

Asset Plan



Mornington
Peninsula Shire

2025–26 to 2035–36



Acknowledgement of Country

Mornington Peninsula Shire acknowledges the Bunurong people, who have been the custodians of this land for many thousands of years; and pays respect to their Elders past and present. We acknowledge that the land on which we meet is the place of age-old ceremonies, celebrations, initiation and renewal; and that the Bunurong people's living culture continues to have a unique role in the life of this region.





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Mayor's Message

Our community expects and deserves infrastructure that is safe, reliable, and built to meet their changing needs. Whether it's our local playgrounds, footpaths, community centres, roads or stormwater systems, these assets shape daily life on the Peninsula, now and for generations to come.

As custodians of these assets, Council has a responsibility to manage them with care. This Asset Plan is part of our commitment to being transparent and forward-

thinking in how we plan, maintain and invest in the infrastructure that supports our community.

Sound asset stewardship means looking beyond the immediate and considering the legacy we leave behind. This Plan helps us do that—by guiding our decisions and ensuring that every dollar we invest is aligned with long-term outcomes for our community.

Cr Anthony Marsh
Mayor
Mornington Peninsula Shire Council



Sound asset stewardship means looking beyond the immediate and considering the legacy we leave behind.

CEO's Message

Infrastructure is the foundation of nearly every service Council delivers, from the roads we drive on, to the buildings we work and recreate in, to the parks and playgrounds we enjoy.

Asset management is about making smart, long-term decisions. It helps us understand how infrastructure performs, what it costs over its entire life, and how we can deliver services more efficiently and sustainably. It ensures we target investment where it matters most—maintaining performance, managing risk, and meeting our community's expectations.

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. With \$3.3 billion in infrastructure under management and \$1.4 billion expected investment over the next decade, this work is vital to supporting our community's changing needs.

This Plan provides a financial and strategic framework for how we prioritise, maintain, and invest in the infrastructure that underpins daily life. It ensures we're not only managing for today, but planning responsibly for the future.

The outcomes from the Asset Plan will demonstrate:

- Better understanding of Council's capability to achieve our shared Community Vision.
- Recognition of Council as a trusted and responsible asset steward.



- Community assets that meet current and future service needs.
- Capital works projects and maintenance projects that are appropriately resourced.

Together with our community, we're working to ensure our assets continue to deliver value, support wellbeing, and remain resilient in the face of change. This Plan is part of that commitment.

Mark Stoermer
Chief Executive Officer
Mornington Peninsula Shire Council

Our Councillors



Cr. Kate Roper
Beek Beek Ward



Cr. Max Patton
Benbenjie Ward



Cr. Anthony Marsh
Briars Ward



Cr. Patrick Binyon
Brokil Ward



Cr. David Gill
Coolart Ward



Cr. Stephen Batty
Kackeraboite Ward



Cr. Bruce Ranken
Moorooduc Ward



Cr. Andrea Allen
Nepean Ward



Cr. Paul Pingiaro
Tanti Ward



Cr. Cam Williams
Tootgarook Ward

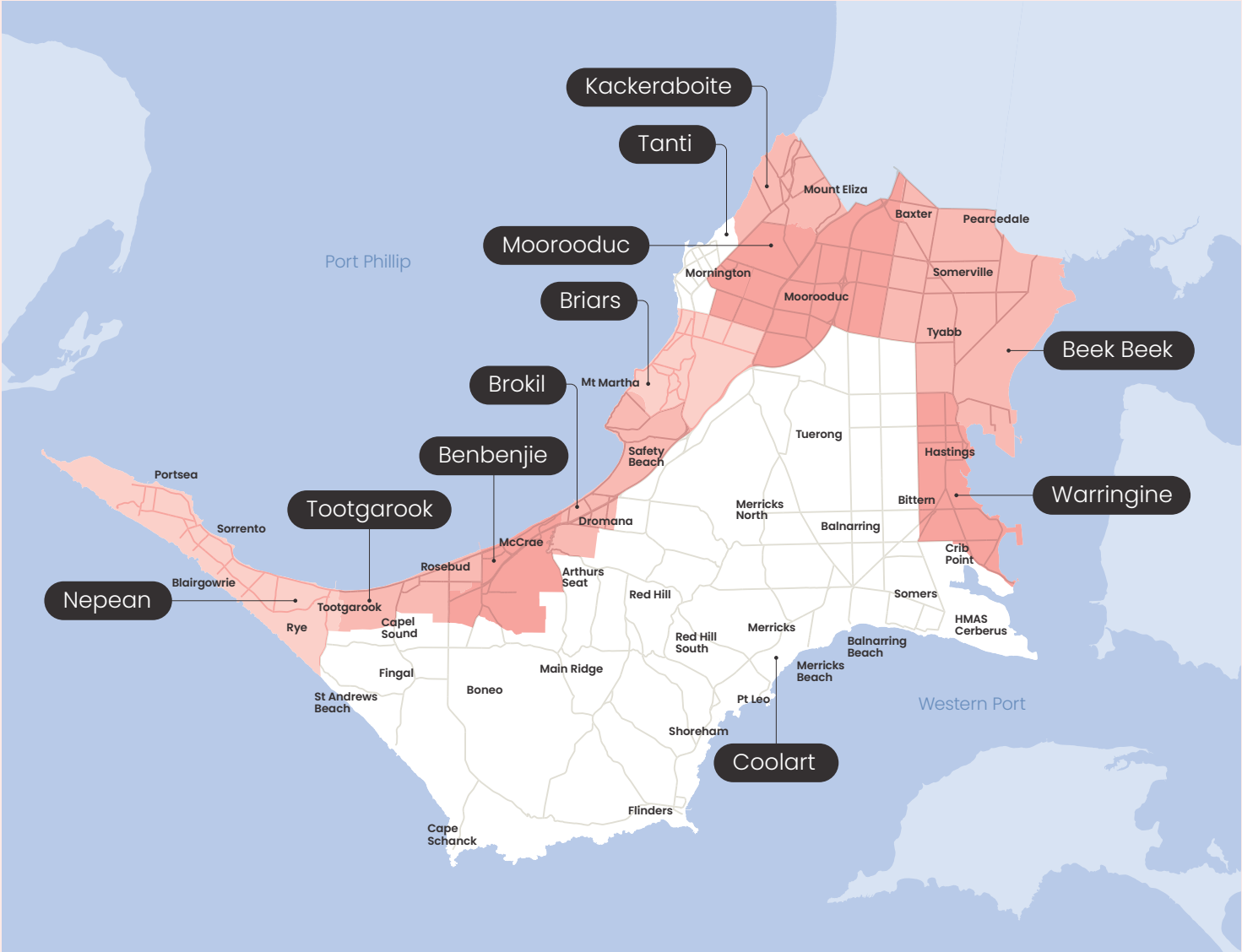


Cr. Michael Stephens
Warringine Ward

For more information visit:

mornpen.vic.gov.au/ourcouncillors

Our Wards



About the Mornington Peninsula

The Mornington Peninsula is located on the land of the Bunurong people. It sits on the fringe of Melbourne’s outer southern suburbs and spans 723 square kilometres, with 192 kilometres of coastline along Port Phillip Bay, Western Port and Bass Strait. Around 70 per cent of the Peninsula is rural and Green Wedge, with the remaining 30 per cent made up of 40 townships and villages.

The region includes more than 1,735 kilometres of roads and 700 kilometres of pathways. The Peninsula has a population of more than 175,000 people, with significant seasonal population increases due to tourism and holidaymakers. Townships range from Mount Eliza to Portsea, and from Baxter and Hastings to Crib Point and Balnarring. Larger population centres such as Mornington, Rosebud, Hastings and Sorrento are complemented by smaller communities such as Flinders, Merricks, Red Hill, Somers, Shoreham, St Andrews Beach and Tuerong.

The Peninsula is known for its distinct coastal villages, sandy beaches, lush parklands, vibrant arts scene and a proud First Nations history, which is reflected in Bunurong cultural heritage and significant sites.

Mornington Peninsula, although classified as metropolitan by the state government, is predominantly rural and regional in character, meaning the local community does not yet have full access to many services available in metropolitan Melbourne, often requiring residents to travel outside of the municipality for key services.

For more information, visit:
mornpen.vic.gov.au/ourpeninsula



\$3.3 billion of infrastructure assets



\$1.4 billion investment over the next 10 years



\$1.5 billion of transportation assets



\$918 million of stormwater assets



\$741 million of buildings and facilities assets



\$176 million of open space assets

Our Values

The Mornington Peninsula Shire is committed to upholding the highest standards of performance, behaviour and service. To guide us in achieving exceptional outcomes for the community, we follow five core organisational values that are integral to everything we do.



Integrity

We take ownership and responsibility for our decisions; keep our promises; and hold each other accountable to the highest standards of performance.



Courage

We give honest advice; make tough calls with conviction; stand by our decisions; admit if we get it wrong; and challenge ourselves to explore new ways of thinking.



Openness

We share knowledge and learning for the benefit of all; actively engage with our community; and are transparent in our decision making.



Respect

We treat everyone with dignity, fairness and empathy; look out for our safety and wellbeing; and nurture positive and inclusive relationships.



Excellence

We provide exceptional customer service; strive for innovative team outcomes for the betterment of our community; and step up to lead where we recognise an opportunity for improvement.

Our Services

Mornington Peninsula Shire is primarily a service-based organisation. We deliver about 150 services (including both services delivered directly to the community and internal support services) in support of achieving our Community Vision. These are grouped into 40 high-level service areas, including the following 22 that directly engage with the community.

We aim to deliver high-quality services that balance community needs with strategic direction, innovation and long-term financial sustainability.

Liveable Communities

- Economic Development and Business Support
- Land Use Planning
- Open Space
- Transport Connections

Community Health and Safety

- Animal Management
- Building Safety
- Child and Family Health
- Community Safety
- Emergency Management
- Public Health
- Public Works

Community Wellbeing and Connection

- Arts and Cultural Development
- Community Development
- Community Services
- Early Years
- Libraries
- Positive Ageing
- Recreation and Leisure
- Youth Services

Sustainable Environment

- Circular Economy and Waste Management
- Climate Action and Advocacy
- Environment Management



How assets support services

For services to operate efficiently and effectively, it's essential to identify and manage the assets that support them. This ensures we're providing the right assets, in the right places, and to the right standard.

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

Asset Class	Service Provision
Transportation	Facilitates the safe and equitable movement of people and goods within and through the Shire.
Buildings and Facilities	Provides suitable accessible, inclusive, and welcoming spaces in which we can provide services both to and for the community.
Stormwater	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.



