to capture data on recycled and repurposed materials that have been utilised.

Strategic Asset Planning Processes

Review levels of service for assets

- Undertake a review of levels of service for each asset class. Levels of service are critical because they define the service quality for a particular activity or service area against which service performance may be measured. They indicate the level at which assets need to be maintained to satisfy community needs and desires.

Review Asset Management Plans

- Update Asset Management Plans for all major asset groups following the completion of the detailed condition audit. These plans are updated to include the latest available condition data.
- Utilise latest research and climate projections to periodically reassess climate risk to Council's assets, and to include best practice climate adaptation principles in Asset Management Plans

Review asset renewal gap and prepare asset renewal programs

- Review and implement strategies to reduce asset renewal gap such as:
 - » renewal at chainage level instead of whole segment of road
 - » better design and construction methods and materials to reduce cost and extend useful life of asset
- Review and develop a five-year asset renewal program and 10-year capital works program in alignment with the requirements of the Financial Plan

Information Systems

Review asset management system that will result in system processing improvements

- Review processing and operation of the asset management system that will result in the following improvements:
 - » centralised asset register linked to corporate applications across Council, such as customer requests, finance, document management, property, Geographical Information System (GIS)
 - » risk management analysis and works prioritisation
 - » customer requests linked to unique assets and work orders
 - » asset condition and financial modelling, management and expenditure linked to unique assets for lifecycle costing

Operations and Maintenance Processes

Review and develop operations and maintenance strategies

- Review and develop operations and maintenance strategies for managing planned and unplanned maintenance for all assets including managing critical assets, asset inspection systems and processes and maintenance intervention level and frequencies.
- Develop long term maintenance plans for all assets including the existing asset base, new asset, upgrade and expansion.

Governance and Management

Develop an asset management training and awareness program

- Develop and deliver an asset management training and awareness program for all staff. This task will ensure an organisation wide understanding of asset management systems and processes.

Review the existing asset management roles and responsibilities matrix to ensure it is up to date

- Review and revise asset management accountabilities, roles and responsibilities across all asset areas every two years.

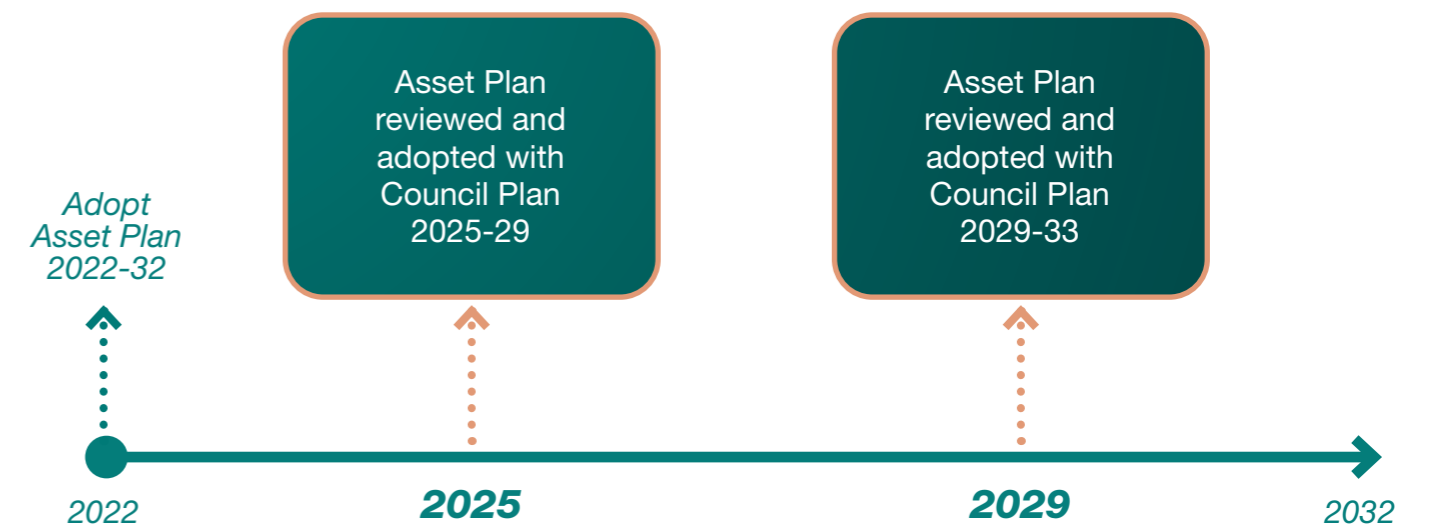
More specific improvement strategies and actions relating to individual asset types are detailed in the individual asset management plan for that asset type.

