

# Asset Plan

2022 – 2032



MORNINGTON  
PENINSULA  
*Shire*

## Acknowledgement of Country

Mornington Peninsula Shire acknowledges and pays respect to the elders, families and ancestors of the Bunurong/Boon Wurrung people, who have been the Traditional Custodians of this land for many thousands of years. We acknowledge that the land on which we meet is the place of age-old ceremonies, celebrations, initiation and renewal; and that the Bunurong/Boon Wurrung peoples' living culture continues to have a unique role in the life of this region.



## Table of Contents

1	Introduction	4	5	Our Community and Stakeholders	17
1.1	About our Shire	4	5.1	Community Engagement	17
1.2	Infrastructure We Manage	4	5.2	Approach to Meeting Community Needs	17
1.3	What is an Asset Plan?	4	6	Future Drivers	21
1.4	Purpose	5	6.1	Demographics	20
2	Planning our Assets	6	6.2	Climate Change	21
2.1	What is Asset Management?	6	6.3	Service Changes	22
2.2	Why is Asset Management Important?	6	6.4	Economic Climate	23
2.3	Our Asset Management Planning Framework	6	6.5	Future Technology	23
2.4	Asset Management Principles	6	6.6	COVID-19	24
2.5	Lifecycle Management	8	6.7	Unknown Unknowns	24
2.6	Asset Hierarchy	9	7	State of Our Assets	25
2.7	Asset Management Plans	9	8	Funding for the Future	26
3	Strategic Context	11	8.1	Our Asset Investment Strategy	26
3.1	Strategic Planning Principles	11	8.2	Financial Projections	30
3.2	Integrated Planning and Reporting Framework	11	8.3	Asset Class Portfolio	32
3.3	Long Term Resource Planning	14	9	Monitoring and Review	48
4	Providing Services	15	9.1	Reporting	48
4.1	The Need for Assets	15	9.2	Improving our Evidence Base	48
4.2	Assets for Community Benefit	15			
4.3	Service Structure	15			
4.4	Levels of Service	15			

# Asset Plan Introduction

## 1.1 About our Shire

The Mornington Peninsula Shire is a boot-shaped promontory separating the Port Phillip Bay and Western Port, just over 40 kms south east of Melbourne.

We are well known for our natural beauty characterised by unique townships, highly valued green wedge land, areas of national and international conservation significance covering some 723 square kilometres. The Mornington Peninsula encompasses 10% of Victoria's coastlines, spanning 192 kilometres.

Our proximity to the Melbourne metropolitan area means that we are a popular destination for day and short-term visitors as well as being an attractive place to live, with an increasing number of people choosing to retire to the area for lifestyle reasons. Mornington Peninsula Shire is estimated to be home to approximately 168,990 people in 2022. This population is expected to increase by 7.2% over the next 10 years, reaching an estimated 181,907 people in 2036.

The Mornington Peninsula has a strong and vibrant economy generating \$6.3 billion in Gross Regional Product. Our economy is diverse across a range of industry sectors, supporting 48,000 jobs.

## 1.2 Infrastructure We Manage

We are the custodian of approximately \$2.31 billion worth of infrastructure assets on behalf of our community. These assets, which range from significant structures such as roads and buildings through to park furniture and play equipment. Our infrastructure is fundamental to supporting the services we provide, and it is important that we care for this infrastructure appropriately to make sure that it is safe and functional.

While we manage an extensive portfolio of assets on behalf of our community this Asset

Plan specifically covers our infrastructure. The majority of our infrastructure falls into major asset classes, being Transportation, Stormwater, Buildings and Facilities, and Open Space.

## 1.3 What is an Asset Plan?

The Asset Plan is a 10-year plan guided by the Shire's Asset Management Framework to support the achievement of our Community Vision and Council Plan.

The outcomes from the Asset Plan will demonstrate:

- Improved understanding of Council's capability to achieve its Vision.
- Council is a trusted and responsible steward.
- Community assets meet current and future service needs of the community.
- Capital works projects and maintenance works can be resourced.

The development of this Asset Plan is dependent and relies upon our understanding of the performance of our assets and number of key assumptions. Assumptions and forecasts will

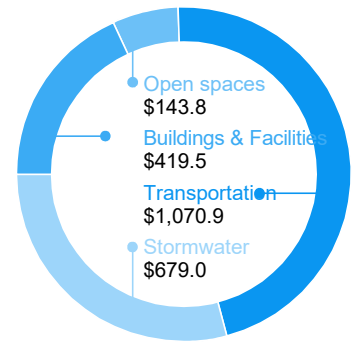


Figure 1 – Infrastructure Asset Portfolio Value (\$Million)



change based on enhancement of our asset knowledge along with ever evolving internal and external drivers.

## 1.4 Purpose

The Local Government Act 2020 requires us to prepare strategic management plans, including a Financial Plan and an Asset Plan. Our Asset Plan provides a strategic and financial view of how we will manage our infrastructure assets over the next 10 years and beyond.

The plan highlights that based on current modelling and forecasts, we plan on spending approximately \$1b over the next ten years related to renewal, growth and operating activities (refer Section 8.2) for our infrastructure asset portfolio with an estimated replacement value of \$2.3b.

The purpose of this Asset Plan is to ensure the effective management and stewardship of Mornington Peninsula Shire's assets over the next 10 years and beyond. The Asset Plan demonstrates this by:

- Showing how we will responsibly manage our assets to meet the service delivery needs of our community into the future in a cost-effective way.
- Defining the services to be provided, the service standards that we aim to achieve, and the measures we will use to monitor performance.
- Summarising the operating and capital expenditure requirements for our assets.
- Ensuring that there is integration between our asset management planning outcomes with our strategic objectives, Financial Plan, and Annual Budget.
- Maximising alignment with Council, Regional and Government Strategies, Policies and Plans that effect the management of our assets.
- Making sure that we comply with our legislative obligations.

This Asset Plan has been prepared to meet the requirements of section 92 of the Local Government Act 2020 and is to be in place by 30 June 2022.



# Planning Our Assets

The long-term costs of owning and operating infrastructure assets continue to be a financial challenge and requires us to take a whole of life approach to managing our infrastructure. We prioritise achieving the best outcomes for our community while promoting resilience and economic, social, and environmental sustainability.

## 2.1 What is Asset Management?

Asset Management is the combination of management, financial, economic, engineering, and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.

Ultimately, asset management is a way to align strategic planning with infrastructure and service delivery in the real world. For example: "what assets do people need?", "how can these assets be made to last the longest and perform the best?".

## 2.2 Why is Asset Management Important?

Infrastructure is the basis of everything we do. As infrastructure assets can provide services over extended periods of time, the choices we make today can impact the quality of life for future generations.

Asset Management provides us with the ability to understand the immediate, medium, and long-term impacts of our decisions and provide solutions on how to mitigate risk. The benefits of good Asset Management include:

- Improved cost efficiency by looking at the costs of assets over their entire lifecycle.
- Being able to target critical assets to ensure performance is maintained and risks are managed.
- Better understanding of what levels of service can be achieved for different costs.

- Making sure infrastructure networks are appropriately funded for the long term.
- Improving community experience by matching the services and assets we provide to the community's expectations and willingness to pay.
- Providing a financial framework that allocates the proportion of spending on any asset category with reference to long term financial modelling to ensure underspends or overspends are captured as one-offs and not allowed to lead to deviation from long term spending/allocation needs/caps.

Over the next 10 years we are planning to budget a total of approximately \$1.048 billion to renew, improve, and care for our infrastructure.

Given this sizeable investment and the importance of these assets to achieving community outcomes, it is vital that we are good asset managers.

## 2.3 Our Asset Management Planning Framework

Our objective in managing our assets is to meet agreed levels of service in the most cost-effective way for the benefit of the community.

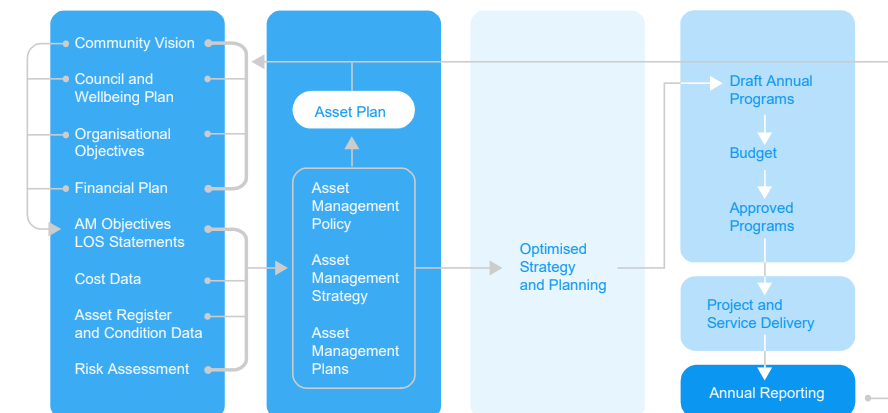
Asset management planning commences with defining our stakeholder and legal requirements and needs. These inform our corporate planning priorities which helps us to develop our asset management policies, strategies, and plans.

The outcomes of this planning process inform our Asset Plan, Long Term Financial Plan, and Budget.

