Asset Plan

2025–35



CITY OF MELBOURNE



Acknowledgement of Traditional Owners

The City of Melbourne respectfully acknowledges the Traditional Owners of the land we govern, the Wurundjeri Woi-wurrung and Bunurong / Boon Wurrung peoples of the Kulin and pays respect to their Elders past and present.

We acknowledge and honour the unbroken spiritual, cultural and political connection they have maintained to this unique place for more than 2000 generations. We accept the invitation in the Uluru Statement from the Heart and are committed to walking together to build a better future.

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LIBRARY AND FAMILY SERVICES
Library Returns

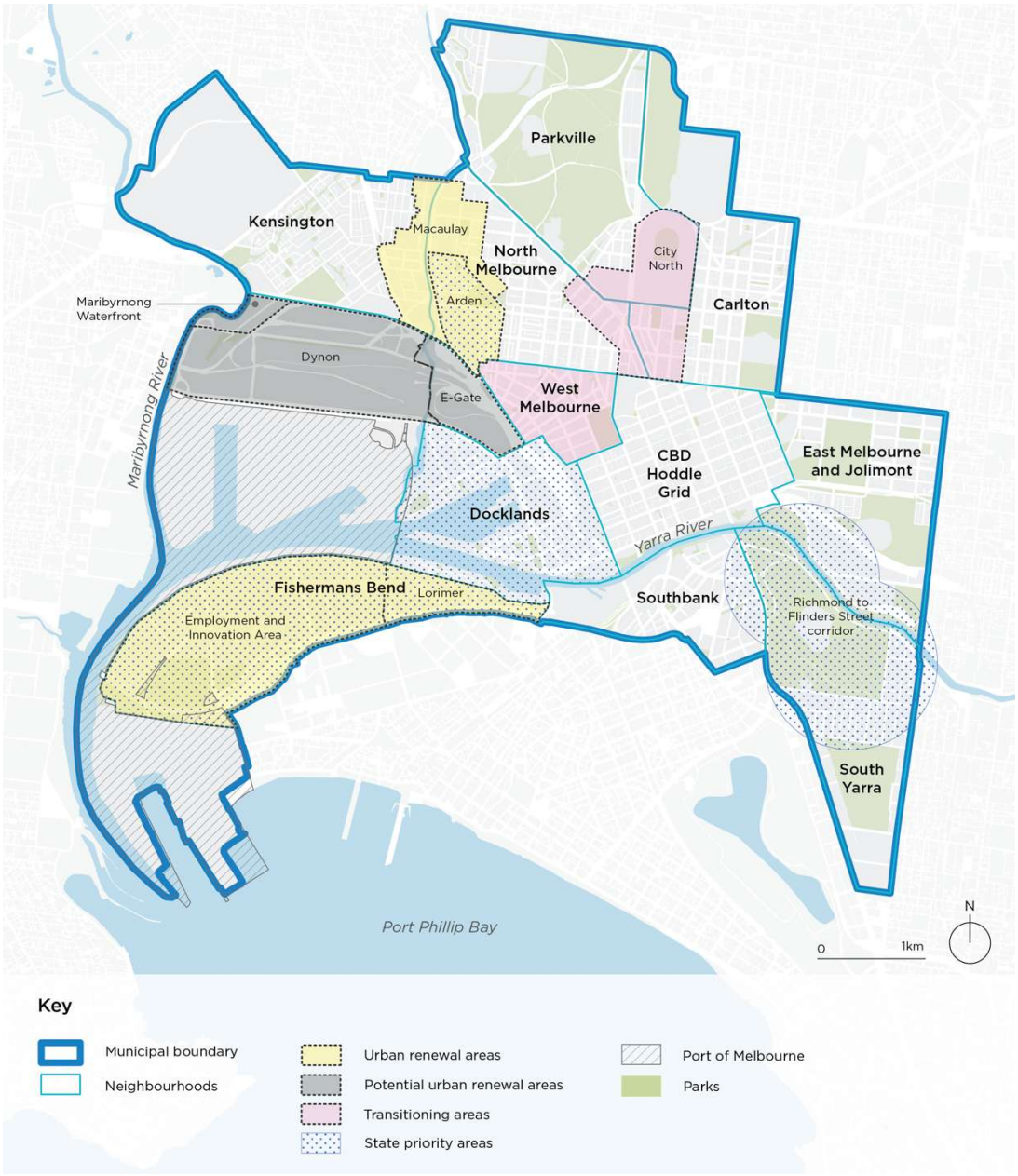
Our city

The City of Melbourne sits on the traditional lands of the Wurundjeri Woi-wurrung and Bunurong / Boon Wurrung people of the Kulin. For many thousands of years and to this day, the area has been an important meeting place and location for events of political, cultural, social and educational significance.

Today, Melbourne is one of the great multicultural cities of the world and is still a significant meeting place. It is a city that is transforming, taking on new shapes, forms and rhythms of activity. The City of Melbourne forms the centre of Greater Melbourne. Our municipality covers approximately 38 km² across 11 neighbourhoods, including the central business district.

As a globally recognised and highly liveable capital city, Melbourne is a powerhouse of economic opportunity and cultural vibrancy. It offers residents, businesses, workers and visitors access to world-class infrastructure, diverse industries, global connections and a thriving arts and events scene.

Our community is young and diverse, made up of 189,000 residents and more than 44,700 businesses. Our population is expected to continue to grow to 292,000 people by 2043, as more people seek the city's cultural, business, education, work and lifestyle opportunities.



Life in the City of Melbourne



Melbourne is a young, diverse and international city with a rich cultural history. As the capital city local government, the City of Melbourne serves a community with many different relationships to the city – including residents, business owners, workers, students and visitors.





Who we are

189,000+
residents in 2025

55%
born overseas from more than 160 countries

0.5%
Aboriginal and Torres Strait Islander population

24%
students

50%*
female

50%*
male

(*Gender diverse people are not represented due to data limitations)

How we live

91%
of dwellings are within 300 m of open space

68%
feel connected to their neighbourhood

46%
speak a language other than English at home

41%
are active, exercising 30 minutes, 4 days per week



How Melbourne compares

with other local government areas in Victoria

Median age:

30 years
Melbourne

38 years
Victoria

Households renting:

63%
Melbourne

28%
Victoria

Single-person households:

40%
Melbourne

25%
Victoria







Our economy and jobs

44,700
businesses

$127b
gross local product, representing 22% of Victoria's economy

652,000
jobs

90%
of workers in the City of Melbourne live outside our boundaries

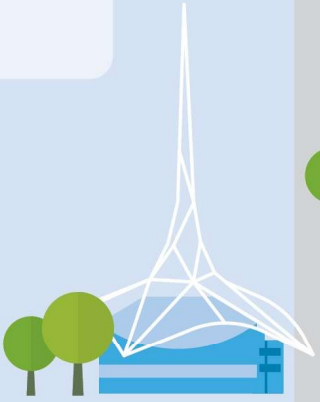
Our visitors and events

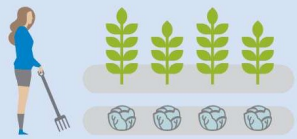
12.2m
domestic visitors

1.6m
international visitors

6.3m
attendees at major events













Preparing for the future



Melbourne continues to be globally recognised as a highly liveable city. While our population growth has rebounded after the COVID-19 pandemic, we face uncertainty around technical transformation, climate change, infrastructure capacity, cost of living and inequity.



Residents

2025 **189,000** → 2040 **280,000**

Homes

2025 **103,000** → 2040 **135,000**

Jobs

2025 **652,000** → 2040 **824,000**



Climate

1.2°C
average increase above baseline

11
days per year over 35°C

Challenges facing our community

Health and wellbeing

24%
with high or very high psychological distress

26%
experiencing loneliness

46%
of Aboriginal and Torres Strait Islander residents live with a long-term health condition

73
people sleeping rough

Economic

30%
of renters in rental stress

47%
experiencing food insecurity







Safety

18,097
criminal incidents per 100,000 population (compared to Victoria 6814)

2186
family violence incidents in 2024–25

74% women
82% men
feel safe during the day

35% women
51% men
feel safe at night







Our asset summary

Our assets are the tangible things you can see or use when you are out and about in the city. They include built and natural assets and play an integral role in enabling the delivery of services and supporting our public amenity. These assets belong to all of us and help make life better and richer for everyone.

Our asset story



$4.04+bn

Infrastructure assets

- Buildings
- Parks and outdoor recreation
- Road infrastructure
- Bridges
- Marine infrastructure
- Street lighting
- Stormwater drainage

Asset value per capita

$21,000

Infrastructure value per head of population

Our asset health

$168m

Projected average annual capital spend

Renewal funding ratio

74%

Ratio of current budget and desired budget

Average asset health

63%

Proportion of remaining life left in assets

Our future challenges



Population growth



Changing demographics



Economy



Climate resilience



Digital innovation

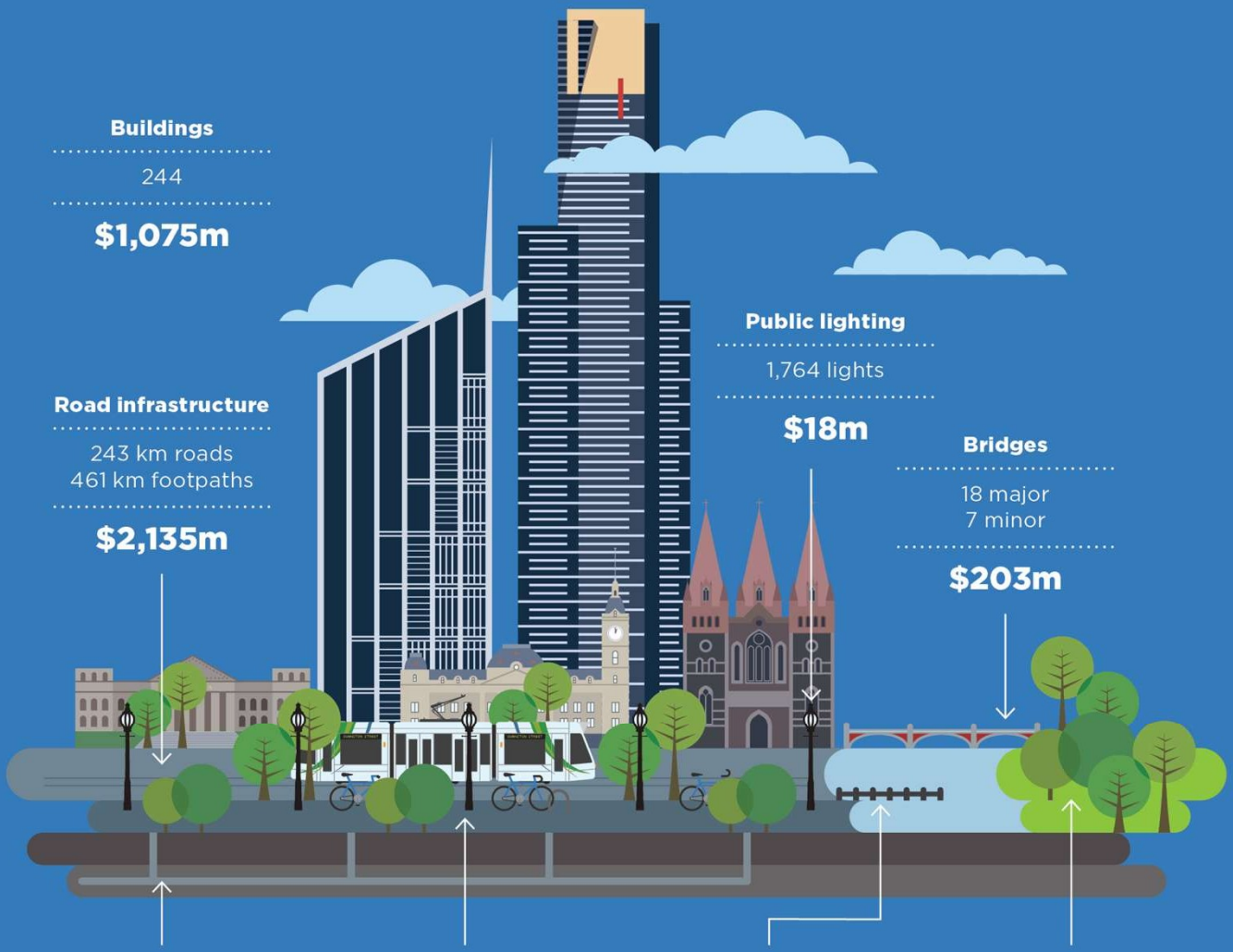


Financial constraints

Our assets

Total value

$4.04bn



Buildings

244

$1,075m

Road infrastructure

243 km roads
461 km footpaths

$2,135m

Public lighting

1,764 lights

$18m

Bridges

18 major
7 minor

$203m

Drainage

330 km pipes
and channels

$281m

Land

422.95 ha

$1,950m

Marine infrastructure

10 wharves
5 floating structures

$100m

Parks and outdoor recreation

463 ha parks
88,485 trees

$225m

Introduction

City of Melbourne has a bold plan in place to realise our M2050 Vision of a “Liveable Melbourne, growing stronger together”. To help us realise this bold vision, we must be responsible stewards of our community infrastructure and green assets, which are valued at **$4.04 billion** (replacement value). These assets help us deliver services to support our customers and community, now and into the future. They include everything from 200+ buildings and 463 hectares of parks that help foster community connection, to the street lighting network that helps keep our streets safe.