8.0 ASSET PLAN REVIEW



The Asset Plan is a 10-year document that will be reviewed every four years in alignment with Council election cycles. The reviewed and updated Asset Plan will be adopted by Council at the same time as the new Council Plan.

The Asset Plan review will include consultation with the community, an update on asset data to ensure it reflects current conditions, and updated implementation actions.



9.0 APPENDICES



9.1 Appendix 1

Asset Plan Focus Group Community Report

9.2 Appendix 2

2021 State of Assets Report



ASSET PLAN FOCUS GROUP

Community report



At the conclusion of the four workshops, the Asset Plan Focus Group has completed a community report including each guiding principle, the rationale and examples.

The community report is reproduced in full below.

Guiding Principle:

All principles acknowledge the traditional custodians of the lands and waterways of Hobson's Bay, the Bunurong people of the Kulin nation and expect that the relevant Aboriginal Land council is considered with regard to asset renewal and maintenance and that cultural significance is a key factor considered in the Asset Plan.

Guiding Principle: Transparency

Principle:

All principles and planning for asset management and/or renewal, including expenditure, adherence to budget and auditing, are documented and made clear and accessible to the community.

Rationale:

All decision-making processes, governing principles and budgets should be readily available for community input and consideration to ensure transparency and good governance.

The Hobson's Bay community should not feel excluded from the process of determining asset management. There should be no secrecy and Council should clearly justify all decisions. The community should be included.

Examples:

1. The asset management planning process and the plan are made readily available in a number of different languages, on various platforms and communicated to consider all demographics.
2. Council will report back to the community at various phases.
3. Community feedback is facilitated at regular intervals during the asset management process.

Guiding Principle: Technical

Principle:

The use of best practice, innovative methods and design and engineering techniques to achieve quality, compliant, cost effective and sustainable asset management solutions.

Rationale:

The use of best practice and innovative design and engineering techniques to ensure that assets are designed to meet community needs and are built to meet the guiding principles of sustainability.

Examples:

1. Using a broad range of available data and community consultation techniques to determine the best technical solution for the community.
2. Using technology to achieve sustainable outcomes e.g. Smart Cities.
3. **Sustainability** triple bottom line approach environmental economic social



Guiding Principle: Safety

Principle: Keeping everyone safe and protecting the community's assets and infrastructure.
Rationale: Safe and 'fit for purpose'. Safety is a fundamental principle because there is a community and legislative requirement. Understanding the consequences if something goes wrong - to other assets and to the community or the community's properties. Severity of an impact (pipe burst, flooding, potholes, etc.) as a result of a lack of safety
Examples: 1. Bridge safety - if there is a crash and the structure is damaged there are greater safety implications that just the bridge could impact the wider community. 2. Footpath, where they aren't maintained, can deteriorate more over time and cause bigger issues. 3. Bringing assets up to standard and improving safety in general. 4. Efficiency, highlighting improvements that can occur concurrently 5. Compliance with Australian Standards, e.g. fire, asbestos, hazard removal, lighting. 6. Keeping the assets maintained in safe condition. 7. Funds distributed in a manner that prioritises safety and when upgrading and renewing assets the safety of the updates or new asset is considered (considering safety features for example - public toilet designs for example. 8. Safety should include modifications of assets to provide a safe space i.e. fencing around playgrounds for the peace of mind of the parents and safety of the children.

Guiding Principle: Equity

(of maintenance & getting quality standards up to similar levels)

Principle: All wards/suburbs have access to equally high quality, well maintained assets designed for universal use with resources allocated to most critically needed areas.
Rationale: Assets to be equally available across Hobsons Bay. All residents have access to like for like facilities. Everyone feels part of a wider municipal community and part of the immediate community.
Examples: 1. Roads have mixed usage for motor vehicles and bike riders (example would be dedicated bike lanes & buses). 2. Bins and dispensing units for dog bags in more pedestrian areas. 3. Change rooms at sporting grounds are available and accessible to all genders, mobility and including family change rooms. 4. Upgrading drains in areas of high risk of flooding.