## 2.4 Asset Management Principles

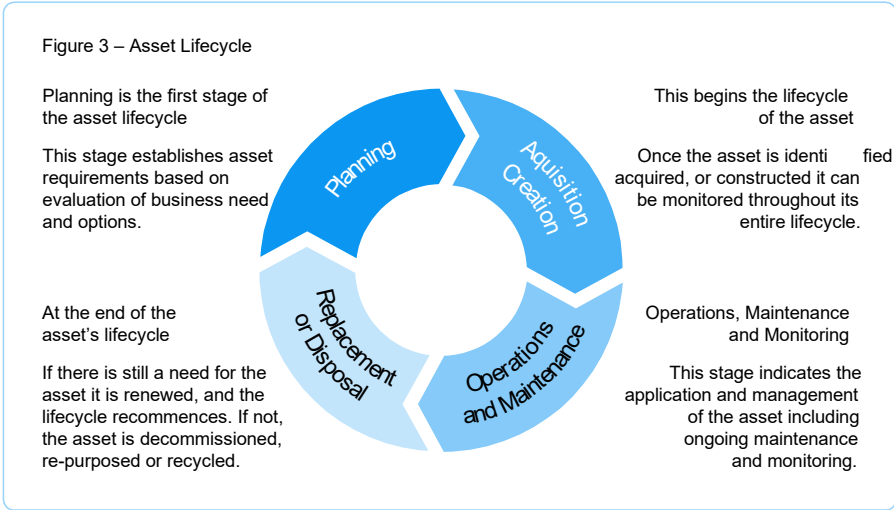
We are committed to making all asset decisions in accordance with our asset management principles outlined in our Asset Management Policy.

Figure 2 – Asset Management Planning Framework



Asset management is:

- Leadership driven: establishing accountability and responsibility for assets, integrating asset planning with corporate, financial, business and budgetary planning, and seeking continual improvement.
- Service led: ensuring service delivery needs form the basis of asset management decision making and asset management outcomes are community-focused.
- Informed by risk: ensuring risk management is embedded in the way we work and how we make decisions.
- Information based: with objective data on assets used to drive planning, and systems in place to monitor lifecycle costs and asset performance.
- Whole of life: considering each asset's lifecycle and pursuing sustainability, to provide for present needs while sustaining resources for future generations.
- Climate aware: considering both the impacts that climate change has on assets and the contribution assets make to climate change.



2.5 Lifecycle Management

Our approach to asset management is centred on asset life-cycle management decision making processes which are used to manage our infrastructure and facilities.

Through prudent and efficient lifecycle management, our goal is to meet the required levels of service in the most cost-effective manner.

2.5.1 Lifecycle Management Principles

The management principles we follow in each lifecycle phase are:

Planning

- We consider asset requirements necessary to support our long term objectives and to ensure that the right assets are provided to meet service needs.

- Future asset planning and service design considers and balances the key principles of affordability, equity, and the environment.
- We use transparent, informed decision-making processes that consider the whole-of-life implications of acquiring, operating, maintaining, and disposing of an asset.

Creation or Acquisition

- Before building or acquiring new assets we consider non-asset service delivery solutions such as leasing, strategic partnerships, etc.
- Our projects are comprehensively defined so that their objectives are clear.
- We select appropriate procurement strategies to ensure we work with the right project partners and achieve value for money.
- We use systems and processes to plan,

manage, and control projects that result in the creation of assets.

- We integrate environmentally sustainable approaches to the design and construction of assets.
- Newly acquired assets are checked for quality before they are put into service.

Operations, Maintenance and Monitoring

- We act to enable existing assets operate to their service potential over their useful life.
- We regularly inspect, service, and maintain our assets so that they are safe, compliant, and are continuously available for use.
- Maintenance is planned to minimise the risk of critical asset failure and ongoing lifecycle costs.
- We use systems and processes to help record information about our assets and monitor their performance.

Renewal, Replacement, or Disposal

- We continuously assess the condition of our assets.
- We aim to optimise the timing of the renewal or replacement of our assets so that they remain safe, functional, and minimise overall lifecycle costs.
- Our goal is to maximise the use of our assets through adaptive reuse or colocation of services where appropriate.
- Where assets do not directly support core service delivery they are considered for decommissioning or rationalisation.

We aim to manage our assets throughout each stage of their lifecycle in a way that positively controls risks and realises opportunities.

Our approach to planning for infrastructure assets is based on our strategic planning framework. The approach is service lead, ensuring service delivery needs form the basis of asset management decision making.

2.6 Asset Hierarchy

To make it easier to track, monitor and report on we have grouped our assets into a number of classes and categories. This is called our Asset Hierarchy which is shown in Figure 4.

The top level of our Asset Hierarchy is the Asset Class. We have four 'Asset Classes'. Each asset class has its own Asset Management Plan.

The next level in the hierarchy is the 'Financial Category'. This is the level at which infrastructure assets are reported in our financial statements. It is the level at which asset expenditure is categorised in annual budgets and longer term forecasts.

2.7 Asset Management Plans

Most of our asset management activities are managed at an asset class level. We have prepared individual Asset Management Plans that each cover a 10 year planning horizon to assist in the management of our assets over their lifecycle. They summarise the operating and capital expenditure requirements for our:

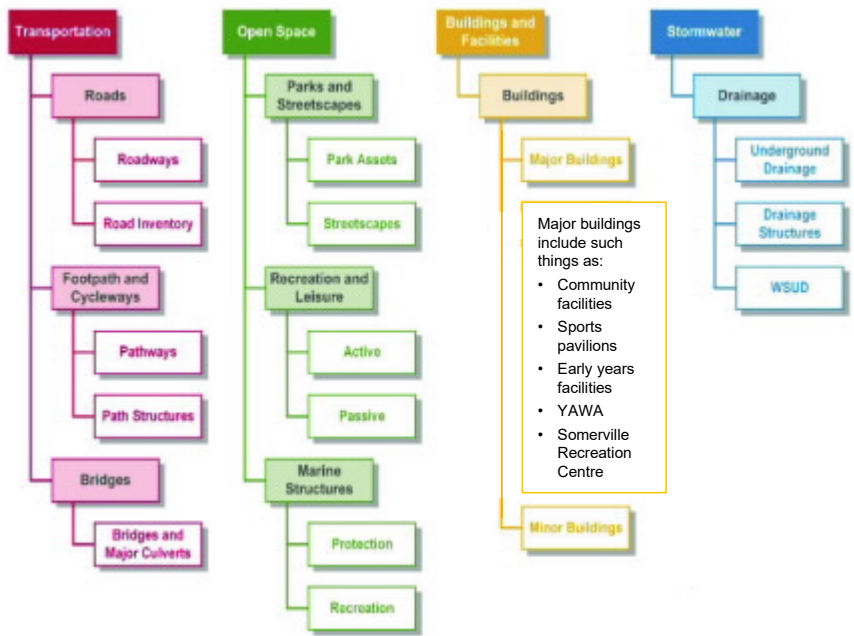
- Transportation assets
- Open Space assets
- Buildings and Facilities
- Stormwater drainage infrastructure

The Asset Management Plans outline processes and principles used to plan improvements, renewal, and maintenance works for key assets and prioritise capital works for each asset class.

The key planning and financial outputs from our Asset Management Plans inform this Asset Plan.

The result is a long-term planning framework, including expenditure forecasts that will assist in making informed decisions on future maintenance programs and renewal and capital projects. This information impacts our Financial Plan, Annual Budget, and annual plans.

Figure 4 - Asset Hierarchy



“ We aim to manage our assets throughout each stage of their lifecycle in a way that positively controls risks and realises opportunities. ”

# Strategic Context

We are committed to sustainably planning for the future of Mornington Peninsula. We do this by working directly with our community to understand the vision for our shire and its people.

This vision is delivered through a set of strategic plans including this Asset Plan.

These plans inform and guide our decision making and set out the outcomes and priority initiatives that compel action towards a thriving future.

## 3.1 Our Shared Community Vision.

Welcome (Wominjeka) to the Mornington Peninsula, bound by green spaces and sea.

We honour and pay respects to the Traditional Owners of this beautiful land – the Bunurong people. We also pay our deepest respects to their Ancestors and Elders. We are inspired to protect and enhance our distinct region that values its diverse community, environments and townships. Our community spirit thrives, with safe,

accessible and inclusive spaces for all. Together we continue to create a sustainable, vibrant and prosperous future that values innovation and shared compassion.

These plans inform and guide our decision making and set out the outcomes and priority initiatives that compel action towards a thriving future.

## 3.2 Strategic Planning Principles

This Asset Plan provides a projection of how much we are planning to spend on the maintenance, renewal, and improvement of our infrastructure assets. Our assets play a key role in the delivery of quality services helping us to achieve our goals and aspirations set out in the Community Vision and Council Plan.

The Council Plan's objectives, strategies, and indicators to support the Community Vision are organised around three key themes:

### Theme 1: A healthy natural environment and well-planned townships

Vibrant and unique townships balanced with a natural environment that is protected now and into the future, accelerating climate action and celebrating cultural heritage.



### Theme 2: A robust, innovative, and diverse economy

A community with abundant and varied education and local employment opportunities. We are open to new ideas and work with our partners to grow a strong, diverse, and future-focused economy.