Most are long-life assets that stand the test of time, lasting up to 100 years, and represent a significant investment over many generations. Given this sizeable investment, and the importance of these assets to achieving our community vision and outcomes, it is vital that we sustainably manage our assets for our community, for current and future generations.

With this in mind, our Asset Plan outlines how we will plan to allocate resources to mitigate risks, enhance efficiency and improve liveability, while ensuring Melbourne continues to prosper as a global city.

Purpose of the Asset Plan

The Asset Plan provides a strategic overview of how we will sustainably manage our community’s assets over the next 10 years to support our M2050 Vision. It also outlines how we will ensure our assets continue to support the delivery of services into the future.

The Asset Plan details how we will optimise capital and maintenance requirements, balance new asset growth with our ageing infrastructure, and deliver services in line with evolving community needs and expectations of being a dynamic global city. It supports consistent, evidenced-based decision-making and engagement with our stakeholders, and improves links between service levels and costs, while also articulating our challenges and risks. This will result in more informed community engagement and the improved use and management of Council assets, as we work to achieve our M2050 Vision.

The Asset Plan helps us to strategically plan for the services and infrastructure that will be needed in the future, while ensuring money is spent wisely. It helps us to balance the requirements for new projects with our existing and ageing asset base. It helps the community understand how decisions are made about public spaces and services.

By planning ahead, we make sure future generations can enjoy well-maintained and useful assets. The Asset Plan provides expenditure forecasts that will guide future maintenance, renewal programs and capital projects, which will help us with our long-term financial planning and annual budgets.

Local Government Act 2020 compliance

The Asset Plan has been prepared to comply with section 92 of the *Local Government Act 2020*, which requires local councils to prepare an Asset Plan for a period of at least 10 financial years, that includes information about maintenance, renewal, acquisition, expansion, upgrade and disposal in relation to each class of infrastructure asset under its control. The Act requires the Asset Plan to be developed in line with its deliberative engagement practices, as outlined in its community engagement policy.

Scope of the Asset Plan

While we manage an extensive portfolio of assets worth over $5.99 billion on behalf of the community, this Asset Plan focuses on infrastructure assets ($4.04 billion) that are vital to the delivery of our services and are representative of the assets the community experiences in their day-to-day activities in our city. Land assets represent a significant portion of our asset base, valued at approximately $1.95 billion. The management of our land assets will be guided separately through our Property Strategy.

Council assets included in the scope of this plan:

- buildings
- parks and outdoor recreation
- road infrastructure
- bridges
- marine structures
- public street lighting
- stormwater drainage.

Connection to Country

Understanding of and respect for Aboriginal culture and identity is integral to meaningful and lasting relationships with the community.

We are immensely proud of Melbourne's unique Aboriginal cultural heritage, and we are committed to appropriately protecting and celebrating this heritage. It is vital to our identity and ensures Aboriginal peoples' equal participation in our city's economy and activities. We strive to educate our organisation and the Melbourne community about First Peoples culture, lore, knowledge, and heritage. By embedding Aboriginal culture in the design of our urban landscape, buildings and community spaces, we are recognising and reflecting Aboriginal culture in the very fabric of our city.

We are deeply committed to delivering our asset management practices and processes respectfully, with an awareness of the relationship between First Peoples and Country, inclusive of land, water, plants, animals and culture. Specifically, this will include aligning with the five pillars of our Stretch Reconciliation Action Plan 2024:

- truth-telling
- relationships
- respect
- opportunities
- governance.

Challenges and opportunities



Population growth and urban density

Melbourne's resident population and local jobs forecast is expected to grow by 65 per cent over the next 20 years. An estimated 189,000 people were living in our city in 2024, showing that the population has recovered to pre-COVID levels. By 2043, the city is forecast to account for 9.5 per cent of Greater Melbourne's population, reaching a total of 292,100 residents. This growth is expected to be largely driven by overseas migration. Melbourne is also expected to continue to be the most attractive location for employment, capturing 43 per cent of jobs over the next 20 years. This increased growth will lead to a significant increase in demand for infrastructure and open spaces. Without effective planning and management, this growth may place significant pressure on existing assets, leading to increased wear and tear, increased congestion and poor service delivery.



Changing demographics and expectations

Melbourne is home to people of diverse backgrounds, cultures, gender, sexualities, ages and family structures. The demographic profile is likely to continue to change over the next 10 years, and with it, our community's need for services and assets.

One of the most significant changes is the increase in families with children moving into the municipality, with a predicted 75 per cent increase by 2043. The number of households identifying as couples without children is also forecast to rise from 29,700 in 2023 to 41,900 by 2043. These demographic groups require differing service needs, ranging from access to playgrounds and childcare to demand for late-night entertainment. Melbourne is also expected to continue to experience a shortage of affordable, accessible and quality housing.



Economy

The City of Melbourne is an economic powerhouse. On just 38 km² of land, it generates $116 billion in annual economic activity, which is nearly 22 per cent of Victoria's total output. With a reputation for innovation, diversity and resilience, the city is a magnet for investment, talent and visitors.

Over the past two decades, the City of Melbourne has maintained an average annual growth rate of about 5 per cent – more than twice as fast as the rest of the Victorian economy. This has been driven by the city's knowledge-based economy, world-class retail and hospitality sectors, globally leading universities and a thriving cultural scene.

Our economic prosperity is reliant on a productive central city economy. Our infrastructure assets will continue to play a critical role in that productivity, alongside our transport infrastructure. The efficient movement of people and goods is vital to the function of our city: efficient transport powers economic growth and productivity.



Climate change

Increasingly, climate hazards, population growth and constrained resources will affect local governments around the world, as we strive to meet the needs of our communities. Failure to consider future climate change risks in asset decisions has the potential to lock in vulnerabilities and increased retrofitting costs, as well as causing physical and mental harm to community members, and damage to private assets.

Extreme heat and heatwaves, drought and water insecurity, flooding and storms, and sea-level rise are among the key events likely to have an impact in Melbourne. City of Melbourne is set to experience significant financial impacts to assets due to climate change and extreme weather events. Under a 'do-nothing' scenario, recent financial modelling of climate change hazards on City of Melbourne's assets found damage is expected to increase by 1200 per cent in the next 75 years, representing costs of between $22 million and $37 million a year in average annual damages.

Various legal and regulatory requirements mandate proactive climate risk management, including the *Local Government Act 2020*, *Climate Change Act 2017* and *Environmental Protection Act 2017*. This requires the development of strategies and targets, and the translation of these directions into action on the ground.

Failure to consider climate risks in asset planning leads to higher long-term costs, increased vulnerability and reduced service effectiveness. Consideration of these conditions early in project phases can have minor impacts on costs when compared to future retrofitting, maintenance and replacement costs incurred through increased exposure to these events.

Recognising this, our Sustainable Assets Policy has been integrated with the Asset Management Policy to further strengthen alignment in mitigating and managing risks related to climate and environmental sustainability.



Technology and digital innovation

Technological advancement is rapid, with digital technologies reshaping the way the city operates. These changes affect the way we think about and deliver services, and manage our assets. New technology and digital innovations are also changing the way the community engages with government. Keeping pace with new technology may be a challenge, but technology also represents a phenomenal opportunity for our strategic asset management systems. Data is increasingly the link between the built form, the community and the City of Melbourne. There is a continuing opportunity to make the most of this data to shape insights, find efficiencies and improve the way we manage our assets.



Financial constraints

As the city grows and our current assets age, the tension between maintaining our assets and accommodating future growth is exacerbated.

Underfunding or deferring the maintenance of current assets can lead to more costly reactive repairs, and ultimately speed up the decline of assets. This could place an unsustainable burden on future generations and also limits our capacity to service capital works or respond to new community needs.

With a finite budget for investment in assets, Council's investment approach over the next 10 years will require prudent financial and sustainable management, using a holistic life-cycle approach to strategic asset management.

Strategic context

The *Local Government Act 2020* requires Council to establish a suite of strategic plans that guide our future planning, asset management and financial sustainability. These strategic plans provide the framework within which our Asset Plan is developed, ensuring that all asset management decisions are aligned with long-term community aspirations and financial sustainability.

This section describes how this Asset Plan links to the achievement of the Community Vision and the Council Plan, within the Integrated Strategic Planning and Performance Framework.

Melbourne's Integrated Planning and Performance Framework

At the City of Melbourne, we follow an integrated approach to planning, monitoring, and performance reporting. Through this structured approach – engagement, planning, delivery and monitoring – we aim to achieve meaningful outcomes for our community.

Our integrated planning and performance framework supports decision-making across the long-term (10+ years), medium-term (4+ years) and short-term (1 year). It guides the Council in identifying community needs and aspirations over the long-term (Community Vision), medium-term (Council Plan) and short-term (annual Budget). It also provides an accountability measure through the Annual Report.

At the center of this framework is the M2050 Vision, developed in collaboration with our community to shape the future of our city for generations to come.

