

DRAFT
Asset Plan
2022-2031

Mildura Rural City Council

Acknowledgment of country

We acknowledge the Traditional Owners and Custodians of the land, which now comprises the Mildura Rural City municipality. We pay our respects to Elders past and present and celebrate and respect their continuing cultures and acknowledge the memories of their ancestors.

Within this document we have used the term "Aboriginal" to respectfully include all people of Aboriginal and/or Torres Strait Islander descent living in our municipality.





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Introduction

Providing effective and efficient management of assets is a key obligation of any Council, however Mildura Rural City Council faces unique challenges in fulfilling its stewardship role, due to its location and the requirements of delivering services in a large regional/rural municipality.

Under Victoria's *Local Government Act 2020*, Mildura Rural City Council's primary role is to provide good governance in our municipality for the benefit and wellbeing of our community. It also requires that the Council develop an Asset Plan in line with our Community Engagement Policy for at least the next 10 years (long-term). Long-term strategic planning defines an organisation's direction and priorities and deciding how to allocate resources to pursue these. A strong, transparent and inclusive planning process can ensure energy and resources are focused, operations are strengthened, and employees and the community agree on common goals, outcomes and results.

Council's first Asset Plan provides a strategic and financial view of how Council proposes to manage the assets that it owns and controls. It outlines the resources required and activities to be undertaken to ensure assets under Council's stewardship are developed, renewed, or maintained to deliver the required service potential.

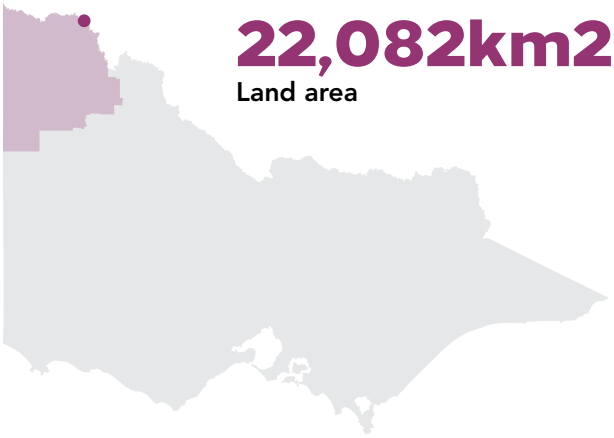
Our region

Located in north west Victoria, the Mildura Rural City Council area covers almost ten per cent of the State.

The region's landscape includes unique Mallee vegetation, broad acre grain properties, intensive horticultural farms and vibrant towns.

Mildura Rural City shares borders with New South Wales and South Australia, which makes it a strategically important regional service centre for three states.

The beautiful Murray River winds its way through much of the municipality and is a focal point for visitors and those who call the region home.

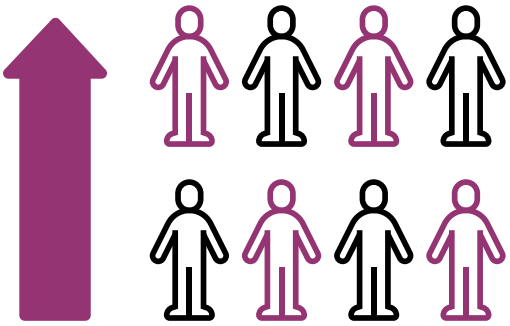


22,082km2
Land area



55,937
2021 estimated resident population

59,439
2031 projected resident population



Key industries

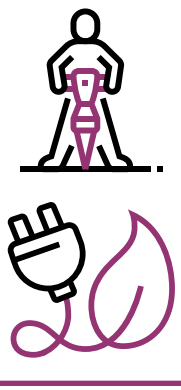
Dryland farming, irrigated horticulture (table grapes, wine grapes, dried grapes, citrus, vegetables and nuts), tourism, food and beverage manufacturing, transport and logistics, retail, health and community services.

Our towns

Cabarita
Cardross
Colignan
Cowangie
Cullulleraine
Irymple
Merbein
Meringur
Mildura
Murrayville
Nangiloc
Nichols Point
Ouyen
Red Cliffs
Underbool
Walpeup
Werrimull

Emerging industries

Renewable energy generation, aquaculture, mineral sands mining and recycling



$6.83 billion
Annual economic output

10.4%
Born overseas

4.5%
Aboriginal or Torres Strait Islander

5,362
Businesses

3.87%
Unemployment rate

6.8%
Need assistance with core activities

22,368
Jobs

9.5%
Speak a language other than English at home

Sources: 2021 update to Australian Bureau of Statistics and REMPLAN as of 26 August 2021





Structure of the Asset Plan

The Asset Plan is structured to give a high-level insight into how Council intends on maintaining its infrastructure assets now and into the future.

- **Our Community's Vision**
- **Asset Plan Summary**
- **Asset Planning**
- **Our Assets**
- **Financial Sustainability**
- **Our Challenges and Opportunities**
- **Our Improvements and Monitoring**

Our Community's Vision

Mildura Rural City Council is committed to accountable, transparent and responsive decision making that is informed by the consistent application of well-designed community engagement.
The Community Engagement Policy (CP020) underpins Council's commitment to community-centred practice by applying the key elements of good community engagement into our day-to-day practice.
The development of the Community Vision 2021-2040 and Council Plan 2021-2025 has been undertaken through a process of deliberative engagement which also provided community input to inform the development of this Asset Plan.

Environment	Community	Place	Economy	Leadership
We will sustain and enhance our natural environment and resources for current and future generations	We will be a healthy, respectful and connected community	We will be a place to live, belong and visit with infrastructure and development that enhances our lifestyle	We will have a thriving economy that harnesses our strengths and capitalises on opportunity	We will have responsible, collaborative leadership that puts community wellbeing at the heart of decision-making

Community Assets contribute to the realisation of the Community's Vision

"Community is engaged in decision making with opportunities to share their views on things that affect them"
The development of the Community Vision 2021-2040 and Council Plan 2021-2025 provides direct alignment between what infrastructure the community needs to meet its aspirations for the future.