Strategic Overview

Integrated Strategic Planning and Reporting Framework

Under the *Local Government Act 2020*, Councils are required to:

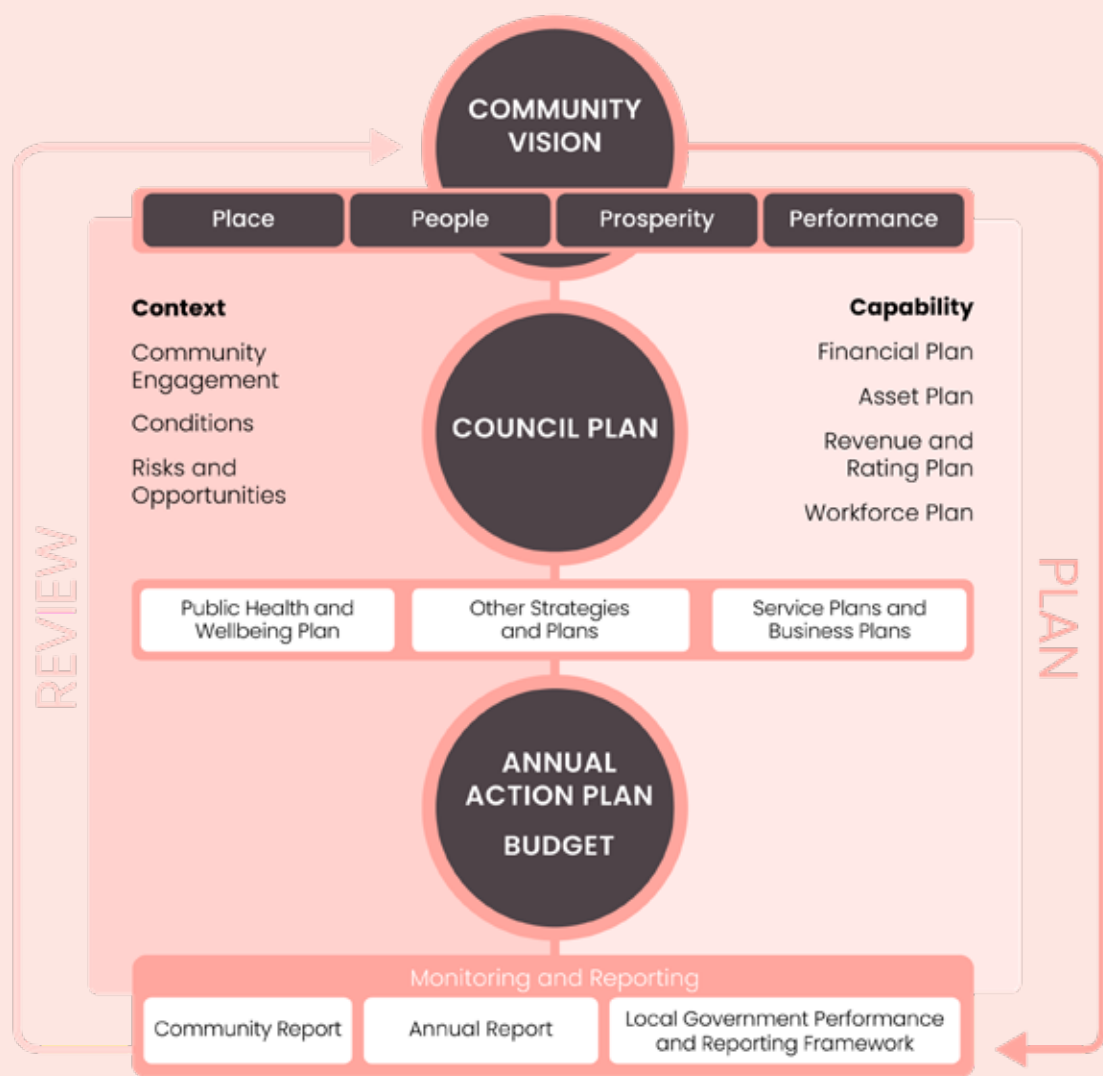
- Align all strategic planning with the Community Vision.
- Use an integrated approach to planning, monitoring and performance reporting.

To meet these requirements, we use the Integrated Strategic Planning and Reporting Framework. This helps us to stay focused on achieving our shared Community Vision and ensures we regularly monitor

our progress and report back to the community.

Councils must also prepare strategic management plans, including a Financial Plan and an Asset Plan.

This Asset Plan meets the requirements of Section 92 of the *Local Government Act 2020*, which requires Councils to adopt an Asset Plan by 31 October following each election. It provides a long-term strategic and financial view of how we will manage our infrastructure assets over the next 10 years and beyond.



Key Strategic Plans

This Asset Plan is one of several key strategic documents that work together to guide Council's long-term planning, investment and service delivery. The table below shows how these documents relate to and support this Plan.

Key Element	Description	Relationship to the Asset Plan
Community Vision	Identifies the community's long-term aspirations and goals.	Helps us to understand and prioritise our long-term asset needs.
Council Plan	Outlines the community outcomes and strategic priorities Council will focus on during its four-year term.	Provides the strategic objectives that form the basis for setting asset management objectives and defining asset requirements over the medium-term (4 years).
Financial Plan	Provides a long-term view of expected available resources and how they will be allocated and prioritised over the next 10 years.	The Asset Plan and Financial Plan are closely linked. The Asset Plan identifies required asset funding, while the Financial Plan guides available funding. Any gap between the two is addressed in the Asset Plan.
Workforce Plan	Specifies the staffing required to deliver the outcomes outlined in the Council Plan.	Identifies the human resources needed to implement asset management and support service delivery.
Supporting Strategies	Detail the specific initiatives and actions needed to achieve our medium – and long-term objectives. See the list of supporting strategies section for more detail.	Identifies future asset requirements and informs long-term asset costs within the Asset Plan.
Annual Report	Provides regular, transparent updates on organisational performance.	Provides a mechanism to monitor and report on asset-related performance indicators, promoting accountability and transparency.

To view the Shire's full list of strategies and plans, visit:
mornpen.vic.gov.au/strategyplanlisting

Community Vision

Welcome (Wominjeka).

We celebrate, protect and enhance our unique blend of coast, hinterland, Green Wedge and heritage – fostering our diverse culture and connected villages, townships and community.

We are committed to supporting community groups, sustainable and balanced growth, a vibrant local economy, fit-for-purpose infrastructure, and ensuring a prosperous, safe, accessible and inclusive future for all.

Our Community Vision can be themed into the following groupings, forming Council's strategic direction.

Place

Celebrate, protect and enhance our unique blend of coast, hinterland, Green Wedge and connected villages and townships.

People

A safe, accessible, inclusive and engaged community that fosters our diverse culture, supporting health and wellbeing and a connected and compassionate society for all.

Prosperity

Enabling balanced growth through innovation, empowering community groups and volunteers, and fostering a resilient, thriving and vibrant local economy.

Performance

A transparent, accountable council delivering measurable, community-centred services that are cost-effective, fit-for-purpose, future-proofed and responsive to community needs.



Council Plan

The Council Plan sets our strategic direction for the next four years. It is made up of several parts, including strategic objectives and strategies, that together show how we will deliver on our shared Community Vision.

Place – Strategic Direction 1

Strategic Objective 1.1:

Protected, resilient and enhanced natural environments.

Strategic Objective 1.2:

Connected townships with integrated and accessible transport and well-maintained infrastructure.

People – Strategic Direction 2

Strategic Objective 2.1:

A safe, accessible, inclusive and healthy community.

Strategic Objective 2.2:

An engaged and connected community.

Prosperity – Strategic Direction 3

Strategic Objective 3.1:

A vibrant, innovative and thriving local economy.

Strategic Objective 3.2:

Valued partnerships and empowered community groups and volunteers.

Performance – Strategic Direction 4

Strategic Objective 4.1:

A financially sustainable, high-performing and well-governed Council.

Strategic Objective 4.2:

Community-centred, responsive, and fit-for-purpose services.

To read our Council Plan, visit:

mornpen.vic.gov.au/councilplan



Supporting Strategies

The Asset Plan supports a range of other strategic documents, including but not limited to:

Strategies	Purpose
Asset Management Strategy	To outline how Council delivers services through its infrastructure assets.
Beyond Zero Waste Strategy	To promote and work towards a zero-waste circular economy to preserve our environment and strengthen the local economy.
Biodiversity Conservation Plan	To protect and improve the resilience of the Peninsula's natural environment and biodiversity.
Community Facilities Infrastructure Strategy	To create, support and maintain a network of accessible community facilities.
Flood and Stormwater Strategy	To provide various tools to mitigate risks of flooding.
Green Wedge Management Plan	To support the ongoing protection of the Green Wedge to maintain its environmental, agricultural, recreational and tourism value.
Integrated Transport Strategy	To create an integrated and safe transport network and advocate for improved transport options.
Integrated Water Management Plan	To manage our beaches and foreshores to ensure they are safe, accessible, enjoyable & resilient to the impacts of coastal change.
Mornington Coastal Management Plan	To guide the future management, use and development of the Mornington foreshore.
Open Space Strategy	To maintain and enhance our public open spaces.

Strategies	Purpose
Sports Capacity Plan	To provide a strategic approach to the upgrade and provision of new sporting facilities
Our Coastal Our Future Coastal Strategy	Manage our beaches and foreshores to ensure they are safe, accessible, enjoyable & resilient to the impacts of coastal change
Pedestrian Access Strategy	To enhance and expand a safe and accessible walking network across the Peninsula.
Peninsula Trails Strategic Plan	To provide a framework to guide the delivery of the Mornington Peninsula Trails
Property Strategy	Assist Council to align actions relating to its extensive property portfolio with the goals of the Council Plan and broader policy objectives.
Road Improvement Strategy	To improve the quality of our roads.
Road Management Plan	Set Minimum service standards, for roads and road related assets
Towards Zero Road Safety Strategy	To provide a framework for the policies and actions aimed at reducing road trauma.
Urban Forest Strategy	To increase resilient canopy cover across the Peninsula.

Plan Overview

The Asset Plan is a strategic and financial document that guides how we manage infrastructure assets owned and maintained by the Mornington Peninsula Shire over the next 10 years. It aligns with our Asset Management Framework and supports the delivery of the Council Plan and our shared Community Vision.

We currently manage approximately \$3.3 billion in infrastructure assets. Based on current forecasts, we expect to invest around \$1.4 billion over the next 10 years on renewal, growth and ongoing maintenance.

Our assets range from major networks like roads and buildings to local assets like park furniture and play equipment. This Plan focuses on four key infrastructure areas:

- Transportation
- Stormwater
- Buildings and Facilities
- Open Space

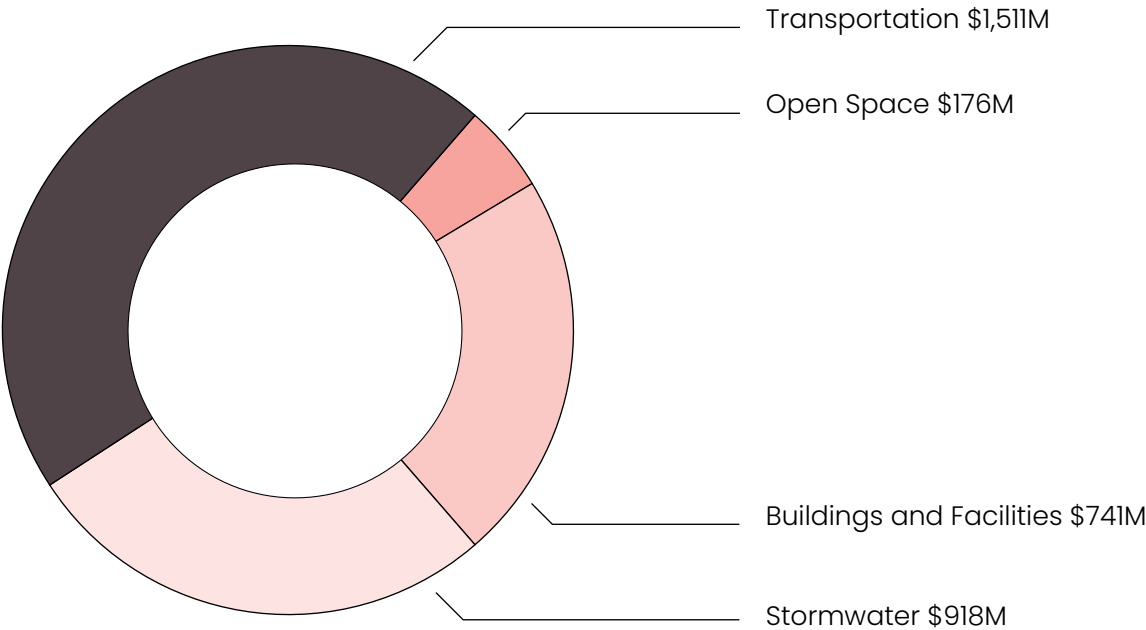


Figure: Overall value of assets in each of the four key infrastructure areas

Our infrastructure underpins the services we deliver and must be well-cared for to remain safe, functional and fit-for-purpose. Managing the long-term costs of these assets is a financial challenge, which is why we plan, maintain and invest in infrastructure with its full lifespan in mind (from construction through to renewal or replacement). We prioritise community outcomes and promote resilience and economic, social and environmental sustainability.