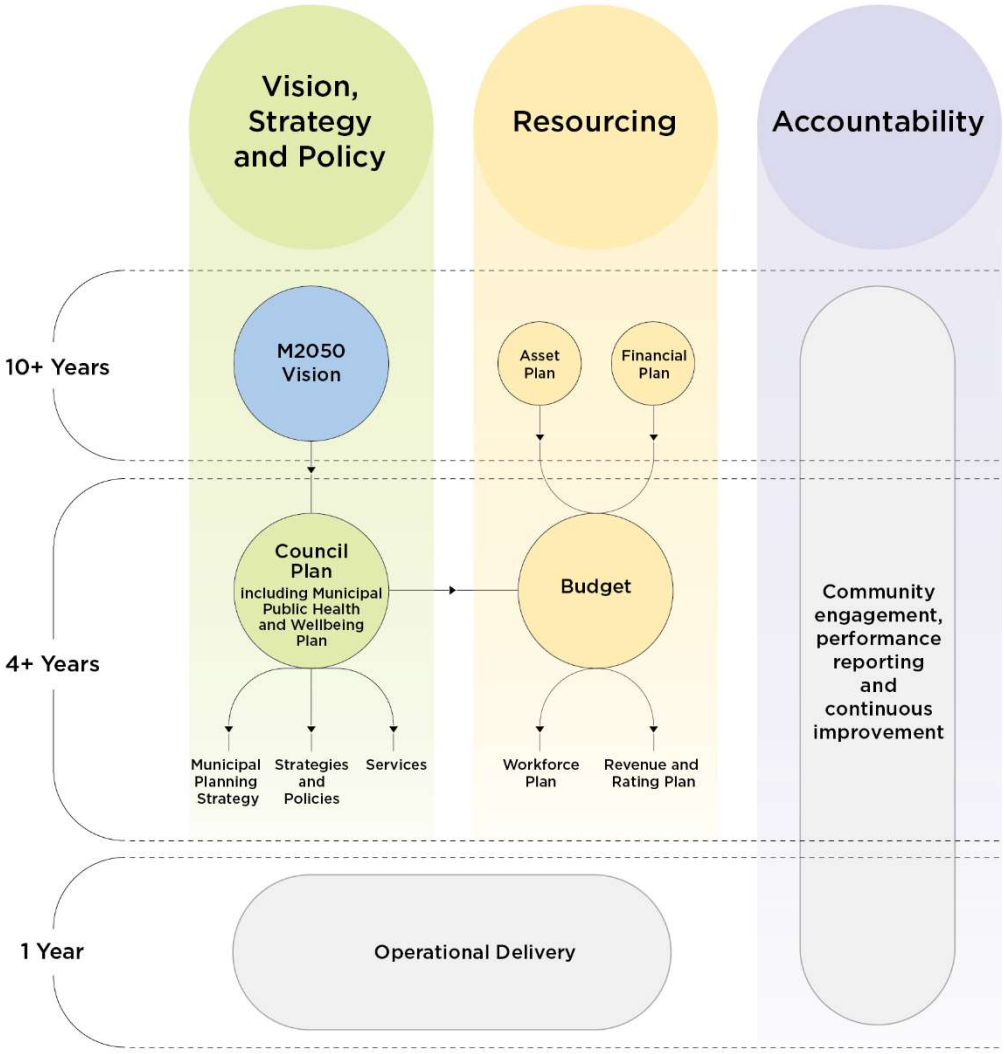


Figure 1: Integrated Strategic Planning and Performance Framework

Strategic plans and roles

Integrated Planning and Reporting Framework documents	Role	Timeline (years)
M2050 Vision	Our community's aspirations and priorities for the future of Melbourne, looking ahead to 2050.	25
Municipal Planning Strategy	Incorporates the vision and objectives of Council's strategies, plans, policies and responses to emerging issues for managing land use and development for the next 10 to 20 years.	10 to 20
Financial Plan	Enables Council to manage finances sustainably in the long-term, and details the capital works plan, income and funding sources, and local government financial metrics.	10
Asset Plan	Outlines Council's asset management priorities, actions and metrics informed by deliberative community engagement in accordance with the *Local Government Act 2020*, and outlines a funding plan for the maintenance, renewal, upgrade, new and disposal expenditures.	10
Council Plan	Outlines how we will achieve the long-term community vision. It is built around 6 strategic priorities that guide our decisions and shape the delivery of services, infrastructure and amenity over the 4-year council term.	4
Budget	Details how we will manage our resources / budgets to deliver projects and is updated annually.	4
Revenue and Rating Plan	Details the principles that guide how Council calculates and raises the revenue required to fund services, infrastructure and amenity to our community.	4
Workforce Plan	Ensures that Council has the right people and skills to deliver the strategic goals by aligning staffing needs with long-term planning, financial resources and legislative requirements.	4
Strategic Asset Management Policy	Sets the strategic intent for the sustainable management of Council's assets, and outlines the principles to guide asset management practices, processes and systems.	4
Asset Management Strategy	Internal document that details how Council will achieve its management policy objectives, through a delivery-focused set of actions aimed at improving the asset management maturity of Council.	4
Asset Management Plans	Details the funding needs for maintenance and capital for a range of service levels, for each of Council's asset class.	10
Capital Program	Translates the Asset Plan into actionable projects, ensuring infrastructure remains effective, sustainable and aligned with long-term strategic goals.	1 to 5

Table 1: Strategic plans and roles

Asset Plan alignment

The Asset Plan is informed by and informs other key strategic City of Melbourne documents. The Asset Management Framework illustrates the primary documents, systems and processes that guide our critical asset management activities and responsibilities.

The Asset Management Framework outlines a set of the interrelated and interacting documents and processes, guided by the Asset Plan and the Strategic Asset Management Policy, which aim to support the realisation of our M2050 Vision and Council Plan 2025 within the boundaries of our Financial Plan 2025.

The below figure illustrates the relationships between the Asset Management Framework, Asset Plan and Council's 10-year strategic documents.

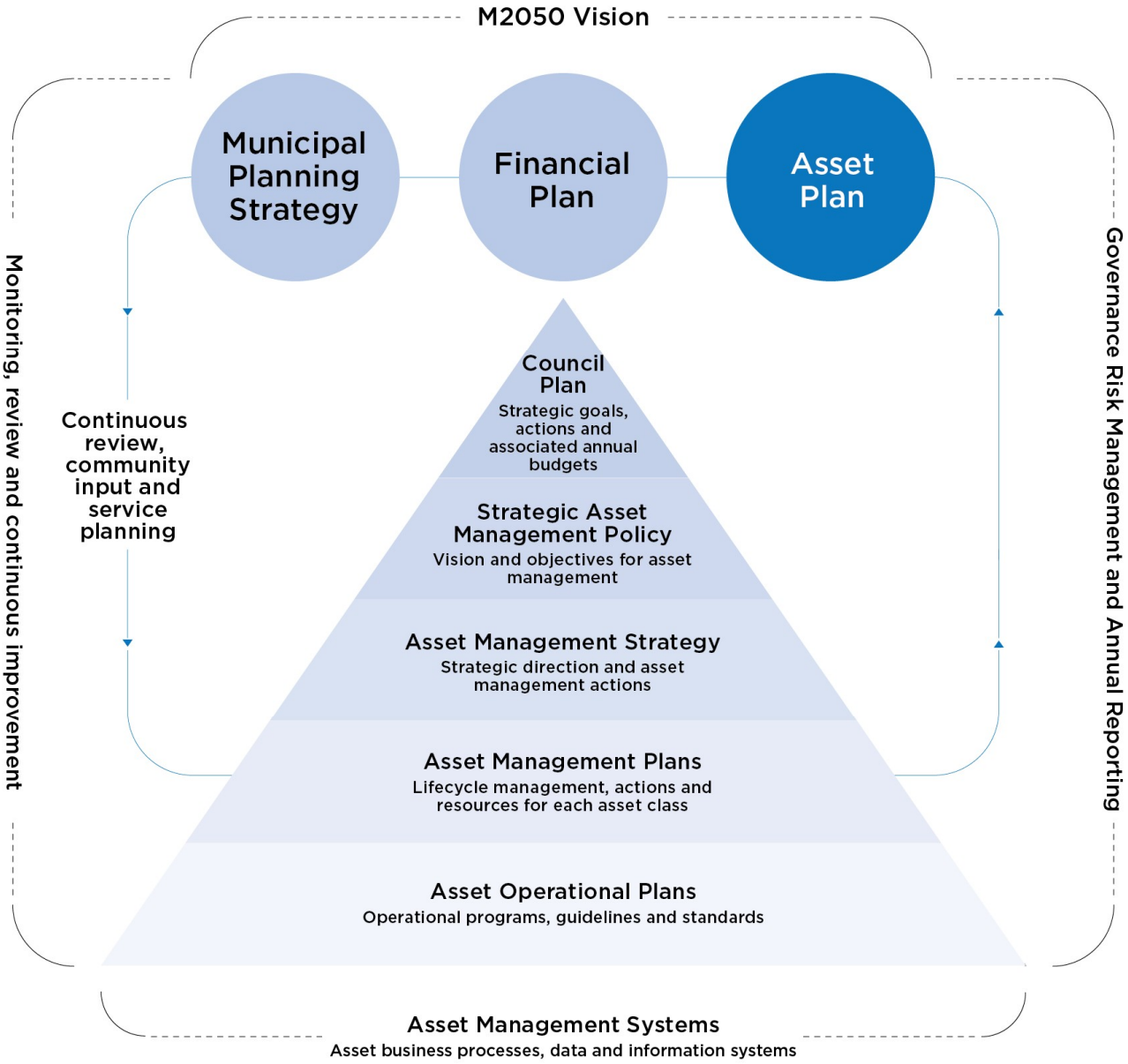


Figure 2: Asset Management Framework and relationship with Council's 10-year documents

Engagement with our community

Community engagement informs this plan

The City of Melbourne represents a diverse cohort of people that directly use and rely on our infrastructure assets to undertake their day-to-day activities. Our stakeholders include a wide range of people and groups who seek different needs and requirements from our assets, resulting in shared or competing interests in how we manage these assets. It is critical for us to understand customer and stakeholder expectations, so we can effectively manage our infrastructure assets for the whole community.

We ran a broad engagement process over 10 weeks in 2025 to gather perspectives from those who live, work and do business in Melbourne, as well as those who have shaped – and will shape – the city's future into 2050. The community engagement process included the following opportunities:

- An online survey on Participate Melbourne, inviting future aspirations and potential actions.
- The M2050 Summit, a major event hosted by the Lord Mayor with more than 700 attendees to help shape a bold, 25-year vision for the city.
- Two bespoke roundtables with First Nations people (16 participants) and young people (25 participants) to elevate their voices as we shape a collective vision for the future of Melbourne to 2050.
- A deliberative People's Panel – representative of our city's demographic cohort – to consider the opportunities and challenges our city is facing, consider trade-offs in decision-making and provide a set of principles to guide development of Council's strategic plans to realise the M2050 Vision.

Across all engagements, rich insights were shared, with a clear alignment across key themes. This provided a strong mandate for Council in planning for the future, in line with community aspirations and priorities.

M2050 survey

The M2050 survey received 849 responses and invited anyone with a connection and interest in the future of the city to answer these questions: "What do we want Melbourne to be known for in 2050?", "What would this look like in your everyday life?" and "What actions would we need to do now to achieve this?"

Key themes in the survey

- A city with great transport and walkability (52 per cent of respondents).
- A green, environmentally friendly city (49 per cent).
- A welcoming inclusive city (43 per cent).
- A safe city (39 per cent).

M2050 Summit

The M2050 Summit brought more than 700 voices together at Melbourne Town Hall in May 2025 to explore what a long-term vision for Melbourne could look like. Discussions focused on the kind of city we aspire to be in 2050. The summit created opportunities to hear what mattered most to everyone, and generated big ideas for a Melbourne we can all be proud of.

Key themes at the summit

- Liveability and wellbeing
- Economy and innovation
- Knowledge and creativity
- Climate and environment
- Movement and infrastructure
- Democracy and leadership.

Melbourne 2050 People's Panel

We invited Melburnians who live, work and do business in our city to apply for the Melbourne 2050 People's Panel. More than 270 people across all age groups applied to participate, including:

- business owners and employees
- residents, ratepayers, and students who live in the City of Melbourne
- Aboriginal people, people with disability and members of the LGBTIQA+ community
- different employment and education types, and cultural backgrounds.

After a process of independently completed, stratified random selection, 50 people were recruited to represent the diverse communities that we serve. Through the course of engagement, this number reduced to 48 participants.

The People's Panel took part in a series of facilitated conversations over 4.5 days to understand the challenges and opportunities facing a global capital city. Their deliberations were in response to the following key questions:

- How can Council better balance its budget and still deliver on what is important to the community?
- How can Council better spend its money between the building of new assets and the maintenance of its growing asset base?
- Should Council deliver on a wide range of services or a smaller targeted range of services over the next four years?

Overall, the panel was supportive of our approach to classifying assets, however more clarity was required on some specific asset categories.

The key focus of the People's Panel was to provide a set of decision-making principles to guide the City of Melbourne's strategic direction over the next four to 10 years. The panel developed eight principles that encompass the breadth and depth of deliberations:

Future-focused resource stewardship	**Deepening connection to Country**
Creativity and innovation	**Climate action as a collective responsibility**
Future-ready Melbourne	**Always consider health and wellbeing**
Safe and accessible by design	**A people-centred city enabling affordable, equitable living opportunities**

Community engagement outcomes

A set of guiding asset management principles were developed as an outcome of the deliberative engagement process, and guided by the work of the People's Panel. These principles informed the development of our Strategic Asset Management Policy and this Asset Plan, to guide our asset management practice, and support the broad strategic objectives of the M2050 Vision and Council Plan 2025:

- People-centred, community involved, and service focused
- Future-focused, integrated planning and long-term financial sustainability
- Best-practice and continuous improvement culture
- Risk and regulatory compliant assets
- Evidence-based decision-making and reporting
- Sustainable and climate resilient assets
- Inclusive, accessible and safe assets
- Connection to Country and culturally aware assets.

In relation to balancing the budget, the People's Panel recommended that Council should try to secure alternative funding streams, while using borrowings in a strategic way to ensure investment decisions with clear long-term benefits to the community.

When discussing the management of assets, the panel recommended that Council prioritises the quality and sustainability of assets to make sure they last longer and have fewer maintenance costs into the future. The panel also recommended the fostering of effective public-private partnerships and holding developers accountable for the delivery of infrastructure on time.

