



Asset Plan **2022**

Acknowledgement of Country

Bass Coast Shire Council acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pays respect to their Elders past, present and emerging, for they hold the memories, the traditions, the culture and Lore. Bass Coast Shire Council celebrates the opportunity to embrace and empower the Aboriginal and/or Torres Strait Island Communities in their diversity. Bass Coast Shire Council will create opportunities for future recognition and respectful partnerships that will honour the Traditional Owners and Custodians, and Aboriginal and/or Torres Strait Islander Peoples.



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Our Assets



Roads and Transport

Replacement Value **\$417.12M**

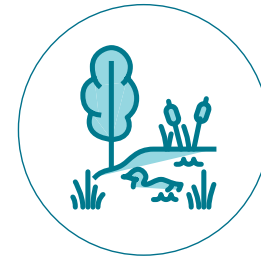
Annual Depreciation **\$8.4M**



Buildings and Facilities

Replacement Value **\$108.71M**

Annual Depreciation **\$1.7M**



Open Space and Parks

Replacement Value **\$46.27M**

Annual Depreciation **\$1.7M**



Stormwater Drainage

Replacement Value **\$156.43M**

Annual Depreciation **\$1.1M**

The Asset Plan



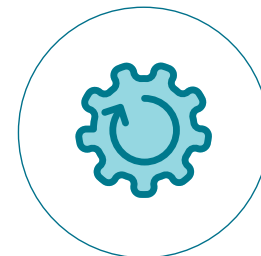
Long Term Decision Making

- Balancing community needs with available funding
- Optimising available funding to reduce long term risk
- Transparency in allocating funding to individual program
- Prioritising New, Upgrade and Renewals with the focus on future needs



Financial Planning

- Average annual capital expenditure = **\$30.34M**
- Infrastructure per capita = **\$15.4K**
- Infrastructure spend per capita = **\$2,310**
- Renewal Ratio = **100%**
- Current Backlog = **0.9%**



Challenges and Opportunities

- Rate Cap Regulation
- Increasing Asset Base
- Balancing expected service levels with available budgets
- Climate change Impacts
- Population growth and demographic shift



Strategic Improvement Initiatives

- Deliberative Community Engagement
- Shift to a Service Centric model of delivery
- Adopt annual level of service v/s cost review approach
- Implement a climate resilient infrastructure plan

Definitions



Terminology	Description
Infrastructure Assets	Stationary systems forming a network and serving whole communities where the system as a whole is intended to be maintained indefinitely by continuing replacement and refurbishment of its components, e.g. roads, facilities, footpaths, drains, parks.
Capital Expenditure	Expenditure for new infrastructure and for the renewal or upgrade of existing assets that enhances the service potential of the assets.
Maintenance	Expenditure that is incurred to ensure that the asset continues to provide its pre-determined service capacity and quality and achieves its expected useful life. Maintenance expenditure is of a regular and ongoing nature.
Long Term Financial Plan	A Financial Plan based on a Service Level Target that produces a year by year forecast of the investment needed in capital renewals, capital upgrades, new infrastructure and ongoing maintenance.
Financial Ratios	Reporting ratios in Financial Statements - Renewal funding ratio, Life Cycle Indicator and Consumption Ratio.
Renewal Funding Ratio	Planned renewal budget for the next 10 years / Desired renewal costs for the next 10 years (as per the desired service level). Recommended target = 85-115%.
Lifecycle Indicator	Planned 10-year LTFP / Desired 10-year LTFP costs (maintenance, renewal, upgrade and new expenditure for desired service level). Recommended target = 85-115%.
Consumption Ratio	Written down Value of an asset / Gross Replacement costs measured using the remaining life of an asset or its component. Recommended target = 60 – 85%.
Asset Back-log	The proportion of assets in state 5 and 6 based on the National Framework of 0-6 where 0 = best state and 6= worst state. Recommended target is to keep the backlog below 5%.
Service Centric Approach	An approach where the characteristics, locations, condition and functional fitness of future assets are defined by the services that Council intends to provide and the levels at which these services are targeted.
Intervention Level	A physical state of an asset defined by its condition, capacity or functionality at which Council will determine a treatment action.
Level of Service	A target state of the asset defined by its condition, capacity, functionality, availability and reliability to deliver a service it is intended to deliver. Assets with high criticality to the community would generally be deemed to deliver a higher level of service.
Asset Criticality	Assets operating in an environment that could result in significant impacts on the business if the asset fails.
Service Planning	Planning methodology for infrastructure that uses a service defined approach based on primary and secondary services that Council provides. Service Planning ensures that Council's focus is on delivering an outcome and assets simply become a means to an end.

1. Executive Summary

Purpose of the Asset Plan

This Asset Plan is a document that communicates the importance and magnitude of the infrastructure assets for which Bass Coast Shire Council (BCSC) is the custodian. It is intended to be a strategic public facing document that informs the community on how our Council-controlled infrastructure and other assets are to be managed to achieve the Council Plan objectives and Community Vision statement.

In keeping with the 'enabling nature' of the Act, the purpose of the Asset Plan has been identified to:

- Optimise life cycle costs of capital and maintenance expenditure on \$728M¹ of infrastructure across four major asset classes ie transport, buildings, open space and stormwater drainage;
- Better inform our community of the link between the cost of services and levels of service;
- Embed responsible asset management practices into elements of the ISPRF (Integrated Strategic Planning and Regulatory Framework);
- Contribute to Council's long-term objectives, strategic intent, and financial prudence;
- Engage community and Council through asset management performance reporting;
- Better align decisions around assets to community needs, service levels and financial affordability;
- Articulate and communicate the challenges on service levels, costs, risks and consequences of the decisions made;
- This will result in more informed community engagement and a mutual understanding of the best use of Council assets in the interest of the community.