This Asset Plan is based on our current understanding of asset performance and several key assumptions and forecasts. As we improve our asset data and adapt to changing internal and external factors, these assumptions may need to be updated.

The Asset Plan outlines how we will:

- Responsibly manage infrastructure to meet service needs of our community now and into the future in a cost-effective way.
- Define services and service standards and monitor performance.
- Summarise the operating and capital expenditure requirements for our assets.
- Integrate our asset management planning outcomes with our strategic objectives, ensuring alignment with the Financial Plan and Annual Budget.
- Align asset management with relevant Council, regional and government strategies, policies and plans and legislative obligations.
- Ensure assets are resilient to both current and future climate impacts.

What is Asset Management?

Asset management combines management, financial, economic, engineering, and other practices to deliver infrastructure services in a cost-effective manner. It aligns strategic planning with real-world needs of infrastructure and service delivery, ensuring we meet the right service levels, maintain performance and make our assets last.



Our infrastructure underpins the services we deliver and must be well-cared for to remain safe...

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 define 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.
- 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.

Development of the Plan

We developed this Plan with the help of more than 3,000 community members who shared their ideas, concerns, and priorities with us in early 2025.

These conversations took place as part of a two-month community engagement process that also helped shape the Council Plan, Public Health and Wellbeing Plan and Financial Plan. We used a mix of broad and deliberative engagement methods to better understand the challenges our community faces and the opportunities we can work on together.

Council is committed to involving the Mornington Peninsula community, wherever possible, in decisions that affect them. This engagement was a testament to that commitment, bringing together valuable community insights to guide our planning for the future.

How we engaged

- We connected with people in a range of ways to ensure a broad and diverse mix of voices were heard:
- 1,569 responses to our online survey
 - 930 conversations at our 18 pop-up locations
 - 262 postcards completed by primary school aged children

- 44 children took part in kindergarten group activities
- 70 responses to our youth survey (12-17 years)
- 3 in person Community Conversations as part of our deliberative engagement

We heard from people across all ages, genders, backgrounds and abilities—reflecting the diversity of the Mornington Peninsula.

What we heard

- Community members told us their top priorities are:
- Better management of Shire roads and infrastructure.
 - Improvements to how Council operates.
 - Protecting our natural environment and the Green Wedge.
 - Ongoing management of waste services.
 - Better transport options including path and trails.

You can read more about what we heard in the Community Engagement Findings Report at: mornpen.vic.gov.au/councilplan

Community Satisfaction Results

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 2023/24 survey told us:

Things that we are doing well	Things that we need to look at improving
Recreation centres and/or aquatic centres	Maintenance and cleaning of public areas
Community centres and neighbourhood houses	Drains maintenance and repairs
Sports ovals and other local sporting facilities	Provision and maintenance of street trees
Outdoor recreation facilities	Maintenance and repair of unsealed local roads
Local traffic management	Maintenance and repairs of sealed local roads
Street sweeping	Public toilets
Street lighting	Footpath maintenance and repairs

Community Priorities



In this Asset Plan we have increased allocations for transportation assets that include roads, paths and trails within the 10-year forecasts to address the community priorities identified through the engagement and the Community Satisfaction Survey.

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. This is to ensure 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 \$426.82 million on maintaining, renewing and improving our roads, paths and trails. This is to make sure that they are safe and provide an improved network for people to move safely around the Shire.

...ensure that we stay within the affordability limits set out in the Financial Plan.

Asset Planning

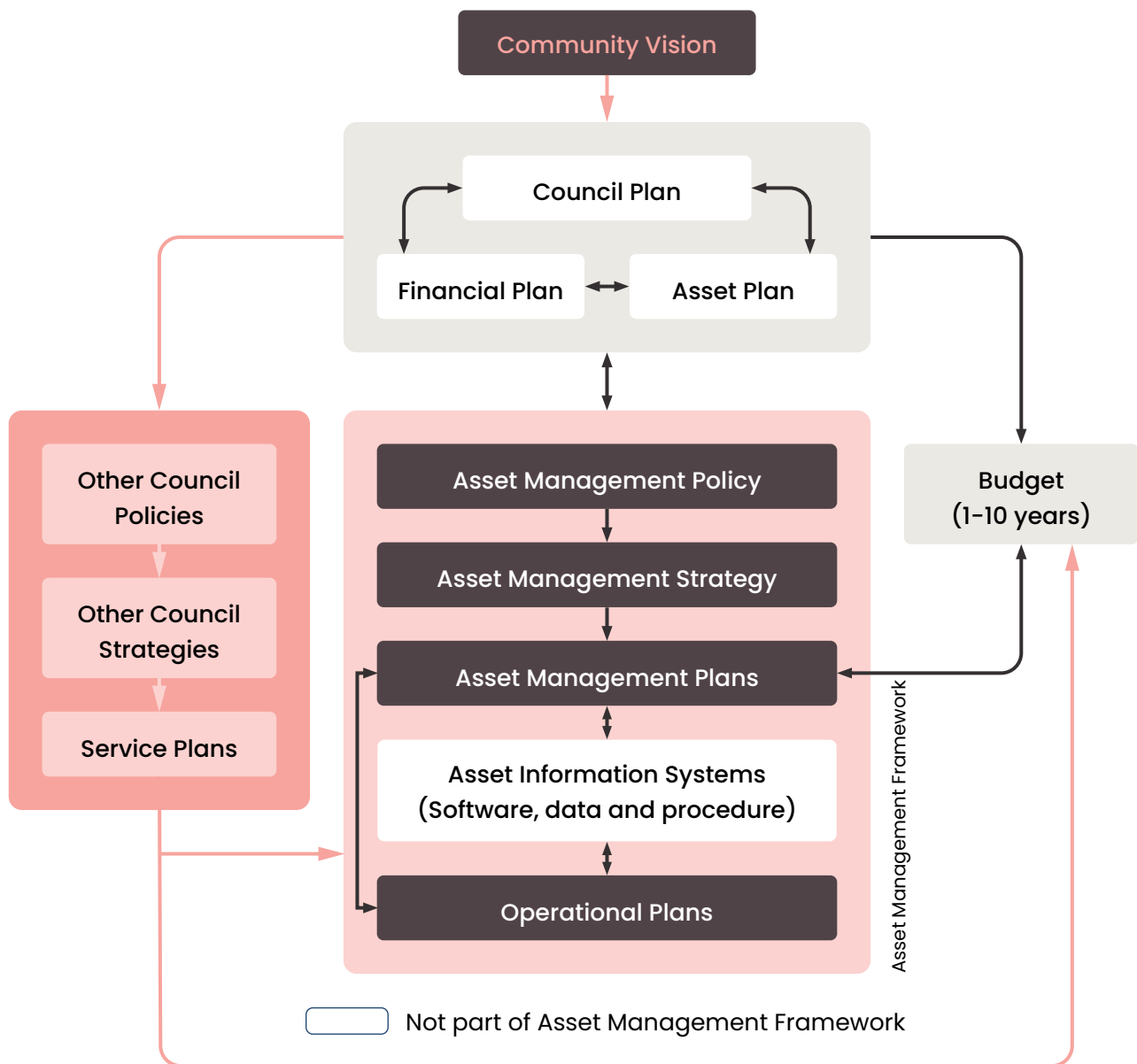
Asset Management Planning Framework

Our objective is to manage our assets in a way that meets agreed service levels in the most cost-effective way for the benefit of our community.

Asset management planning begins by understanding the needs of our stakeholders, alongside our legal requirements. These inputs

shape our organisational priorities and guide the development of our asset management policies, strategies, and plans.

The outcomes of this process directly inform our Asset Plan, Financial Plan, and Budget.



Asset Management Principles

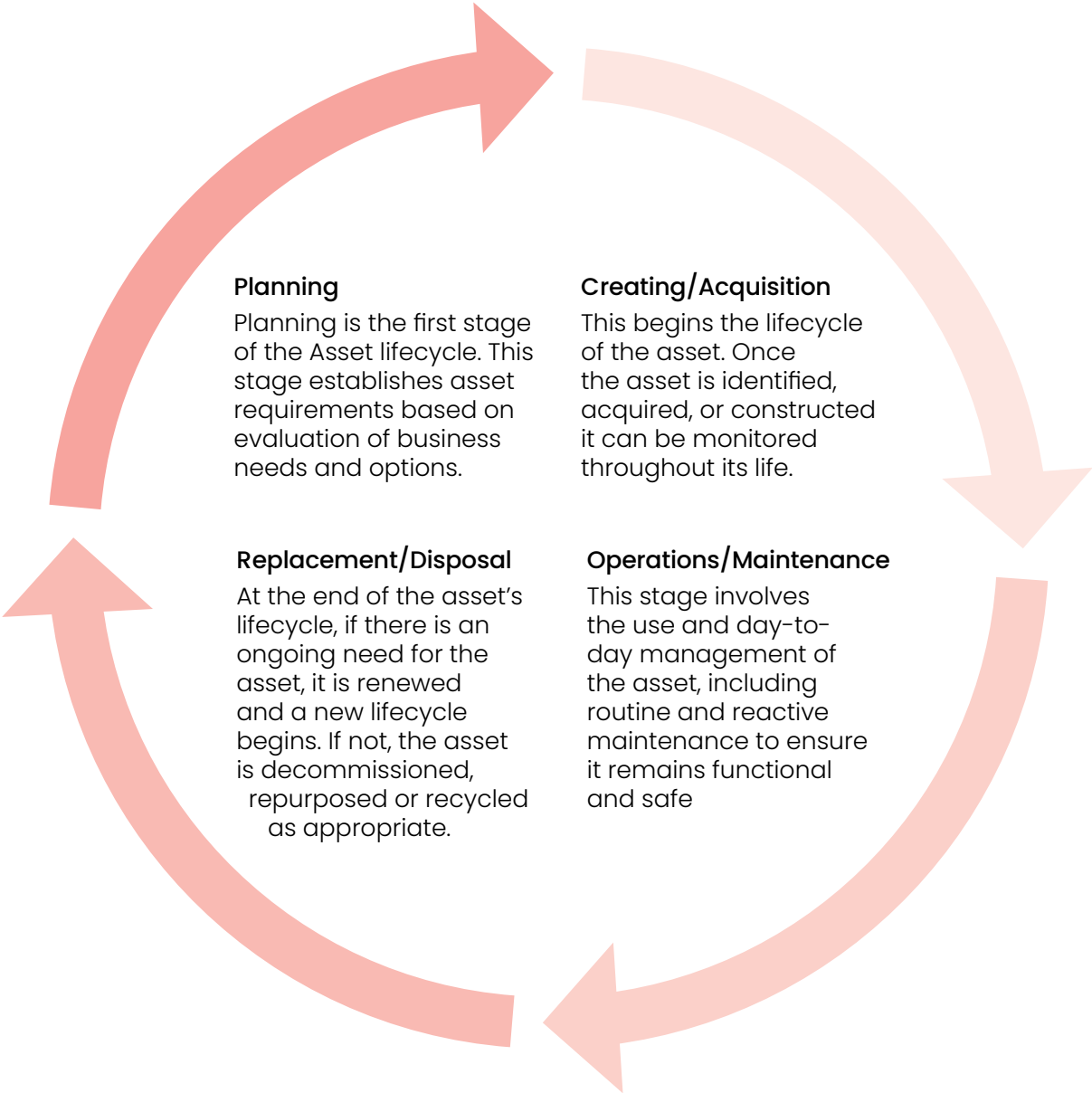
We are committed to making all asset-related decisions in accordance with the principles outlined in our Asset Management Policy. Our approach to asset management is:

- **Leadership driven:** Accountability and responsibility for assets is clearly established. Asset planning is integrated with corporate, financial, business and budgetary planning, with a focus on continuous improvement.
- **Service led:** Asset decisions are guided by service delivery needs, ensuring outcomes remain community focused.
- **Risk informed:** Risk management is embedded in the way we work and how we make decisions.
- **Information based:** Planning is supported by objective asset data on our assets, with systems in place to monitor lifecycle costs and performance.
- **Whole-of-life focused:** Each asset's full lifecycle is considered to meet both current and future needs.
- **Climate aware:** considering both the impacts that climate change has on assets and the contribution assets make to climate change.



