



Appendix 1

15.3 Draft Asset Plan 2023–2032

Draft Asset Plan 2023–2032

Ordinary Meeting of Council

Wednesday 22 February 2023 at 7:00pm

Queenscliff Town Hall

Asset Plan

Borough of Queenscliffe

2022–2032



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

Bellawiyn is the Wadawurrung name for the lands where the Borough of Queenscliffe is located.

Council acknowledges the Traditional Owners of these lands, waters and skies, the Wadawurrung People.

We acknowledge and respect their continuing connections to their lands, waters, skies, culture and the contribution they make to the life and spirit of our community.

We pay respect to their past and present Elders and their emerging leaders, and extend this respect to all Aboriginal and Torres Strait Islander peoples.

Contents

Context	3
Purpose	3
Approach	3
Assets and services	4
Infrastructure asset performance	4
Future demand	5
Financial forecast	5
What we will do	6
What we cannot do	6
Managing risk	6
Next steps	6
References	6

Context

The Borough of Queenscliffe is facing a range of pressures now and into the coming decades. To ensure appropriate infrastructure and services are in place for current and future generations, Council is required to adopt an Asset Plan to guide investment decisions.

Purpose

The purpose of the Asset Plan is to:

- Demonstrate the responsible management of assets (and services provided from assets);
- Comply with regulatory requirements; and
- Communicate the scale of infrastructure investment required to sustainably deliver affordable services for the community in the foreseeable future.

The Asset Plan provides a summary of the infrastructure assets, their performance and actions required to achieve the strategic objectives outlined in the Council Plan.

Council’s Plan formed following extensive deliberative engagement, identified the community’s aspirations for the future of the Borough of Queenscliffe.

Any trade-offs on performance, cost, and risk will be reviewed as part of ongoing deliberative engagement with the community. Where risks are considered high, due assessment and control measures will be employed to ensure exposure is minimised as much as possible.

Approach

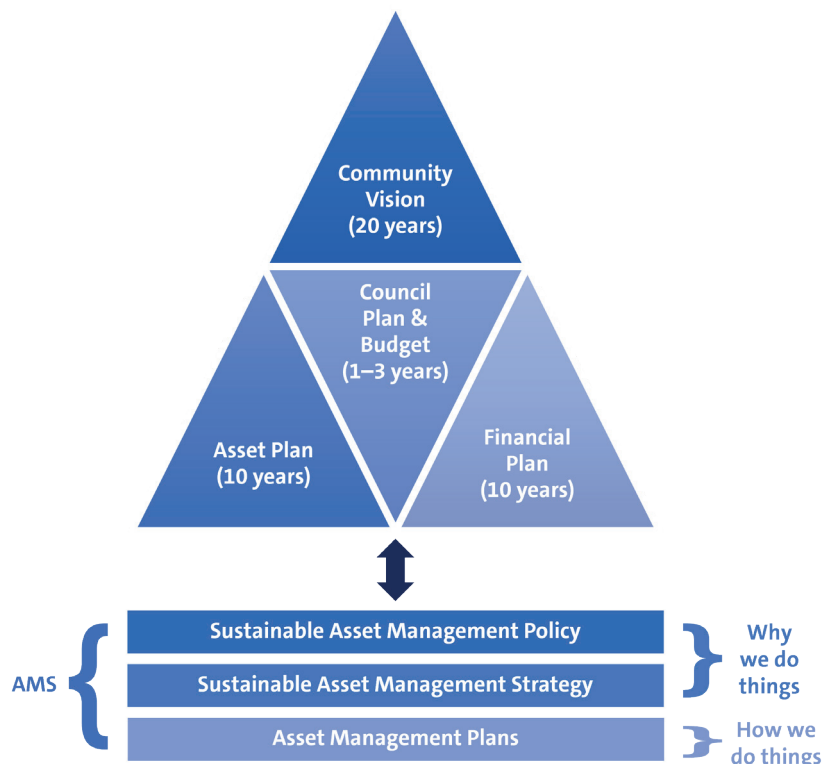
Council’s goal in managing infrastructure assets is to meet the required level of service in the most cost-effective manner.

The Asset Plan incorporates the asset management policy and strategy by incorporating a whole of lifecycle approach to forecast the outlays required to deliver the strategic objectives outlined in the Council Plan.

Future operating, maintenance, and capital renewal outlays are based on sustaining current service levels. Meeting the demands of growth and changing circumstances are managed through the careful consideration of new projects.

The combined lifecycle costs are balanced with the funds made available in the 10-year Financial Plan ensuring services are provided at an affordable level.

All dollar values in this document are presented in ‘real terms’ (i.e., net of inflation) as of 3rd June 2022.



Assets and services

Community values, stakeholder expectations and sustaining services at an affordable level are typically high on the agenda for the local community. Council's infrastructure assets provide a wide range of services to meet community needs.