Compliance with the Local Government Act 2020 and Regulations

The Local Government Act 2020 (Planning and Reporting) and Regulations require Councils to record their compliance with section 92 (the Asset Plan) of the Act by completing the Governance and Management Checklist. This checklist will continue to be published on our 'Know Your Council website' and in our Council's Annual Report and will remain as the key instrument to display transparency and accountability to reassure the public that their assets are being responsibly managed. In developing this Plan, Council has ensured that the key components of this checklist have been adhered to.

Strategic Context

This Asset Plan referred to in the Act is intended to be a strategic public facing document that informs the community on how the Council-controlled (infrastructure) assets are to be managed to achieve the Community Vision and support Council Plan objectives.

Integrated Strategic Planning and Reporting Framework (ISPRF)

This Asset Plan is a vital component of the Local Government ISPRF (See Appendix 1). As such, the plan aligns with and complements other Council planning and reporting documentation, including the Council Plan, Council Budget, Annual Report as well as the other longer-term planning documents, the Community Vision and the Financial Plan. Details are set out in section 3.

Community Engagement

The Asset Plan sits alongside the Community Vision, Council Plan and Long Term Financial Plan and will demonstrate a consistent message among the four documents. The Plan is now available for public comment. Comments and feedback will be integrated into the final Plan, which will be considered for adoption at the Council Meeting on Wednesday, 15 June 2022.

¹ Excludes plant and equipment.

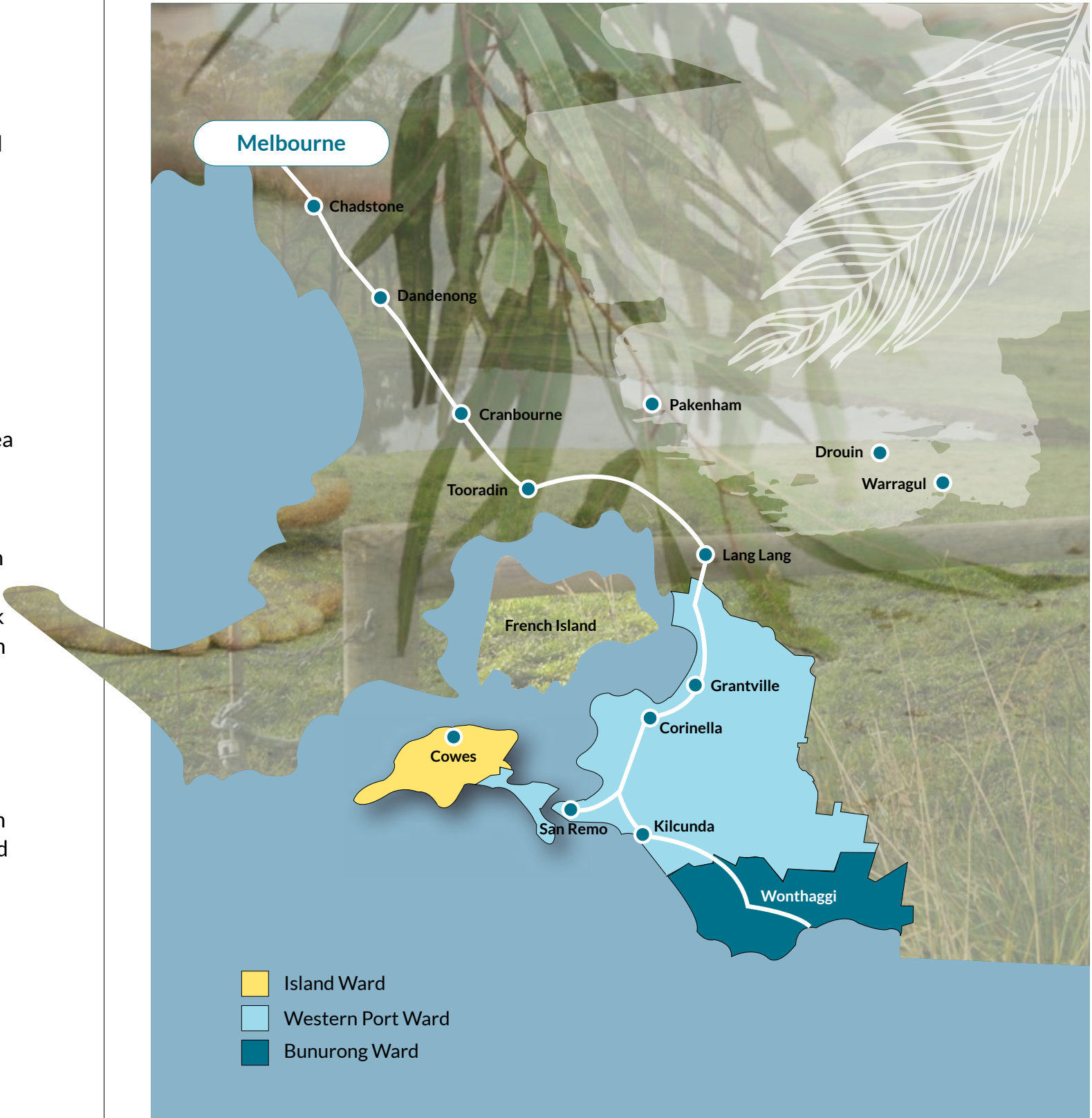
2. Introduction

Bass Coast is one of Victoria’s fastest growing regional municipalities, located approximately 130km southeast of Melbourne. Bass Coast is bounded by Western Port in the north and west, Cardinia Shire in the north-west, South Gippsland Shire in the east and the Bass Strait in the south. It is a coastal Council area with a population of close to 36,000, which increases significantly during holiday periods.