"Actively address the causes and impacts of climate change"
The effects of climate change pose a significant risk to infrastructure. We are seeing more frequent extreme weather events such as heatwaves, droughts and flooding in our region, and this has and will continue to impact our infrastructure and their provision of services in the community.
Building resilient and adaptable infrastructure is key to improving the sustainability of our networks. This needs consideration in the early stages of planning, as early intervention can save a significant amount when compared to the cost of repair.
Each infrastructure portfolio will need different approaches for climate adaptation, and these are detailed in their respective Asset Management Plans and align with Council's Environmental Sustainability and Climate Change Policy CP041, Towards Zero Emissions Strategy 2021-2050 and Climate Change Mitigation and Adaptation Framework.

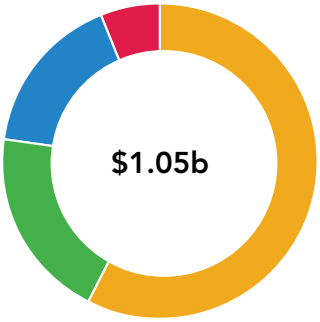
"Adequate and sustainable infrastructure to meet future demand"
Knowing what assets Council owns and controls, where they are, what condition they are in as well as understanding the value they provide to the service delivered by them, is fundamental to ensuring Council provides adequate and sustainable infrastructure that will meet current and future community needs.
Council's Asset Management Strategy 2020 features five key focus areas working towards adequate and sustainable infrastructure to meet future demand:

- Data and Information
- Governance
- Integrated Planning
- Education and Knowledge
- Service Planning

"Keep the community informed to build a relationship of transparency, understanding and trust"
The state of the municipality's assets should be well communicated to community, so they can be well informed in regards to the management required to maintain what will be needed for the long-term. By monitoring our assets and forecasting their future financial requirements, we will be better placed to ensure the decisions made today are well-informed and in the best interests of our community both now and for future generations.

Asset Plan Summary

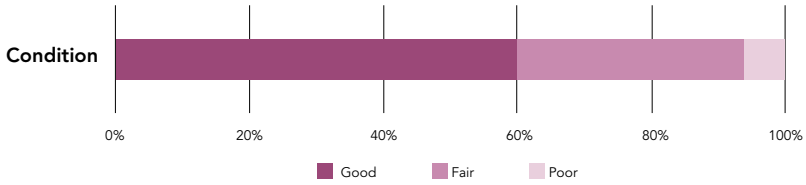
Asset management is about managing assets in a way that will ensure services can be delivered to the community both now and into the future. In order to do this effectively, we need to manage assets throughout their lifecycle, from construction or acquisition, during its operation through inspections and maintenance activities, to renewing it when it's reaching end of life, or disposing / decommissioning it when it's no longer required.



- Roads and Footpaths ($608m)
- Buildings and Facilities ($208m)
- Stormwater Drainage ($173m)
- Public Open Space ($64m)

As at 30 June 2021

Asset Renewal Funding Ratio 54%*



Asset Renewal and Upgrade/ Depreciation 84%*

*Refer to page 27

Roads and Footpaths

While overall in good condition, the condition of our road network will deteriorate faster than expected due to the permission for heavy vehicles to travel on the entire network.

Buildings and Facilities

A significant amount of the network is in fair to poor condition which is expected as over 50% of existing buildings and facilities are over 50 years old.

Drainage

The majority of the drainage network is in reasonable condition, however there are known capacity issues in some areas. Budget requirements may increase to cater for these capacity issues in the near future.

Public Open Space

While overall in good condition, modelling indicates that renewal funding is inadequate. This is likely due to many assets being replaced through operational budgets or community grants.

Asset Planning

As stewards of community infrastructure, Council has an obligation to plan for and provide sustainable infrastructure for current and future generations.

What is Council's role?

Council plays different roles in working towards what's important to our community which are outlined in the Community Vision 2021-2040. In Asset Planning, Council is a Provider, Regulator, Partner, Facilitator and Advocate.



Provider

Council provides services and infrastructure including waste collection, open spaces, local road and footpath networks, stormwater drainage, maternal and child health, libraries and many other community services and programs.



Regulator

Council is responsible for regulating a range of activities throughout the municipality. Ensuring that local laws and government legislation and the administration of it is done in a way that is supporting the Community Vision.



Partner

Council has many partners across the community including service providers, agencies, businesses and community groups who we collaborate with to deliver services, infrastructure and events.



Facilitator

Council has a role in bringing groups of people and organisations together to support collaboration and new partnerships to create new opportunities and solve problems for the community.



Advocate

Council advocates on behalf of the community to other levels of government and various other decision-makers to deliver the best possible outcomes for the Mildura Rural City Council community.

What is an asset and why are they important?

An asset is an item, thing or entity that has potential or actual value to an organisation.
Local government is responsible for a large variety of assets in order to deliver services to the community, such as infrastructure, plant and equipment, fleet and property.
Assets contribute to and support the delivery of services such as maternal and child health care, recreation and leisure facilities, waste and environmental management, transport and economic development.

This Asset Plan focuses on infrastructure, which accounts for close to 95% of the value of Council's total assets.

What is Asset Management and why is it important?

Asset Management is the coordinated activity of an organisation to realise value from assets. Realisation of value will normally involve balancing of costs, risks, opportunities and performance benefits which will ensure services can be delivered to the community both now and into the future. Asset Management also enables the capacity of Council to respond to emergencies to protect people, property and the environment.