In relation to the delivery of services, the panel recommended that Council focuses on a balanced approach to service delivery, based on evidence and data to make sure the services being delivered are used, valued, effective and accessible to the community. The panel recommended that Council also consider optimising its facilities for multipurpose use, so that services are accessible and more cost-effective to deliver. The use of technology to streamline operations, enhance decision-making and manage costs where possible was also a recommendation.

We have incorporated this feedback into this Asset Plan and identified an opportunity to holistically realise the outcomes of the feedback by optimising our asset management approach towards strategic asset management.

Phase two consultation and outcomes

The consultation on the draft Asset Plan was supported through an online survey on Participate Melbourne, with the ability to provide open-text written responses.

The draft Asset Plan received 113 submissions, and of those, 54 respondents provided commentary on their level of support on the proposed asset management approach of the Plan, and their assessment on the level of importance of the proposed asset management principles.

Overall, 62 per cent of respondents either agreed or strongly agreed with the proposed approach, with 9 per cent of respondents either disagreeing or strongly disagreeing with the approach. Additionally, the asset management principles received support, with respondents agreeing with their level of importance in asset management planning.

In consideration of the feedback, the Asset Plan strengthened reference and alignment with accessibility and maintaining the city's heritage within our principles. Our asset response to the *Gender Equality Act 2020*, was also strengthened with regard to how we manage our assets.

How we manage our assets

Our assets enable our services

The City of Melbourne provides many important services ranging from arts and cultural programs and tourism to urban planning, capital works and maintenance, recycling and waste management, all of which contribute to making the City of Melbourne a globally recognised, liveable city.

Our infrastructure assets are worth $4.04 billion and include many community facilities, parks, roads and stormwater drainage. They are critical to the fabric of life in our city. These assets are at the core of the services we deliver to support our community and meet our customers' social and economic needs.

Our assets represent upfront capital investments that deliver value over time. In economic terms, infrastructure assets are often described as 'fixed assets' as their potential value is locked and realised over time, often up to 100 years or more, in the instance of roads, bridges, drains and buildings. With this long life, our assets degrade over time due to age, wear and tear, damage, climate exposure and other stresses.

End users and key stakeholders, including our ratepayers, typically weigh the benefits of our assets against any costs associated with using those assets. Therefore, asset management focuses on making sure the community benefits from the significant investment we make in these assets, while also ensuring cost-effective management strategies.

Managing our ageing and long-life assets requires a strategic and structured approach. We must also balance risks, costs and performance to effectively maximise the value of each asset over its life cycle. Our assets also require ongoing maintenance to adhere to relevant statutory requirements and regulations and to remain safe and serviceable for public use.

What is asset management and why is it important?

Asset management is a planned and coordinated framework that guides how we look after our community's assets. This involves balancing risks, costs and performance to draw the most value from these assets to meet the needs of the community.

Community needs and expectations are central to the way we manage our assets. We must ensure public safety, amenity and accessibility, while continuing to support the delivery of quality services.

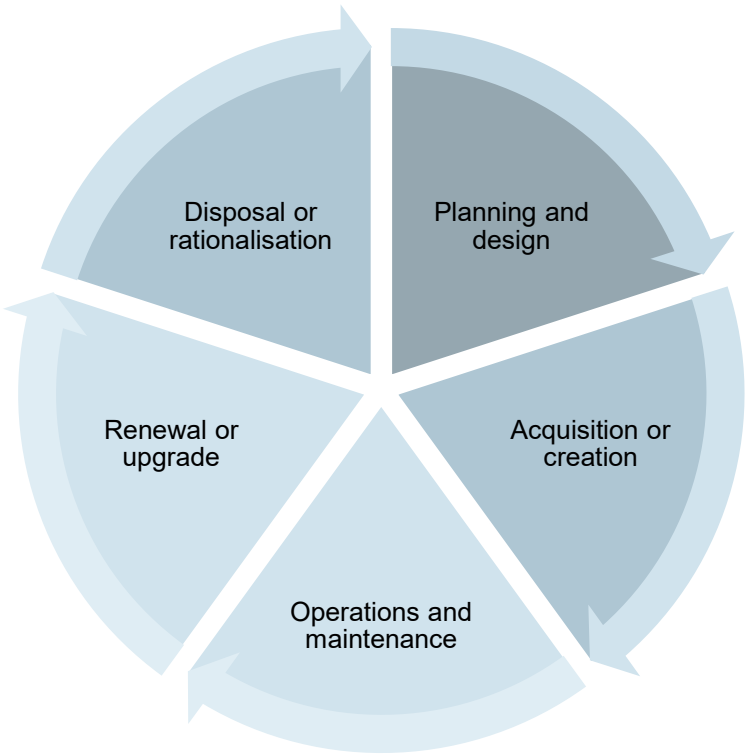
We need to find a balance between delivering what our community needs and expects, and what we can afford in a financially constrained environment. Given our finite budget for investing in our assets, a strategic and integrated approach is required to help us ensure a fair and financially prudent long-term financial plan for the management of our assets.

Asset management planning

The City of Melbourne uses asset management planning and practices to achieve long-term sustainability and efficiency. We are guided by the Strategic Asset Management Policy, Asset Plan and the Asset Management Framework. These practices are supported by technology, data, processes and a skilled workforce to ensure informed decision-making that aligns with corporate and Council objectives.

A life-cycle approach

We use a life-cycle approach to asset management, which considers the resources needed to operate, maintain, repair and replace assets to meet required service levels and ensure that they last as long as expected. This life-cycle approach allows Council to draw the most cost-effective value from our spending on assets, allowing us to plan for the entire life of an asset from the moment it is acquired or created to the moment it is replaced or disposed of. Each of the asset life-cycle stages and Council's approach is detailed in the table below.



Did you know?

The total cost of managing an asset over its life will be 3 to 4 times the total upfront cost of constructing it.

Figure 3: Life-cycle approach to asset management

Asset life-cycle stage	Council's approach to the life-cycle stage
Planning and design	• Asset requirements are identified to support service delivery needs in the long-term through needs assessments. • Assets are designed with these considerations in mind: current and future affordability, accessibility, equity, maintainability, environmental sustainability and climate resilience. • Informed and transparent decision-making processes are adopted, considering the whole-of-life implications of acquiring, operating, maintaining, renewing, rationalising or disposing assets.
Acquisition or creation	• New or acquired assets align with approved plans guided by long-term infrastructure plans, strategic property plans and land use plans including Development Contributions Plans and a Community Infrastructure Plan. • New or acquired assets operating and maintenance costs are determined over a 10-year period to inform the Asset Plan and Financial Plan. • Newly acquired assets are assessed for quality and adherence to Council's design standards and specifications before they are accepted and placed into service.
Operations and maintenance	• Performance of assets is continuously monitored to ensure assets operate in accordance with their service potential requirements over their useful life. • Periodic inspection and maintenance are undertaken, in addition to cyclical condition inspections at least every 4 years, to monitor asset condition, safety, compliance and usefulness. • Council will use systems and processes to record information about its assets and undertake proactive maintenance and intervention works as necessary, to minimise critical asset failures and maintenance costs.
Renewal or upgrade	• Council adopts a holistic approach to determine the renewal or replacement of assets based on asset condition, use, whether it is fit-for-purpose and its environmental sustainability and resilience, rather than age alone. • Council's cyclical condition and performance assessment program ensures assets continue to meet changing community needs, and enables renewal, upgrade or replacement. • The most important assets are upgraded or replaced first, depending on how important they are to the community and customers. • Council optimises the timing of renewal or replacement, so that assets remain safe, functional and resilient to climate change effects, with timely investments, to save money in the long-term.
Disposal or rationalisation	• If assets are not required to directly support core service delivery, where practical they are considered for rationalisation to reduce overall life-cycle costs, or disposal if deemed surplus to the community's needs. • Council maximises the use of its assets through adaptive re-use or co-location of services where possible.

Table 2 – Our lifecycle approaches

Gender equality

To ensure that everyone who lives, visits and does business in our city belongs and feels connected to our city, our assets must be useable, accessible, welcoming and safe.

Recognising this, and in alignment with the *Gender Equality Act 2020*, we are committed to considering gender equality in planning, delivering, and managing our assets to facilitate equal access to services.

Levels of service

Service levels are set by Council and informed by community expectations, legislated levels of service, risk associated with the service and standards detailed in the asset management plans. This is balanced with financial sustainability. Our service levels are defined by the expectation that assets perform at the desired standard to meet our community's needs.

Service levels are defined in consideration of quality of service, use, function and how critical the service is. Council's decisions on maintenance, renewal, upgrades and the introduction of new assets are driven by these service level considerations.

To find the most appropriate service level, we consider:

- the most appropriate intervention level: We assess individual asset management plans, considering recommended intervention scenarios and performance indicators. These plans are then balanced at the portfolio level to ensure a cohesive and integrated approach.
- the life-cycle investment needed to fund minimum service levels: We ensure that the 10-year capital renewal plan must be financially viable and deliverable, so resources are allocated effectively within budget constraints.
- priority, risk and use: The National State of the Assets Report commissioned by the Australian Local Government Association recommends keeping assets in 'poor condition' and 'very poor condition' below 10 per cent (typically comprising 6 per cent in poor condition and 4 per cent in very poor condition).

Measuring the performance of our assets

Asset management involves monitoring and measuring the performance of our assets over their life, with respect to condition, functionality, capacity, environmental sustainability and resilience.

Condition

In line with best practice, Council is migrating away from our previous condition assessment methodology – the Moloney model – to the industry adopted 1 to 5 rating. This aligns with the Institute of Public Works Engineering Australasia (IPWEA) Practice Notes. This rating methodology refers to the extent to which our assets are in good or poor physical state on a scale of 1 to 5, with 1 indicating 'very good' condition.

Condition helps us understand the quality of service being provided and evaluate the remaining useful life of the asset. The figure below depicts the scale with an example.

Function

This is how the asset is functioning, and if it is fit-for-purpose or if it is becoming unable to accommodate the needs for which it is being currently used. Function helps us understand if the assets are suitable for their current purpose and if they need upgrading in response to changing circumstances. The functionality is further informed by the community needs assessment framework of the Community Infrastructure Plan, and other service planning, plans and strategies.

Capacity

This is the extent to which assets will be able to cope with future demands, and how it will be used. Capacity helps us determine if the asset is underused or overused, and if we need more, or less assets to meet future needs due to demand and growth. Each asset's capacity is further informed by demand management strategies and the Community Infrastructure Plan, among other strategies and plans.



Figure 4: Asset condition rating through images

Environmental sustainability and climate resilience

The extent to which assets can cope with the demands, impacts and effects of climate change, and how they will be used. Environmental sustainability and climate resilience helps us determine the risk and susceptibility of our assets to climate effects, to appropriately plan mitigation measures so we can protect and attain best value from our assets.

Trend of asset performance

The below table highlights a positive trend in the performance of our assets from the previous asset plan in 2020, with the overall condition of our assets improving and a slight decline in functionality and capacity. This trend highlights that our assets have broadly been meeting service delivery needs over this period and are expected to continue to meet these needs over the next 10 years with the funding allocation in line with the Financial Plan.

Proportion of assets not in need of capital investment		2020 %	2025 %	Change %
Condition	Bridges	80	80	
	Buildings	86	91	
	Drainage	96	96	
	Marine structures	90	90	
	Parks and outdoor recreation	96	91	
	Public lighting	93	93	
	Roads and footpaths	97	97	
Average		91	93	+2
Functionality	Bridges	85	85	
	Buildings	80	73	
	Drainage	95	95	
	Marine structures	95	95	
	Parks and outdoor recreation	92	85	
	Public lighting	96	95	
	Roads and footpaths	86	90	
Average		90	89	-1
Capacity	Bridges	80	80	
	Buildings	90	92	
	Drainage	90	90	
	Marine structures	100	95	
	Parks and outdoor recreation	90	85	
	Public lighting	95	95	
	Roads and footpaths	97	90	
Average		92	91	-1

Table 3 – Asset Performance

Funding our Asset Plan

Making decisions about funding our assets requires ongoing balancing of service levels, risk and the need to address growth. We must also adequately maintain and renew existing assets. Our aim is to achieve long-term asset and financial sustainability.