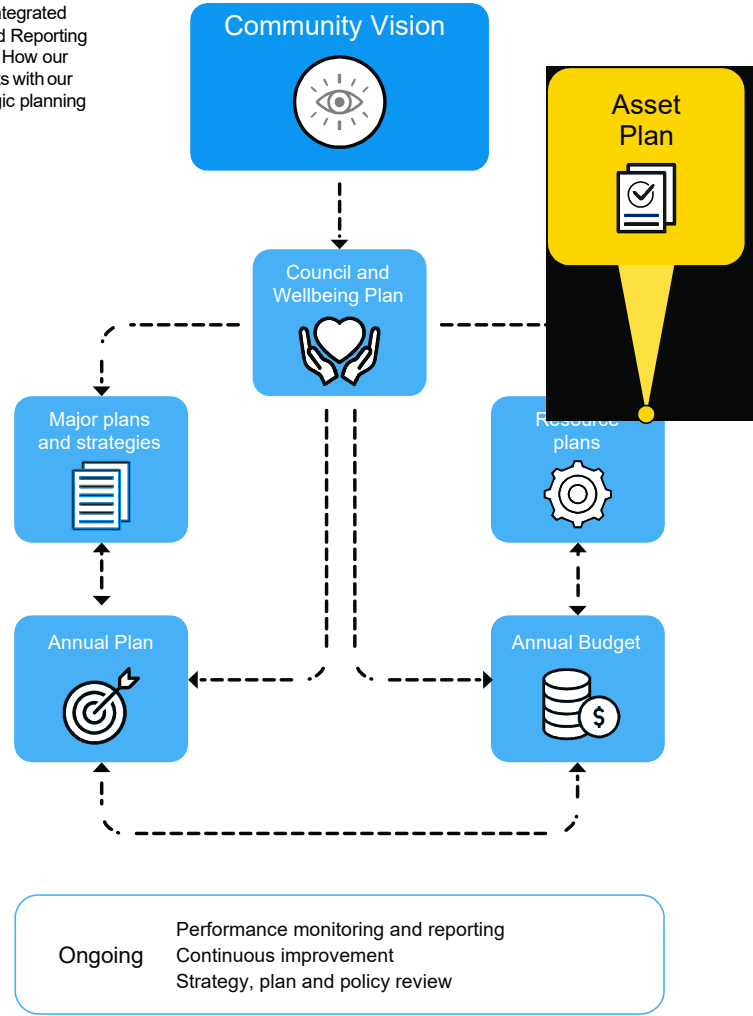


### Theme 3: A flourishing, healthy and connected community

An inclusive and creative community that values safety, physical and mental health, and wellbeing. A community with accessible services and transport to keep us connected.



Figure 5 – Integrated Planning and Reporting Framework. How our Asset Plan fits with our other strategic planning documents.



● You are here! This document fits here within the Shire's Integrated Framework.

Key Element	Description	Relationship to this Plan
Asset Plan	Outlines our asset management priorities for the next 10 years and how we will manage our portfolio of assets to deliver services effectively and realise our Community Vision.	It provides a view of how we propose to manage the full portfolio of infrastructure that we own and control.
Financial Plan	Provides a long-term view of the resources that we expect to be available to us and how these will be used/allocated and prioritised over the next 10 years.	The Asset Plan and Financial Plan are intrinsically linked. Required asset funding is identified in the Asset Plan. Available funding is guided by the Financial Plan. The risks of any variance between the funding that is needed and what is available are addressed in the Asset Plan.
Workforce Plan	Specifies the projected staffing requirements to deliver the outcomes outlined in the Council Plan.	Identifies the human resources required to implement organisational asset management and deliver services.
Community Vision	The Community Vision identifies the aspirations and goals the community wants to achieve in the long term	Helps us to understand and prioritise our long term asset needs.
Council Plan	The Council Plan reflects which community outcomes and strategic priorities Council intends to contribute to during its 4 year term.	The Council Plan outlines the strategic objectives which provides a basis for setting our asset management objectives and defines asset requirements over the medium term (4 years).
Strategies	Helps us understand the specific initiatives and actions we need to achieve our medium to long term objectives. They shape our services and identify the assets we need.	Informs future asset requirements that provide input into the long term asset costs that inform the Asset Plan..
Annual Report	Transparent reporting process to enable public access to regular and transparent information about how we are performing.	Provides a mechanism to monitor and report on asset related performance indicators promoting accountability and transparency.

Table 1 – Strategic Planning Elements. This describes some of our key strategic planning documents and how they relate to this Asset Plan.

# Providing Services

### 3.3 Integrated Planning and Reporting Framework

Our strategic plans are developed in accordance with the integrated approach to planning and reporting driven by the Local Government Act 2020.

The Integrated Planning and Reporting Framework (IPRF) outlines our commitment to building a strategic planning and reporting system that is connected, inter-dependent, and outcomes focused.

The IPRF outlines our commitment to building a strategic planning and reporting system that is connected, inter-dependent and outcomes focused.

The framework is designed to give the Council and the community a clear picture of:

- The long term vision for our shire - Community Vision
- What we will deliver to get there – Council Plan
- How progress towards the vision is measured - Annual Reporting

Strategic planning provides us with a clear direction, informs our resource planning, and helps to ensure we deliver on our commitments.

### 3.4 Long Term Resource Planning

Our Asset Plan and Financial Plan along with the Workforce Plan are the foundation of our long term resource planning. These plans work together to ensure that expectations are achievable and sustainable.

There is direct integration between our Asset Plan and Financial Plan.

The Asset Plan informs the Financial Plan by identifying the amounts that are required to renew, maintain, and improve our assets over their lifecycle.

The Financial Plan determines how much funding is available to support our assets. It incorporates knowledge of the condition of our assets, and risk assessment issues, as well as the impact of reviewing and setting intervention and service levels for our infrastructure.

“Our Asset Plan and Financial Plan along with the Workforce Plan are the foundation of our long term resource planning.”

### 4.1 The Need for Assets

Everything that we do is focused on achieving community outcomes.

We seek to achieve these outcomes through the delivery of a wide range of services to the community, always seeking to provide those services efficiently and effectively.

The services we provide rely upon physical assets for their delivery. This means that we need to ensure that we manage our assets to realise their value and meet the objectives of the community.

### 4.2 Assets for Community Benefit

Our assets enable the provision of services to our community in the following ways

Transportation	Facilitates the safe and equitable movement of people and goods within and through the shire considering the imperative to address the climate emergency.
Buildings and Facilities	Provides suitable accessible, inclusive, and welcoming spaces in which we can provide services both to and for the community.
Stormwater Drainage	Provides protection to the community from flooding and enhances our natural environment through stormwater harvesting and water quality improvement.
Open Space	Encourages physically active, engaged, and healthy communities through facilities that serve as common platform for community interaction and inclusion.

### 4.3 Service Structure

We define a service as a means of delivering value to customers by facilitating the outcomes they want to achieve.

Our community facing services are grouped into four service programs.

These programs represent a collection of related services that all contribute towards achieving one or more of our strategic objectives.

For our services to operate efficiently and effectively, it is important for us to identify the assets they need to support them. This makes sure we are providing the right assets in the right place's and to the right standard.

### 4.4 Levels of Service

Levels of Service	Levels of Service are used to define the quality of assets and services it delivered. Key performance indicators are used to measure service performances
-------------------	---

Asset planning enables the relationship between service standards and the cost of the service to be determined (i.e., quality versus cost relationship).

This relationship can then be evaluated in consultation with the community to determine



# Our Community and Stakeholders

Community facing services

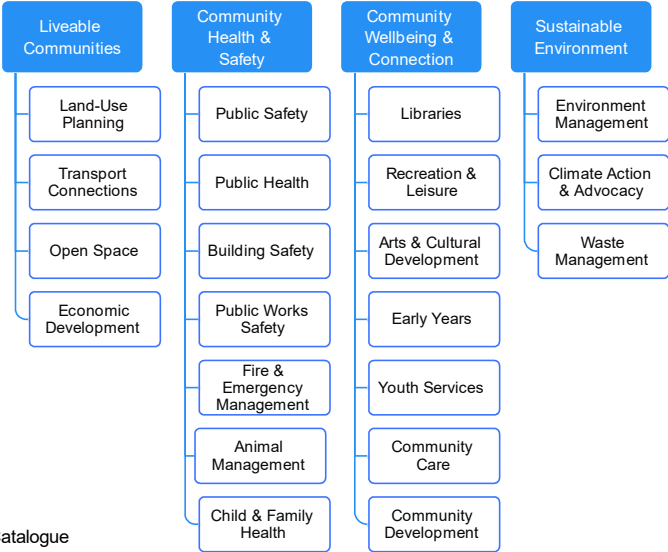


Figure 6 - Council Service Catalogue

the minimum levels of service that people are prepared to pay for, either through general rates or user charges.

Levels of service provide the basis for planning our life cycle management strategies and work programmes. Clear levels of service give the us ability to monitor and report on our performance.

### 4.4.1 Relationship to Asset Planning

As a prerequisite for the development of detailed asset management strategies, levels service need to be established in conjunction with the community, taking into consideration:

- Our strategic vision and objectives.
- Legislative requirements.

- Technical constraints.
- Financial and practical constraints.

Our current strategic and service objectives based on the Community Vision and Council Plan are yet to be sufficiently tested to establish financial sustainability or willingness to pay for them.

The development and monitoring of actual service levels will be one of the foundations of future improvement to drive our asset management planning.

Our modelling outputs are checked against referencing ratios such as, asset sustainability ratio, asset renewal funding ratio and asset maintenance ratio. These are high level checks to ensure our planned expenditure is within an acceptable and sustainable range.

Many people use and rely on our assets in their daily activities. In addition, our stakeholders include a wide range of people and groups who, although not using our assets directly, have shared or competing interests in how we manage them.

### 5.1 Community Engagement

It is important that we understand the expectations of our stakeholders so we can manage our assets effectively.