Guiding Principle: Inclusive and Accessible

Principle: Ensuring all assets are designed and maintained to provide maximum accessibility across all members of the community.
Rationale: Maintaining assets to ensure they can be used by all members of the community. Aspire for equal access to all
Examples: 1. Updating toilet blocks for all users 2. Considers users of the asset in a way that is inclusive for all e.g. vision impaired, elderly movement. 3. Places and areas to be maintained or renewed that address cognitive, physical or sensory needs. 4. Universal design: meaning the asset is renewed, designed and/or maintained for use by all members of the community

Guiding Principle: Sustainability, Diversity, Climate Change, Futureproof

Principle: Prioritising sustainability in asset management, from an economic, social and environmental perspective.
Rationale: Provide value for money. Prioritise efficiency. Minimise asset contribution to waste or emissions. Reduce negative impact on the environment.
Examples: 5. Automation (minimise touching to open doors) 6. Bio-diversity (create habitats that attract birds, bees, native trees) 7. Decreasing our reliance on natural resources and focusing on eco alternatives. 8. Climate Change (solar panel on public toilets, non-potable water)

Guiding Principle: Relevance

Principle: Providing assets that remain contemporary and relevant to community requirements.
Rationale: -Provide Safety to Community -Utilising Contemporary Techniques to prolong longevity of Asset -Use of Technology to enhance/improve existing assets



Examples:

1. Adhere to Safety Standards at Playground
2. Use of advanced/recycled materials that enable efficient installation/construction & maintenance
3. Modularised, Replaceable sub-systems to improve Maintainability
4. Standardised Interface of System/s to improve interaction with Community (i.e.; fittings/plugs/BBQs/bike racks)

Guiding Principle: Community Engagement

Final Principle:

Community engagement is undertaken for major maintenance and renewal projects which require a review of fit for purpose, in order to ensure the perspectives and needs of the users and residents are considered.

Rationale:

- So, we know what the community wants and/or needs.
- So that it is fit for purpose.
- So, users and residents are included and heard
- For all asset types, Council will promote and encourage residents to submit their feedback via snap, solve, send.

Examples:

1. Road reconstruction
2. Park upgrades (e.g., skate parks): Facelifts vs. Aging vs. Usage;

2021 STATE OF ASSETS REPORT

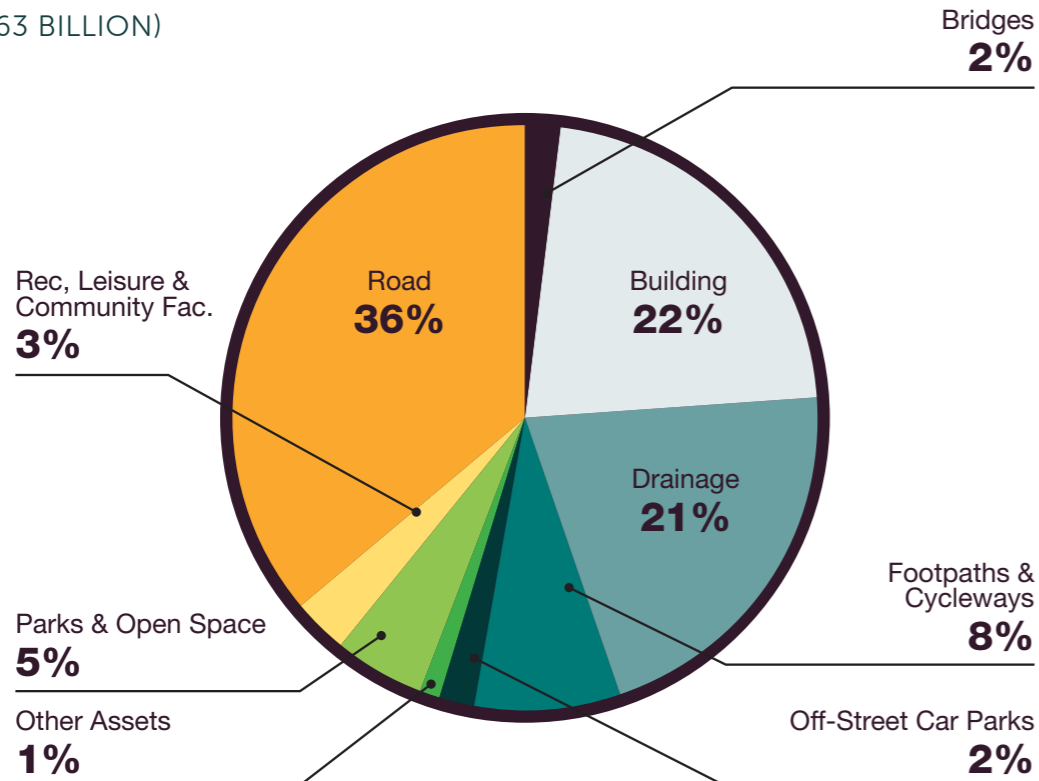
Summary report on council's major infrastructure assets at 30 June 2021