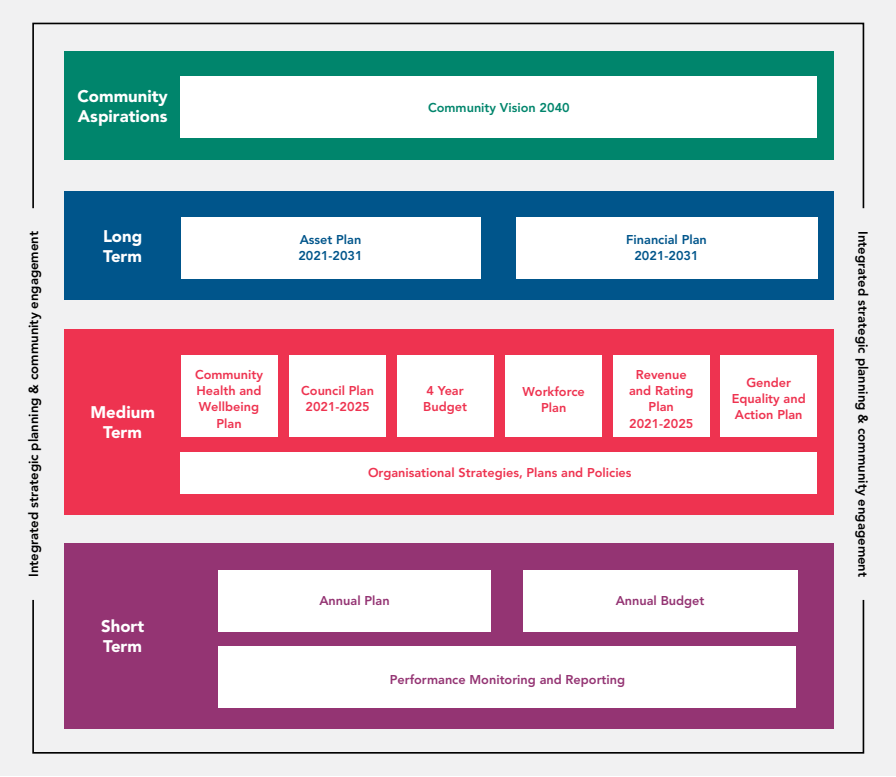


Our Framework

Integrated Planning and Reporting Framework

This section describes how the Asset Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning and Reporting Framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

Mildura Rural City Council's Integrated Planning and Reporting Framework outlines the relationship between important Strategies and Plans, highlighting the importance of the Community Vision as the base of Council's strategic planning, as well as demonstrating how each element might inform or be informed by other parts of the framework.

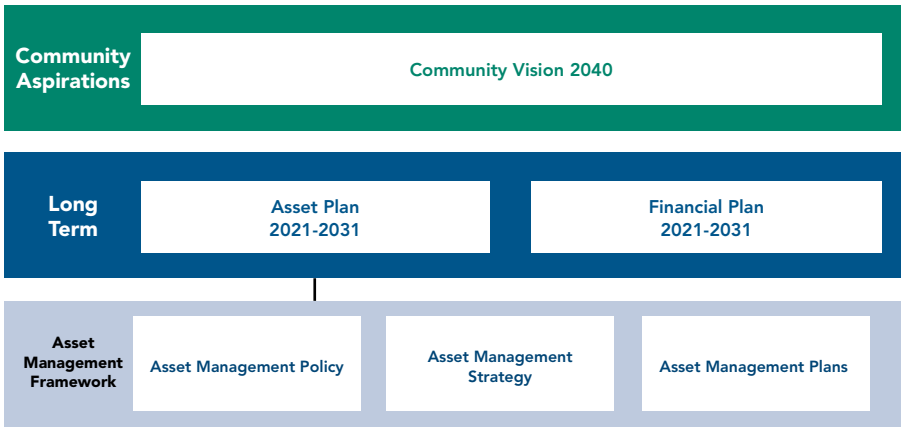


1 MRCC Integrated Planning and Reporting Framework

Asset Management Framework

Council works to an Asset Management Framework, which integrates key functions of the organisation to establish an asset management policy, define asset management objectives, and identify supporting processes to achieve those objectives.

We're working towards a framework which will provide consistency, alignment and cost-effectiveness on how we deliver services to the community and how we manage the infrastructure that allows these services to be delivered.




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Our Strategy

Council's Asset Management Strategy 2020 is a foundational strategy designed to guide the organisation towards sustainable asset management.

Our Asset Management mission is to:
"Deliver the required level of service at the lowest lifecycle cost for our community"

To achieve this, we must:

- Effectively and systematically manage all assets over their lifecycle
- Align Asset Management Plans and systems with organisational goals and outcomes
- Provide a framework for long-term asset planning and development for capital and/or maintenance works
- Integrate effective management of assets with service planning

Our Asset Management objectives drive our Asset Management Strategy:

Data and Information

- We will have relevant and accurate asset data and information
- We will have a single repository of truth for our asset data

Governance

- We will have an Asset Management Framework, which ensures we consistently and sustainably define and deliver our Asset Management responsibilities
- We will achieve core maturity under the National Asset Management Assessment Framework

Integrated Planning

- We will manage our infrastructure in a sustainable manner
- We will mitigate risk by understanding our renewal gap and put systems in place to reduce the gap
- We will translate the current and future demand from each service into expenditure which will inform the Long Term Financial Plan (Financial Plan 2021-2031)
- We will work in collaboration to integrate and align Best Practice Asset Management into Council strategic planning and decision making

Education and Knowledge

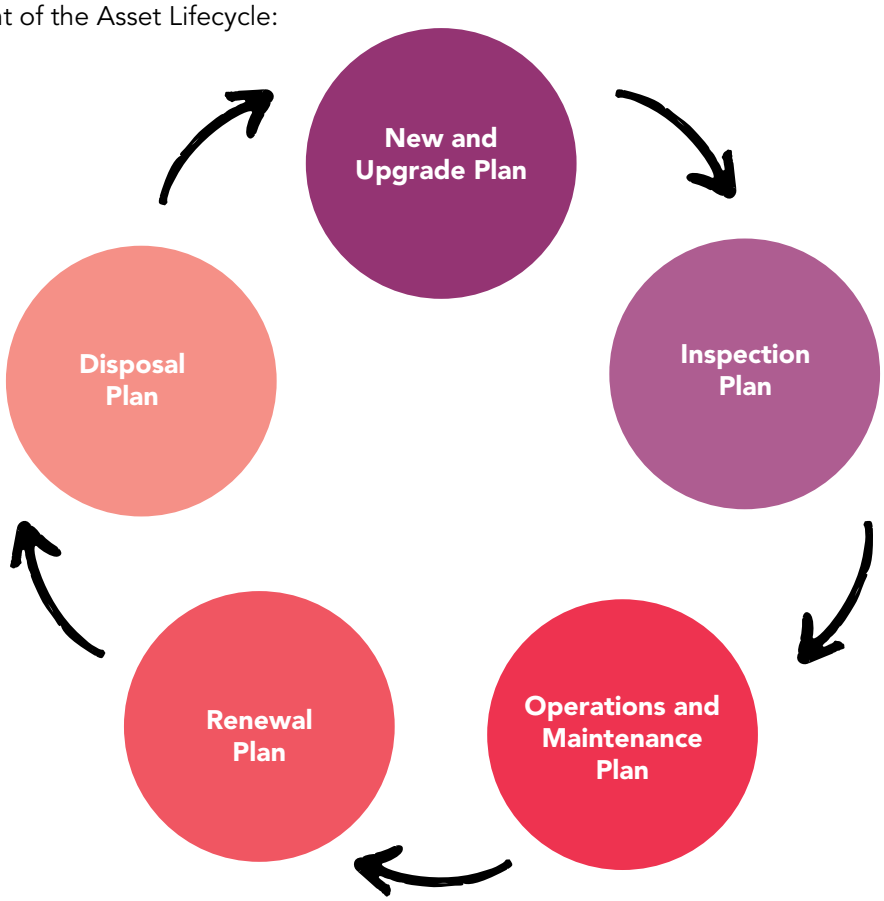
- We will understand our Asset Management roles and responsibilities, and recognise that it is a whole of organisation approach