Integration with the Financial Plan

To ensure that we have the resources we need to manage our assets in the long-term, we will integrate the 10-year Asset Plan with the 10-year Financial Plan. This helps us consider and account for our assets in our financial management strategies.

The Asset Plan identifies funding requirements for each asset class and integrates this into the Financial Plan. These allocations will require future monitoring and analysis, as new asset information becomes available. Noting this, funding requirements may potentially change, which will require future adjustments to the funding allocations provided in both the Asset Plan and Financial Plan. An annual recalibration process in line with the annual budgetary process will be undertaken, informed by the asset management plans of our respective critical asset portfolios.

Our asset investment strategy

Our 10-year investment approach will apply prudent financial and sustainable management using a holistic life-cycle approach to asset management. Our investment in asset maintenance and renewal will be balanced by investment in new assets and upgrades to meet current and future demands across our city, as we continue to grow and adapt. Our investment strategy aligns with our asset management and financial planning principles, which will include aspirations to:

- comply with our legislative obligations and standards in asset planning and development
- prioritise renewing our ageing assets to continue to maintain appropriate levels of service
- optimise asset life through timely and effective maintenance strategies and standards
- build resilience in our assets that deliver the best outcomes for our customers, community and environment
- manage the impacts of growth by being strategic in maximising the use of existing assets, while appropriately planning for the demands of our future needs
- ensure all asset projects respond to the risk of climate change and extreme weather events
- provide affordable services by balancing community needs and aspirations, with what ratepayers can afford.

Our asset investment categories

For the purpose of this Asset Plan, our spending on its infrastructure is categorised in this way:

Expenditure category	Expenditure type	Activity	Description
Operational	Non-discretionary	Maintenance	Scheduled work to keep assets operating at the required level of service, or reactive work to repair defects and ensure that assets meet their service life and don't require early renewal.
	Non-discretionary	Operations	Recurrent expenditure that is required to use an asset such as utility costs, an audit and inspection program, cleaning or fees paid to other organisations.
Capital	Non-discretionary	Renewal	Works on assets that are near their end-of-life, that restore their ability to deliver or facilitate the delivery of the desired service.
	Discretionary	Upgrade	Works that increase the quality of the existing service that can be delivered through an existing asset.
	Discretionary	Expansion	Works that increase the quantity of the same services that can be delivered through an existing asset.
	Discretionary	New	Works that generate an asset that can provide a service that does not currently exist.
Acquisition	Discretionary	Gifted or contribution	Assets handed over to Council's possession as part of sub-development and growth.

Table 4 – Investment categories

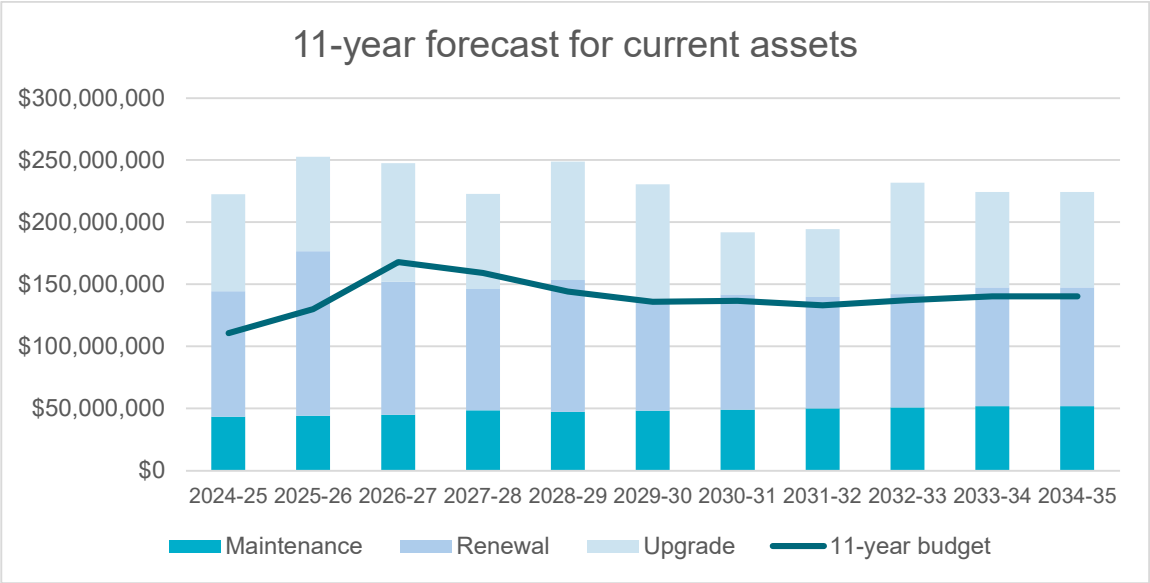
Prioritisation and resource allocation framework

Capital category	Expenditure type	Target percentage range	Proposed optimised target *(Percentage of total capital investment)*
Maintenance (asset upkeep)	(non-discretionary)	50–70%	~10–15% of total budget for ongoing maintenance (planned and reactive).
Renewal (replacing / refurbishing existing assets)			~40–55% of total (exclusive of maintenance) for capital renewals of assets at end-of-life.
Upgrade (enhancing service level of existing asset)	(discretionary)	30–50%	~20–30% of total for upgrades and improvements of existing facilities.
Expansion (increasing capacity of existing asset)			Consolidated into upgrades percentage allocation.
New assets (brand new facilities / services)			~10–20% of total for new assets providing new services (this can fluctuate based on growth needs).

Table 5 – Prioritisation and resource allocation framework

Our 11-year expenditure projections

The following chart summarises the total forecasted and budgeted lifecycle costs for all existing assets over 11 years.



Eleven-year budget

The 11-year consolidated expenditure allocations are presented in the table below based on the current financial model and assumptions. The expenditure projections may be updated as an outcome of the annual budget process to reflect improvements, major financial decisions, relevant external factors and changes to long-term capital works programs. This helps us stay responsive over time to our available financial resources.

Year	Maintenance	Renewal	Upgrade	Expansion	New
2024–25	$19,847,769	$51,604,000	$39,231,000	$111,000	$67,372,000
2025–26	$20,103,277	$56,072,000	$53,686,000	$540,000	$44,306,000
2026–27	$19,199,911	$96,305,000	$52,530,000	$0	$26,265,000
2027–28	$22,339,264	$88,540,000	$48,294,000	$0	$24,147,000
2028–29	$20,424,030	$80,096,000	$43,689,000	$0	$21,844,000
2029–30	$20,869,618	$74,410,000	$40,587,000	$0	$20,294,000
2030–31	$21,060,246	$74,715,000	$40,754,000	$0	$20,377,000
2031–32	$21,370,837	$72,262,000	$39,416,000	$0	$19,708,000
2032–33	$21,798,254	$74,645,000	$40,715,000	$0	$20,358,000
2033–34	$22,234,219	$76,304,000	$41,620,000	$0	$20,810,000
2034–35	$22,234,219	$76,304,000	$41,620,000	$0	$20,810,000
Total	**$231,481,644**	**$821,257,000**	**$482,142,000**	**$651,000**	**$306,291,000**

Asset management function

We must make sure our asset planning is a dynamic process which adapts as our customers and community grows and changes. This approach ensures our assets and the services they support will keep up with population growth, climate challenges, emerging trends and opportunities, so we can meet the needs of the community now and into the future.

This flexible and proactive approach will help to keep our infrastructure fit-for-purpose, resilient and responsive to the long-term needs of our customers and community.

Asset Plan review

In accordance with the *Local Government Act 2020*, the Asset Plan will be formally reviewed and updated every four years, in line with the new Council term.

Intermediary reviews may provide the opportunity to consider and reflect improvements, major financial decisions, relevant external factors and changes to long-term capital works programs. This helps us stay responsive over time to our available financial resources.

Reporting

We are committed to transparent reporting and continuous improvement in infrastructure management. Performance reporting is integrated into our annual budget process, where we consider material changes in service levels, available resources and strategic priorities.

We also track and report on asset condition, service levels and investment outcomes through established governance processes, including the Annual Report and financial reporting cycles. This ensures accountability in how infrastructure is managed, maintained and improved to meet community needs. Future enhancements in data tracking, performance benchmarking and reporting will support evidence-based decision-making and long-term sustainability.

Continuous improvement

We recognise that significant annual expenditure is required to manage and maintain our existing infrastructure. It is important to maintain high-level skills and practices to ensure services are delivered economically and sustainably. We are committed to continuously improving our knowledge, skills and operational practices in line with sector-wide asset management best practice.

The financial analysis and projections in this Asset Plan are based on existing data, processes, systems, and standards. We are committed to identifying ways to achieve more robust evidence and analysis, and to improving our practices to achieve this.

A key focus area is the implementation of life-cycle models to enhance asset planning, ensuring that assets are maintained, renewed and replaced at the optimal time. This approach helps maximise asset longevity while minimising long-term costs.

To support this, Council has reviewed and renewed its Strategic Asset Management Policy in consideration of the deliberative engagement and in alignment with this Asset Plan. The adoption of the Asset Plan and renewed Strategic Asset Management Policy will provide a structured approach to asset planning, decision-making, and investment prioritisation. A Strategic Asset Management Steering Committee, as outlined in the Strategic Asset Management Policy, will play a key role in guiding asset-related governance, ensuring alignment with strategic priorities and fostering cross-organisational collaboration.

State of our assets



Buildings

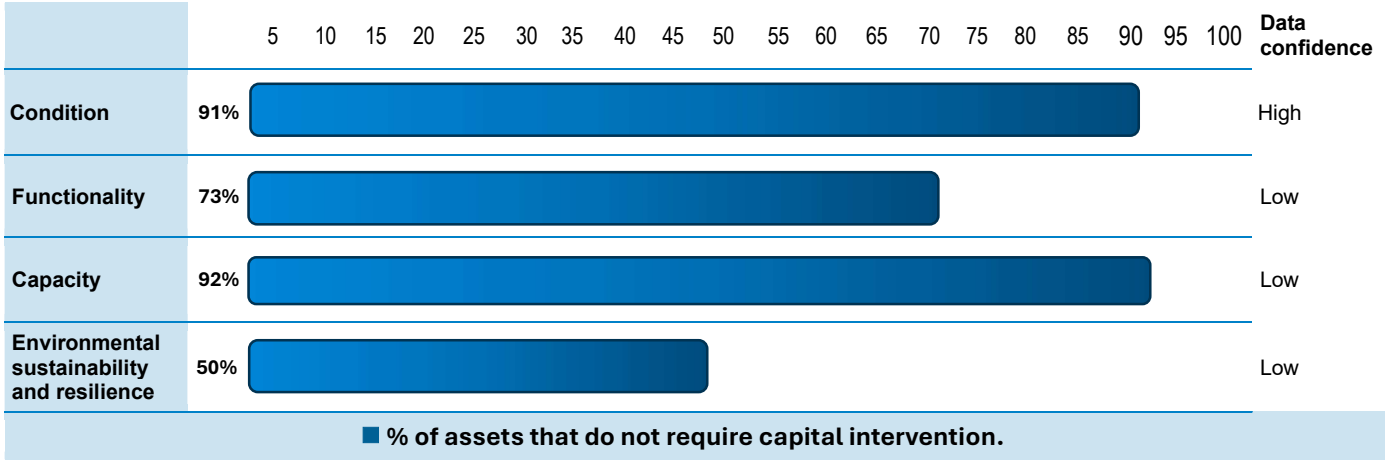
Our portfolio

In essence, building assets are not just physical structures, they are fundamental to Council's ability to operate, deliver essential services and strategically plan for the wellbeing and development of the community. By appropriately maintaining these assets we can support the safe and compliant integration of people and place.