Geographical Background

Bass Coast is predominantly a coastal municipality located on Bunurong land and has a rich Indigenous history. The Shire is made up of different towns with distinct personalities and communities. We have a dynamic population that fluctuates with peak holiday periods and our permanent resident numbers are growing. The beauty of the area, welcoming communities and unique experiences result in high levels of visitors with over 35% of Melbourne’s international visitors enjoying the local area each year. Tourism is a major influence on the local economy, with our main centres, Wonthaggi, Cowes, Inverloch, San Remo and Grantville, serving the local population and more than 3.4 million visitors who arrive in Bass Coast each year. During peak holiday periods, our population swells from 36,000 circa to over 80,000.

From an infrastructure provision perspective, Bass Coast needs to ensure that its \$728M of major infrastructure which consists of transport, buildings, open space and stormwater assets are preserved at the highest desirable (taking into account affordable) level of service, so this community lifestyle can be maintained.



Our Community and Population

The residents of Bass Coast come from a wide range of households and ages. The 2021 estimated resident population for BCSC is circa 36,000 and swelling to over 80,000 during holiday periods

At the last census, there are 33,000 circa rateable properties. The swelling holiday season population presents one of the greatest challenges for the Shire in managing its seasonal level of service across the built, natural and recreation infrastructure that we provide.



36,083

An estimated 36,083 people live in Bass Coast
(Estimated Resident Population 2021 Source. ABS)

9%

Our largest age bracket - 65-69 year olds - make up 9% of our population

\$1.63 billion

Our Gross Regional Product (GRP) is estimated to be \$1.63 billion

Emergency

Council has declared a climate emergency

100%

Council's electricity is sourced from 100% renewable energy.

10,839

10,839 people work in Bass Coast
(both living in and outside of Bass Coast)

Assistance

Our largest industry is health care and social assistance

98.1%

98.1% of our population speaks English at home

33,017

33,017 rateable properties



Built & Natural Environment

Natural

Council manages 42 km of foreshore and 150 hectares of bushland reserves
[Non-financial Assets]

Recreation

Bass Coast has:
• 355km of tracks, trails and pathways
• More than 45 public playgrounds

50%

There is a combined total of 50% vegetation cover on land in our five main townships

Asset Base



Roads and Transport
\$417.12M



Buildings and Facilities
\$108.71M



Open Space and Parks
\$46.27M



Stormwater Drainage
\$156.43M



Our Asset Base

The assets owned at operated by our Council across four major asset classes i.e. transport, buildings, open space and stormwater drainage total \$728M in replacement costs.

The mix of infrastructure is detailed in the diagram on the left.

The annual rate of depreciation of this asset base is \$13M per annum and Council is currently spending circa \$11.6M on capital renewal works to keep these assets at a desirable level of service.

As of 2022 condition assessments, Councils backlog is circa 0.9% - significantly below the national average of 8%.



3. Statement of Strategic Intent and Linkage to Key Documents

Council’s Integrated Planning and Reporting Framework, in accordance with the Local Government Act 2020, connect the long term community needs through an interconnectedness between each document and related processes and frameworks.

The Council Plan is the key strategic document of the Council, and outlines the clear strategic objectives, strategies, major initiatives, and considers the resources required to support delivery. A four-year plan, our Council Plan, reflects the broader direction set by the Community Vision, and other adopted policies, strategies and plans, such as the Municipal Health and Wellbeing Plan.

The Community Vision themes have been linked with the Council Plan by the following:

- Climate Emergency and Climate Preparedness
- Protect and Enhance Natural Environment
- Healthy and Inclusive Communities
- Access and Movement
- Education, Creative Economy and Industry

In line with the requirements of the Act (ISPRF), the following table demonstrates the linkage between our statements of strategic intent and the various policies, strategies and Council plan.

ISPRF Document	Role	Horizon
Community Vision	Our Community’s aspirations and priorities for the future of Bass Coast Shire	20 Years
Council Plan	Details the Objectives and Strategies to aim for to achieve the Community Vision	4 years
This Asset Plan	Details the Strategic Actions and Asset Management Indicators that provide for Deliberative Community Engagement in line with the Victorian 2020 regulation.	20 years of scenario planning and Annual Review - sign off by Mayor and CEO.
Long Term Financial Plan	Council’s Financial Plan detailing the Capital Works Plan, Income and Funding Sources and Local Government Financial metrics.	10 years outlook and Annual Review
Workforce Plan	Outlines how we will manage our resources and budgets to deliver projects	4 years
Asset Management Strategy	Measures our maturity state in terms of Asset Management and provides an action plan for a future desired maturity state	4 years
Individual Asset Class Plans	For each major class – Transport, Buildings, Open Space and Stormwater Drainage, it details the funding need for maintenance and capital for a range of service levels	20 years and with a comprehensive update every re-valuation cycle.