Lifecycle Management

Our asset management approach is based on lifecycle decision-making: planning for each stage of an asset's life, from acquisition to disposal. This ensures we can deliver required service levels in the most cost-effective way.



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.
- Projects are comprehensively defined to ensure 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 to 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.
- We seek to maximise the use of our assets through adaptive reuse or co-location of services where appropriate.
- Assets that do not directly support core service delivery are considered for decommissioning or rationalisation.

We aim to manage assets throughout each lifecycle phase in a way that proactively manages risks and realises opportunities. Our approach to planning infrastructure assets is service led, ensuring service delivery needs form the basis of all asset management decisions.

Asset Hierarchy

To make it easier to track, monitor and report on our assets, we have grouped them into different classes and categories. This structure is known as our Asset Hierarchy and is shown below.

Transportation	Open Space	Buildings and Facilities	Stormwater
Roads	Parks and Streetscapes	Buildings	Drainage
Roadways	Park Assets	Major Buildings*	Underground Drainage
Road Inventory	Streetscapes	Minor Buildings	Drainage Structures
Footpath and Cycleways	Recreation and Leisure		WSUD†
Pathways	Active		
Path Structures	Passive		
Bridges	Marine Structures		
Bridges and Major Culverts	Protection		
	Recreation		

The top level of our Asset Hierarchy is the Asset Class. We have four Asset Classes, each with its own Asset Management Plan.

The next level down is the Financial Category. This is the level at which infrastructure assets are reported in our financial statements and where asset expenditure is categorised in annual budgets and long-term forecasts.

* Major buildings include such things as community facilities; sports pavilions; early years facilities; YAWA; Somerville Recreation Centre; etc.
† Water Sensitive Urban Design

Asset Management Plans

Most of our asset management activities are managed at an asset class level. We have developed individual Asset Management Plans, each covering a 10-year planning horizon, to support the effective management of our assets throughout their lifecycle. These plans outline the operating and capital expenditure requirements for our:

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

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

The key planning and financial outputs from these plans inform this Asset Plan, resulting in a long-term planning framework. This framework includes expenditure forecasts to support informed decision-making for future maintenance, renewal and capital projects. This information informs our Financial Plan, Annual Budget, and annual plans.



...support
the effective
management
of our assets
throughout their
lifecycle...

Service Planning

The Shire is a dedicated service organisation committed to delivering high-quality, community-centred, and responsive services. Services are the mechanisms through which value is delivered, enabling desired outcomes for customers. Their effectiveness is closely tied to the condition and performance of supporting assets.

By aligning assets with service delivery, the Shire adopts an integrated approach to service planning, one that is responsive to evolving trends, demands, and community expectations. This approach ensures a high standard of stewardship, with assets that are fit-for-purpose and centred on the needs of the community.

Levels of Service

Levels of service describe the standard or quality of assets and services we provide to the community.

We use Key Performance Indicators to measure how well we're meeting these standards.

Understanding levels of services helps us plan for the future. By engaging with the community, we can

determine the minimum levels of service that residents and ratepayers are willing to support financially, through either general rates or user charges.

These levels provide the basis for planning the lifecycle management of assets and work programs. They enable us to monitor and report on our performance.

Relationship to Asset Planning

Levels of service are integral to the development of detailed asset management strategies. These levels need to be established in collaboration with the community, considering factors such as:

- Strategic vision and objectives.
- Legislative requirements.
- Technical constraints.
- Financial and practical constraints.

It's important to note that our current strategic and service objectives, as outlined in the Community Vision and Council Plan, are yet to be sufficiently tested to determine their financial sustainability or

community's 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.

Future Challenges and Opportunities

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

Mornington Peninsula Shire has identified six key challenges and opportunities that have the potential

to affect demand on the Shire’s services, the assets that support those services and our ability to meet the community’s needs. They present a potential impact to our ability to continue to manage assets at the current levels of service, but also provide us with an opportunity to improve our current practices.

Demographics

Population Growth

Mornington Peninsula Shire is estimated to be home to 175,153 people in 2025. This population is expected to increase by 5% over the next 10 years, reaching an estimated 185,395 people in 2036. The flow on

effect from this population increase needs to be considered in the planning of our services and assets. The Mornington Peninsula Shire forecast population, households and dwellings are as follows:

Summary	2026	2031	2036	2041	2046
Population	176,389	181,032	185,395	189,200	192,617
Change in population (5yrs)		4,643	4,362	3,806	3,417
Households	72,870	75,316	77,661	79,849	82,033
Average household size	2.35	2.33	2.31	2.29	2.27
Dwellings	96,129	99,024	101,996	104,817	107,605

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 48, 11 years higher than the median for Greater Melbourne. The population includes significantly fewer people aged 20-39 and more people aged 60 and over.

Over the next 10 years, while 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 10% (and 85+ by almost 18%). This will have a significant impact on our assets as there will be a growing need to ensure our assets meet the seven principles of universal design, including equitable use and flexibility in use.

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 municipalities (particularly the significant increases in Cardinia Shire Council and the City of Casey) is very likely to greatly increase visitors to the Peninsula.

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 meeting 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 deterioration of those

assets. We will take future-focused approach to asset management decisions, including multi-use, low maintenance and adaptable assets to mitigate the issue.

Change in the age structure of the population will mean it is critical for us to plan age-based facilities and services that promote access and equity.

Climate Change

Climate change is one of the most significant challenges facing society today, as we collectively work out how to manage the increased physical, financial and transitional risks. Local government plays a critical role in responding to these risks. Under the Local Government Act 2020, councils are required to promote the economic, social, and environmental sustainability of the municipality, including the mitigation of and planning for climate change impacts. This responsibility is further reinforced through the Municipal Public Health and Wellbeing Plan and the Climate Change Act 2017. Considering climate impacts is therefore essential when planning for the future of our infrastructure assets.

Climate Change Impact on Our Assets

In the future we can expect more frequent and more extreme weather events, such as bushfires, heatwaves, droughts, floods, storms, and coastal inundation.

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

- Increased energy costs to heat, cool and manage buildings as average temperatures continue to increase in all seasons.
- Reduced useful asset life.
- Increased insurance costs.
- Reduced quality of sporting fields and public gardens due to a net decrease in rainfall.
- Severe rainstorms affecting key infrastructure including roads, drainage, rail, telecommunications causing disruption to essential services.
- Inundation of facilities, roads, shared paths, foreshore reserves and boating facilities resulting from continued storm surge and sea level rise. This may also result in flooding as coastal waters are pushed back along stormwater drains.
- A combination of drought and severe rainfall impacting soil stability and causing landslides.

Our Assets' Impacts on the Climate

We are required to avoid and reduce emissions and improve our climate resilience. This includes designing and constructing our assets to:

- Consider local climate risks and impacts to improve asset and community resilience.
- Using low carbon and recycled content to reduce carbon footprint.
- Using best practice stormwater management to improve stormwater quality and flow outcomes.
- Integrate blue (ponds, lakes, storm drainage, etc.) and green (plant, trees, etc.) design principles to enhance resilience and support healthy ecosystems.
- Protect, grow and enhance natural assets to improve canopy cover, urban cooling and biodiversity outcomes.

What does this mean?

Identifying high risk assets, vulnerable to specific climate hazards and reporting on risk reduction and financial impact through embedding resilience.

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 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.

Supporting Strategies

The strategies guiding our actions on climate resilience and environmentally sound assets include:

- Implementing the Carbon Neutral Policy to assess and report carbon emissions for projects and programs and across the organisation.
- Implementing the Integrated Water Management Plan to outline how we will sustainably manage and optimise water use.
- Implementing the Flood Resilience and Integrated Stormwater Management Strategy to deliver strategic flood mitigation and drainage improvement projects.
- Implementing our Environmentally Sustainable Design (ESD) Policy to embed climate change mitigation and adaptation into our assets.
- Designing new facilities to be all electric to reduce the reliance on natural gas as a source of energy and to include renewable energy generation and storage where applicable.
- Developing an Integrated Transport Strategy that will create an integrated and safe transport network and advocate for improved transport options.

Asset Vulnerability Assessment

We have collaborated with our partners in the Southeast Councils Climate Change Alliance (SECCCA) to develop a framework to assess asset vulnerability. Vulnerability ratings of each asset informs our risk rating and ongoing renewal, replacement and disposal costs. This project developed tools and approaches to understand how each asset class (buildings, drainage, local roads, open space and coastal assets) will be impacted by various climate scenarios.

The tools are being used to attribute a rating to identify vulnerability of individual assets to key climate impacts including extreme temperature, extreme rainfall, drought, flooding, sea-level rise and coastal inundation. This information supports long-term planning by evaluating the impact of climate hazards on asset lifecycles and the financial implications of integrating resilience into asset renewal programs. It also guides the development of asset-specific mitigation strategies to enhance resilience, extend asset life, and clarify associated costs.

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 government's 'Aged Care Reform' or the state government's '3-year-old Kindergarten' program can increase or decrease the service local government is required to provide.

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 expenditure on assets that support this service including sports pavilions.

Legislative Changes

Legislative changes can affect both the nature and extent of services we provide. They also influence how we plan and deliver services, which in turn impacts how we plan and manage our assets.

Cost Shifting

When state or federal governments transfer service responsibilities without providing sufficient funding—whether due to policy changes or the implementation of new programs—it can significantly impact our asset planning process and service delivery capabilities.

What does this mean?

Our service planning will need to be responsive to emerging trends and changing requirements. Linking services to assets enables more effective asset planning and management, while also providing a clearer understanding of the true cost of service delivery.

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.



As a
continuously
improving
organisation, we
strive to provide
services that
matter...

Economic Climate

Despite the increasing demand to deliver more services, local government is facing economic difficulty just to maintain current service levels. This is due to the challenging economic climate, exacerbated by a rate capping environment and ageing infrastructure.

Rate Capping

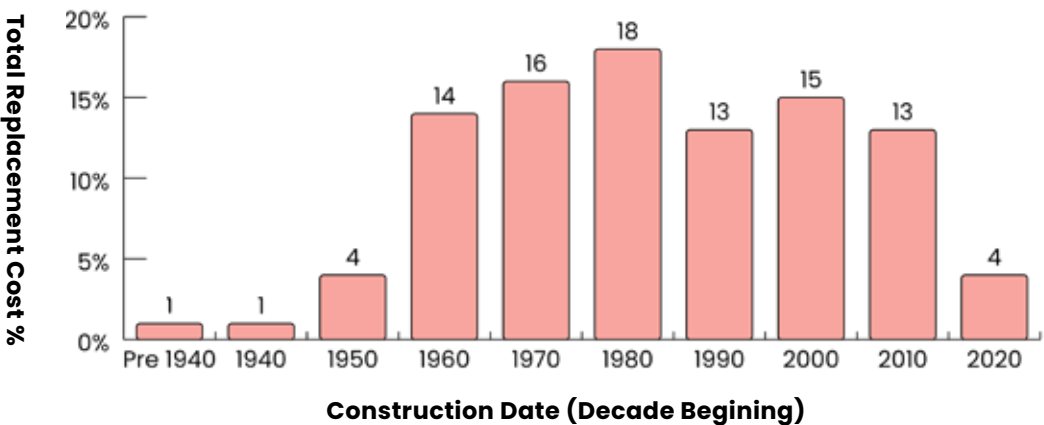
Rate increases for the Shire are capped at the consumer price index (CPI). However, the costs for service delivery, particularly those related to asset construction and maintenance, have been increasing at a rate greater than CPI. This not only creates a financial liability, as our expenditure grows faster

than 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.