Our Community Engagement Policy outlines our commitment to community engagement. It details the principles that guide us to deliver sustainable outcomes for our Council – through shared problem-solving, open dialogue and meaningful participation. The policy seeks to foster a deeper culture of public participation, provide a common language, and strengthens our engagement.

We are committed to transparent and informed decision making in relation to the management of our assets and services through engagement with the community.

We use a variety of engagement tools and platforms for the community to provide feedback on projects and allow them to have their say in developing policies, programs, and capital works.

Our Community Vision, Council Plan, and Financial Plan were all prepared with direct input from our community via deliberative engagement. Outcomes of this engagement has also been used to inform this Asset Plan.

In accordance with guidance from Local Government Victoria, deliberative engagement is not required for this first Asset Plan. While this is the case, in accordance with our Community Engagement Policy we will be seeking feedback from the community via our Citizen Panel. Panel members will be given the opportunity to give their thoughts on this Asset Plan and what they think is important for the future of our assets.

Future versions of the Asset Plan will be prepared following a deliberative engagement approach.

### 5.2 Approach to Meeting Community Needs

We have many strategies that guide our delivery of services and assets, including the Council Plan, which informs the organisation's work during its four-year term.

We undertake inclusive community consultation and planning to improve the process to determine service levels and performance measures to shape the direction of our approach including:

- Analysis and review of legislative and regulatory obligations/changes.
- Analysis of population projections and demographic profiles for our shire.
- Analysis of service requests from customers or formal and informal communications with our community.
- Engagement processes to prepare the Community Vision and Council Plan.
- Planning of our Annual Plan.
- Analysis and assessment of the results surveys we use to measure community satisfaction.
- Specific community consultation during the development of important strategies and master plans.
- Ongoing monitoring and reporting of the performance of our assets and services.

Through the development and reviews of these important documents, we can build on what we do well while responding to opportunities for improvement.

5.2.1 Community Priorities

As part of developing our Community Vision, our community told us that the following factors are important to them and will contribute to a better shire:

- Improving safe access to infrastructure within and around our towns: build better footpaths, bike paths and boardwalks.
- Building a bike path network that links the whole Peninsula.
- Protecting and improving green spaces, bushland, native flora and fauna, foreshore, and wetlands.

- Preserving or increasing the current amount and quality of green space.
- Maintaining and developing infrastructure to support the ideals of community wellbeing, sustainability, and innovation.

We also receive regular feedback from our community on their thoughts on how we are performing in delivering our services and facilities. This is done through a formal community satisfaction survey.

Compared with other similar councils, the results of the 2021 survey told us:

Things that we are doing well	Art centres and libraries
	Appearance of public areas
	Recreational facilities
	Condition of sealed local roads
	Traffic management
	Parking facilities
Things that we need to look at improving	Maintenance of unsealed roads
	Condition of local streets and footpaths
	Roadside slashing and weed control

This Information is used to shape our strategic goals through the Council Plan and informs our service standards and asset planning responses.

5.2.2 Councillor Engagement

We have involved our Councillors in the development of this Asset Plan through briefings and workshops. We did this to make sure our Councillors understood the purpose of the Asset Plan and to include their input and that of the community they service.

Our Councillors told us that:

- There is need for an increased emphasis on providing new footpaths and walking trails.
- We need to spend more on maintaining and renewing our roads.
- The risk of flooding needs to be reduced by upgrading key parts of the stormwater drainage network
- Protecting our green wedge and natural environment is important.

In this Asset Plan we have increased allocations for new paths and trails within the 10 year forecasts to accelerate the delivery of priority projects that are informed by our Footpaths and the Pedestrian Access Strategy.

To achieve this increase in footpath investment we have reduced the projected upgrade and new expenditure allocations planned for both Open Space and Buildings and Facilities.

briefings

This is to make sure that we stay within the affordability limits set out in the Financial Plan. Further work is required to understand the broader impact of this on our infrastructure spending over the next 10 years.

Over the next 10 years, we are planning to spend a total of \$46.8 million on renewing and improving our paths and trails. This is to make sure that they are safe and provide an interconnected way for people to move safely around the shire.

Capital investment in our stormwater drainage network is expected to total \$19.6 million over the same period. This will help us to begin to implement strategic flood mitigation and drainage improvement projects which will be guided by our Flood and Stormwater Management Strategy.

We are also in the process of revising and renewing our maintenance services contracts, including local roads. Our goal is with the new contracts is to provide the highest level of service possible to the community within our available budget.

“ In this Asset Plan we have increased allocations for new paths and trails within the 10 year forecasts...” ”



# Future Drivers

Local, national, and global trends all have the potential to impact the future outlook of our Shire. We need to understand these trends, harness their benefits, and adaptively respond to preserve the health, vibrancy, resiliency of Mornington Peninsula.

Mornington Peninsula Shire has identified seven key areas that have the potential to affect demand on the Shire's services and the assets that support those services.

We have identified seven key drivers with the potential to significantly impact our ability to meet the community's needs. These drivers are:

- Demographics
- Climate Change
- Service Changes
- Economic Climate
- Future Technology
- Covid-19
- Unknown Unknowns

These drivers not only represent a potential impact to our ability to continue to manage assets at the current level of service, but also provide us with an opportunity to improve our current practices.

## 6.1 Demographics

### Population Growth

Mornington Peninsula Shire is estimated to be home to approximately 168,990 people in 2022. This population is expected to increase by 7.2% over the next 15 years, reaching an estimated 181,907 people in 2036.

The flow on effect from this increase in population needs to be considered in the planning of our services and the long-term planning of our assets.

### Resident Age Profile

More significant than the predicted growth in resident population, is the forecast change to the

demographic profile of the Mornington Peninsula. The median age of residents on the peninsula is 46, 10 years higher than the median for greater Melbourne. There is significantly less 20-39 year olds and more 60+ year olds.

Over the next 10 years, whilst the resident population of the peninsula is only predicted to increase by 5%, the increase in residents over the age of 60 is expected to increase by 13% (and 85+ by almost 30%).

This will have a significant impact on our assets as there will be a growing need to ensure our assets meet universal design principles.

### Universal Design

We have developed a Universal Design Policy to ensure we deliver inclusive and equitable spaces and services for everyone in our community.

Universal Design is making products, environments, programs, and services equally accessible and usable for everyone. Examples of Universal design features are; wide, even footpaths, step-free entrances, accessible playground equipment and Gender-neutral toilets.

All new infrastructure and renewal of existing will be undertaken in accordance with the Universal Design Policy.

#### What does this mean?

A changing population will influence the types and standards of the services and assets we provide in the future. We will need to plan to cater for assets that are responsive and adaptable to meet shifting needs and expectations.

Higher demand may require an increase in the number of assets we provide to the community and may also accelerate the consumption of those assets.

### Tourism and Visitors

The other factor that has the potential to significantly impact the Shire's assets is increases in visitors and tourism.

While the forecast growth in resident population for Mornington Peninsula is relatively low, the growth in other municipalities within our region is predicted to be significant.

This large increase in the populations of neighbouring municipality is (particularly the significant increases in Cardinia Shire Council and the City of Casey) very likely to greatly increase visitors to the peninsula.

### 6.2 Climate Change

Climate change is one of the most significant challenges facing society today, as we work out how to manage the current climate emergency.

Climate consideration is critically important when planning the future of our assets.

#### Climate Change Impact on Our Assets

In the future we can expect more extreme weather events, such as bush fires, heatwaves, droughts, flooding, and rising sea levels.

Key risks to our community and infrastructure from the effects of climate change include:

- Increased energy costs to cool buildings as average temperatures continue to increase in all seasons.
- Reduced quality of sporting fields and public gardens due to a decrease in rainfall.

- Severe rain storms affecting key infrastructure including roads, drainage, rail, telecommunications causing disruption to essential services.
- Inundation of roads, shared paths, foreshore reserves and boating facilities resulting from continued sea level rise. This may also result in inland flooding as coastal waters are pushed back up along stormwater drains.

### Our Assets' Impacts on the Climate

We have prioritised taking leadership in climate change, committing to being carbon neutral and declaring a climate emergency.

#### What does this mean?

Assets will need to be built and renewed to a standard that can withstand the impacts of climate change. This may require different materials, methods of construction and other innovative approaches.

We will continue our leadership in making use of sustainable energy sources and to provide assets that are environmentally efficient.

Recognition will need to be given to the upstream impacts of the materials and services we use in the design and construction of our infrastructure. The sourcing of more local, recycled content will minimise the use of virgin materials and reduce the amount of waste entering landfill.

We will also look at ways we can better manage our natural assets and leverage their benefits in reducing climate change effects.

6.2.1 The Climate Emergency

In August 2019, we joined many other cities, states, and territories around the world in declaring a state of climate emergency, acknowledging the need for urgent action across by everyone.

We are committed to doing everything it can to solve the global challenge of climate change, in the interests of securing a liveable and healthy future for our community, all species and for future generations.

In August 2020, we adopted our Climate Emergency Plan. The Climate Emergency Plan provides clear priorities for how we will support and work with our community to guide the Peninsula towards zero carbon emissions by 2040. It sets our climate objectives, targets, and actions that will take us from the emergency situation of the present into a safer future.

Amongst the many actions we are working towards in implementing the Climate Emergency Plan, some of the things we are doing to create assets that are environmentally sound and resilient include:

- Preparing an Integrated Water Management Plan to outline how we will sustainably manage and optimise water use.
- Developing a Flood Resilience and Integrated Stormwater Management Strategy to deliver strategic flood mitigation and drainage improvement projects.
- Adopting an Environmentally Sustainable Design (ESD) Policy to embed climate change mitigation and adaptation into our assets.
- Where feasible, we are designing new facilities to be all electric to reduce the reliance on natural gas as a source of energy.
- We have started to develop an Integrated Transport Strategy. This aims to achieve best

practice sustainable transport outcomes with the goal of reducing and eliminating transport emissions.