What our work includes

Inspection and maintenance	Renewal	New and upgrade
• Statutory maintenance and inspections • Routine maintenance and minor repairs • Cleaning, security and pest control • Furniture removal and replacement • Asset inspections and condition auditing	• Refurbishment of building interiors and finishes • Replacement of building plant and equipment • External fabric and structural repairs to extend life • Accessibility and compliance works	• Construction of new facilities • Expansion or major renewal / redevelopment of facilities • Efficiency and climate resilience improvements

Asset performance



Future challenges and opportunities

Population growth	Asset deterioration	Climate change
• Residential and worker populations are forecasted to increase, leading to an increased demand for Council services delivered by buildings. • The portfolio is expected to have a need to grow. • Given the limited land available, council facilities and services will need to be adaptable to meet the needs of the community.	• 45% of building components are expected to deteriorate to poor / very poor condition due to under investment. • Renewal funding is prioritised to cover the largest risks to service delivery, compliance and safety. • User experience will be impacted by worn interiors and air conditioning issues. • Maintenance costs will increase to keep old equipment running.	• Extreme heat days, flooding and storm events will lead to rapid deterioration and damage to buildings, and impact thermal comfort. • Water insecurity and drought will lead to loss of water supply and structural failure vulnerabilities. • Upgrades and new buildings can be more resilient to climate change.

Strategic response to funding

We prioritise and manage maintenance and renewal activities by considering the importance of buildings and services, as well how critical each component is to safety and service delivery. This approach is guided by strategic modelling, which predicts the deterioration of our building assets and assesses the impact of various renewal funding scenarios on asset conditions. This process is informed by a four-year asset condition audit and revaluation management plan.

Year	Maintenance	Renewal	Upgrade	New
2024–25	$6,963,738	$37,676,718	$19,735,610	$22,006,672
2025–26	$7,438,304	$40,348,780	$32,548,210	$4,658,010
2026–27	$7,351,967	$21,171,766	$57,066,667	$9,598,567
2027–28	$10,136,083	$21,541,735	$49,249,904	$9,963,361
2028–29	$7,932,282	$27,168,257	$43,882,128	$2,002,615
2029–30	$8,235,409	$22,050,260	$44,713,249	$1,104,491
2030–31	$8,179,061	$26,325,956	$39,431,020	$2,390,024
2031–32	$8,342,642	$16,871,370	$48,841,592	$195,038
2032–33	$8,509,495	$14,652,697	$53,221,600	$206,703
2033–34	$8,679,684	$15,753,851	$53,601,954	$240,195
2034–35	$8,679,684	$15,753,851	$53,601,954	$240,195
Total	**$90,448,349**	**$259,315,241**	**$495,893,888**	**$52,605,871**

Key projects and programs



Annual renewal programs

- Property services renewal works
- Property services annual minor works program
- Property services DDA accessibility works
- Property services sustainability renewal works
- Council office accommodation building renewal and modifications
- Melbourne Town Hall renewal program.



Key projects in next 5 years

- Queen Victoria Market Precinct Renewal
- North Melbourne Community Hub
- Kensington Community Aquatic and Recreation Centre
- Electrification of buildings
- Riverslide Skate Park redevelopment
- Boyd fit-out and refurbishment.



Key projects in next 5 to 10 years (currently unfunded)

- Queens Corner building
- Bourke Street precinct building renewal
- Melbourne City Baths redevelopment.

Note: The Community Infrastructure Plan provides further information on key priorities for community facilities.

Bridges

Our portfolio

Our bridges and boardwalks are essential for providing safe, reliable, and accessible connections across natural and built environments. The following Council services are delivered from bridge assets:

- Keeping the city connected.
- Supporting transport and movement for cars, cyclists and pedestrians.
- Facilitating movement into, around and out of the municipality.

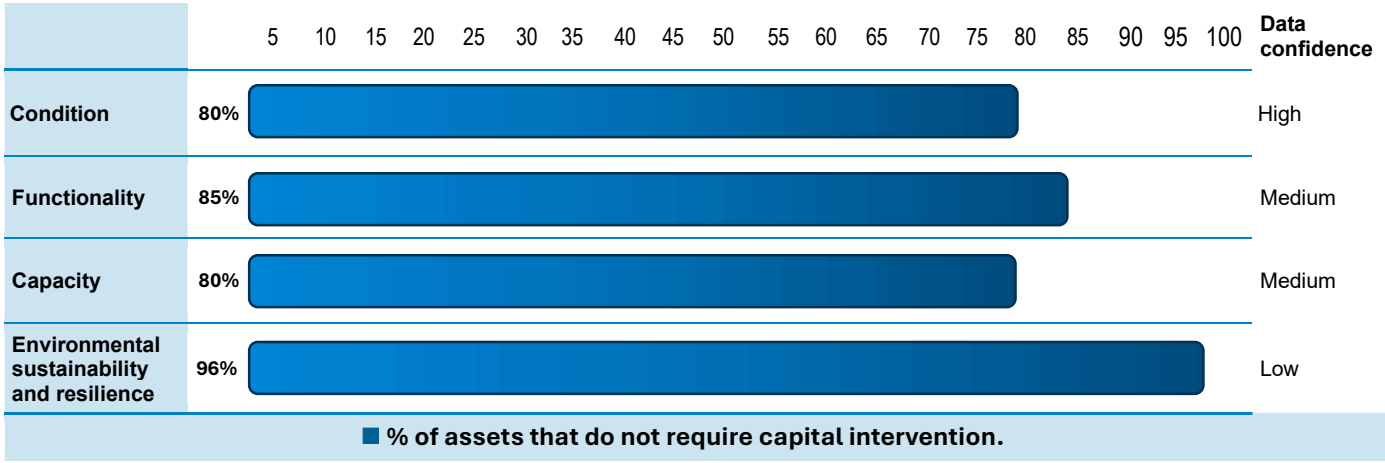
What our work includes

Inspection and maintenance	Renewal	New and upgrade
• Routine inspections and maintenance • Engineering inspections and assessments • Regular cleaning, painting and corrosion protection • Graffiti removal	• Replacement of very poor condition components • Replacement of cathodic protection and waterproofing concrete decking • Timber decking renewal	• Construction of new bridges • Structural strengthening and widening of existing bridges • Install anti-throw screens

Future challenges and opportunities

Urban density and network efficiency	Changing expectations and service demand	Financial constraints and sustainability
• As population density increases, bridges face added pressure from rising traffic volumes, including vehicles, cyclists, and pedestrians. While most bridges currently have sufficient load capacity, targeted upgrades will help support future demand and enhance resilience.	• The bridges play an important role in keeping the city connected, helping cars, cyclists, and pedestrians get around easily. With more people choosing to walk and cycle, there's a growing need for safe and accessible bridges.	▪ Maintaining and upgrading aging bridges within budget limitations requires careful planning. ▪ Incorporating sustainable materials and designs can help extend bridge lifespans, allowing for necessary improvements while managing long-term costs effectively.

Asset performance



Strategic response to funding

A well-structured 10-year Asset Plan helps us to continue to meet the level of service expected by the community. Our priority will be addressing urgent repairs and safety improvements, ensuring that the most critical issues are resolved first. Some less urgent projects may be delayed so that we can focus on bridges with the greatest need. This approach will allow us to maintain the high standards of Melbourne's bridges while planning for future growth and ensuring long-term sustainability. By managing our resources wisely, focusing on essential upgrades and investing strategically, the City of Melbourne will continue to maintain a safe and efficient bridge network that supports the needs of our growing city.

Year	Maintenance	Renewal	Upgrade	New
2024–25	$370,000	$2,381,000	$0	$0
2025–26	$381,100	$2,305,900	$0	$0
2026–27	$390,628	$2,652,372	$0	$0
2027–28	$398,440	$2,398,560	$0	$0
2028–29	$406,409	$2,124,591	$0	$0
2029–30	$414,537	$2,116,463	$0	$0
2030–31	$422,828	$1,938,172	$0	$0
2031–32	$431,284	$1,851,716	$0	$0
2032–33	$439,910	$1,918,090	$0	$0
2033–34	$448,708	$1,962,292	$0	$0
2034–35	$448,708	$1,962,292	$0	$0
Total	**$4,552,552**	**$23,611,448**	**$0**	**$0**

Key projects and programs



Annual renewal programs

- Annual funding for ongoing inspections and monitoring of bridge protection systems.



Key projects in next 5 years

- Heritage conservation works on Princes Bridge.
- Restoration works including painting and fixing bluestone on bridge abutments on Queens Bridge.



Key projects in next 5 to 10 years (currently unfunded)

- Sandridge Bridge repairs
- Stock Subway Bridge repairs
- Webb Bridge renewal (currently unfunded)
- Evan Walker Bridge deck replacement
- Seafarers Bridge repairs.

Marine structures

Our portfolio

The following Council services are delivered from marine structure assets:

- Marine structures, such as wharves, floating pontoons and waterfront structures are essential for facilitating the movement of river vessels such as boats along the Yarra River – Birrarung and Victoria Harbour.

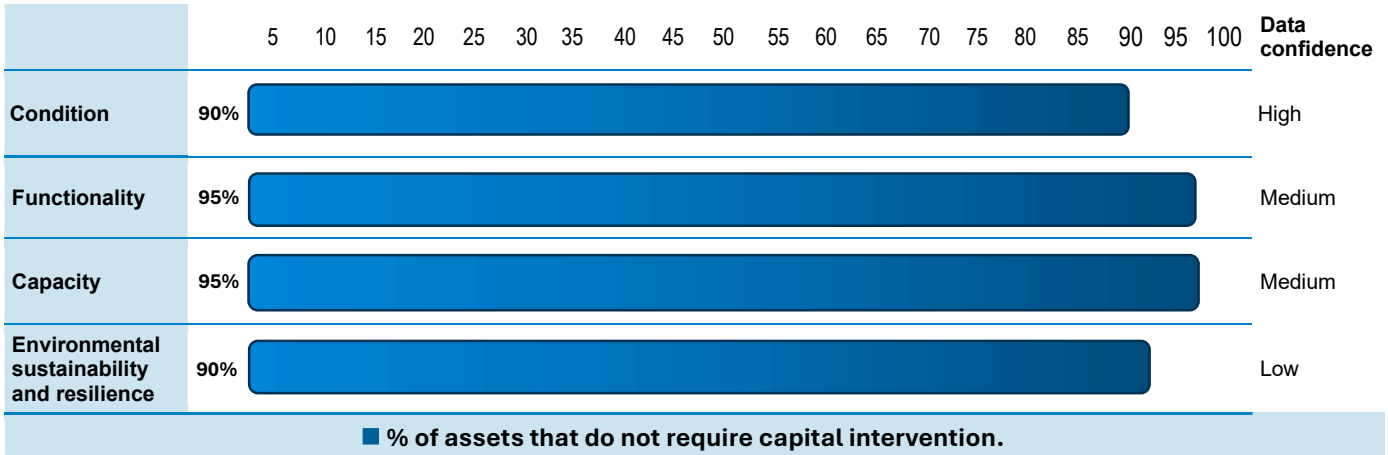
What our work includes

Inspection and maintenance	Renewal	New and upgrade
• Routine inspections and maintenance • Regular cleaning, painting and corrosion inspections • Engineering inspections and assessments • Timber decking inspections and maintenance	• Decking and piles repairs • Safety equipment including wayfinding signage, ladders, lighting, grab holds, safety rings and other works • Replacement of aged or very poor condition components • Structural and gangway strengthening and refurbishment works	• Construction of new boardwalk and marine infrastructure • Upgrade and expansion of marine structures • Upgrade to meet accessible compliance

Future challenges and opportunities

Urban density and network efficiency	Changing expectations and service demand	Financial constraints and sustainability
• As Melbourne's population grows, demand for marine facilities by pedestrians and vessels will grow. Timely renewal and upgrading of marine structures to meet rise in river and pedestrian traffic will ensure the safety and smooth operation of marinas and waterfront.	• As more Melbourne residents choose walking and cycling, there's a growing need for safe and accessible waterfront paths. • City of Melbourne is set to take over the remaining marine infrastructure in Docklands, currently managed by the Victorian Government. This will require additional funding and maintenance to keep these assets in good condition.	▪ Maintaining marine infrastructure requires careful budgeting to ensure safety and functionality. Investing in durable, eco-friendly materials can extend the lifespan of these structures and reduce long-term costs.

Asset performance



Strategic response to funding

We will seek additional investment from developers and the government to support the Greenline Project, which aims to revitalise Melbourne's waterfront. We will focus on renewing key structures, such as wharves and pontoons, to handle increased use, ensuring they remain safe and functional. We will collaborate closely with Development Victoria to ensure that the marine infrastructure handed over to the Council is in good condition and has a suitable remaining life span.