Roads, footpaths and kerb assets

Asset	Length	Cost
Sealed roads	54.6 kilometres	\$17,657,129
Unsealed roads	2.1 kilometres	\$70,018
Footpaths	21.3 kilometres	\$1,885,594
Kerb	35.9 kilometres	\$2,912,257
TOTAL		\$22,524,998

Urban stormwater drainage assets

Asset	Length/number	Cost
Stormwater pipe	15,636 lineal metres	\$3,165,731.40
Stormwater box culverts	439 lineal metres	\$225,485.49
Stormwater pits	729 pits	\$2,158,487.28
Stormwater pumps	23 pumps	\$120,295.83
TOTAL		\$5,670,000.00

Building assets

Asset	Number	Cost
Municipal buildings	12 buildings	\$5,531,894
Amenities blocks	20 blocks	\$4,171,209
Community facilities	25 facilities	\$14,898,641
Heritage buildings	2 buildings	\$167,254
TOTAL		\$24,768,998

Open assets

Asset	Cost (est.)
Playgrounds (x19); lookouts; sporting field lighting; fencing; beach access; park furniture	\$6,284,000

Council indirectly supports many community services through the provision of these assets. The Gross Replacement Cost of the depreciable assets supporting these services is estimated at \$59,248,000, depreciating at \$1,144,000 per year (based on current useful life assessments), resulting in a written down value of \$35,396,000 as at 3rd June 2022.

The effectiveness of an asset is measured by both a customer level of service and a technical level of service. Customer levels of service revolve around quality, function and capacity. Technical levels of service which support the customer levels of service are operational or technical measures of asset or service performance.

Infrastructure asset performance

The infrastructure assets supporting these services are overall in good condition. Some asset classes require increased monitoring to determine condition.



Buildings

Overall, Council's buildings are in good condition and forecasted to improve further with current combined renewals/upgrades and planned works. Short-life and some smaller long-life buildings are progressively improving in condition, with recent projects targeting the worst condition buildings. It should be noted that the most recent building condition assessment (2018) identifies there are a number of buildings with a combined replacement value of approximately \$5.2m which are in fair to poor condition and will require future management attention.



Roads

Overall, in excellent condition. The condition of Council's road seals had seen modest improvements but were found to be in better than average condition.



Drainage

It is expected that more funding will be required due to climate change, asset ageing and planned improvements to stormwater management and environmental outcomes.



Open space

There is current unclear conditions of some sub-assets within this area due to the small scale of the assets. Otherwise, overall, there is improvements in open assets which will see the need for increased funding to maintain the improved service levels.

State of assets

Approximately 1% of Council's roads, footpaths, kerb

and building assets are below desired performance levels. The estimated replacement cost of the known assets outside of the intervention within these assets classes is \$530,015.

Condition data for road (roads, footpaths, kerb) and building asset classes is high quality; however, the condition data for drainage and open space assets is less mature. Improvement actions to address limitations in the accuracy and understanding of the condition distribution for the drainage and open space assets has been identified within Council's improvements plan. These improvements will assist in identification of drainage and open space assets that are below desired performance levels.

Assets identified as being below desired performance levels include:

- Toc H buildings
- Point Lonsdale Lighthouse Reserve toilet
- Caravan Park sealed roads.

The main service challenges associated in the short to medium term are:

- Mitigating risks to public safety
- Maintaining provision of the desired service level
- Maintaining expectations of urban amenity.

The primary focus is to ensure the ongoing provision of safe and fit for purpose infrastructure, access to essential services, timely response to defects and failures ensuring interruptions to services is kept to a minimum.

Future demand

The main demands for new and/or altered services are created by:

- Changing demographics
- Climate change
- Population
- Legislative changes
- Tourism.

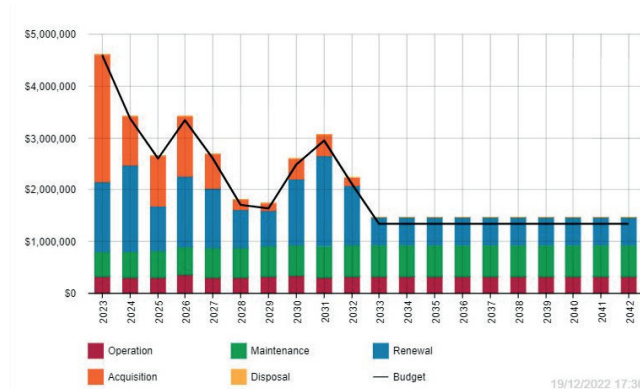
These will be managed through a combination of applying non-asset solutions, managing existing assets and acquiring new ones. Demand management strategies include:

- Monitoring and reporting performance and expectations
- Communicating the risks
- Encouraging higher utilisation/multi-use
- Identifying assets that can be consolidated or disposed.

In managing future demand via the acquisition of new assets, Council must consider the commitment to ongoing operations, maintenance, and renewal costs for the period that the service provided from the assets is required. These future costs must be considered in developing Council's Financial Plan.