Infrastructure Asset Value

AS OF 30 JUNE 2021

Hobsons Bay Infrastructure Asset Value

(\$1.163 BILLION)



Asset Type	Replacement Value	Asset Type	Replacement Value
Bridges	\$27,906,497	Other Assets	\$13,288,758
Building	\$259,791,729	Parks & Open Space	\$54,804,686
Drainage	\$243,115,520	Rec, Leisure & Community Facilities	\$36,244,448
Footpaths & Cycleways	\$89,999,826	Road	\$416,075,645
Off-Street Car Parks	\$21,448,183		

STATE OF ASSETS Bridges

Bridges are all those structures carrying a road, pathway etc to provide safe access across waterways, roads or other obstacles.

Asset Quantity and Value

As shown in the table below Council manages a total of 63 bridge structures within the municipality with an estimated replacement value of approximately \$28 million as of 30 June 2021.

Asset Type	No.	Length (m)	Value
Boardwalk	6	49	\$459,463
Foot Bridge	42	983	\$6,655,171
Jetty	1	31	\$129,125
Road Bridge	14	332	\$20,662,739
Total	63	1285	\$27,906,498

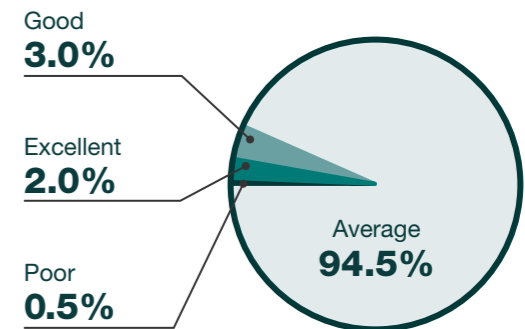
Asset Condition

A bridge condition audit was completed in 2020 in accordance with the VicRoads Road Structures Inspection Manual. Asset attribute information such as actual lengths, widths, square metres, material types, replacement values and bridge components were collected and uploaded into the Confirm system. All 63 bridges are now registered in Council's asset register (Confirm).

The following chart presents the current overall condition of Council's bridges which is an average condition of all the individual components that make up each bridge such as foundations, deck, beams, railings etc.



Bridge Condition Chart



5 per cent of the bridges are in excellent to good condition with only 0.5 per cent in poor condition. The majority (94.5 per cent) of the bridges are in average condition and will need attention over the next 10 years along with those bridges currently in poor condition. A detailed analysis of condition at component level shows that 7.2 per cent are in poor condition which need to be renewed.

Five years renewal program and maintenance program have been developed to address all the poor bridge components. The priority renewal works will address risk and safety issues such as replacement of missing or damaged hand rails, guards and timber decking.

Required Renewal Expenditure

The current backlog of poor condition bridge components is approximately \$1.9M which represents 7.2% of the bridge asset base. In order to eliminate the current backlog over the next 10 years and keep up with the annual rate of deterioration an amount of \$350,000 per annum is required.

Recommended 10 Year Renewal Budget

It is recommended that for FY21/22 and beyond that \$350,000 per annum be allocated in the capital works program for the renewal of bridges in a timely manner.