4. Linkage between Council Plans, Strategies and Plans (ISPRF)

Strategic Objectives	Community Aspiration	Supporting Documents	Role of Asset Plan
Climate Emergency	We take immediate and urgent action to protect and prepare Bass Coast for the serious risk that climate change poses, to secure a liveable and healthy future for our community	<ul style="list-style-type: none"> - Climate Change Action Plan 2020-30 - Advocacy Strategy 2018-21 	Future Improvement initiative to include climate change into asset modelling
Protect And Enhance Natural Environment	We work together to care for our land and coast, sharing our knowledge and skills. Through sensible planning and development, we live in balance with our natural environment	<ul style="list-style-type: none"> - Natural Environment Strategy 2016-26 - Integrated Water Management Plan 2020 - Waste Management Strategy 2015-25 	Future Improvement initiative to Improve biodiversity through careful management of land, water and ecosystems that protect and enhance our native flora, fauna and bio links
Healthy and Inclusive Communities	We have culturally appropriate and safe services and facilities that encourage wellbeing and ensure everyone has a roof over their head. We are caring and connected and welcome all people, celebrating and supporting diversity and uniqueness	<ul style="list-style-type: none"> - Healthy Communities Plan 2021-25 - Disability Action Plan 2021-25 - Asset Management Strategy for Infrastructure Assets 2017-21 	Enhance and maximise the use of Council's open space and community facilities to deliver community benefit.
Access and Movement	We have equal access to a carefully planned, reliable, expansive and innovative transport network. We can move freely and easily within Bass Coast and beyond	<ul style="list-style-type: none"> - Active Bass Coast Plan 2018-28 Disability Action Plan 2021-25 Healthy Communities Plan 2021-25 Asset Management Strategy for Infrastructure Assets 2017-21 - Long Term Financial Plan 2021-31 Municipal Emergency Management Plan - Open Space Asset Management Plan 2018-22 	Optimise capital and maintenance spend to maintain and improve our road networks and advocate for safety improvements. Using condition based modelling prioritises walking and cycling through safe and well-connected pathways
Education, Creative Economy and Industry	We have fulfilled lives with unique opportunities to create, explore, learn, work and grow. We are empowered to make a difference.	<ul style="list-style-type: none"> - Long Term Financial Plan 2021-31 - Phillip Island and San Remo Visitor Economy Strategy 2035 - Asset Management Strategy for Infrastructure Assets 2017-21 Growing our Economy Advocacy Strategy 2018-21 - Communication and Engagement 	Take a Shire-wide approach to enhancing and diversifying our visitor economy and attraction, through the provision of desirable standards of infrastructure at the lowest long term cost.

5. Deliberative Community Engagement



The IAP2 Public Participation Spectrum below describes the community engagement spectrum from a low-level engagement (inform) to a high-level engagement (empower).

Community Engagement Framework				
Inform - 1	Consult - 2	Involve - 3	Collaborate - 4	Empower - 5
Low Level —————→ High Level				
Provide community awareness and keep them informed of the completion of the Asset Plan.	Ask the community for feedback then inform them of how their input affected decision making.	Work directly with the community to ensure their views and aspirations are considered.	Partner with the community to develop joint solutions and incorporate their advice into the Asset Plan.	The community decides what is implemented and included in the Asset Plan.

Our timetable for Community Consultation that took place to inform the Council Vision and Plan is shown below.

Deliberative Engagement for Community Vision which drives the basis for Council Plan:

Stage	Time-line	Method
1. Open consultation with the whole community	March to April 2021	Mixed Method
2. Deliberative engagement with a representative Community Panel	June to July 2021	Online and Face-to-Face Workshops
3. Public exhibition of the Draft Community Vision 2041 with the whole community	August to September 2021	Online, Targeted Conversations
4. Re-convening of the Community Panel	September 2021	Online builds on the previous stage, both in the data collected and the intensity of engagement

Engagement for this Asset Plan:

Item	Timeline
Draft Plan 2022	19 May 2022
Public Display of Draft Plan	25 May – 7 June 2022
Comments sought by	7 June 2022
Council action to comments and Final Plan adoption	15 June 2022

Rank	Description of Condition
1	Very Good Condition
2	Good Condition
3	Fair or moderate Condition
4	Poor Condition
5	Very Poor Condition

6. State of Assets

The current level of service is measured by the average asset condition and backlog (assets in very poor condition state). Council's backlog is circa 0.9% which is a significantly more favourable position than the national average of 8%. Council's service target is to maintain this

backlog across all asset classes by the end of the 10 year period under a "balanced" approach to funding. The table below provides the snapshot of Council's asset portfolio replacement value and condition distribution based on major asset classes as at 31st March 2022:

Asset Class	Replacement Value as at 31 March 2022	Average Condition Score	Current Backlog	Condition					Backlog in Year 2032
				1	2	3	4	5	
Roads and Transport	\$417.12M	1.82	0.13%	36.85%	45.86%	16.15%	1.02%	0.13%	0.77%
Buildings & Facilities	\$108.71M	2.20	1.96%	18.60%	48.85%	28.79%	1.79%	1.96%	2.97%
Open Space	\$46.27M	2.74	6.75%	19.70%	24.92%	27.19%	21.43%	6.75%	0.00%
Stormwater Drainage	\$156.43M	1.57	0.56%	54.32%	37.40%	5.74%	1.97%	0.56%	1.12%

The breakdown of major asset classes on into asset types is set out below:

Asset Class	Quantum	Replacement Value as at 31 March 2022	Average Condition Score	Current Backlog	Condition					Backlog in Year 2032
					1	2	3	4	5	
Bridges	159 (NO)	\$42.68M	2.57	0.02%	2.64%	42.84%	48.95%	5.55%	0.02%	1.53%
Kerb and Channel	566 (KM)	\$46.96M	2.58	0.24%	9.44%	26.99%	59.97%	3.36%	0.24%	2.36%
Pathways	381 (KM)	\$38.75M	1.75	1.03%	41.65%	45.62%	10.76%	0.95%	1.03%	1.72%
Sealed Roads	609 (KM)	\$317.15M	1.58	0.00%	45.85%	50.15%	3.96%	0.05%	0.00%	0.36%
Unsealed Roads	391 (KM)	\$18.54M	2.32	0.33%	20.99%	27.83%	49.37%	1.48%	0.33%	0.00%
Buildings & Facilities	410 (NO)	\$108.71M	2.20	1.96%	18.60%	48.85%	28.79%	1.79%	1.96%	2.97%
Open Space	4240 (NO)	\$46.27M	2.74	6.75%	19.70%	24.92%	27.19%	21.43%	6.75%	0.00%
Stormwater Drainage	35,664 (NO)	\$109.47M	1.57	0.56%	54.32%	37.40%	5.74%	1.97%	0.56%	1.12%