Year	Maintenance	Renewal	Upgrade	New
2024–25	$180,000	$2,304,000	$0	$0
2025–26	$185,400	$2,021,000	$0	$0
2026–27	$190,035	$1,000,000	$0	$0
2027–28	$193,836	$500,000	$0	$0
2028–29	$197,712	$3,000,000	$0	$4,102,000
2029–30	$201,667	$0	$5,000,000	$731,000
2030–31	$205,700	$1,000,000	$0	$0
2031–32	$209,814	$500,000	$0	$0
2032–33	$214,010	$500,000	$0	$0
2033–34	$218,290	$500,000	$0	$0
2034–35	$218,290	$500,000	$0	$0
Total	**$2,214,754**	**$11,825,000**	**$5,000,000**	**$4,833,000**

Key projects and programs



Annual renewal programs

- Annual Marine Structures Repair Designs Program, enabling ongoing inspections and development of repair designs.



Key projects in next 5 years

- Nil



Key projects in next 5 to 10 years (currently unfunded)

- Major Marine Structures Renewal Works Program
- Yanonung Quay pontoon upgrade
- Yarra's Edge Marina upgrade
- River Homes Marina upgrade
- Docklands Boating and Family Hub
- Construction of South Wharf in the Bolte Precinct, Docklands
- Newquay Promenade pile repairs
- NAB Promenade renewal.

Parks and outdoor recreation

Our portfolio

Parks and outdoor recreation assets facilitate a range of benefits as identified in the City of Melbourne Open Space Strategy, Urban Forest Strategy, Nature in the City Strategy and recreation policies.

Benefits include social connectedness, mental health and wellbeing, physical health and wellbeing, mitigation of urban heat, biodiversity, cultural heritage and character, economics and tourism, and events and arts.

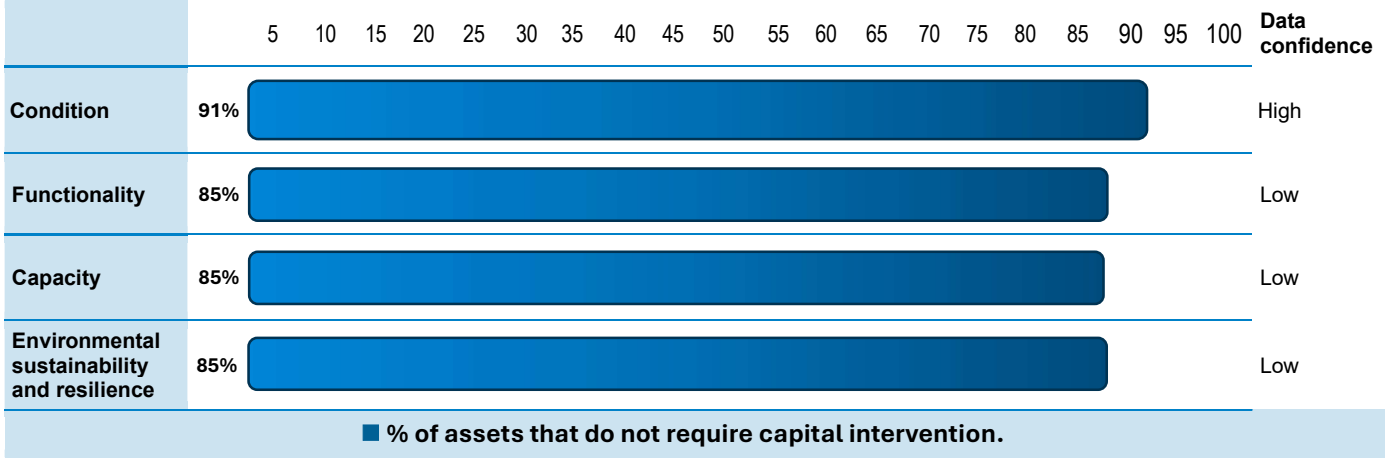
What our work includes

Inspection and maintenance	Renewal	New and upgrade
• Hazard and defect inspections • Mowing and vegetation control • Garden bed maintenance and litter collection • Inspections and servicing of irrigation systems	• Replacement of aged or very poor condition equipment and structures • Renewal of soft-fall surfaces • Refurbishment of park furniture • Refurbishment of sports courts	• Installation of new equipment, playground, sports equipment and structures • Expansion of parks, open space and sports courts • Vested assets

Future challenges and opportunities

Population growth	Climate change	Fiscal environment
• The forecast higher densities of residents, workers and other city users places pressure on existing public open spaces. Open space relative to the residential population density reduced from 56 sqm per resident in 2012 to 37 sqm per resident in 2021. • Ensuring that the Victorian Government sets aside land area for future open space. • Identifying opportunities for acquiring suitable privately owned and other land in the vicinity of each of the indicative locations earmarked as needing new open spaces.	• Overall drier and hotter climate demanding an increase in irrigation to sustain plant growth. • More frequent heavy rain events will create additional drainage problems • As concrete and asphalt reduces permeability and opportunities for canopy cover, the city becomes more vulnerable to extreme weather events including heatwaves, wind and flooding.	• Following the pandemic, the City of Melbourne reduced renewal funding across all asset classes. This decrease has made it challenging to maintain a balanced renewal program, increasing the risk that assets reaching or falling below intervention levels may fail before they can be renewed. • Land values within the city continue to increase due to developer activity which can make investment in acquisition of larger public open spaces cost prohibitive to Council.

Asset performance



Strategic response to funding

Our prioritisation approach to asset renewals focuses exclusively on essential renewal projects, categorised as 'must do' works. This approach allows us to defer 'should do' and 'could do' projects to future years, ensuring that our limited resources are allocated effectively. A significantly enhanced stakeholder engagement process is being used to better identify and prioritise critical works. By actively involving stakeholders, we gain valuable insights and ensure that the most urgent needs of the community are met.

Year	Maintenance	Renewal	Upgrade	New
2024–25	$1,186,000	$7,984,184	$6,087,004	$10,423,812
2025–26	$616,000	$8,675,340	$8,389,731	$6,854,929
2026–27	$631,400	$14,899,500	$8,127,000	$4,063,500
2027–28	$644,028	$13,698,370	$7,471,754	$3,735,877
2028–29	$656,909	$12,392,058	$6,759,346	$3,379,596
2029–30	$670,047	$11,512,592	$6,279,554	$3,139,854
2030–31	$683,448	$11,559,304	$6,305,131	$3,152,565
2031–32	$697,117	$11,179,804	$6,098,131	$3,049,065
2032–33	$711,059	$11,548,915	$6,299,338	$3,149,746
2033–34	$725,280	$11,805,246	$6,439,169	$3,219,585
2034–35	$725,280	$11,805,246	$6,439,169	$3,219,585
Total	**$7,946,568**	**$127,060,559**	**$74,695,326**	**$47,388,115**

Key projects and programs



Annual renewal programs

- Park Renewal Program including the annual renew of parks assets such as outdoor furniture, footpaths, recreation, park lighting, horticulture, irrigation and the Annual Tree Planting Program, aiming to plant 3000 trees per year.
- Climate Adaptation Urban Landscapes Renewal Works to increase canopy cover in streets, increase biodiversity and convert impermeable surfaces into permeable tree plots, garden beds or integrated water management features.



Key projects in next 5 years

- Greenline Project – Site 1
- University Square Upgrade
- Climate Adaptation Urban Landscapes New Works / Pocket
- Miles and Dodds Street Reserve
- Chelmsford Street Park
- City Road Masterplan.

Key projects and programs		
	**Key projects in next 5 to 10 years (currently unfunded)**	• City of Melbourne has developed many master plans and strategies that recommend actions for development of new assets and upgrading of assets. Several recommendations in these plans have been initiated as projects and will need further viability assessments and functional designs before any funding is allocated for implementation: ○ Royal Park Master Plan ○ Kings Domain Master Plan ○ Princess Park Master Plan ○ Open Space Strategy.

Road infrastructure

Our portfolio

The following Council services are delivered from road infrastructure assets:

- Facilitating movement into, around and out of the municipality.
- Fostering the development of Melbourne's economy.
- Ensuring the protection and safety of our community in its access and use of spaces.
- Supporting people to experience and engage with Melbourne.

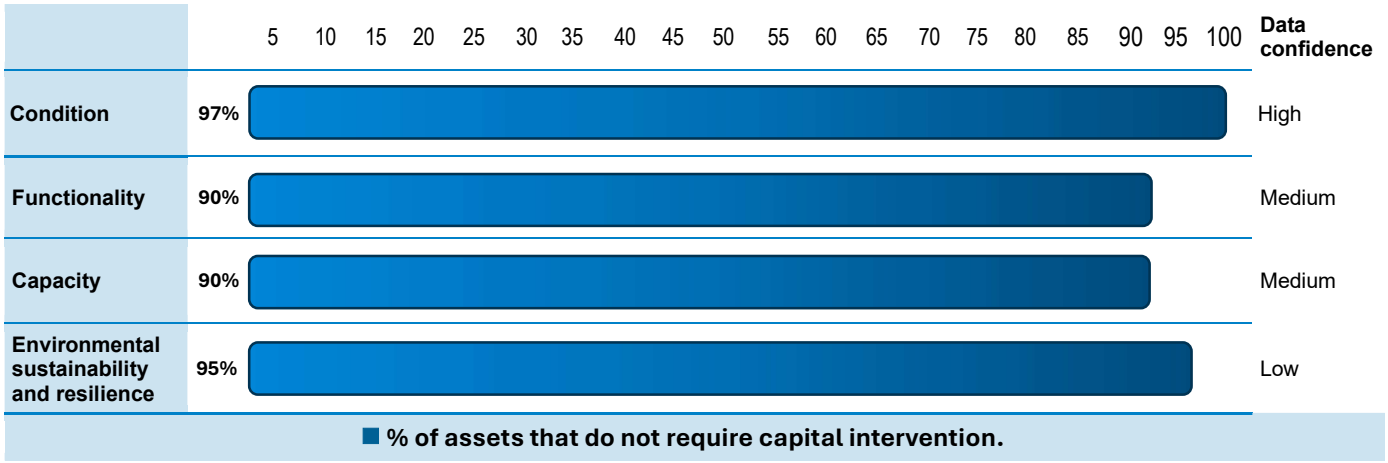
What our work includes

Inspection and maintenance	Renewal	New and upgrade
• Operational servicing such as street sweeping and weed spraying • Routine maintenance of signage and street furniture • Regular cleaning and repainting of line marking • Maintenance and small repairs such as patching of potholes and crack sealing	• Resurfacing and patching of existing roads • Replacement of kerbs and channels • Replacement of sections of footpaths	• Vested assets • Road safety improvements • Bike lanes • Widening or duplication of roads • Traffic calming infrastructure

Future challenges and opportunities

Urban density and network efficiency	Disruptions	Climate change
• Increase in population leads to an increase in vehicular traffic, crowded footpaths, and more congestion, highlighting the need for expanded pedestrian and cycling infrastructure. • Efficient kerbside management and optimised parking are essential to maximise space and accessibility. • Need to improve streetscapes, create more public spaces, and provide better local amenities for residents and visitors.	• Major projects such as Metro and West Gate tunnels, Greenline and Queen Victoria Market development works may cause disruptions. • Autonomous and connected vehicles offer potential safety and congestion benefits but need infrastructure upgrades and regulatory frameworks.	▪ Increasing demand for climate-resilient infrastructure to handle long-term environmental impacts. ▪ Adapting to extreme weather, like heatwaves and flooding, requires updates in materials, design, and urban planning for safety and functionality.

Asset performance



Strategic response to funding

The City of Melbourne's 10-year plan focuses on keeping roads, footpaths and public spaces safe, accessible and prepared for future growth. To support rising demand, we seek additional funding for infrastructure upgrades, congestion reduction and sustainable travel initiatives. Through the Development Contribution Plan, developers will help fund improvements, especially in urban renewal areas. By collaborating with developers and the Victorian Government, we hope to build resilient infrastructure that meets the needs of Melbourne's growing community.