STATE OF ASSETS Buildings

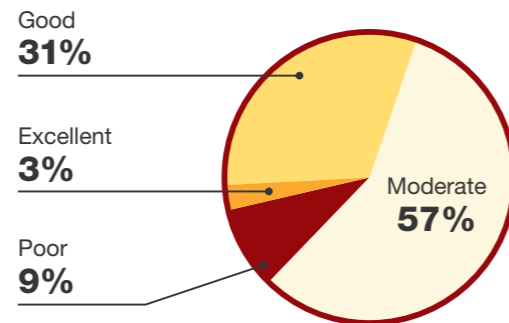
Council has a large building portfolio which comprises commercial premises, sports pavilions, libraries, kindergartens, community centres, public toilets, theatres and civic buildings.

The replacement value of the building portfolio is approximately \$260 million as of 30 June 2021.

Asset Condition

A building condition audit was completed in 2019 giving Council a snapshot of where each building's condition

Overall Building Condition Chart



The majority of the buildings (91 per cent) are in excellent to moderate condition. The remaining 9 per cent of buildings are in poor condition and have been scheduled on the Draft Five Year Capital Works Program to be renewed.

Required Renewal Expenditure

Based on the condition audit completed in 2019, the total renewal expenditure required is \$63 million for the next 10 years to address buildings and components that are in poor condition and to keep up with the rate of deterioration, with an average of \$6.3 million per annum.

Recommended 10 Year Renewal Budget

It is recommended that for FY21/22 and beyond that \$6.3 million per annum be allocated in the capital works program for the renewal of buildings.

Asset Quantity and Value

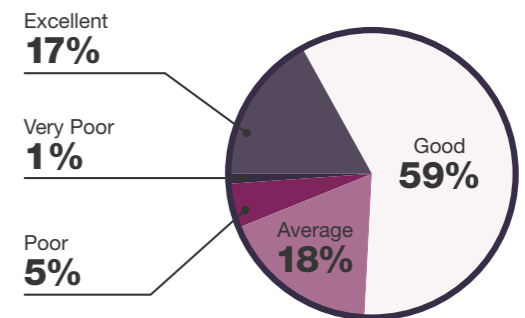
Building Name	No.	Area (m ²)	Replacement Value
B-Administration	5	5,578	\$13,812,280
B-Civic Centre	2	1,502	\$7,362,246
B-Commercial	1	690	\$9,042
B-Community Centre	28	17,907	\$53,356,122
B-Council Depot	14	2,878	\$2,598,930
B-Fitness Centre	3	9,567	\$30,315,851
B-Garage/Storage	19	1,289	\$985,677
B-Hall	7	2,430	\$4,231,459
B-Historical Building	10	4,852	\$22,425,258
B-Kindergarten	15	9,461	\$23,631,519
B-Library	4	4,951	\$17,772,507
B-Miscellaneous	3	418	\$524,724
B-Residential	2	282	\$279,512
B-SES	1	216	\$275,000
B-Shelter	9	881	\$482,153
B-Sporting Pavilion	59	26,497	\$76,110,368
B-Toilets	32	1,504	\$5,619,081
Total	214	90,903	\$259,791,729



STATE OF ASSETS Off-street car parks

Car parks service community facilities, sports reserves and public open space etc. Council's off-street car parks range from cement stabilised compacted crushed rock to formalised car park with asphalt surfacing.

Carpark Condition Chart



Asset Quantity and Value

There are 130 off-street car parks in the municipality. The total replacement value of all off-street car parks is estimated approximately at \$21.5 million as of 30 June 2021.

Asset Type	Area (m ²)	Length (m)	Value
Carpark pavement	200,388		\$15,044,302
Carpark surface	188,267		\$4,391,110
Carpark kerb		17,380	\$2,012,771
Total	388,655	17,380	\$21,448,183

The audit findings show that 94 per cent of off-street car parks are in excellent to average condition. Only 6 per cent of the off-street car parks are in poor condition and will be prioritised for renewal in the next three years.

Required Renewal Expenditure

The current backlog of poor condition car parks based on 2020 condition audit is approximately \$1.2 million. In order to eliminate the current backlog over the next ten years and keep up with the annual rate of deterioration an amount of \$500,000 per annum is required.

Recommended 10 Year Renewal Budget

It is recommended that for FY21/22 and beyond that \$500,000 per annum be allocated in the Draft Ten Year Capital Works Program for the renewal of off-street car park assets in a timely manner.

Asset Condition

The chart below presents the overall condition of Council off-street car parks based on the condition audit completed in 2020.