Service Planning

- We will plan for and provide sustainable services to the community
- We will understand the cost and benefit involved to deliver services to the community
- Service planning will guide and inform our investment decision making

Our Practice

Our Management of the Asset Lifecycle:



New and Upgrade Plan

Provides a program of works to create new assets or upgrade existing assets. Primarily driven by community, growth, social and/or environmental priorities and typically funded by grants.

"Renew before new" is one of Council's key asset management principles. All new works proposals should be assessed in terms of their lifecycle costs i.e. cost to operate and maintain the asset. Increasing the asset network will typically increase operational and maintenance costs. The plan is to monitor and report on these trends in the future.

Inspection Plan

Inspections are undertaken to guide maintenance and renewal activities and to proactively identify any risks, defects or hazards that require immediate attention.

Council undertakes different types of inspections.

- Reactive inspections are undertaken as the need arises. This is typically when Council has been notified of a risk, defect or hazard by users of the asset or the community.
- Compliance inspections are undertaken on a routine basis to ensure the asset is performing to standard. Each asset type has its own schedule for routine inspections which are typically performed more than once a year.
- Condition assessments are performed on a longer term cycle, approximately every three to five years. These assessments take an in-depth look at the assets to determine their physical condition and when they may need replacing, which informs Council's Capital Works Program.

Operations and Maintenance Plan

Maintenance activities are undertaken to ensure efficient operation and serviceability of the assets. This will ensure that the assets retain their service potential over the course of their useful life.

Routine maintenance is the regular on-going work necessary to keep assets operating, including instances where components of assets fail and need immediate repair to make the asset operational again. Maintenance includes reactive and proactive work activities.

- Reactive maintenance is unplanned repair work carried out usually in response to service requests.
- Proactive maintenance is repair work that is usually identified through routine inspections.

Renewal Plan

Provides a program of renewal for individual assets. Deteriorating asset condition primarily drives renewal needs, with increasing maintenance costs also considered.

Renewal expenditure is major work that restores, rehabilitates or replaces an existing asset to its original service potential. Assets requiring renewal are identified from condition assessments. Proposed renewals are reviewed to verify when capital intervention is required and to develop cost estimates. The proposals are then ranked by priority along with available funds and scheduled into future capital works programs. Renewal works may be deferred if the cost is higher than the funds available. Although deferred renewal works may not impact significantly on the short-term operation of the assets, repeated deferral increases risk to the service provided through the asset and will create a liability in the longer term.

Disposal Plan

Provides a program of which assets will be disposed of or decommissioned in response to levels of service. Council in conjunction with the community and user groups, is exploring opportunities on disposing / decommissioning redundant or unutilised assets, to mitigate physical and financial risk.



Our Assets

This Asset Plan focuses on infrastructure assets which account for almost 95% of the value of Council's total assets.

Infrastructure assets are represented by four portfolios:



Roads and Footpaths



Buildings and Facilities



Stormwater Drainage



Public Open Space

Asset Value

As at 30 June 2021

Replacement Cost	**$1,053,173,208**
Depreciated Value	**$663,165,107**
Annual Depreciation Expense	**$14,545,313**

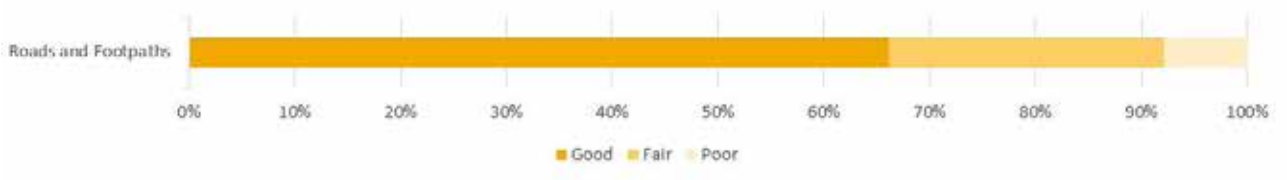


State of the Assets

Roads and Footpaths

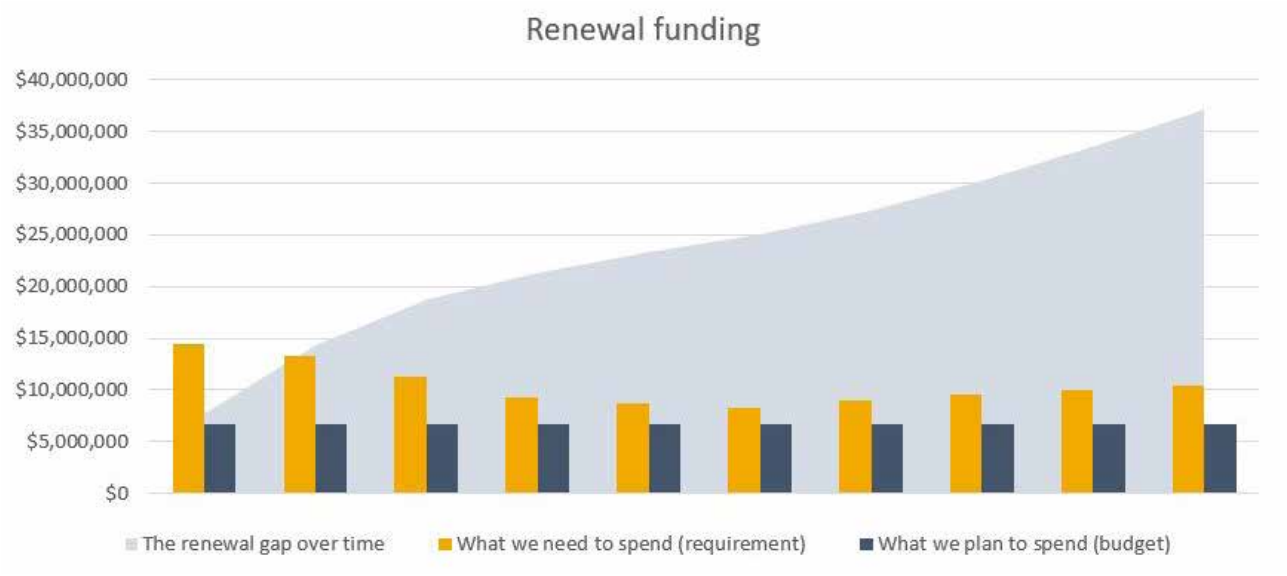
As at 30 June 2021
5,170 km Roads (1,052km sealed / 4,118km unsealed)
420 km Pathways
483 km Kerb and Channel