- We have collaborated with our partners in the South East Councils Climate Change Alliance (SECCCA) to develop a framework to assess asset vulnerability. This project developed tools and approaches to understand how buildings, drainage and local roads will be impacted by various climate scenarios. This includes being able to attribute a vulnerability rating to assets to inform our long term planning.

6.3 Service Changes

There are several external factors that affect the services that the Shire delivers, and the extent to which those services are provided.

Sector Reforms

Reforms to service sectors can greatly affect the types and extent of services delivered by the Shire. Examples, such as the federal governments 'Aged Care Reform' or the state government's '3-year-old Kindergarten' program can increase or decrease the service local government is responsible for.

Popularity Trends

Popularity trends also significantly alter services, particularly in the sport and recreation space. For example, recent increases in female participation in sport have greatly increased the services that we need to deliver, which has resulted in an increase in asset expenditure.

Legislative Changes

Finally, legislative changes also can alter the services, and extent of services, that we provide.

However, legislative changes also have the potential for changing how we plan our services, and therefore how we plan our assets.

What does this mean?

Our service planning will need to be responsive to emerging trends and changing requirements. Having services linked to assets will mean that we will be able to plan and manage our assets to effectively.

We are required to meet our statutory and legislative obligations while being conscious of maintaining affordability and financial sustainability. This requires good decisions to be made to manage competing funding demands across a broad range of projects, programs, and services.

As a continuously improving organisation, we strive to provide services that matter to the diverse needs of our community through an effective engagement framework.

6.4 Economic Climate

Regardless of the increasing demand to deliver increased services, local government faces economic difficulty just to continue to deliver services at current levels. This is due to the current economic climate, exacerbated by a rate capping environment.

Rate increases for the Shire are capped at the consumer price index (CPI). However, the costs for service delivery, particularly those related to construction and maintenance of assets, has been increasing at a rate greater than CPI. This not only creates a financial liability (as our expenditure grows faster our income) but also puts at risk our ability to maintain intergenerational equity (where the users or demand generators of assets aren't bearing the lifecycle costs of those assets).

The other economic factor facing the Shire is that while we are currently meeting our renewal requirements, our asset portfolio is aging. The renewal expenditure requirements for our assets will therefore continue to rise as an increasing number of assets reach the end of their useful lives.

What does this mean?

Rising costs, reductions in own source income due to rate capping, changed patterns of use, and hardship responses due to significant events such as the COVID-19 pandemic all have the potential to materially affect our financial sustainability. This may impact the way we invest in our assets and services in the future.

6.5 Future Technology

Future technologies will greatly change the landscape through which we deliver services, and assets. These changes present a fantastic opportunity to improve our asset management practices.

From the ability to collect and analyse 'big data' to improve decision making through to the 'Internet of Things' allowing assets to be self-diagnosing.

We have the potential to leap forward in our understanding of how assets behave and how best to manage them. However, technological changes also present a great challenge. The assets we use today to deliver services, might not be the assets needed to deliver services in the future.

What does this mean?

We are preparing for changing work habits as the global economy becomes more digitised. New technologies are emerging at an increasingly rapid rate and offer possibilities that we may not have thought of yet.

We are planning to ensure that we share the benefits of technology with everybody in our community through implementing emerging technologies to make our services more accessible.

6.6 COVID-19

Our services face various potential risks, whether it is from poor planning, climate change, or public health and safety issues such as the COVID-19 pandemic.

The COVID-19 pandemic has called for us to be agile and flexible to support our community where most needed. During the pandemic, we have adapted to innovate new ways of keeping safe and connected while maintaining our high standard of service delivery.

Sound asset management lends itself to comprehensive financial management by supporting long term financial sustainability and ultimately ensuring that our investment into our assets will adequately serve present and future generations.

What does this mean?

COVID-19 has had effects on our shire's social, cultural, economic, and recreational fabric, as well as the local economy. This has had significant impacts on our income and that of our community. In view of this, we are reviewing our short to medium term plans to ensure that our services are affordable and sustainable to the community.

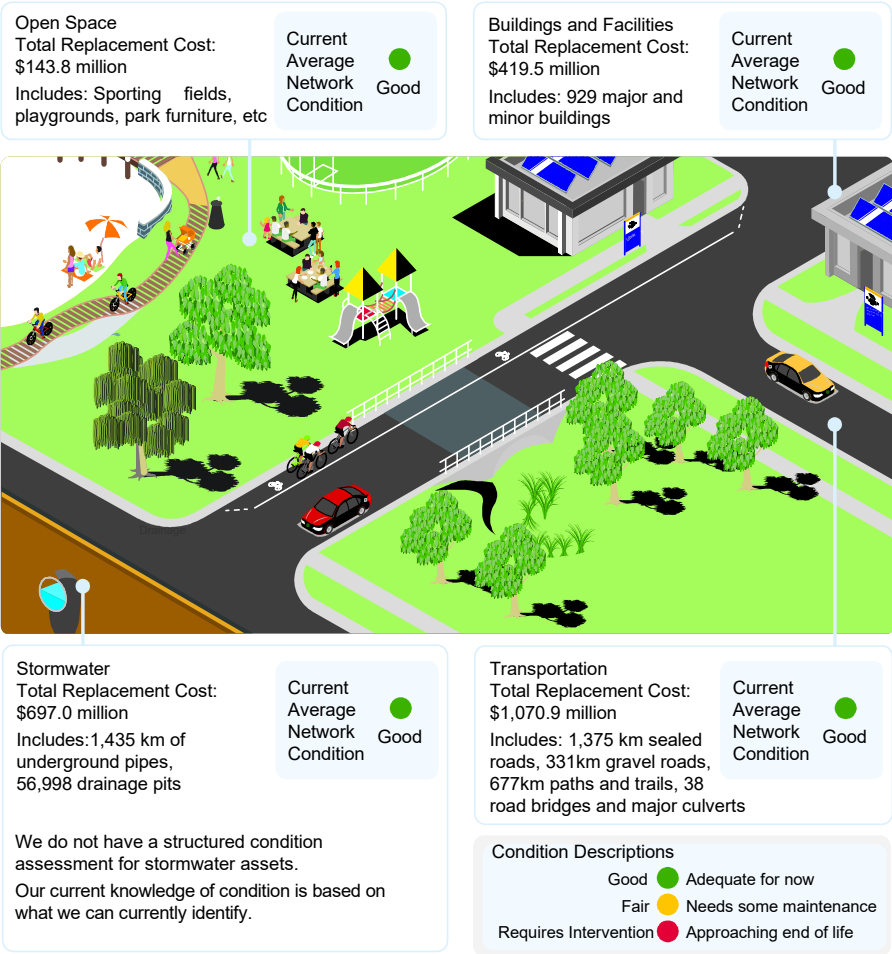
6.7 Unknown Unknowns

Aside from the above future demands, there are always unknown circumstances that arise which impact on our assets. As our asset management proficiency continues to improve based on the actions we propose through our various improvement plans, the resilience of our assets and services to future threats and hazards will be improved.

“New technologies are emerging at an increasingly rapid rate and offer possibilities that we may not have thought of yet.”

State of Our Assets

Our infrastructure asset portfolio represents not only a significant community investment, but also it is a substantial financial asset for Council with an estimated replacement value of \$2.31 billion (as at 30 June 2021).





# 8

## Funding for the Future

The main theme underpinning our Asset Plan and broader asset management planning principles is ensuring responsible stewardship of our assets to meet the needs of our community and maintain affordability.

Providing services from our infrastructure assets in a sustainable manner requires managing service levels, risks, projected expenditures, and matching funding to achieve financial sustainability.

### 8.1 Our Asset Investment Strategy

Looking ahead to the next 10 years, our approach is to be prudent in our investment decisions using a holistic lifecycle approach to asset management. This means that we will aim to plan our assets so that they will continue to support quality living, economic development, and the environmental integrity of our shire in the long-term.

In planning and providing infrastructure requirements in the next 10 years, we will aim to:

Optimise asset life through timely and effective maintenance	<ul style="list-style-type: none"><li>• We will continue to use a mix of maintenance practices such as preventive maintenance, reactive maintenance, run-to-failure, and risk-based maintenance for critical assets..</li></ul>
Continue to replace ageing infrastructure	<ul style="list-style-type: none"><li>• Replacing our assets as they reach the end of their useful life will always be our priority</li><li>• The selection and timing of renewal treatments will be optimised as we continue to improve our decision making capability through better data and analysis.</li></ul>
Maintain current levels of service	<ul style="list-style-type: none"><li>• Using a holistic lifecycle approach to asset management, our decisions will be data driven to maximise the performance and life of our assets without diminishing our net level of service over the long term</li></ul>
Manage the impacts of growth	<ul style="list-style-type: none"><li>• Our strategic plans will provide guidance on future asset needs by identifying location and scale of growth.</li><li>• We will continue further work to establish an affordable funding plan to cater new and improved assets,</li><li>• Contributions from development will be taken to fund necessary infrastructure so that growth pays for growth, and costs are not unfairly borne by established communities.</li></ul>
Comply with legislative requirements	<ul style="list-style-type: none"><li>• We will action legislated standards in infrastructure planning and development.</li><li>• We will maintain transparent and fair communication with our community for decision making processes.</li></ul>
Provide sustainable and affordable services	<ul style="list-style-type: none"><li>• We will continue to develop and maintain our Financial Plan which defines our broad fiscal boundaries.</li><li>• Our Financial Plan will reflect how we are balancing planned investments with ratepayer affordability against community needs and aspirations.</li></ul>
Build resilient infrastructure	<ul style="list-style-type: none"><li>• Our aim is to create infrastructure that is not only best for our community but best for the planet.</li><li>• We will do this by implementing the action steps in our Climate Emergency Plan and embedding climate resilience principles in our planning to provide inclusive and sustainable infrastructure.</li></ul>

### 8.1.1 Capital Investment Principles

Planning for investment in capital works follows our Capital Works Program Methodology Framework. Our capital works budget is categorised into four groups outlined in Figure 7 with priority given to Category 1 and 2 projects.