STATE OF ASSETS Drainage



The drainage assets within Hobsons Bay consists of stormwater pits and pipes, end walls, gross pollutant trap (GPT) and detention tank.

Asset Quantity and Value

Asset Type	Length (m)	Value
Drainage pipes	547,043 m	\$202,480,752
Drainage pits	20,944 No	\$37,671,538
End walls	228 No	\$1,882,863
Gross pollutant traps	39 No	\$788,251
Detention tank	1 No	\$292,116

Total **\$243,115,520**

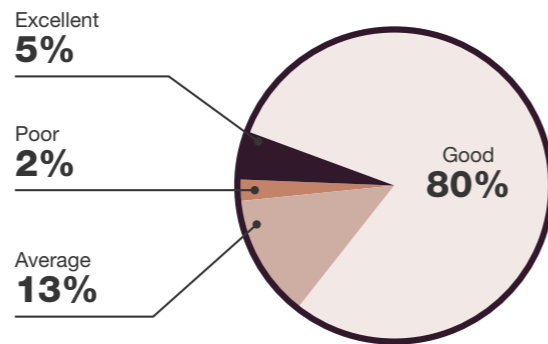
The replacement value of drainage assets is approximately \$243 million as of 30 June 2021.



Asset Condition

The following chart presents the overall condition of drainage asset based on drainage audit completed in 2018.

Drainage Condition Chart



The majority of the drainage assets (98 per cent) are in excellent to average condition. A small proportion of about 2 per cent of assets are in poor and very poor condition. These poor condition assets have been planned for renewal within the next five years.

Required Renewal Expenditure

The required expenditure to address the current backlog of renewal works over the next 5 years is approximately \$4.5 million.

Recommended 10 Year Renewal Budget

It is recommended that from FY21/22 to FY25/26 that \$1.0 million be allocated in the capital works program for the renewal of drainage assets, and \$500,000 per year from Year 6 to Year 10.

STATE OF ASSETS Footpaths



Council has a program to renew footpath and shared trails that are in poor condition. The majority of existing footpaths and shared trails are either concrete or asphalt.

Asset Quantity and Value

Council has a large network of 750km existing footpaths and shared trails with a replacement value of approximately \$90 million as of 30 June 2021.

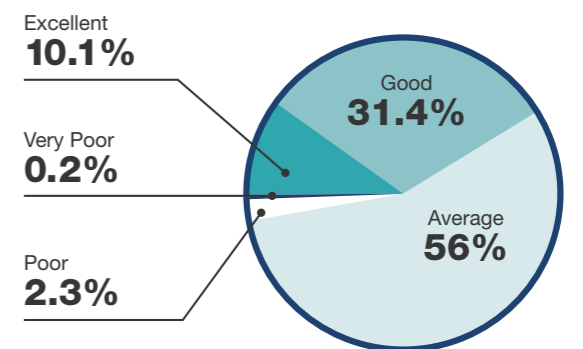
Asset Type	Length (m)	Replacement Value
Footpath	637,470	\$71,355,684
Pathway	66,289	\$9,560,564
Shared Trail (>2.5m wide)	47,175	\$9,083,578
Total	750,934	\$89,999,826



Asset Condition

A full condition audit for all footpaths and shared trails was completed in 2021. The following chart shows the current condition of footpaths based on this recent condition audit data.

Footpath Asset Condition Chart 2021



The majority of footpaths and shared trails (97.5 per cent) are in excellent to average condition. The remaining 2.5 percent of assets are in poor and very poor conditions and have been scheduled on the Draft Five Year Capital Works Program to be renewed.

Required Renewal Expenditure

The backlog of poor condition footpaths and shared trails based on 2021 condition audit is approximately \$2.3 million which represents about 2.5 per cent of the total asset base.

Recommended 10 Year Renewal Budget

It is recommended that for FY22/23 and beyond that \$900,000 per annum be allocated in the Draft Ten Year Capital Works Program for the renewal of footpaths in a timely manner in order to provide the required level of service to the community.



STATE OF ASSETS Open space & recreation

The portfolio of open space assets includes: Parks and Open Spaces, Playgrounds and Sporting fields (excluding building facilities).