Replacement Cost	$608,090,782
Depreciated Value	$400,842,304
Annual Depreciation Expense	$9,238,401



Network growth:
2.72 km pa roads (historical 5-year average)
2.97 km pa pathways (historical 5-year average)
5.26 km pa kerb and channel (historical 5-year average)

72% Asset Sustainability Ratio
(Renewal Spend / Annual Depreciation)
64% Asset Renewal Funding Ratio
(over 10 years)



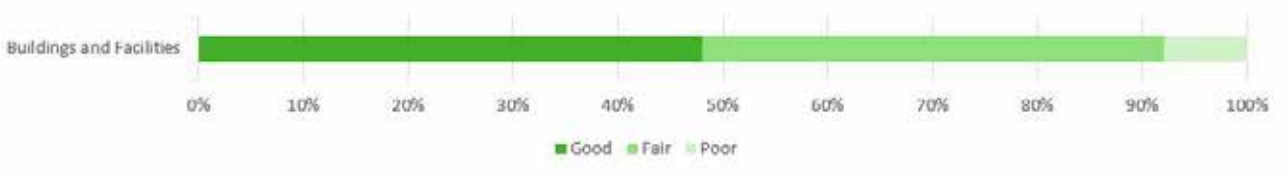
Reflections:

- Changes in farming practices and the climate, impacts on the need to upgrade or downgrade roads in some outlying locations.
- As a consequence of the permission to use the entire road network, heavy vehicle requirements need to be applied.
- To cater for mobility devices, bicycle and pedestrian use, shared paths are required.
- Road safety devices and design should be applied to relieve traffic issues / congestion in areas of concern.

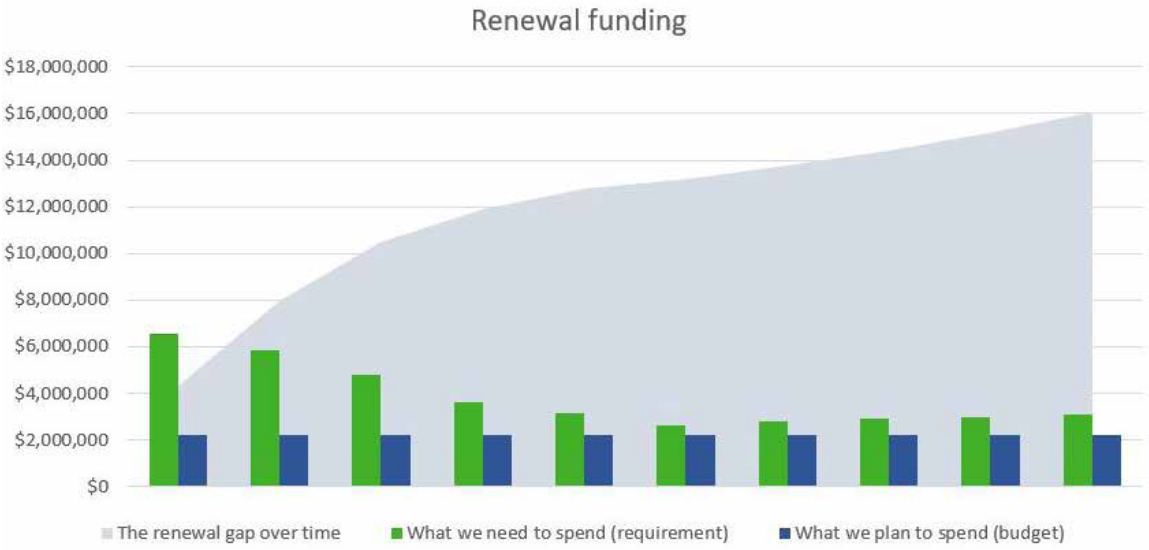
Buildings and Facilities

As at 30 June 2021
533 Buildings
213 Structures and Shelters
9 Pools and Water Play

Replacement Cost	$208,308,738
Depreciated Value	$96,874,435
Annual Depreciation Expense	$2,215,263



79% Asset Sustainability Ratio
(Renewal Spend / Annual Depreciation)
58% Asset Renewal Funding Ratio
(over 10 years)



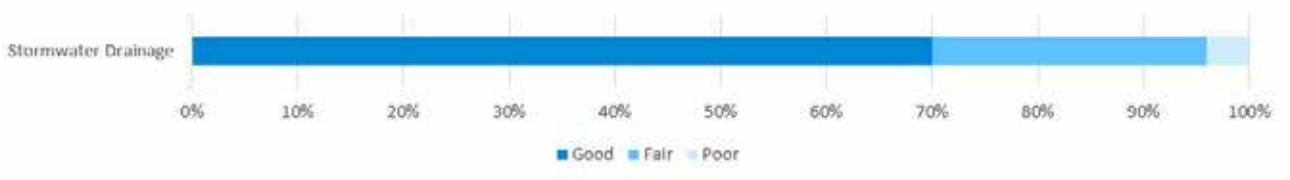
Reflections:

- Over 50% of existing buildings are over 50 years old.
- Understanding whether a building is operating at, above or below capacity is important in managing the building network, which may lead to acquisitions or disposals. A capacity audit has been undertaken in some service areas but not others.
- There is an identified capacity issue in our Early Years infrastructure due to the introduction of the State Government's funded three-year old kindergarten program.
- Gender equity and disability access considerations should be included in the planning of Buildings and Facilities.