7. Asset Class Values

The snapshot of Council's asset portfolio value as at 31st March 2022 is summarised below:

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

8. Financial Ratios

The snapshot of Council's forecast financial ratios across major asset classes as at 1 July 2022 is summarised below:

Asset Class	Renewal Ratio	Consumption Ratio	Life Cycle Ratio
Roads and Transport	100%	81%	100%
Buildings and Facilities	100%	68%	100%
Open Space	100%	61%	100%
Stormwater Drainage	100%	83%	100%

9. Long Term Financial Plan

Expenditure on Council infrastructure assets is categorised as follows:

New

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

Upgrade/ Expansion

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

Renewal

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

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

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 maintenance budget is based on the adopted 2021-22 budget for the next 10 years. The figures for renewal, new and upgrade works were extracted from Council's 2021-22 Capital Works Budget.

Tables over the page...

New

Asset Class	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
Roads and Transport	1,607,498	4,583,335	6,206,114	5,444,676	6,475,000	7,275,000	4,325,000	4,325,000	1,325,000	-	41,566,623
Buildings and Facilities	5,914,000	12,857,000	20,310,320	20,752,203	4,820,000	6,000,000	5,000,000	500,000	0	-	76,153,523
Open Space	5,380,000	850,000	1,200,000	1,500,000	560,000	210,000	870,000	870,000	120,000	-	11,560,000
Total	12,901,498	18,290,335	27,716,434	27,696,879	11,855,000	13,485,000	10,195,000	5,695,000	1,445,000	-	129,280,146

Upgrade

Asset Class	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
Roads and Transport	574,503	1,479,291	2,039,877	4,036,678	7,509,478	7,519,990	414,451	8,820,740	427,155	-	32,822,162
Buildings and Facilities	570,000	2,500,000	2,350,000	1,300,000	1,000,000	1,200,000	-	-	-	-	8,920,000
Open Space	120,000	-	500,000	200,000	600,000	1,800,000	400,000	1,000,000	-	-	4,620,000
Stormwater Drainage	94,622	-	-	1,519,148	3,047,219	3,048,518	0	3,600,000	-	-	11,309,508
Total	1,359,125	3,979,291	4,889,877	7,055,826	12,156,697	13,568,508	814,451	13,420,740	427,155	-	57,671,670

Adopted Balanced Renewal Budget

Asset Class	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
Roads and Transport	3,460,938	4,352,348	4,627,001	4,210,541	4,463,146	4,373,816	4,665,341	4,470,396	4,410,714	4,548,293	43,582,534
Buildings and Facilities	2,214,983	3,608,039	3,437,367	3,636,885	3,709,164	3,783,726	4,359,375	4,836,608	4,912,846	4,915,215	39,414,208
Open Space	1,476,548	2,405,306	2,421,572	2,724,599	2,473,053	2,522,392	2,026,434	2,115,044	2,276,836	2,276,836	22,718,621
Stormwater Drainage	733,800	810,695	831,653	924,253	1,010,079	1,004,613	1,256,456	1,399,134	1,427,091	1,368,246	10,766,019
Total	7,886,269	11,176,389	11,317,592	11,496,278	11,655,442	11,684,547	12,307,606	12,821,182	13,027,487	13,108,590	116,481,382

The adopted balanced renewal budget model includes new assets as identified in the long term financial plan and assets acquired from new residential development.

Maintenance

Asset Class	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
Roads and Transport	2,970,737	2,970,737	2,970,737	2,970,737	2,970,737	2,970,737	2,970,737	2,970,737	2,970,737	2,970,737	29,707,371
Buildings and Facilities	611,470	611,470	611,470	611,470	611,470	611,470	611,470	611,470	611,470	611,470	6,114,699
Open Space	477,194	477,194	477,194	477,194	477,194	477,194	477,194	477,194	477,194	477,194	4,771,940
Stormwater Drainage	476,669	476,669	476,669	476,669	476,669	476,669	476,669	476,669	476,669	476,669	4,766,691
Total	4,536,070	4,536,070	4,536,070	4,536,070	4,536,070	4,536,070	4,536,070	4,536,070	4,536,070	4,536,070	45,360,701

Operations

Asset Class	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
Roads and Transport	2,374,014	2,374,014	2,374,014	2,374,014	2,374,014	2,374,014	2,374,014	2,374,014	2,374,014	2,374,014	23,740,143
Buildings and Facilities	2,252,029	2,252,029	2,252,029	2,252,029	2,252,029	2,252,029	2,252,029	2,252,029	2,252,029	2,252,029	22,520,287
Open Space	1,060,266	1,060,266	1,060,266	1,060,266	1,060,266	1,060,266	1,060,266	1,060,266	1,060,266	1,060,266	10,602,657
Stormwater Drainage	426,669	426,669	426,669	426,669	426,669	426,669	426,669	426,669	426,669	426,669	4,266,691
Total	6,112,978	6,112,978	6,112,978	6,112,978	6,112,978	6,112,978	6,112,978	6,112,978	6,112,978	6,112,978	61,129,778