Ageing Infrastructure

The other economic factor facing the Shire is meeting the renewal requirements of an ageing asset portfolio. As our 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. Approximately 67% of Shire existing assets were originally constructed between 1940 to 1990.

Shire Infrastructure Assets Age Profile



What does this mean?

Rising costs, reductions in own source income due to rate capping, changed patterns of use, and ageing infrastructure 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.

Council will conduct a comprehensive service review to identify efficiencies in service delivery, ensuring that essential community services are adequately funded.

Additionally, Council will emphasise long-term sustainable financial planning by prioritising the renewal of existing and ageing assets.

Council will also explore the consolidation of services and the rationalisation of surplus assets to minimise operational and replacement costs. Additionally, proceeds from property sales will be reinvested into assets that support essential services.

Future Technology

Future technologies will greatly change the landscape through which we deliver services and manage 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 using the application of emerging technologies, like Artificial Intelligence to streamline compliance and performance reporting to optimise asset investment strategies, and remote data collection, including drone-based inspections and geospatial mapping in improving visibility and in supporting proactive asset planning. 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.

Unknowns

Aside from the above future demands, there are always unknown circumstances that arise which impact 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.

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 committed to sharing the benefits of technology across our community by implementing emerging technologies that enhance accessibility and improve the delivery of our services.

We are committed to sharing the benefits of technology across our community

State of Our Assets

Our infrastructure asset portfolio represents not only a significant community investment, but also a substantial financial asset for Council with an estimated replacement value of \$3.3 billion.

- GOOD** – Adequate for now
- FAIR** – Needs some maintenance
- POOR** – Approaching end of life

Open Space

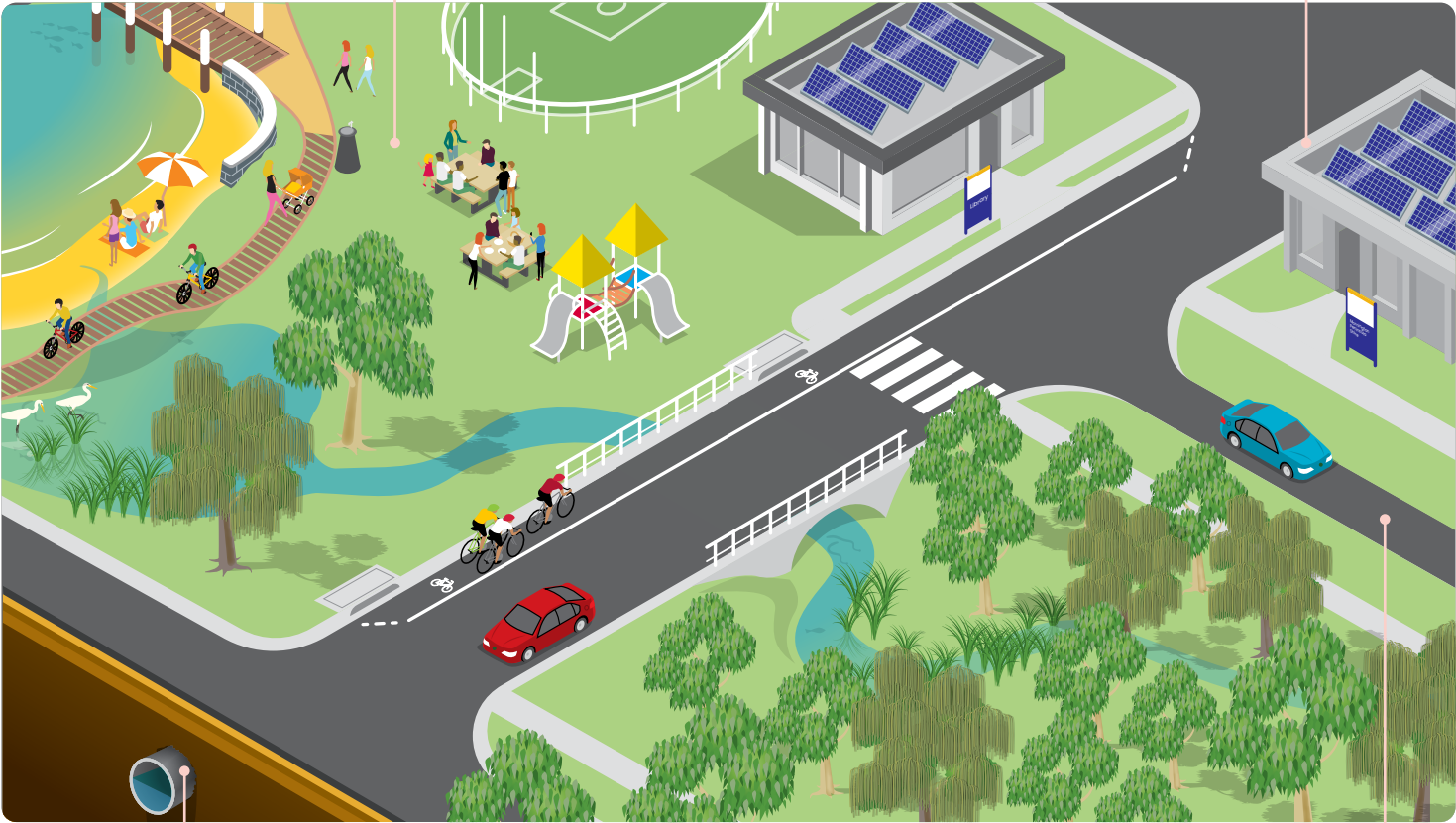
Total Replacement Cost: \$175.8M
Includes: Sporting fields, playgrounds, park furniture, etc.

Current average network condition:
GOOD

Building and Facilities

Total Replacement Cost: \$741.1M
Includes: 413 major and 505 minor buildings/structures.

Current average network condition:
FAIR



Stormwater

Total Replacement Cost: \$918.0M
Includes: 1,497 km of underground pipes, 60,479 drainage pits.
The current knowledge of condition is mainly based on age.

Current average network condition:
GOOD

Transportation

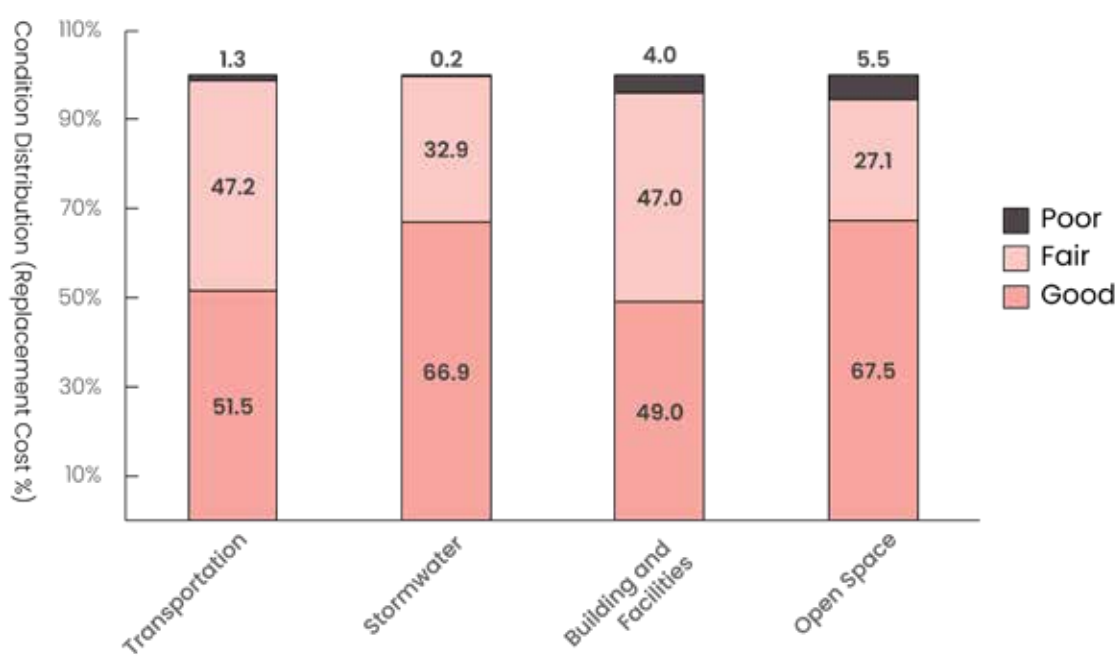
Total Replacement Cost: \$1,511.6M
Includes: 1,735 km of Roads, 700 km of pathways and 38 bridges & major culverts.

Current average network condition:
GOOD

The overall performance of each asset class is further summarised below:

Asset Class	Current Performance
Transportation	98.7% of our transportation assets (sealed roads, kerb & channel, pathways, and bridges) are at or above the desired condition level. While transportation assets have been determined to be in very good condition, over the long term the Pavement Condition Index (PCI) is deteriorating. To reverse this trend, a review of the level of service is required to determine what state of roads the Shire will accept into the future.
Stormwater	Most stormwater assets have a long lifespan. However, water-sensitive urban design assets have a shorter lifespan and will require significant investment for maintenance and replacement. Additionally, flood overlay mapping has identified areas where overland flooding may occur due to capacity limitations.
Open Space	94% of open space assets are at or above the desired condition level. However, future modelling predicts a significant increase in renewal funding requirements to maintain the current service level.
Building and Facilities	96% of buildings are at or above the desired condition level. However, buildings are not funded at a sustainable level. Future modelling predicts a significant increase in renewal funding requirements, indicating that maintaining the current building asset portfolio in the long term is unsustainable. To address this, Council is planning to conduct a service gap analysis to strategically consolidate services and dispose of surplus or older assets.

Asset Condition Distribution



Funding for the Future

This Asset Plan and broader asset management planning principles aim to ensure responsible stewardship of our assets to meet the needs of our community while ensuring that the costs remain reasonable and sustainable for everyone. To provide

services from our infrastructure assets sustainably, we must manage service levels, risks, projected expenditures, and ensure that funding aligns with the goal of achieving financial sustainability.

Our Asset Investment Strategy

Looking ahead to the next 10 years, our approach is to make prudent investment decisions by adopting a holistic lifecycle approach to asset management. This means we will 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:

Aim	Description
Optimise asset life through timely and effective maintenance	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.
Continue to replace ageing infrastructure	Replacing our assets as they reach the end of their useful life will always be our priority. The selection and timing of renewal treatments will be optimised as we continue to improve our decision-making capability through better data and analysis.
Maintain current levels of service	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.
Manage the impacts of growth	Our strategic plans will provide guidance on future asset needs by identifying location and scale of growth. We will continue further work to establish an affordable funding plan to cater to new and improved assets. Contributions from development will be sought to fund necessary infrastructure so that growth pays for growth, and costs are not unfairly borne by established communities.
Comply with legislative requirements	We will action legislated standards in infrastructure planning and development. We will maintain transparent and fair communication with our community for decision-making processes.
Provide sustainable and affordable services	We will continue to develop and maintain our Financial Plan which defines our broad fiscal boundaries. Our Financial Plan will reflect how we are balancing planned investments with ratepayer affordability against community needs and aspirations.
Build resilient infrastructure	Our aim is to create infrastructure that is not only best for our community but best for the planet. We will do this by embedding climate resilience principles in our planning to provide inclusive and sustainable infrastructure.