Our investment decision making is underpinned by the following principles:

- We will maintain our existing infrastructure and give priority to renewing our existing assets ahead of other new or improvement possibilities.
- Capital investment proposals are based on current and future needs of the community to enable improved social, environmental and economic outcomes.
- Evaluation of proposals is informed by sound business, investment, and risk assessment practices in order to maximise public value of infrastructure investment.

- Proposals are considered in the context of existing infrastructure, our strategic objectives, and best value.
- Proposals are subject to rigorous assessment under the Capital Works Program Methodology Framework to ensure short and long-term feasibility of proposed assets.
- New capital investment options are proposed after objective consideration of any alternatives. This supports effective project prioritisation.
- Transparent decisions are made for the investment of capital.

Our approach provides a means of evaluating and appraising proposed infrastructure investments, as well as setting priorities within the context of our long term asset and service needs.

It is important that investment decisions on our infrastructure are based on our ability to fund the upfront capital costs and also include allowances for the ongoing operational, maintenance, and future replacement costs.

8.1.2 Expenditure Categories

Classifying our expenditure helps us to plan our budgets and monitor how we spend our money on our assets and services. For the purposes of this Asset Plan, our expenditures on our infrastructure are classified into following categories:

Expenditure Category	Activity	Description
Recurrent	Maintenance	Ongoing expenditure required to keep our assets performing at the required levels of service and also to prevent premature asset failure.
	Operations	Recurrent expenditure that is continuously required to provide a service.
Renewal	Renewal	Works required to replace existing assets with assets of modern equivalent capacity or performance to sustain existing levels of service.
Acquisition – Upgrade and New	Upgrade	Improvements or enhancements to an existing asset which improve an existing asset beyond its existing capacity or performance.
	Expansion	Extends or expands an existing asset at the same standard as is for existing users, to a new group of users.
	New	Work that creates a new asset that does not currently exist.

8.1.3 Lifecycle Costs

Life cycle costs are essentially how much money we will need to spend on an asset over the course of its useful life. This includes costs from the time an asset is acquired or built, while it is in use (e.g., maintenance) to the time it is either replaced or disposed of.

The cost to buy, use, and maintain assets adds up and future costs needs to be forecast over the long term so that we can plan to budget for this expenditure in coming years.

There are a number of ways we determine when and how much we need to allocate to fund the lifecycle costs of our assets.

Recurrent	Recurrent costs (i.e., asset maintenance and care) are determined according to our levels of service and frequency of our various activities (e.g., mowing, street sweeping, etc).
	Renewal costs are determined using our analysis tools that predict when an asset needs to be replaced based on its current condition and our understanding of how it ages and deteriorates over time.
Renewal	The priority and amount we need to allocate to improving our assets are guided by our various strategies, plans and community expectations. The selection of discretionary projects such as these must pass through our investment evaluation processes before they are selected for inclusion on our capital works program.
Acquisition – Upgrade and New	Improvements or enhancements to an existing asset which improve an existing asset beyond its existing capacity or performance.
	Extends or expands an existing asset at the same standard as is for existing users, to a new group of users.
	Work that creates a new asset that does not currently exist.

8.2 Financial Projections

The spending we make on our assets represents a significant investment that is made on behalf of the community and is fundamental in enabling us to meet ever changing demands and to safeguard future use of our infrastructure.

Figure 8 shows our planned expenditure across our infrastructure assets included in this Asset Plan over the next 10 years.



- The assumptions used to arrive at the planned spending totals include:
- The assumptions of the Financial Plan
  - The replacement cost of our current asset portfolio
  - The current condition and age data for all assets within the portfolio
  - The expected (modelled) deterioration of each asset type

Our financial projections are checked against a number of ratios to ensure they are in line with

our expected depreciation, namely the Asset Sustainability Ratio, Asset Funding Renewal Ratio and Asset Renewal and Upgrade Expenditure as a percentage of depreciation.

This is further summarised in Table 4, which shows the total planned expenditure related to renewal, growth, and operating activities (i.e., operations and maintenance) over the next 10 years for each asset class.

We plan to spend an estimated total of \$1.048 billion on our assets over the next ten (10) years.

Asset Class	Renewal (\$'000)	Acquisition – Upgrade/New (\$'000)	Recurrent (\$'000)	Total (\$'000)
Transportation	97,100	71,714	193,857	362,670
Stormwater	12,419	7,213	59,637	79,269
Buildings and Facilities	77,665	87,247	147,520	312,432
Open Space	40,046	87,586	165,961	293,593
Total	227,230	253,760	566,976	1,047,966

Table 4 - Planned Expenditure by Asset Class

Of this:

- Around 54% (\$567 million) is for caring for our assets through ongoing maintenance and other activities to make sure that they are safe and functional.
- Around 22% (\$227 million) is renewal expenditure for replacement of assets that are reaching the end of their lives.
- Around 24% (\$254 million) relates to expenditure to meet growth or additional future demand.

Based on what we know now about our assets and levels of service, we are projected to adequately fund their lifecycle costs through our Financial Plan over the next 10 years.

Future spending on our assets includes an assumption that we will continue to receive underlying grant income (\$10m pa approx.) from

other levels of government. This assumption is consistent with our Financial Plan.

Any changes to the annual allocation of grant funding has the potential to impact the way we invest in our assets and services.

Our forecast spending is based on the best available information we have about our assets and the planning we have done to formulate our capital works program. As our data and processes improve, the financial forecasts to renew, improve, and maintain our infrastructure will be refined and will be used to inform future versions of this Asset Plan and the Financial Plan.

Asset Portfolios provides a detailed breakdown of what we plan to spend on each infrastructure asset class over the next 10 years.

# Transportation

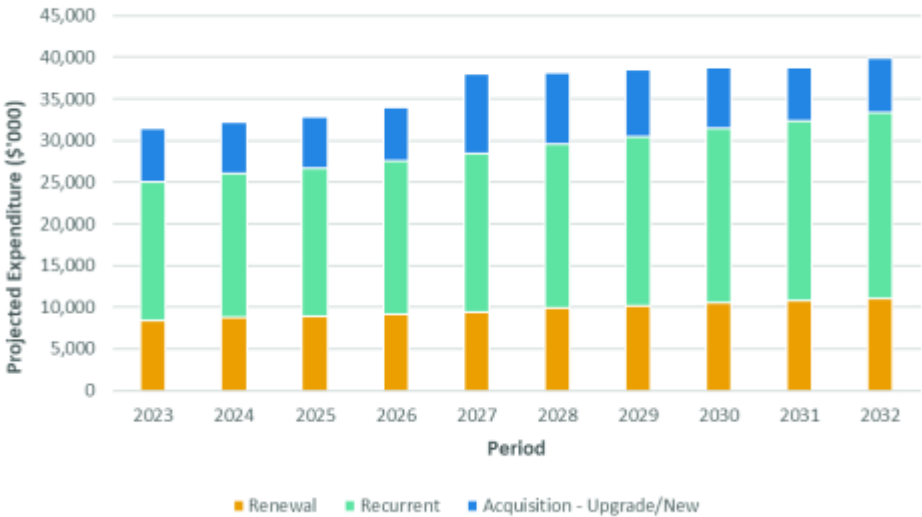
**Why do we have these assets?** Our transportation assets are the assets that enable people to move safely and equitably around our peninsula.

**Summary of assets that are included.**

Asset Category	Quantity	Gross Replacement Cost (\$'000)	Average Condition
Roads	1,375 km of sealed roads, 331 km of gravel roads, over 2,000 km of kerb and channel	\$918,252	Good
Footpaths and cycleways	677 km of paths and trails, 243 pedestrian bridges and boardwalks	\$150,433	Good
Bridges	38 road bridges and major culverts	\$2,195	Good

**How much do we plan to spend?**

10 year Planned Spending: Transportation



## What do our projections tell us?





Our transportation asset class includes our local road network, footpaths, kerb and channel, bridges and major drainage structures, traffic management devices (e.g., roundabouts, speed humps, etc). This complex array of assets all works together to allow residents and others to move around the Peninsula in a safe and efficient way.

Our approach of timely or optimised investments in maintenance and renewal of our road infrastructure aims to maintain current service levels at lower cost in the long term.

The forecast funding amounts include additional allocations to accelerate the implementation of priority projects in the *Footpaths and the Pedestrian Access Strategy*. These additional allocations are made from 2027 onwards.