10. Challenges



Item	Context	How will Asset Plan Address This?
Funding and resource Challenge	<ul style="list-style-type: none"> - Rate Cap - Increasing asset base - Cost of capital and maintenance and the CPI challenge in construction - Community expectation vs affordability - Supply chain issues with materials and contractors 	<ul style="list-style-type: none"> - Council needs to meet statutory 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 - Council will need to aim to continually balance the affordable provision of services against the needs of the community
Climate Change and Environment	<ul style="list-style-type: none"> - Impact on Asset Plan - Financial Resilience - Retreat v/s Renew 	<ul style="list-style-type: none"> - Utilise the 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 - Council will need to take into consideration that changing weather may lead to an increased need for reactive maintenance for storm and flood damage repair. Assets will need to be built and renewed to a standard that can withstand at least 1.5 degrees of warming. This may require different materials, methods of construction and other innovative approaches. There may also be increased expectations for leadership from Council to make use of sustainable energy sources and to provide environmentally efficient assets. In the longer-term, there may be greater community demand for weather protection, for sports and leisure activities that have traditionally occurred outdoors
Resident Demographics and Social Equitability	<ul style="list-style-type: none"> - Demographic and Geographical changes - Equitable Access - Bio-diversity 	<ul style="list-style-type: none"> - Council will need to plan assets that are responsive and adaptable to meet shifting stakeholder needs. Council will need to seek to form strategic alliances with service delivery partners to enhance non-asset based service delivery solutions in turn optimising the use of Council's asset portfolio
Asset Vulnerability	<ul style="list-style-type: none"> - Ageing infrastructure - Technological Alternatives - Functional Fitness and general obsolescence 	<ul style="list-style-type: none"> - Utilise the asset vulnerability toolkit by SECCA to allow to understand how Council buildings, drainage and local road assets will be impacted by various climate scenarios. This includes attributing a vulnerability rating to assets and identifying adaptation options that may increase asset resilience - Prioritise the provision of funding for legal compliance, renewal, maintenance and operation of existing assets in preference to financing new works or asset upgrades - There is a critical need to introduce systems and processes to ensure that Council spending on existing assets is optimised. As Council assets continue to age, more investment in maintenance and renewal expenditure will be required to ensure that the current levels of service enjoyed by the community continue to be delivered

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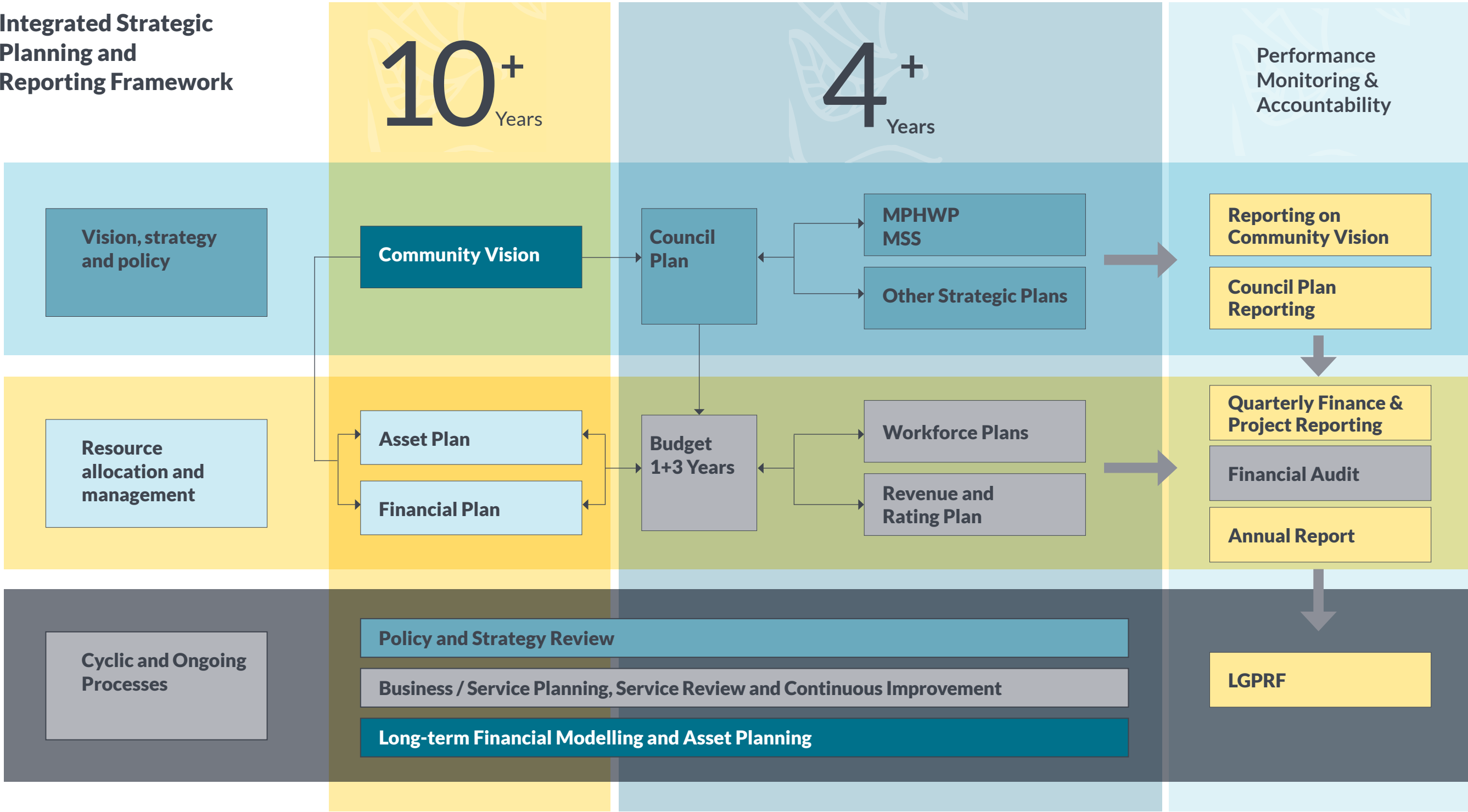
Item	Context	How will Asset Plan Address This?
Funding Trade off between different services	<ul style="list-style-type: none"> - Cross Asset Trade Off and Impact Analysis. 	<ul style="list-style-type: none"> - Utilising Predictor a strategic asset management tool to enable cross asset trade off and impact analysis between asset classes
Link with Social Infrastructure Planning and Asset Management	<ul style="list-style-type: none"> - Managing linkage between surplus assets and decommissioning or transfer/relocate/ rationalise services. 	<ul style="list-style-type: none"> - Strategic facility rationalisation and consolidation of complementary services into modern multi-purpose facilities can be used to reduce future renewal liabilities - Develop framework criteria for new, upgrade and disposal
Funding Distribution	<ul style="list-style-type: none"> - Maintenance vs Renewal and Renewal vs New and Upgrade 	<ul style="list-style-type: none"> - Undertake lifecycle assessments on major asset classes to ensure they provide the most effective outcome over the whole expected life of an asset - Establish and implement a community engagement plan to facilitate community discussion and negotiation on community levels of service across all asset classes and provide recommendations for the consideration of Council
Level of Service – Balancing the Budget	<ul style="list-style-type: none"> - Trade off between critical and no critical services 	<ul style="list-style-type: none"> - Develop prioritisation criteria for all levels of service to assist Council in making decisions on service level criticality and implication of investment (or divestment) - Community expectations can be influenced by numerous drivers such as generational change, legislation, environmental standards, facilities experienced elsewhere and new technology. Council assets must cater for the expectations of the community by remaining accessible, well maintained, and fit for purpose. All of this costs money and must be balanced and prioritised against building Council's future and the ability of the community to pay - Establish and implement a community engagement plan to facilitate discussion and negotiation of community levels of service across all asset classes and provide recommendations for the consideration of Council