The table below shows the assets that have been included:

ASSET TYPE

- Barbecues
- Fences
- Floodlights
- Furniture, such as seats and tables
- Infrastructure, such as structures and shelters
- Irrigation
- Lighting, such as park lighting
- Miscellaneous items, such as water tanks and lockers
- Playgrounds
- Ponds
- Sign panels
- Sign posts
- Sports grounds, such as soft and hard surfacing

Asset Quantity and Value

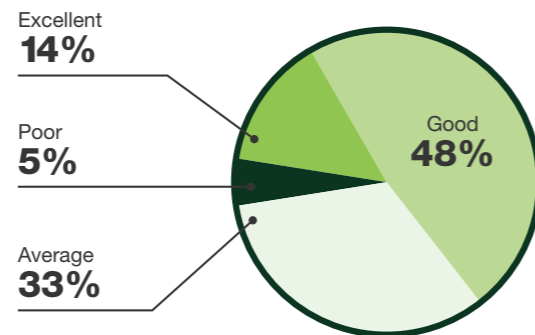
The replacement value of open space assets is estimated to be approximately \$66M as of 30 June 2021. This value does not include trees, landscaping and foreshore seawalls. The \$66M includes the replacement value of those assets included in Parks and Open Space Category and Recreation and Leisure Category as recorded in council's asset management system.

Asset Condition

A condition audit was completed in 2018 to determine the physical condition and remaining useful life of the open

space assets (excluding recreation assets), with the data used to inform the development of a long-term renewal works program. A new Open Space and Recreation asset audit will be carried out in FY2021/22 and the condition will be updated once the audit is finalised.

The following chart presents the summary results from the 2018 open space condition audit.



The majority of open space assets (95 per cent) are in excellent to average condition. The remaining 5 per cent of assets are in poor condition and have been scheduled on the Draft Five Year Capital Works Program to be renewed or replaced.

Required Renewal Expenditure

The required expenditure to renew the poor condition open space assets in a timely manner is approximately \$5.0 million over the next 10 years.

Recommended 10 Year Renewal Budget

It is recommended that \$500,000 per year be allocated in FY2021/22 and 10 Year Capital Works Program to renew poor condition open space assets.



STATE OF ASSETS Roads

Road assets are all those roads owned by Council and have been declared as public roads on the road register. Sealed roads are those that have a bituminous, concrete or paver surface to them. Unsealed roads have a gravel or unformed surface.

Condition inspection for roads is done every four years while defect inspections are carried out in accordance to the Road Management Plan.

Asset Quantity and Value

Road assets are broken up into Access, Collector and Link roads with the sub groups of Pavement, Surface and Kerb and Channel. Council maintains a large network of 435km of road, with a total area of approximately 3.40 million square meters. The replacement value of the road assets is approximately \$416 million as of 30 June 2021.

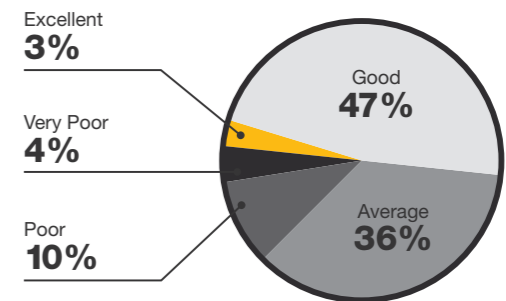
Class	Length (km)
Access	371
Collector	49
Link	15
Total	435

Asset Type	Area (m ²)	Length (m)	Replace.Value
Pavement	3,411,931	-	\$258,499,723
Surface	3,328,105	-	\$68,211,301
Kerb and channel	-	795,642	\$89,364,620
Total			\$416,075,644

Asset Condition

A full condition audit for road assets was completed in 2020. The following chart shows the current overall condition of road assets.

Road Condition Chart



The majority of road assets (86 per cent) are in excellent to average condition. The remaining 14 per cent of assets are in very poor and poor condition and have been scheduled on the Draft Ten Year Capital Works Program to be renewed.

Required Renewal Expenditure

The current backlog of poor condition road assets based on 2020 Condition Audit is approximately \$59 million. In order to reduce the current backlog over the next ten years and keep up with the annual rate of deterioration an amount of \$15 million per annum is required.

Recommended 10 Year Renewal Budget

It is recommended that for FY21/22 and beyond that \$15 million per annum be allocated in the Draft Ten Year Capital Works Program for the renewal of road assets in a timely manner in order to provide the required level of service to the community.