Capital Investment Principles

Planning for investment in capital works follows our Capital Works Program Development Framework. Our project prioritisation methodology evaluates and scores project proposals according to the criteria

below, with priority given to projects that deliver the greatest value and alignment with our major strategic objectives:

Group	Criteria
Importance	Strategic Alignment
	Customer Experience and Service Benefits
	Strategic Benefits
	Strategic and Operational Risk
Deliverability	Readiness
	Complexity and Delivery Risk
Asset Portfolio Sustainability	Renewal or Disposal %
	End of Life Renewal and Disposal
Financial Return and Offsets	Return on Investment
	External Funding

Our investment decision-making is underpinned by the following principles:

- We will maintain our existing infrastructure and give priority to renewing our assets over new or improvement opportunities where appropriate.
- 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 to maximise the public value of infrastructure investment.
- Proposals are considered in context of existing assets, strategic objectives, and best value.
 - Proposals are subject to rigorous assessment under the Capital Works Program Development Process to ensure both short and long-term feasibility.
 - New capital investment options are developed after objective consideration of viable alternatives, ensuring effective prioritisation.

- Transparent decisions are made to guide the allocation of capital investments.

Projects are scored by the submitter to capture justification, objectively re-scored by the Capital Works Planning Team, then presented to the Evaluation Panel to review and align with strategic objectives based on available funding. This forms the Recommended Capital Works Program which is workshopped with Council to ensure alignment with community needs and feedback, ultimately becoming the endorsed Capital Works Program through this process.

Our approach provides a structured process for evaluating, analysing and prioritising infrastructure

investments within the context of our long-term asset and service needs. It is critical that infrastructure investment decisions are made with a comprehensive understanding of both upfront capital costs and allowances for ongoing operational, maintenance, and future replacement costs.

Expenditure Categories

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

Expenditure Category	Activity	Description
Recurrent	Maintenance	Ongoing expenditure required to keep our assets performing at the required levels of service and 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 that does not currently exist.

Lifecycle Costs

Lifecycle 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 several 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	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.
Acquisition – Upgrade and New	The priority and amount we allocate to improving our assets are guided by our various strategies, plans and community needs. 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.

Financial Projections

The investment we make in our assets represents a significant commitment on behalf of the community. It is fundamental to meeting evolving demands and ensuring the long-term sustainability and usability of our infrastructure.

All financial projections within the Asset Plan are fully aligned with those outlined in the Financial Plan and have been adjusted to account for inflation.

Recurring Expenditure

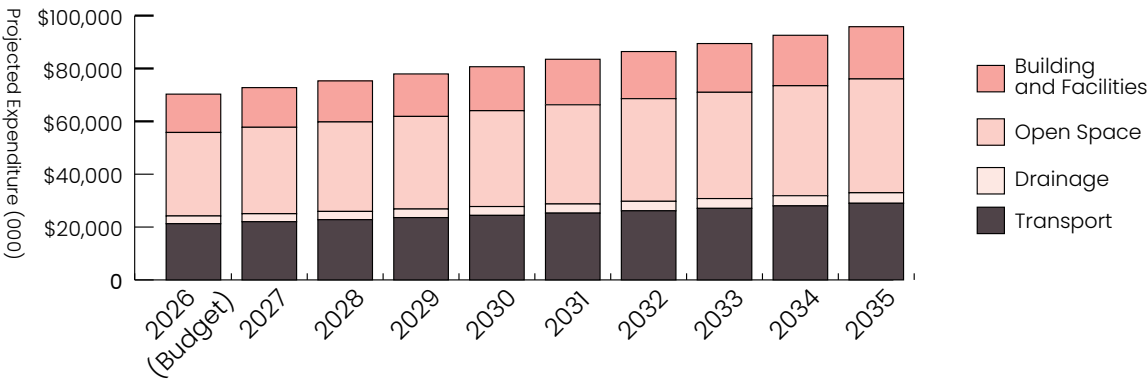
Recurring expenditure includes operational and maintenance costs, covering the regular consumption of materials and routine work required to operate and maintain assets. This includes both

scheduled and unscheduled maintenance to ensure assets continue to meet required standards and community expectations.

To ensure infrastructure assets are effectively maintained and prioritised, the Shire has outsourced most of its asset operations and maintenance through a long-term contract, ensuring the current level of service is maintained throughout the contract duration.

Below is our planned recurring expenditure on infrastructure assets over the next 10 years, as outlined in this Asset Plan. The projections include a 1% asset base growth and a 2.5% inflation rate.

Recurring Expenditure



Renewal Expenditure

Renewal is defined as expenditure on an asset that restores its service potential or lifespan to its original state.

Council assesses projected asset renewal costs through regular asset condition assessments. Detailed asset registers exist for most asset classes, allowing Council to determine the condition rating threshold at which an asset no longer provides an acceptable level of service to the community.

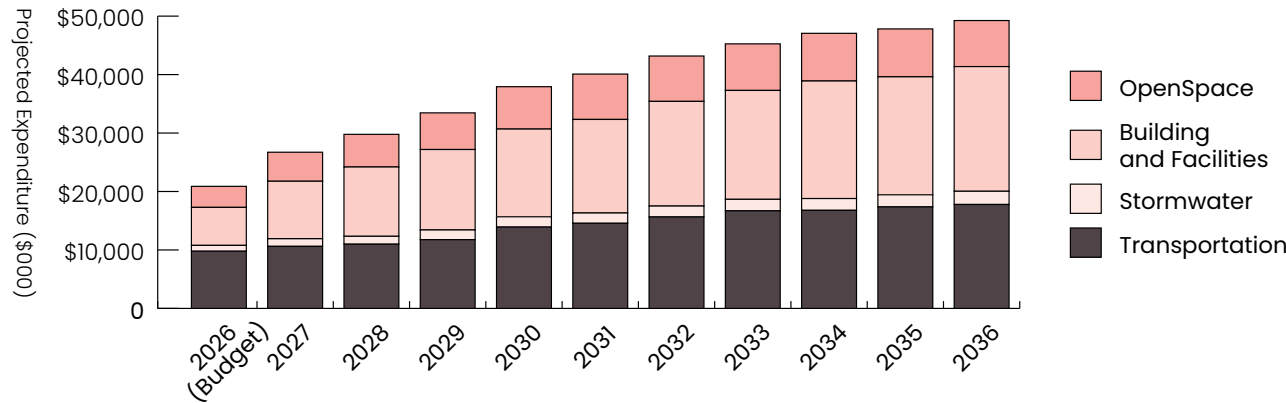
Rising costs, rate capping constraints, shifting usage patterns, and ageing infrastructure are making it increasingly difficult to meet renewal demands. The 10-year renewal requirement is currently estimated at

\$401 million, requiring an average annual investment of \$40.05 million.

The estimates in this Asset Plan reflect the projected asset costs for planned activities over the next 10 years. All identified renewal funding requirements for each asset class have been allocated in the Financial Plan, meaning there is currently no asset funding gap. However, future funding projections may be influenced by the challenges and opportunities outlined in this section.

Our renewal planned expenditure for infrastructure assets covered in this Asset Plan over the next 10 years is shown below:

Renewal Expenditure



Upgrade and New Expenditure

This expenditure covers investment in assets that fall into the following categories:

- Asset upgrade expenditure – enhancing an existing asset to provide a higher level of service.
- Asset expansion – extends or expands an existing asset at the same standard as is currently enjoyed by residents, to a new group of users.
- New assets – creates a new asset that provides a service that does not currently exist.

The priority and funding allocated to improving our assets are guided by our strategies, plans, and community needs. Discretionary projects must go through our investment evaluation process before being included in the capital works program.

Our capital investment principles focus on maintaining existing infrastructure, prioritising asset renewal over new developments or upgrades where appropriate.

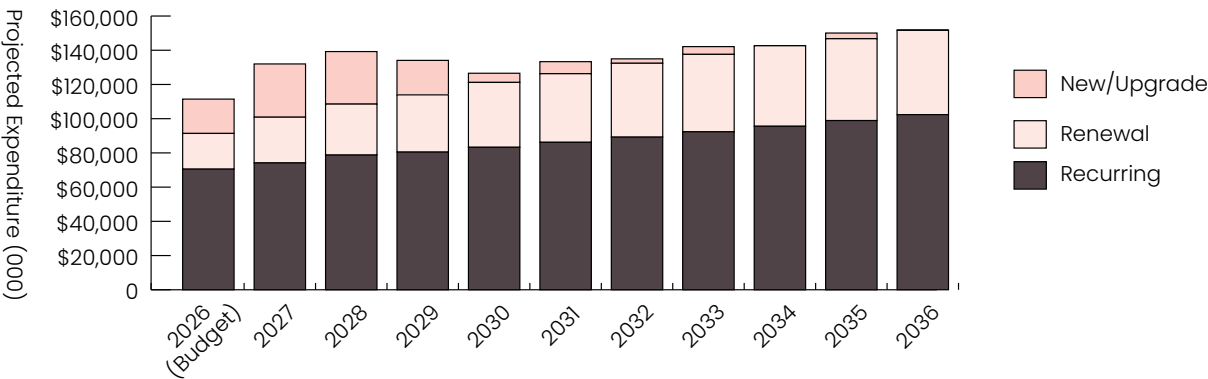
10-Year Lifecycle Expenditure

When making asset-related decisions, Council must focus on optimising long-term costs while maximising community benefits. Current forecasts indicate that the Shire will require an average of \$139 million annually in combined operating and capital expenditure over the next

10 years to operate, maintain, renew, and improve infrastructure to meet community needs.

Our total planned expenditure (including upgrade and new expenditure) across our infrastructure assets included in this Asset Plan over the next 10 years is shown below:

10-Year Planned Spending



This is further summarised in the following table, 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.

Asset Class	Renewal (\$'000)	Acquisition – Upgrade/New (\$'000)	Recurrent (\$'000)	Total (\$'000)
Transportation	146,101	29,026	266,574	441,701
Stormwater	17,996	9,325	37,105	64,426
Buildings and Facilities	164,628	50,248	181,919	396,795
Open Space	71,798	16,419	395,631	483,848
Total	400,523	105,018	881,229	1,386,770

We plan to spend an estimated total of \$1.387 billion on our assets over the next 10 years. Of this:

- Around 63% (\$881 million) is for caring for our assets through ongoing maintenance and other activities to make sure that they are safe and functional.
- Around 29% (\$401 million) is renewal expenditure for replacement of assets that are reaching the end of their lives.
- Around 8% (\$105 million) relates to expenditure to meet growth or future demand.

The Shire is prioritising the maintenance and renewal of existing assets over the improvement and acquisition of new assets. However, without alternative funding sources, fully implementing our strategies and plans to improve or acquire assets to meet community expectations over the next decade may not be feasible.

The outlays made in this Asset Plan have been determined based on the affordability assessments

made in our Financial Plan and represent the investment that is required to maintain our existing levels of service.

Future spending on assets includes an assumption that we will continue to receive underlying grant income from other levels of government. This assumption is consistent with our Financial Plan. Any freezing or reduction in 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.

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



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 as required to ensure alignment with our strategic objectives, major financial decisions and implemented improvements in our asset management practices, 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.

Reviewing our Plans

Our Asset Management Plans are continuously monitored and formally reviewed and updated every four years. Reporting on performance measures will

be undertaken as part of our quarterly Community Reports and Annual Report.

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.

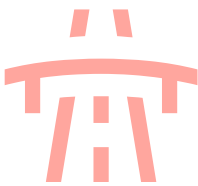
In recognition of the need to establish an appropriate balance between developing new assets and maintaining our existing asset base, we are committed to managing our assets in accordance with recognised best practice and have been progressing our organisational capability. We are continuously working 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.