Stormwater Drainage

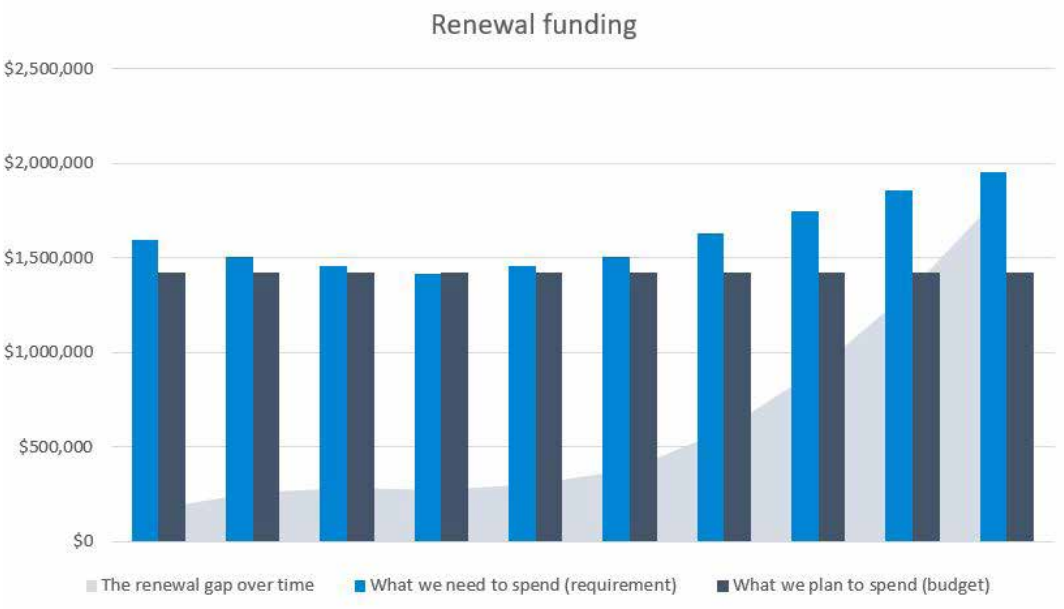
As at 30 June 2021
343 km Drainage Pipes
11,639 Drainage Pits
117 Stormwater Management Areas

Replacement Cost	$172,604,732
Depreciated Value	$138,682,041
Annual Depreciation Expense	$1,243,332



Network growth:
4 km pa stormwater pipes
(historical 5-year average)
137 stormwater pits
(historical 5-year average)

115% Asset Sustainability Ratio
(Renewal Spend / Annual Depreciation)
88% Asset Renewal Funding Ratio
(over 10 years)



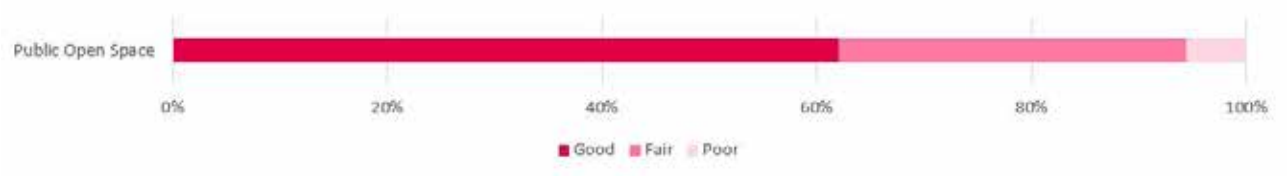
Reflections:

- Whilst the majority of the drainage network is in adequate condition, there are known hot spot areas where the drainage capacity will not cater for the design storm event.
- There must be careful consideration of the network's capacity in planning for developing areas as expansion may put strain on the existing drainage system.
- Water may pool on a road for a period of time in a functional drainage network.
- Obstructions in drainage pipes i.e. roots, rubbish, will result in the network not performing at capacity. Regular monitoring of the pipe network through closed-circuit television (CCTV) and fixed zoom camera technology will mitigate risk caused by these defects.

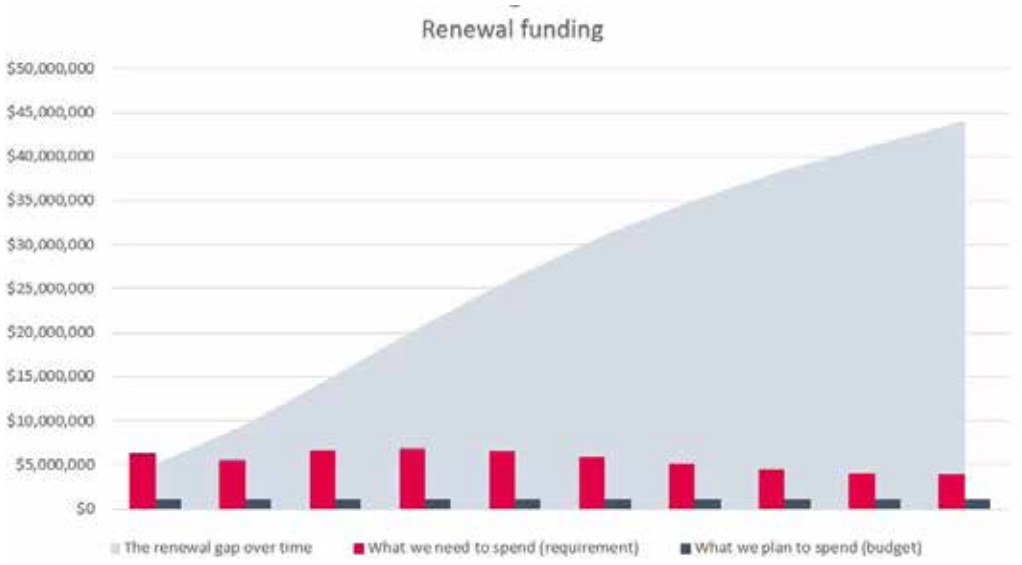
Public Open Space

As at 30 June 2021
Over 4,100 items of Outdoor Infrastructure
273 Playgrounds and Fitness Equipment
135 Playing Surfaces
114 Recreation Structures
4 Skate Parks

Replacement Cost	$64,168,956
Depreciated Value	$26,766,327
Annual Depreciation Expense	$1,848,317



60% Asset Sustainability Ratio
(Renewal Spend / Annual Depreciation)
20% Asset Renewal Funding Ratio
(over 10 years)



Reflections:

- While overall in good condition, the Asset Renewal Funding Ratio is low with respect to the target of 100%. This is likely due to many assets being replaced through operational budgets or community grants.
- There are some open space provision gaps in developed areas identified in Council's Public Open Space Strategy.
- An infrastructure audit based on the classification in Council's Public Open Space Strategy will determine whether there is over-servicing or under-servicing of the network occurring.