11. Strategic Improvement Initiatives

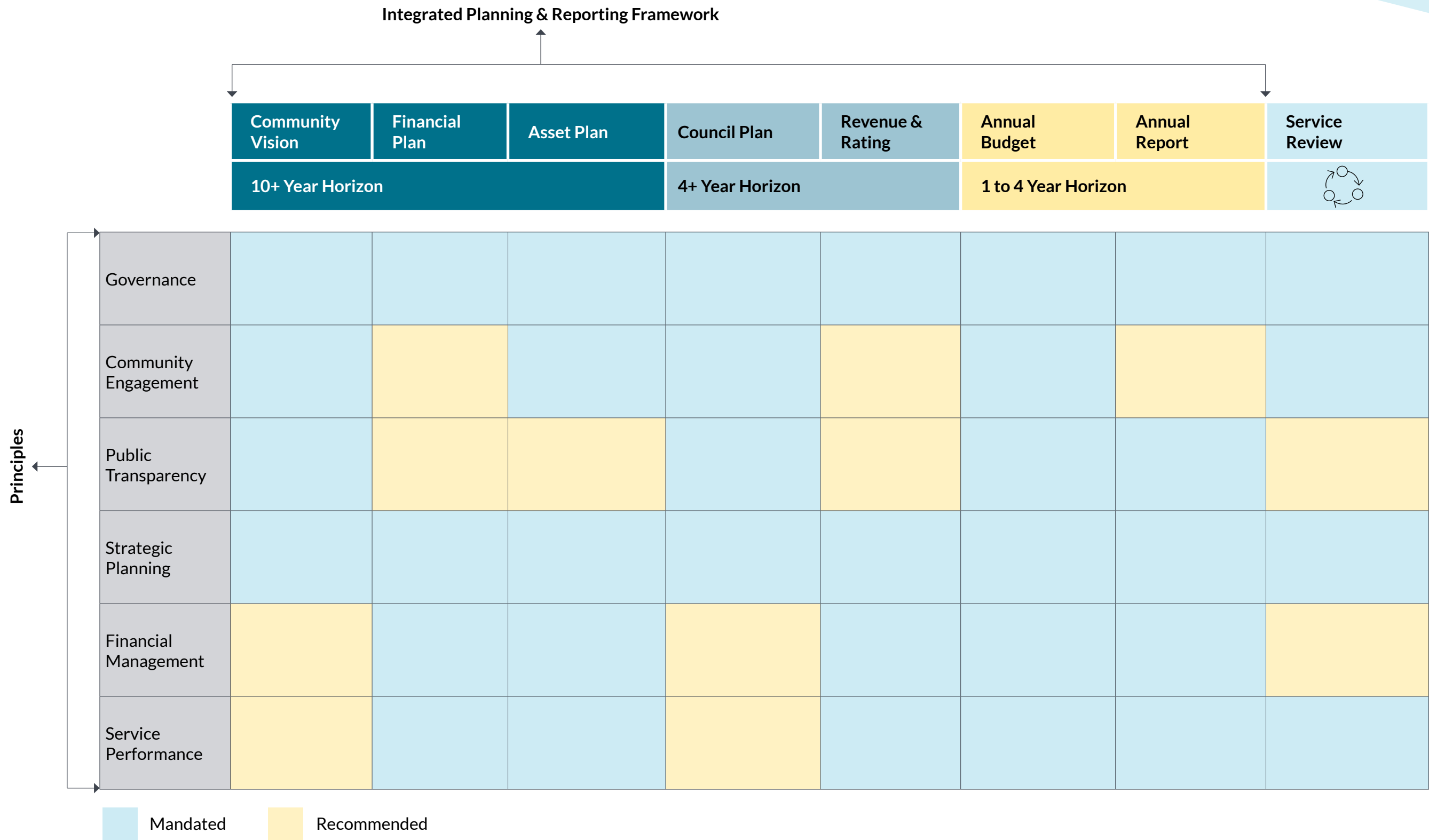
Strategic Improvement Initiative	Action Items
Strategic Initiative 1 <ul style="list-style-type: none"> - Deliberative Community Engagement 	<ul style="list-style-type: none"> - In conjunction with integrated strategic planning undertaken by Council, develop and implement a community engagement plan focused on deliberative engagement regarding relevant questions posed on asset management and service levels - Prepare an outcomes report from deliberative engagement activities to be incorporated into future Asset Plans
Strategic Initiative 2 <ul style="list-style-type: none"> - Shift to a Service-Centric model of delivery 	<ul style="list-style-type: none"> - 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
Strategic Initiative 3 <ul style="list-style-type: none"> - Adopt annual Level of Service v/s Cost review approach 	<ul style="list-style-type: none"> - To be reviewed as part of Council annual budget process
Strategic Initiative 4 <ul style="list-style-type: none"> - Implement a Climate Resilient Life Cycle Capital Plan 	<ul style="list-style-type: none"> - Utilise the 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 - Incorporating climate parameters eg bushfire, inundation and temperature into SAM modelling across all major asset classes