	Planned Expenditure (\$'000)										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Recurrent	16,716	17,260	17,821	18,400	18,998	19,615	20,253	20,911	21,591	22,292	193,857
Renewal	8,330	8,815	8,856	9,129	9,425	9,930	10,220	10,511	10,807	11,077	97,100
Acquisition	6,452	6,142	6,213	6,403	9,553	8,587	8,081	7,391	6,396	6,495	71,714
Total	31,498	32,217	32,890	33,932	37,976	38,132	38,554	38,813	38,794	39,864	362,670

#### What are the future challenges and opportunities?

 <p><b>Changing Population</b></p> <ul style="list-style-type: none"> <li>- Projected increases in vehicle ownership.</li> <li>- Increases in number of people driving to work.</li> <li>- Increasing expectation of the performance of unsealed roads.</li> </ul>	 <p><b>Sustainable Transport</b></p> <ul style="list-style-type: none"> <li>- Continued lack of availability of public transport options on the Peninsula.</li> <li>- Need for improved bike path networks that link the whole Peninsula.</li> </ul>	 <p><b>Increased Freight Task</b></p> <ul style="list-style-type: none"> <li>- Increases in number of heavy vehicles and increased gross loadings leading to deterioration of the road network.</li> </ul>	 <p><b>Climate Change</b></p> <ul style="list-style-type: none"> <li>- Increased risk to damage to assets through more intense and frequent storms.</li> <li>- Resiliency to be considered in the design and construction of assets.</li> </ul>
---	---	---	--

Upcoming and Current Projects and Initiatives	Our confidence in our data	What we are doing to improve
<ul style="list-style-type: none"> <li>&gt; Ongoing annual program to resurface local roads based on condition.</li> <li>&gt; Annual footpath renewal program.</li> <li>&gt; Peninsula Trail – Design and construction of identified network.</li> <li>&gt; Boardwalk Replacement – Program of works to maintain and improve pedestrian facilities.</li> <li>&gt; Car park upgrades to improve accessibility and safety at Council facilities.</li> <li>&gt; Other annual programs for:               <ul style="list-style-type: none"> <li>- Road safety minor risk reduction works.</li> <li>- Guard rail renewal.</li> <li>- Installation and maintenance of regulatory and directional signs.</li> <li>- Implementation of safer speed limits.</li> </ul> </li> </ul>	<b>Quantity / Location</b>	<ul style="list-style-type: none"> <li>&gt; We are planning to identify critical transportation assets to help our planning.</li> <li>&gt; Undertaking pavement strength testing to understand the performance of our road network.</li> <li>&gt; We aspire to undertake vulnerability assessments to recognise at risk assets.</li> </ul>
	<b>Replacement Cost</b>	
	<b>Useful Life</b>	
	<b>Condition</b>	



# Buildings and Facilities

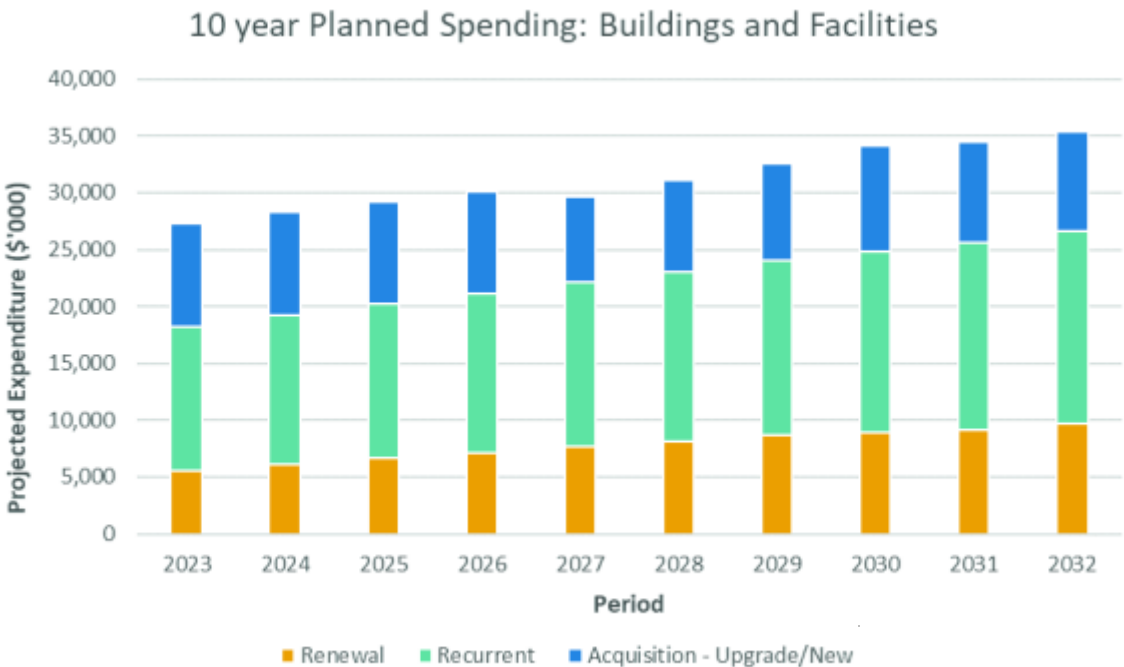
## Why do we have these assets?

Buildings are the assets that facilitate the delivery of indoor services on our peninsula. This includes community buildings, municipal buildings, sports pavilions, and shelters.

## Summary of assets that are included.

Asset Category	Quantity	Gross Replacement Cost (\$'000)	Average Condition
<b>Buildings and minor structures</b>	929 buildings and minor structures supporting services such as libraries, leisure centres, community centres, public amenities.	\$419,491	<b>Good</b>

## How much do we plan to spend?



## What do our projections tell us?

Along with maintaining the condition of our buildings, we will also need to plan for our facilities so that they are of a contemporary standard and meet community expectations.

This includes making sure that they are accessible, fit for purpose and meet the needs of our changing community and service demands.

	Planned Expenditure (\$'000)										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
<b>Recurrent</b>	12,721	13,134	13,561	14,002	14,457	14,927	15,412	15,913	16,430	16,964	<b>147,520</b>
<b>Renewal</b>	5,500	6,120	6,630	7,140	7,650	8,160	8,670	8,925	9,180	9,690	<b>77,665</b>
<b>Acquisition</b>	9,136	9,037	9,032	9,013	7,534	8,054	8,527	9,305	8,873	8,737	<b>87,247</b>
<b>Total</b>	<b>27,357</b>	<b>28,291</b>	<b>29,223</b>	<b>30,155</b>	<b>29,641</b>	<b>31,140</b>	<b>32,609</b>	<b>34,143</b>	<b>34,483</b>	<b>35,391</b>	<b>312,432</b>

#### What are the future challenges and opportunities?



##### Changing Population

- Facilities will need to be adaptable to meet the evolving needs of young and older residents (e.g., 3 year old kindergarten, U3A).
- Demand for accessible facilities can be expected to increase.



##### Changing Needs

- Increasing female participation in elite sports that our facilities need to provide equitable and meet modern standards.



##### Technology

- Advances in technology provide opportunity to improve efficiencies and staff productivity.
- Demand for on-line and other innovative service delivery approaches can be expected.
- Increased demand for technology-enabled buildings is anticipated.



##### Climate Change

- More frequent and intense weather events will increase risk of facility damage.
- Environmental concerns will result in increased demand for Council to minimise its environmental impact.
- Demand for smart, energy efficient buildings is anticipated.

#### Upcoming and Current Projects and Initiatives

- > Building Compliance and Risk Management – Proactive review of our buildings for condition, compliance, and safety.
- > Aquatics and Recreation – Ongoing renewal of our pool plant and equipment based on lifecycle requirements.

#### Our confidence in our data

Quantity / Location	High
Replacement Cost	Medium
Useful Life	Medium
Condition	High

#### What we are doing to improve

- > We plan to measure functionality and capacity performance data for our buildings to better align our buildings with service needs.
- > We are going to review replacement costs for buildings used in asset lifecycle modelling.

## Open Space

### Why do we have these assets?

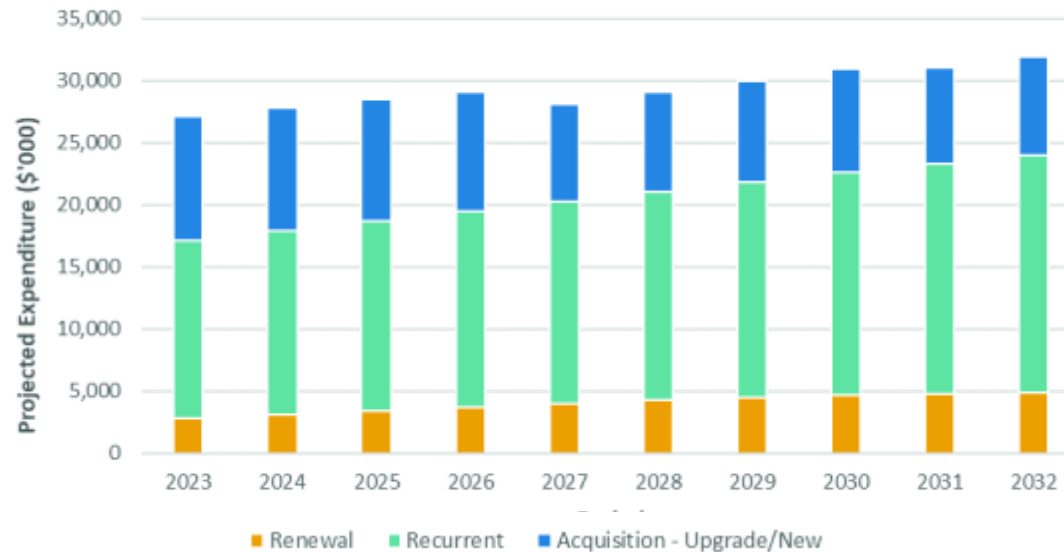
Open space assets allow us to enjoy many outdoor aspects of our peninsula. This includes the assets our parks, reserves, playgrounds, and sporting fields.