Financial Sustainability

The main principle of this Asset Plan and broader asset management planning is ensuring responsible stewardship of our assets to meet the needs of our community now and into the future.

Spending Categories

Expenditure Type	Funding Type	Activity	Description	Examples
Recurrent	Operational	Maintenance	Work required to keep an asset performing at the required level of service.	Maintenance and repairs to roads such as patching potholes, crack sealing etc. Minor repairs to building components due to failure, vandalism etc. Replacement of park furniture and playgrounds
		Operations	Expenditure that is continuously required to provide a service.	Street sweeping Inspections Utility charges (electricity, water etc.) Mowing, vegetation/weed control Litter collection and facility cleaning
Renewal	Capital	Renewal	Returns the service capability of the asset to its original capability.	Resurfacing of existing roads Replacement of sections of kerb and channel in poor condition
Growth	Capital	Upgrade	Enhancements to an existing asset to provide a higher level of service.	Widening existing roads and footpaths Sustainability improvements to a building Replacement of pipes to a higher hydraulic capacity
		Expansion	Extends the capability of an existing asset to provide benefits to new users, at the same standard it currently provides.	Building extensions Extension of the pathway network to address gaps in connectivity
		New	Creates a new asset that provides a service that does not currently exist.	Construction of a new building to cater for increased or changing demand Development of a new park or reserve

Capital Investment Evaluation

Capital investments must have demonstrated a clear business case to be considered in the Capital Works Program.

The Capital Works Program will be developed within the parameters of Council's capacity to fund works.

Projects will be prioritised based on the following criteria:

- Alignment with strategic direction
- Readiness of project to commence
- Addressing renewal requirements
- Demonstrated consultation with community / key stakeholders
- Level of risk associated with not doing the project
- Level of external funding

Financial Projections

This section outlines the projected expenditure requirements ($'000) for our assets over the next 10 years.

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Recurrent	$15,627	$16,277	$16,277	$16,277	$16,277	$16,277	$16,277	$16,277	$16,277	$16,277	$162,120
Renewal	$28,752	$26,193	$24,117	$21,176	$19,903	$18,384	$18,452	$18,628	$18,911	$19,292	$213,808
Growth	$21,482	$8,091	$7,719	$7,563	$8,845	$7,702	$8,036	$8,263	$8,455	$9,651	$95,807
Total	**$65,861**	**$50,561**	**$48,113**	**$45,016**	**$45,025**	**$42,363**	**$42,765**	**$43,168**	**$43,643**	**$45,220**	**$471,735**

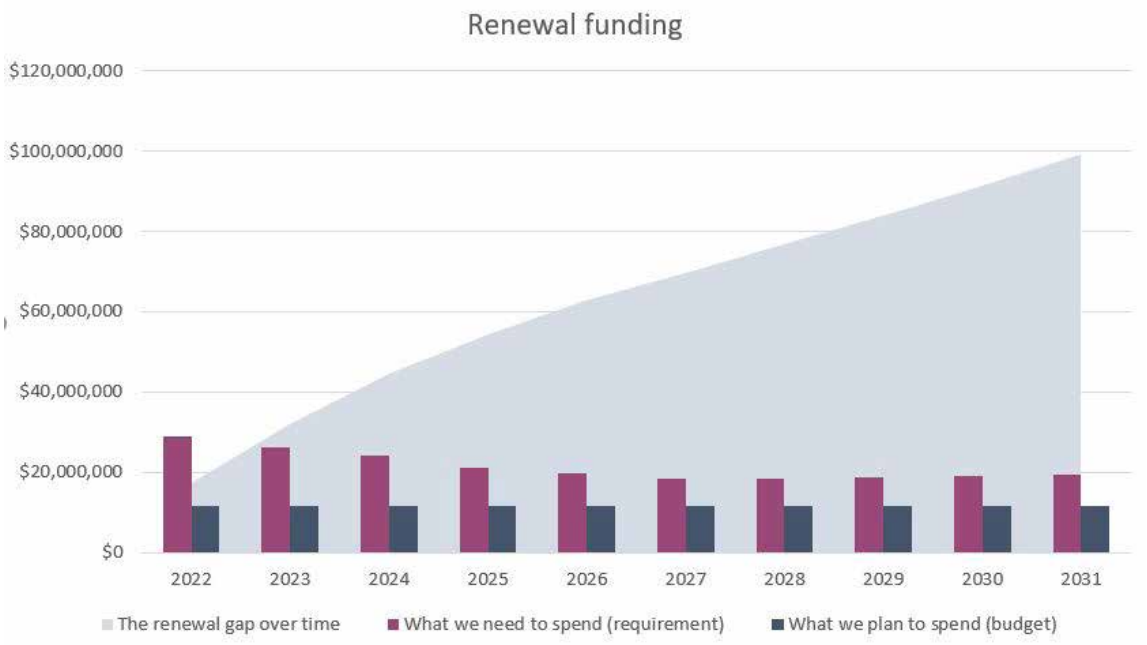
The total expenditure ($'000) over the 10 year planning period, by asset portfolio, is summarised in the table below.

	Recurrent	Renewal	Growth	Total
Roads and Footpaths	$56,070	$104,058	$53,172	$213,300
Stormwater Drainage	$3,070	$16,116	$12,442	$31,628
Buildings and Facilities	$69,880	$38,375	$20,843	$129,098
Public Open Space	$33,100	$55,259	$9,350	$97,709
Total	**$162,120**	**$213,808**	**$95,807**	**$471,735**

The spending on our assets represents a significant investment by the community and is fundamental in enabling us to meet ever changing demands and to safeguard a vibrant and sustainable future for generations to come.