Appendix: Asset Profiles



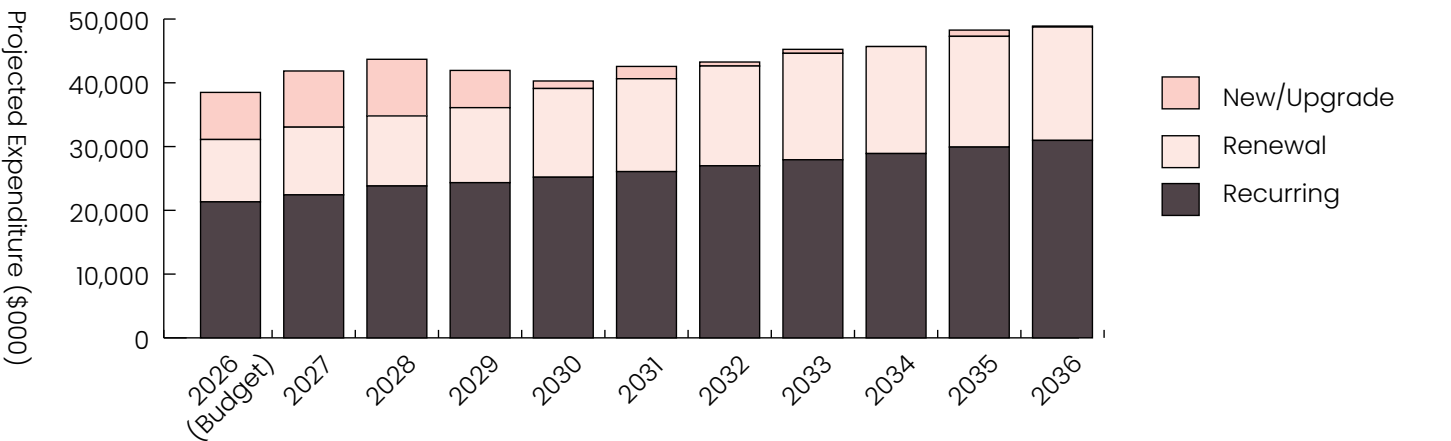
Transportation

Why do we have these assets? Our transportation assets 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	1,397 km of sealed roads, 338 km of gravel roads, over 2,000 km of kerb and channel	\$1,301,896	GOOD
Footpaths and cycleways	700 km of pathways	\$180,994	GOOD
Bridges and Structures	6 road bridges, 38 major culverts, 307 pedestrian bridges and boardwalks	\$28,746	GOOD

How much do we plan to spend?



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 work together to allow residents and visitors to move around the Peninsula in a safe and efficient way.

Our approach to making timely and optimised investments in road maintenance and renewal is

designed to sustain current service levels at a lower long-term cost. However, rising costs, rate capping constraints, and ageing infrastructure are making it increasingly challenging to meet renewal demands. The forecast funding includes additional allocations to fast-track priority projects in the Pedestrian Access Strategy, along with funding for the improvement and reconstruction of transportation assets through the Federal Government’s Roads to Recovery Program.



Planned Expenditure (\$'000) – Next 10 years (FY)											
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Recurrent	22,429	23,819	24,341	25,193	26,075	26,987	27,932	28,909	29,921	30,968	266,574
Renewal	10,616	10,986	11,761	13,914	14,562	15,645	16,692	16,778	17,366	17,780	146,101
Acquisition	8,809	8,883	5,841	1,179	1,931	628	624	0	980	152	29,026
Total	41,854	43,688	41,943	40,285	42,568	43,260	45,248	45,688	48,267	48,900	441,701

What are the future challenges and opportunities?



Changing Population

Projected increases in vehicle ownership.

Increases in number of people driving to work.

Increasing expectation of the performance of unsealed roads.



Sustainable Transport

Continued lack of availability of public transport options on the Peninsula.

Need for improved bike and footpath networks that link the whole Peninsula.



Increased Freight Task

Increases in number of heavy vehicles and increased gross loadings leading to deterioration of the road network.



Climate Change

Increased risk to damage to assets through more extreme temperatures, rainfall, flooding, sea level rise, dryness and storm surges.

Resilience to be considered in the design and construction of assets.



Upcoming and current projects and initiatives	Our confidence in our data		What we are doing to improve
• Ongoing annual program to resurface local roads based on condition. • Annual footpath renewal program. • Peninsula Trails – design and construction of identified network. • Boardwalk replacement – program of works to maintain and improve pedestrian facilities. • Upgrade and reconstruct roads as part of the Road to Recovery Program to improve network performance and serviceability. • Other annual programs for: ◦ Road safety minor risk reduction works. ◦ Guard rail renewal. ◦ Installation and maintenance of regulatory and directional signs. ◦ Implementation of safer speed limits.	Quantity/ Location	HIGH	Identifying critical transportation assets to help our planning.
	Replacement Cost	HIGH	Undertaking pavement strength testing to understand the performance of our road network.
	Useful Life	MEDIUM	Reviewing the Transportation Asset Management Plan to ensure it aligns with relevant strategies.
	Condition	HIGH	Developing an Integrated Transport Strategy.
			Assessing the financial and service life impacts of climate change on assets identified as highly or very highly vulnerable. These insights will be used to refine asset renewal modelling, ensuring future renewals incorporate climate-related risks, costs, and potential reductions in asset service life.



Buildings and Facilities

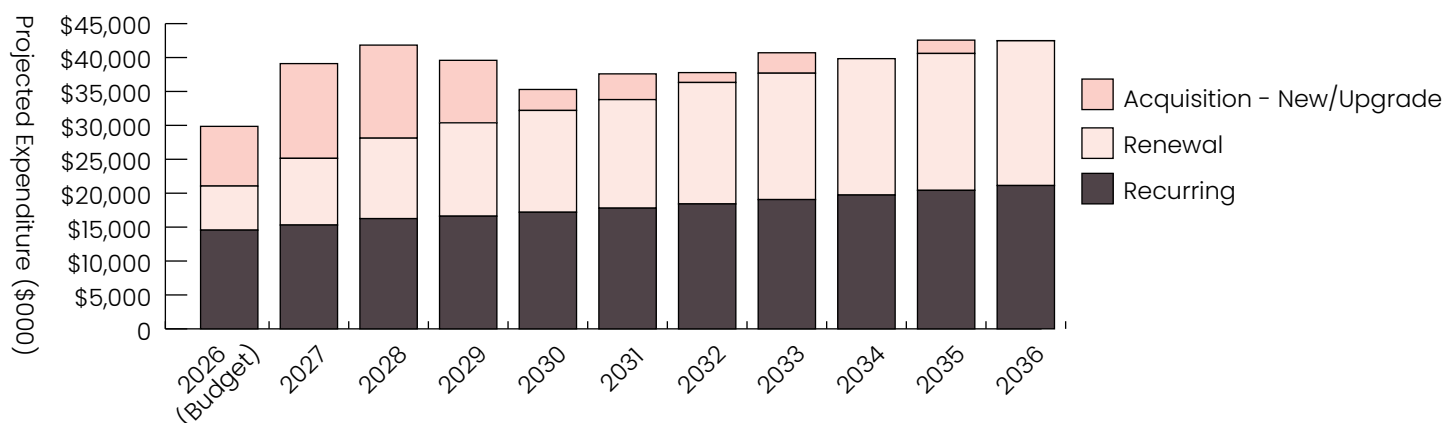
Why do we have these assets?

Our buildings and facilities assets 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
Buildings and minor structures	918 buildings and minor structures supporting services such as libraries, leisure centres, community centres and public amenities.	\$741,075	FAIR

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 ensuring they are accessible, fit-for-purpose and meet the needs of our changing community and service demands.

Rising costs, rate capping constraints, and ageing infrastructure are making it increasingly difficult to renew the current building and facilities portfolio.

Implementing the strategic objectives of the Community Facilities Infrastructure Strategy—such as exploring alternative funding sources, adopting new management models, and consolidating facilities into multipurpose spaces—could help reduce both operational and renewal costs.



Planned Expenditure (\$'000) – Next 10 years (FY)											
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Recurrent	15,306	16,255	16,611	17,192	17,794	18,417	19,062	19,729	20,419	21,134	181,919
Renewal	9,833	11,859	13,766	15,008	16,004	17,906	18,630	20,107	20,183	21,334	164,628
Acquisition	13,968	13,720	9,212	3,093	3,795	1,457	3,010	0	1,965	28	50,248
Total	39,106	41,834	39,589	35,293	37,593	37,780	40,701	39,835	42,567	42,497	396,795

What are the future challenges and opportunities?



Changing Population

Facilities will need to be adaptable to meet the evolving needs of younger 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 sports means that our facilities need to meet equitable and modern standards.



Technology

Advances in technology provide opportunities to improve efficiencies and staff productivity.

Demand for online and other innovative service delivery approaches can be expected.

Increased demand for technology-enabled buildings is anticipated.

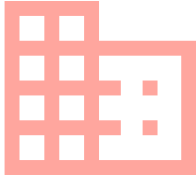


Climate Change

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 are anticipated.



Upcoming and current projects and initiatives	Our confidence in our data		What we are doing to improve
• 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. • Development of Local Area Infrastructure Action Plans as outlined in the Community Facilities Infrastructure Strategy 2024-2034. • Development and implementation the Public Amenity Strategy.	Quantity/ Location	HIGH	• Measuring functionality, utilisation and capacity performance data to better align our buildings with service needs. • Reviewing the Building and Facilities Asset Management Plan to ensure it aligns with Community Facilities Strategy and other relevant strategies. • Reviewing the criticality of our buildings for effective prioritisation of building renewal needs. • Assessing the financial and service life impacts of climate change on assets identified as highly or very highly vulnerable.
	Replacement Cost	MEDIUM	
	Useful Life	MEDIUM	
	Condition	MEDIUM	



Open Space

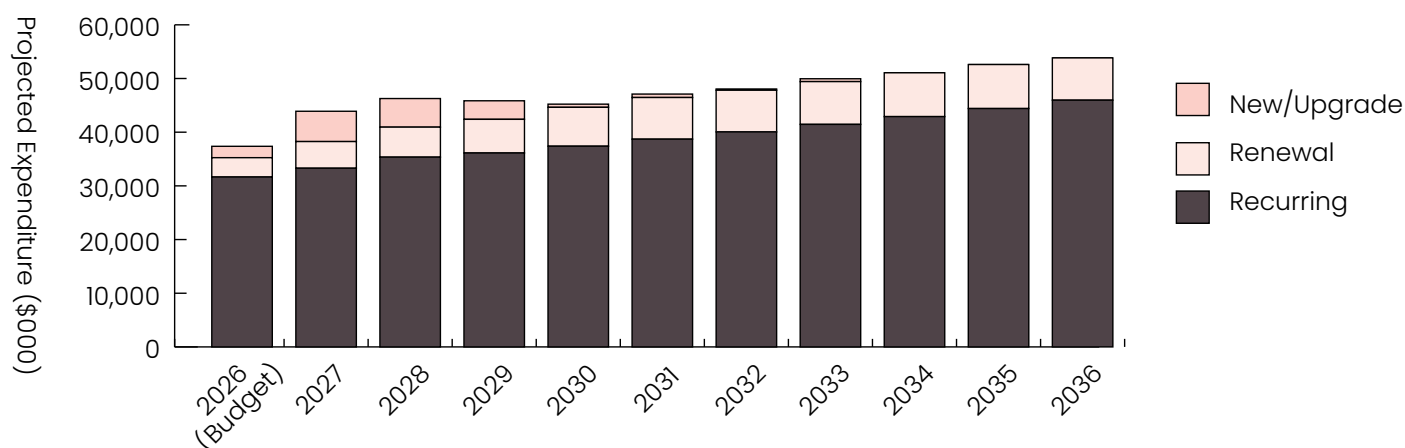
Why do we have these assets?