12. Appendices

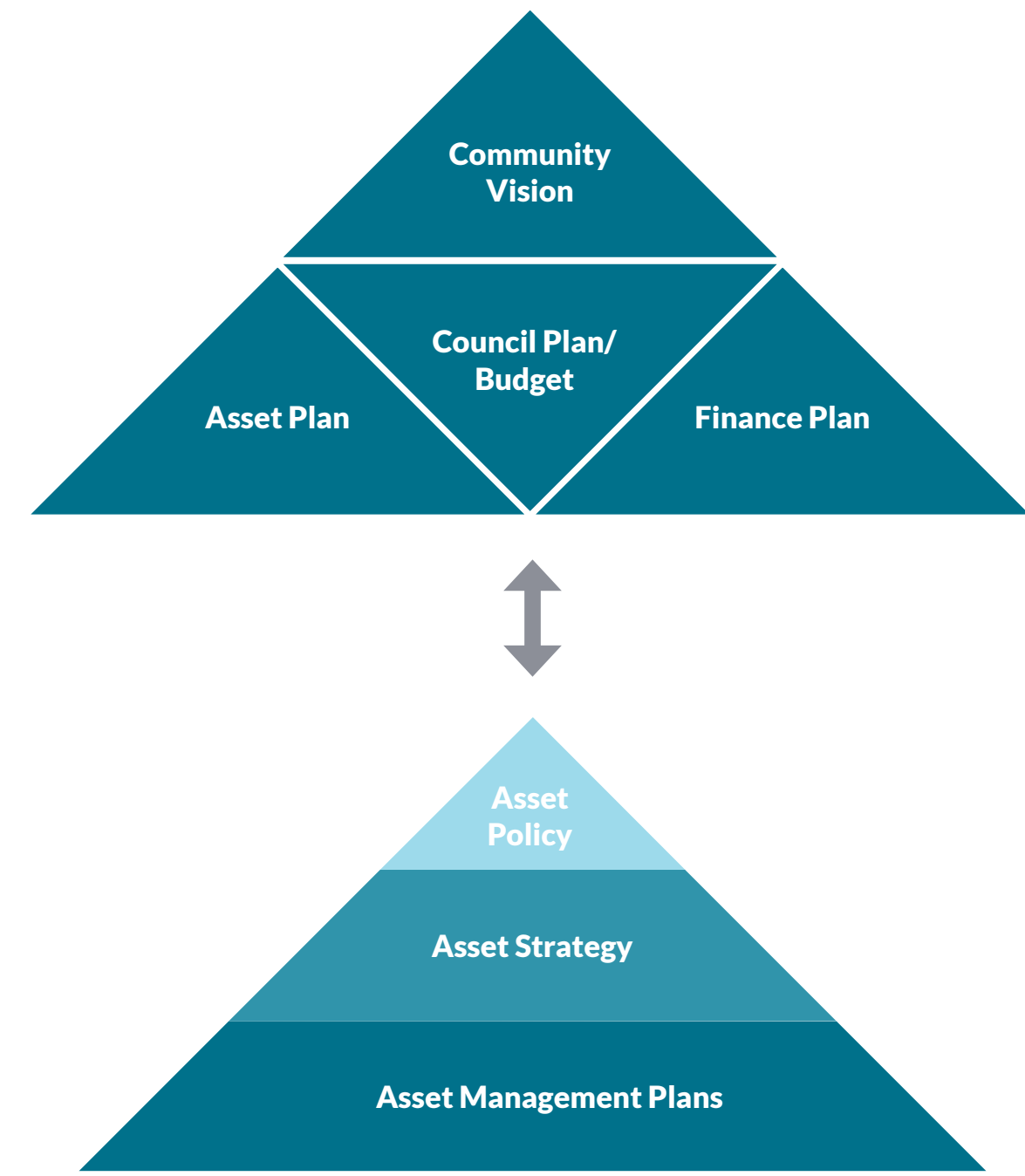
Appendix 1 - Integrated Strategic Planning and Reporting Framework



Appendix 2 - Integrated Strategic Planning and Reporting Framework Elements



Appendix 3 - How the Asset Management System relates to the Asset Plan and council's key strategic plans



Bass Coast Shire Council Adopted Asset Management Plans	Assets Covered
Building Asset Management Plan 2016	Council owned building structures and facilities
Drainage Services Asset Management Plan 2020	Underground drainage pipes and pits, basins, wetlands and swales
Open Space Asset Management Plan 2018	Park infrastructure, active playing surfaces, retaining wall and sign
Road Asset Management Plan 2019	Roads, pathway and bridges

Source: ISO55000 Asset Management System Documents. International Infrastructure Management Manual (institute of Public Works Engineering Australasia (IPWEA), 2020, Section 1.3.3)



Asset Plan 2022

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