Our Renewal Gap

The renewal gap represents the funding shortfall associated with the renewal of our existing asset network. It is determined by comparing what we need to spend (based on our service levels for the existing asset network), with what we have available to spend on renewals (guided by the annual depreciation expense), with the difference being the renewal gap. If we continue to manage assets the way we do currently, the renewal gap will grow up to $100m over the next 10 years.



$'000	Renewal Required	Renewal Available	Shortfall
Roads and Footpaths	$104,058	$66,936	$37,122
Stormwater Drainage	$16,116	$14,251	$1,865
Buildings and Facilities	$38,375	$22,323	$16,052
Public Open Space	$55,259	$11,127	$44,132
Total	**$213,808**	**$114,637**	**$99,171**

What can we do to reduce the gap?

There are many factors contributing to the growing renewal gap. Some of these factors include the age and condition of our infrastructure, funding limitations, service levels and risk management.

Through engagement with our community, we can work on strategies that will reduce the gap. These may include reviewing existing service levels and intervention levels, useful lives, accepting a higher level of risk, closure or decommissioning assets. These considerations will need to be made for each service that utilises assets in its delivery.

Sustainability Indicators

The renewal of assets should occur at the time that they require it to ensure that the service levels provided through the assets to the community can continue both now and into the future. Factors such as limited funds, increased customer demand and expectation, and statutory requirements can affect the ability to undertake renewal activities.

Asset Renewal Funding Ratio 54% Target 100% Capital Renewal Planned Budget for a period / Capital Renewal Forecast Outlays for the period	The Asset Renewal Funding Ratio (ARFR) represents how close we are to meeting our renewal requirement. The ratio is calculated by comparing how much is being spent on renewals versus how much needs to be spent. The actual ARFR indicates that Council does not have the available funds to address renewals when they are required, which is not sustainable. The impact of this will be that assets will continue to deteriorate and may cost more to renew over time. Strategies to meet the target may include reviewing existing service levels and intervention levels, accepting a higher level of risk, closure or decommissioning assets.
Depreciation Indicator 84% Target 100% (S2.1 Financial Plan 2021-22 – 2030-31) Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life. Measure: Asset renewal and upgrade expenses / Depreciation above 100%	Comparing asset renewal and upgrade expenditure against the depreciation expense is also another way we can determine how financially sustainable we're operating. This indicator is still below target but not as much as the ARFR. The key differences with these indicators is the ARFR is based on the physical condition of the assets, whereas Depreciation is calculated based on age, and the Depreciation Indicator also factors in upgrade expenditure which is not classed as renewal expenditure in the ARFR.



Our Challenges and Opportunities

Affordability: The financial sustainability of Council is directly linked to the ability to successfully navigate a range of challenges that increase the pressure on the community's capacity to pay. Demographic factors, large geographical area and sparse population, impacts on the how much revenue a council can raise to support its delivery of services to the community, now and into the future.

Rate Capping: In 2016, the Victorian Government introduced rate capping to restrict the amount that councils can raise their rates each year. As rates are the largest single source of income for council, the inability to match revenue with demand adds pressure on Council to identify alternative means of achieving financial sustainability.

The challenge of doing more with less, places Council in a position that requires careful consideration of the services it provides and the infrastructure required to do this adequately.

Opportunity: Strategically analyse each service and understand the costs associated with providing them at their current service level to determine whether efficiencies such as co-location of some services can be found.

Intergenerational equity: Balancing the community's current and future requirements against available resource requires leadership and planning that doesn't burden future generations, but instead contributes to supporting community aspirations and quality of life.

Opportunity: A long-term, integrated focus on managing the municipality's assets is required in order for council to meet the need of the present without compromising future.

Ageing infrastructure: The issues surrounding the municipality's ageing infrastructure increases the risks associated with the failure of assets and the impact on services to the community. The organisation has an increasing renewal gap that requires a long-term financial and operational commitment to improve.

Currently it is a challenge for council to keep running existing infrastructure. Decisions on constructing new assets need to consider that the initial construction or acquisition cost is typically 20-30% of the total cost of managing the asset over its life, the ongoing affordability of an asset will directly affect the sustainability of a service.

Opportunity: Acquisitions need to be carefully considered in the terms of long-term benefit and future operational impacts.

Global economic instability: Globally the impacts of the pandemic, political unrest etc. on the economy has created an unstable and uncertain environment for the provision and management of assets by further affecting affordability, impacting supply chains and creating instability in accessing materials. The ongoing influence of the pandemic is still unknown with further challenges emerging that could have a direct or indirect impact on the infrastructure.

Climate Change: The increasingly extreme environmental conditions experienced across the municipality has resulted in the need to provide infrastructure that is more resilient and sustainable.

Opportunity: Council has made significant a commitment to enhance and sustain the natural resources of the municipality while actively addressing the causes and impacts of climate change.
This challenges the organisation to provide and manage infrastructure that supports this commitment while maintaining value for money.

Our Improvements and Monitoring

Monitoring and Review

A full review of this Asset Plan in accordance with Council's Community Engagement Policy and practices will be completed every four years, in line with Council elections.

The Asset Plan is to be formally adopted by Council by 31 October in the year following a general election, other than the first general election of the Local Government Act 2020 which requires the plan to be adopted by 30 June 2022 (Local Government Act 2020 Sect 92).

The asset and financial data in the Asset Plan will be reviewed annually. Subsequent updates to the Asset Plan which include the review of this data, will be approved by the Chief Executive Officer if resulting changes are immaterial to the delivery of the service, standards and specifications. If the change significantly impacts the service, standards and specifications, it must follow the process of a full review.

Improvement Plan

The following table lists the actions necessary to improve the Asset Plan.

The primary focus over the next four years will be to establish robust mechanisms of community engagement (deliberative) to develop the next Asset Plan, and to build on our integrated approach to strategic planning and reporting under the Local Government Act 2020.

Outcome	Action
Better community engagement	Develop Community Engagement Plan for the Asset Plan
Integrated strategic planning and reporting across Council enabling more informed decision making	Support the activation of the Integrated Planning and Reporting Framework across the organisation
Accountable and Financially Sustainable Asset Management	Implement Asset Management Strategy 2020

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Deakin Avenue Service Centre
76 Deakin Avenue, Mildura

Madden Avenue Service Centre
108 Madden Avenue, Mildura

Ouyen Service Centre
79 Oke Street, Ouyen

Phone: 03 5018 8100
PO Box 105, Mildura VIC 3502
www.mildura.vic.gov.au