Open space assets allow us to enjoy many outdoor aspects of our Peninsula. This includes our parks and reserves including but not limited to playgrounds, sporting fields, public arts, vegetation and trees, and coastal assets. Vegetation and tree assets are not assigned a financial value; however, their maintenance expenditure is included.

Summary of assets that are included:

Asset Category	Quantity	Gross Replacement Cost (\$'000)	Average Condition
Parks and streetscapes	29,786 furniture or amenity items, 215 km of fences, walls, and gates, 195 playgrounds, 8 skate parks	\$127,549	GOOD
Recreation and leisure	55 sports ovals, 43 netball courts, 131 tennis courts	\$38,083	GOOD
Marine structures	13 jetties and 14 boat ramps	\$10,164	FAIR

How much do we plan to spend?





What do our projections tell us?

Our community has told us that they place importance on protecting and improving our public open space across the Shire.

A new Open Space Strategy is currently in development. The purpose of the Strategy is to guide the future planning, provision, design and management of existing and future open space for a 15-year period up until 2040. The Strategy will

be instrumental in defining our service standards for public open space. Urban Forestry Strategy is another key strategy that informs this asset portfolio. This Strategy seeks to mitigate urban heat, enhance the quality of life, and support the region's unique natural environment and biodiversity, addressing the challenges of climate change and urban development.

Planned Expenditure (\$'000) – 10 years (FY)											
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Recurrent	33,287	35,351	36,125	37,389	38,698	40,053	41,454	42,905	44,407	45,961	395,631
Renewal	4,968	5,589	6,270	7,245	7,763	7,763	7,970	8,159	8,196	7,876	71,798
Acquisition	5,644	5,328	3,456	589	640	232	531	0	0	0	16,419
Total	43,899	46,268	45,851	45,223	47,101	48,047	49,955	51,064	52,603	53,837	483,848

What are the future challenges and opportunities?



Changing Population

Population growth and changes in demographics, housing and tourism will place additional pressure and demand on open space provision, recreation facilities and the way open space is used.



Open Space Provision

There will be an increased expectation that we 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.



Climate Change

Increased risk to damage to assets through more extreme temperatures, rainfall, flooding, sea level rise, dryness and storm surges.

Resilience to be considered in the design and construction of assets.



Upcoming and current projects and initiatives	Our confidence in our data		What we are doing to improve
- Play space strategy planning and design – annual program to plan, design and implement future playgrounds 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. - Development of a new Open Space Strategy. - Review of the Open Space Asset Management Plan to ensure that it aligns with the draft Open Space Strategy and other relevant strategies. - Review of the Sports Capacity Plan Volume 1 and complete Volume 2 and 3 - Review and update of Play Space Strategy	Quantity/ Location	HIGH	- Collecting functional and capacity performance data. - Working with others to identify the Shire's open space assets in coastal and foreshore areas and mitigating potential risks. - Improving our management of 'natural assets'. - Improving the condition data of the open space assets through proactive assessments. - Assessing the financial and service life impacts of climate change on assets.
	Replacement Cost	HIGH	
	Useful Life	MEDIUM	
	Condition	MEDIUM	



Stormwater

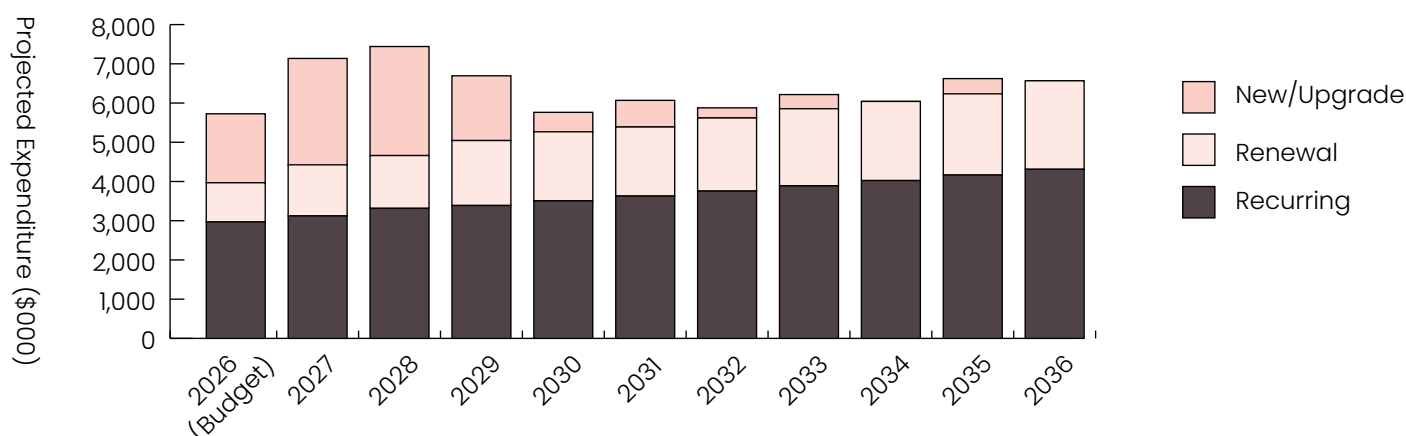
Why do we have these assets?

Stormwater assets help to manage the rainfall on our Peninsula. This includes not only our stormwater 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	1,497 km of underground pipes, 60,479 pits, other stormwater structures and stormwater quality improvement elements such as wetlands, gross pollutant traps, etc.	\$918,008	GOOD

How much do we plan to spend?



What do our projections tell us?

Average condition of stormwater assets is mainly based on age compared to useful life.

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

The Flood and Stormwater Strategy is the key strategy to inform this asset portfolio. The strategy has

recommended \$3 million a year over the next eight years for the delivery of integrated projects that will minimise flood impacts and improve flood resilience to future adverse climate conditions.

Our financial projections will also be further refined as our knowledge of the condition of the stormwater network improves through the proactive pipe network condition assessment that has recently started. This will aid in optimising the replacement of parts of the network that are in most need.



Planned Expenditure (\$'000) – Next 10-years (FY)											
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
Recurrent	3,122	3,315	3,388	3,507	3,629	3,756	3,888	4,024	4,165	4,311	37,105
Renewal	1,303	1,346	1,656	1,760	1,760	1,863	1,967	2,017	2,070	2,256	17,996
Acquisition	2,712	2,780	1,650	496	679	258	361	0	388	-0	9,325
Total	7,137	7,441	6,695	5,762	6,068	5,878	6,216	6,041	6,623	6,567	64,426

What are the future challenges and opportunities?



Development Density

Continued urban consolidation will affect stormwater run-off volume and quality.

This will mean that the capacity of the existing stormwater 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 0.08-0.17 metres 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.

One of the most direct impacts of climate change is the likely increase in flooding. Our stormwater system which are designed for a 1% AEP event in the current climate, will be insufficient to manage a 2% AEP event by 2070.

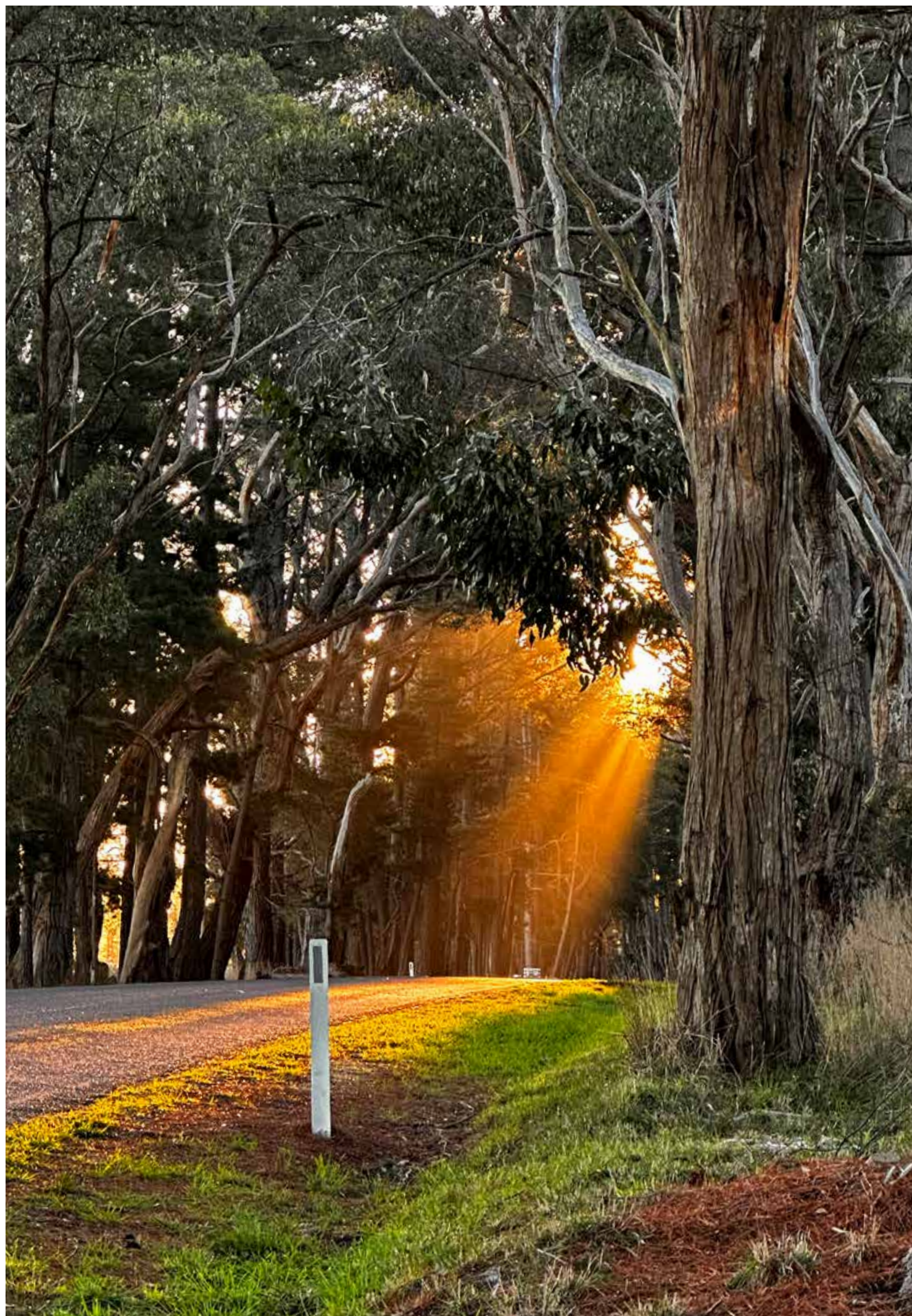


Environmental Sustainability

Increasing need to make use of stormwater run-off 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	Our confidence in our data		What we are doing to improve
- Emergency drainage works – this is a program to proactively repair damaged stormwater assets while also addressing drainage and flooding issues. - Water Sensitive Urban Design (WSUD) rectification works – 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.	Quantity/ Location	MEDIUM	- Planning to continue to update our drainage models and flood maps to guide future planning. - Planning to commence CCTV condition assessment on targeted high-risk areas throughout the Municipality.
	Replacement Cost	MEDIUM	Reviewing the Stormwater Asset Management Plan to ensure it aligns with the Flood and Stormwater Strategy.
	Useful Life	MEDIUM	- Planning to review the risks associated with our stormwater assets guide our management processes. - Planning to assess the financial and service life impacts of climate change on assets identified as highly or very highly vulnerable.
	Condition	MEDIUM	Mitigating stormwater related risks such as flooding, landslip, operational risks, etc will be addressed as a priority.



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