### Summary of assets that are included.

Asset Category	Quantity	Gross Replacement Cost (\$'000)	Average Condition
Parks and streetscapes	29,786 furniture or amenity items, 210 km of fences, walls, and gates, 156 playgrounds, 8 skate parks	\$96,750	Good
Recreation and leisure	49 sports ovals, 43 netball courts, 135 tennis courts	\$38,689	Good
Marine structures	38 jetties and boat ramps	\$8,370	Fair

### How much do we plan to spend?

10 year Planned Spending: Open Space



### What do our projections tell us?

Our community has told us that they place importance on protecting and improving the green spaces that are available within the shire.

Lockdowns and other restrictions put in place during the COVID-19 pandemic also highlighted the value that quality open space brings to our shire and lifestyles.

There is a need to update our current *Open Space Strategy*. This strategy is key in defining our service levels for parks and open space.

An updated strategy will guide us in targeting where we need to enhance and improve our parks, playgrounds, and recreation facilities considering affordability of longer-term spending needed to manage our current assets.

	Planned Expenditure (\$'000)										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Recurrent	14,311	14,776	15,256	15,752	16,264	16,793	17,338	17,902	18,484	19,085	165,961
Renewal	2,770	3,126	3,392	3,692	3,968	4,228	4,503	4,689	4,786	4,891	40,046
Acquisition	10,015	9,892	9,883	9,630	7,894	8,111	8,128	8,317	7,798	7,920	87,586
Total	27,096	27,794	28,530	29,074	28,126	29,131	29,970	30,909	31,068	31,896	293,593

### What are the future challenges and opportunities?



#### Changing Population

- Population increase will have increased demand for specific outdoor recreation activities, features and landscape settings, as well as new open spaces in proximity where people live



#### Open Space provision

- There will be an increased expectation that we will work towards preserving or increasing the current amount and quality of green space on the peninsula.



#### Participation Patterns

- Participation and leisure trends are expected to have a greater focus on health and enhanced social connectivity.
- A diverse range of high quality facilities will be needed to meet community demand, including spaces for structured recreation, and non-competitive, social and passive leisure opportunities.



#### Environmental Sustainability

- Impacts on parks, gardens and local flora and fauna due to prolonged drought conditions increasing the need for planting of drought tolerant plants and grasses.
- Potential for higher levels of water consumption to maintain the presentation of open spaces and the safe function of sporting ovals.

### Upcoming and Current Projects and Initiatives

- > Play Space Strategy Planning and Design – Annual program to plan and design of future playgrounds implementation and in readiness for potential Grant opportunities.
- > Marine Structure Renewal - Annual program for the assessment and repair of foreshore infrastructure including ramps, jetties, and channels.

### Our confidence in our data

Quantity / Location	High
Replacement Cost	High
Useful Life	Medium
Condition	Medium

### What we are doing to improve

- > We plan to collect Functional and Capacity performance data to further enhance our knowledge.
- > We want to work with others to identify open space assets that are the Shire's responsibility in coastal and foreshore areas.
- > We aim to improve our management of 'natural assets'.

# Stormwater

**Why do we have these assets?** Stormwater assets help to manage the rainfall on our peninsula. This includes not only our drainage pits and pipes, but also our water sensitive assets, such as rain gardens and wetlands, that help to keep our waterways clean.

Summary of assets that are included.			
Asset Category	Quantity	Gross Replacement Cost (\$'000)	Average Condition
Catchment drains and drainage structures	1,435 km of underground pipes, 56,998 drainage pits, other drainage structures and stormwater quality improvement elements such as wetlands, gross pollutant traps, etc.	\$679,049	Good*

## How much do we plan to spend?



## What do our projections tell us?

We acknowledge that we have more work to do to understand the performance of our drainage network to make sure that we are allocating sufficient funds towards the management of our stormwater drainage assets.

We have recently completed a study of the capacity of the network in order to identify areas that need improvement to control flooding. The costs of these upgrades still need to be quantified. These costs will be assessed over time and will be reflected in future revisions of our *Asset Plan* and *Financial Plan*.

Our financial projections will also be further refined as our knowledge of the condition of the drainage network improves through the various inspections and planned improvements. This will aid in optimising the replacement of parts of the network that are in most need.

**^Note** - We do not have a structured condition assessment for stormwater assets. Our current knowledge of condition is based on what we can currently identify.



	Planned Expenditure (\$'000)										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
<b>Recurrent</b>	5,143	5,310	5,482	5,660	5,844	6,034	6,231	6,433	6,642	6,858	<b>59,637</b>
<b>Renewal</b>	1,200	1,224	1,224	1,232	1,239	1,247	1,255	1,262	1,266	1,270	<b>12,419</b>
<b>Acquisition</b>	573	570	677	688	701	714	730	842	837	881	<b>7,213</b>
<b>Total</b>	<b>6,916</b>	<b>7,104</b>	<b>7,383</b>	<b>7,580</b>	<b>7,784</b>	<b>7,995</b>	<b>8,216</b>	<b>8,537</b>	<b>8,745</b>	<b>9,009</b>	<b>79,269</b>

### What are the future challenges and opportunities?



#### Development Density

- Continued urban consolidation will affect stormwater runoff volume and quality.
- This will mean that the capacity of the existing drainage network will need to be upgraded to mitigate flooding and stormwater quality improvement initiatives will need to be implemented to protect receiving waterways



#### Climate Change

- It is projected that sea levels will rise 0.08-0.17m by 2030 and there will be an increase in extreme weather events leading to flooding. This will reduce current levels of service with respect to flood protection and accessibility during minor and major rainfall events.



#### Environmental Sustainability

- Increasing need to make use of stormwater runoff as a sustainable resource. This will mean that we will need to provide infrastructure to capture, treat and reuse collected stormwater and wastewater.

### Upcoming and Current Projects and Initiatives

- > Emergency Drainage Works – This is a program to proactively repair damaged stormwater assets while also addressing drainage and flooding issues.
- > WSUD Rectification Works – Water Sensitive Urban Design (WSUD) assets are aimed at improving the quality of collected stormwater before it is released into our waterways. This program is to implement the priorities from an audit completed in 2021/22.

### Our confidence in our data

Quantity / Location	Medium
Replacement Cost	Medium
Useful Life	Low
Condition	Low

### What we are doing to improve

- > We plan on updating our drainage models and flood maps to guide future planning.
- > We want to establish a routine condition audit program for all stormwater asset categories based on criticality
- > We are going to review the risks associated with our stormwater assets guide our management processes.

## Monitoring and Review

This Asset Plan will be reviewed following Council elections in accordance with the Local Government Act 2020.

Intermediary reviews of the Asset Plan may be undertaken from time to time as improvements are implemented or major financial decisions are made. This is to make sure that it retains consistency with our strategic goals and objectives having regard to:

- Our available financial resources.
- Long term capital works programs that are reviewed annually.
- The consideration of any external factors that are likely to influence the Asset Plan.

### 9.1 Reporting

Our Asset Management Plans are continuously monitored and are formally reviewed and updated every four years.

Reporting on service levels and other performance measures will be undertaken as part of our quarterly Community Reports and Annual Report.

### 9.2 Improving our Evidence Base

This Asset Plan has been developed based on existing processes, practices, data, and standards.

We acknowledge that significant expenditure is required to annually manage and maintain our existing infrastructure. This has highlighted the importance of employing high-level management skills and practices to ensure that services are delivered economically and sustainably.

In recognition of the need to establish an appropriate balance between developing new assets and maintaining our existing asset base, we are committed to managing our assets

in accordance with recognised best practice and have been progressing our organisational capability. We are continuously working to improve what we know about our assets and enhance the tools we use to manage them.

Our financial projections and analysis included in the Asset Plan are based on our current data and systems. We are implementing various actions to enhance the maturity of our data, systems, and processes.

Future versions of this Asset Plan will build on the work we have done and will reflect our improved knowledge base and analysis. One of the keys to this will be engaging with our community to establish optimised service levels that are affordable over the long term.

The approach to the implementation of our capability improvements is discussed in our respective Asset Management Plans.

“...employing high-level management skills and practices to ensure that services are delivered economically and sustainably”



## Service Centres

### ROSEBUD

90 Besgrove Street, 3939

### MORNINGTON

2 Queen Street, 3931

### HASTINGS

21 Marine Parade, 3915

### SOMERVILLE

1085 Frankston-Flinders Road, within Somerville Library, 3912


## Contact

 1300 850 600 (24 hours) or 5950 1000

TTY: 133 677 then ask for 1300 850 600

TIS: 131 450

NRS: connect to NRS on [www.relayservice.com.au](http://www.relayservice.com.au)  
then ask for 1300 850 600

 [customerservice@mornpen.vic.gov.au](mailto:customerservice@mornpen.vic.gov.au)  
Private Bag 1000, Rosebud 3939 DX 30059

 [facebook.com/mornpenshire](https://facebook.com/mornpenshire)

 [@MornPenShire](https://twitter.com/MornPenShire)

 [MornPenShire](https://www.youtube.com/MornPenShire)

---

 [mornpen.vic.gov.au](http://mornpen.vic.gov.au)