Financial forecast

The forecast lifecycle outlays (that is operation, maintenance, renewal, upgrade and new build costs) required over the next 10 years to deliver on the strategic objectives is estimated to be \$27,539,323.76 or \$2,753,932.38 on average per year (in real terms). This is presented in the Forecast Lifecycle Chart below.



Maximising service delivery from our assets is a primary focus. Without timely maintenance and capital investment being undertaken when needed, a decline in service and an increase in lifecycle costs and risk is likely to occur. The consideration of lifecycle costs when delivering new and upgraded assets is critical to ensure operational and capital budgets are sufficient to maintain agreed service levels.

What we will do

The available funding in Council's Financial Plan for the same period is \$27,413,832.39 or \$2,741,383.25 on average per year (in real terms) which is presently considered sufficient to maintain current service levels.

The current planned budget is \$125,491.29 or \$12,549.13 on average per year less than what is required to deliver on the strategic objectives outlined in the Council Plan. The lifecycle modelling and budget for the period of the 10 years covered by the Financial Plan only considers grant funding currently secured and does not make assumptions regarding future grant funding that may be available.

It is considered that the projected shortfall of \$125,491.29 in capital expenditure over the 10-year period is acceptable. An increase in customer and technical levels of service would increase this projected shortfall and therefore should be considered carefully.

What we cannot do

The works and services that cannot be provided in the first 10 years of the planning period are:

- Construction of all new and upgraded paths identified in a future paths service strategy within the current Financial Plan period
- Renewal of all soakage pit lids with covers that are more suitable for manual handling
- Stormwater outfall treatment systems for all surface water drainage outfalls
- Maintain assets to a higher level of service than currently provided
- Renewal of all buildings reaching intervention level, unless additional external funding is sourced.

Managing risk

There are risks associated with providing any service, and we have identified the major risks as:

- Bellarine Highway (State Government asset) road becoming impassable due to failure of pavement, causing loss of vehicular access to Queenscliff (including emergency services)
- Loss of municipal office, putting services provided by Council at risk.

We will endeavour to manage these risks within available funding limits by:

- Including the Bellarine Highway in Council condition assessments to inform when the State Government should be lobbied to invest in the asset
- Maintaining a bypass track through foreshore Crown land for emergency vehicular passage
- Creating and regularly testing a Business Continuity Plan.

Subject to outcomes of the above, it may still be necessary to spend more on managing assets to maintain services in future. This will be closely monitored over time and outcomes will be reported in future plan updates.

Next steps

The medium to long-term outlook suggests that priorities should remain focused on ensuring operations, maintenance and replacement of existing assets remain at sustainable levels whilst monitoring and responding to demand and growth challenges as they occur.

The table opposite summarises the improvement plans within Council's most recent Asset Management Plans.

References

- Annual Report 2021–22
- Asset Management Plans 2019
- Building Condition Report 2018
- Roads Condition Report 2019.

Task no.	Task	Responsibility
1	Analyse customer request data with respect to current performance against documented levels of service	Technical Services; Customer Service
2	Develop a detailed risk management plan for road assets	Technical Services
3	Review asset management systems to capture date of asset acquisitions	Technical Services
4	Develop service plans to better capture potential requirements for new and upgraded assets	Technical Services
5	Undertake targeted proactive drainage asset condition assessments to improve understanding of condition distribution and accuracy of average renewal demand estimates	Technical Services
6	Identify and analyse properties impacted by stormwater surcharge on more than one occasion in a 5-year period	Technical Services
7	Review discharge arrangements to surface waters, e.g. ocean outfalls	Technical Services
8	Develop a formal policy requiring new development to implement a retention system to manage peak stormwater flow	Planning and Infrastructure; Municipal Building Surveyor
9	Improve capture of customer requests regarding building condition and cleanliness	Technical Services
10	Analyse current building intervention timelines following user requests and develop process to capture request data within Confirm	Technical Services
11	Complete open space register, including identification of all open space assets, year of acquisition, replacement value and useful life	Technical Services
12	Nominate asset subgroups based on function and service provided by the asset and determine if a separate asset management plan is required for any particular subgroup	Technical Services
13	Analyse the levels of service currently provided for recreation and leisure services	Technical Services
14	Determine if an asset hierarchy is required for any asset subgroup to enable levels of service to be defined, and implement if required	Technical Services
15	Identify critical open space assets, their typical failure mode and impact on service delivery	Technical Services
16	Identify critical risks and treatment plan for recreation and leisure services	Technical Services
17	Determine an operating procedure for the condition assessment of open space assets, including which assets should be assessed to better inform renewal requirements	Technical Services
18	Undertake condition assessments of relevant open space assets in accordance with the determined procedure to provide data for asset renewal demand modelling	Technical Services



Borough of Queenscliffe
50 Learmonth Street (PO Box 93)
Queenscliff, Victoria, 3225

P 03 5258 1377
E info@queenscliffe.vic.gov.au
www.queenscliffe.vic.gov.au