Year	Maintenance	Renewal	Upgrade	New
2024–25	$7,930,893	$4,785,621	$3,648,475	$6,247,904
2025–26	$8,168,820	$5,199,764	$5,028,577	$4,108,659
2026–27	$8,373,041	$8,931,450	$4,871,700	$2,435,850
2027–28	$8,540,502	$8,210,992	$4,478,672	$2,239,336
2028–29	$8,711,312	$7,427,755	$4,051,528	$2,025,718
2029–30	$8,885,538	$6,900,845	$3,764,072	$1,882,082
2030–31	$9,063,249	$6,928,872	$3,779,419	$1,889,709
2031–32	$9,244,513	$6,701,722	$3,655,519	$1,827,759
2032–33	$9,429,404	$6,922,309	$3,775,763	$1,887,928
2033–34	$9,617,992	$7,075,778	$3,859,481	$1,929,741
2034–35	$9,617,992	$7,075,778	$3,859,481	$1,929,741
Total	**$97,583,256**	**$76,160,886**	**$44,772,687**	**$28,404,427**

Key projects and programs



Annual renewal programs

- Footpath renewal
- Roadway renewal
- Public space improvements
- Cycling infrastructure
- Pedestrian safety
- Road safety improvements
- Accessibility upgrades
- Street furniture renewal.

Key projects and programs		
	**Key projects in next 5 years**	▪ Southbank Promenade upgrade feasibility ▪ Transport and Amenity Program ▪ Expansion of protected bike lanes ▪ Queensberry Street bike lane design ▪ Precinct renewal and pedestrianisation.
	**Key projects in next 5 to 10 years (currently unfunded)**	▪ Upgrade of streets in Carlton to bluestone ▪ Little Streets upgrades in Flinders Lane and Little Collins Street between Swanston and Elizabeth streets and Little Bourke Street between King and Spencer streets ▪ Installation of new signals at intersection of A'Beckett and William streets ▪ Renew benches, bins and bicycle hoops across the city, making public spaces more welcoming.

Street lighting

Our portfolio

The following Council services are delivered from street lighting assets:

- Ensuring the protection and safety of our community in its access and use of spaces.

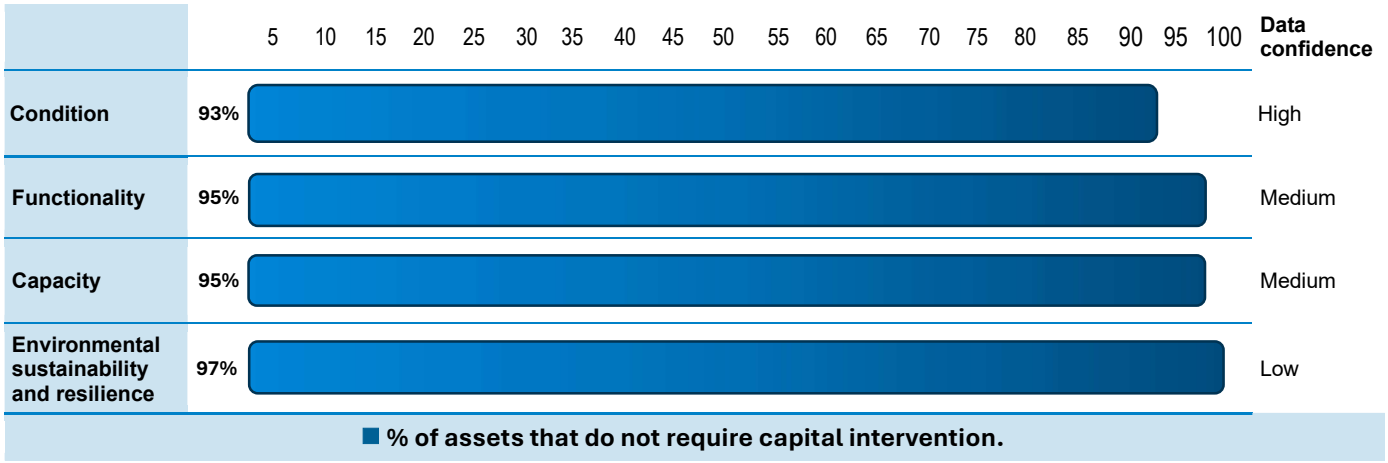
What our work includes

Inspection and maintenance	Renewal	New and upgrade
• Routine inspection and maintenance of public lighting	• Replacement of damaged, aged or very poor condition assets to meet safety	• Expansion of public lighting networks • Installation of smart lighting systems

Future challenges and opportunities

Urban density and network efficiency	Technology advancements	Climate change
• As Melbourne's population grows and urban areas become denser, there's a greater need for well-lit public spaces to ensure safety and accessibility. Upgrading our lighting systems can make the city safer and more enjoyable, especially by using coloured lights to create a welcoming atmosphere.	▪ With technology advancing rapidly, our current lighting systems can quickly become outdated, leading to higher costs for upgrades. By adopting smart lighting solutions like sensor integration, centralised and adaptive controls, we can save energy, reduce expenses and enhance public safety.	▪ Extreme weather events pose risks to public lighting infrastructure, potentially leading to damage and service disruptions. Implementing resilient designs and materials can enhance the durability of lighting systems.

Asset performance



Strategic response to funding

To meet the rising demand for smarter, energy-efficient lighting, City of Melbourne will need to invest more over the next decade. Upgrading the system to a Central Management System and installing smart lighting technology will require significant resources.

Expanding the use of LED lights and smart systems will help reduce energy use and cut long-term maintenance costs, making the system more cost-effective over time. Close collaboration with power companies will ensure lighting assets are managed efficiently, minimising costs. With careful financial planning, we aim to balance necessary upgrades with smart budgeting, ensuring that Melbourne continues to benefit from a well-lit, energy-efficient public lighting system that supports the needs of a growing community.

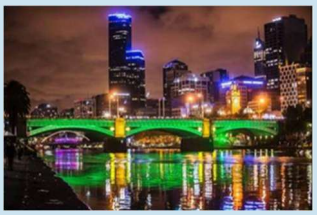
Year	Maintenance	Renewal	Upgrade	New
2024–25	$1,234,800	$69,700	$287,350	$287,350
2025–26	$1,271,844	$25,000	$775,000	$775,000
2026–27	$1,303,640	$50,000	$655,000	$655,000
2027–28	$1,329,713	$50,000	$685,000	$685,000
2028–29	$1,356,307	$50,000	$735,000	$735,000
2029–30	$1,383,433	$150,000	$525,000	$525,000
2030–31	$1,411,102	$75,000	$525,000	$525,000
2031–32	$1,439,324	$60,000	$575,000	$575,000
2032–33	$1,468,110	$60,000	$575,000	$575,000
2033–34	$1,497,473	$60,000	$575,000	$575,000
2034–35	$1,497,473	$60,000	$575,000	$575,000
Total	**$15,193,219**	**$709,700**	**$6,487,350**	**$6,487,350**

Key projects and programs



Annual renewal programs

- Street lighting maintenance (operations maintenance and replacement charges)
- Street lighting upgrade
- Art and Heritage Collection lighting.

Key projects and programs		
	**Key projects in next 5 years**	▪ Nil
	**Key projects in next 5 to 10 years (currently unfunded)**	▪ Feature lights to illuminate Princes Bridge, Queens Bridge and Sandridge Bridge ▪ Upgrade of lighting along Flinders Lane and Bourke Street between Exhibition and Swanston streets ▪ Catenary lighting in Hardware Lane ▪ Upgrade lighting on Collins Street Bridge ▪ Upgrade of light poles along Little Collins and Bourke streets (Elizabeth to William streets) ▪ Smart lighting modernisation.

Stormwater drainage

Our portfolio

Melbourne's drainage network is essential for managing stormwater and reducing flood risks to homes, businesses and public areas, especially in places more likely to flood. Our stormwater drainage network helps keep our community safe and ensures that people can move around and use public spaces safely.

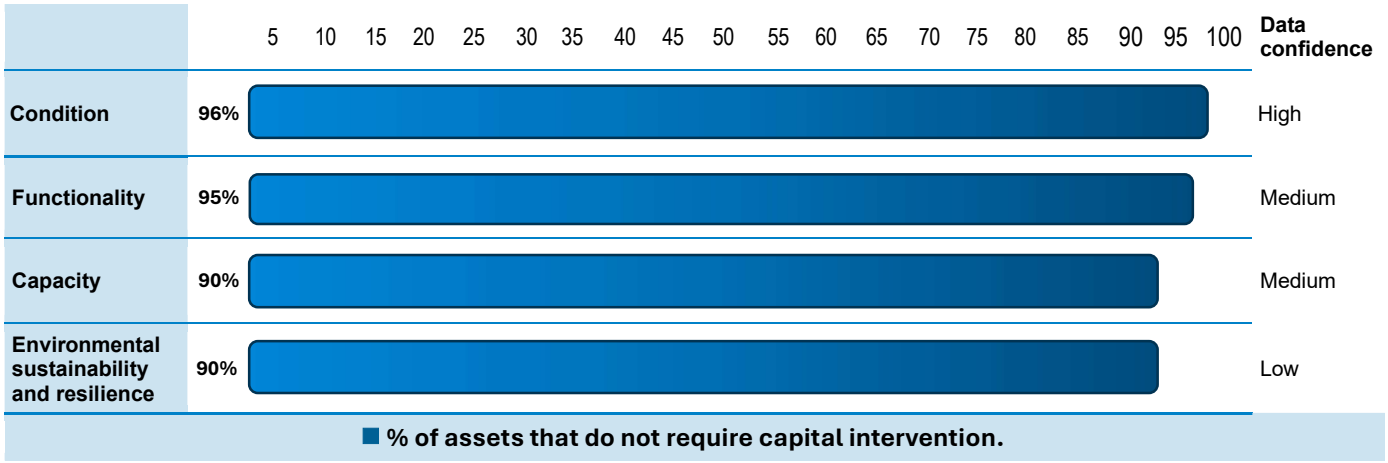
What our work includes

Inspection and maintenance	Renewal	New and upgrade
• Pit and pipe maintenance including cleaning of blockages • Routine cleaning • Routine maintenance of pumping stations • Programmed inspections and monitoring • Emergency response to flooding	• Replacement of aged pits and pipes • Rehabilitation of channels and swales • Repair of failures	• Vested assets • Replacement of pipes and pumps • Extension or upgrade of drainage network • Installation of flood mitigation devices and pumping stations

Future challenges and opportunities

Urban density and network efficiency	Changing expectations and service demand	Changing climate
• Growing population density requires drainage upgrades to manage higher stormwater volumes and reduce congestion in busy areas. Strategic capacity improvements will help reduce flooding and maintain safety in public spaces.	• There is a need for better stormwater drainage management to mitigate flood risks and protect water quality. • Using smart technology for real-time monitoring ensures prompt responses to issues and aligns services with community standards.	▪ Climate change intensifies flood risks and sea-level rise, stressing drainage systems. By upgrading drainage infrastructure and incorporating sustainable designs, Melbourne aims to enhance resilience, lower maintenance costs and ensure reliable drainage performance.

Asset performance



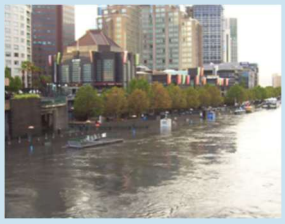
Strategic response to funding

City of Melbourne's drainage system needs significant investment to upgrade old parts and add essential flood protection measures. The priority will be to improve drainage in areas most likely to flood, so they are better prepared for storms and can support new developments. Beyond renewing older sections, we also need to increase the system's capacity to handle more stormwater as heavy rains and urban growth continue.

The city's funding plan will address both urgent repairs and long-term upgrades, focusing on building a flood-resistant drainage network. Sustainable features like rain gardens and water-harvesting systems will also be added to manage stormwater in an eco-friendly way, aligning with Melbourne's climate goals. By making smart investments in flood prevention and modernising the drainage network, Melbourne will stay ahead of future challenges. This strategy will protect homes and businesses from flooding, support growing neighbourhoods, and create a drainage system that is both reliable and sustainable for years to come.

Year	Maintenance	Renewal	Upgrade	New
2024–25	$1,982,338	$3,702,914	$0	$2,743,086
2025–26	$2,041,809	$4,490,996	$0	$1,804,004
2026–27	$2,092,854	$6,059,650	$0	$1,069,350
2027–28	$2,134,711	$5,570,906	$0	$983,094
2028–29	$2,177,405	$5,039,664	$0	$889,336
2029–30	$2,220,953	$4,681,786	$0	$826,214
2030–31	$2,265,372	$4,701,346	$0	$829,654
2031–32	$2,310,680	$4,546,646	$0	$802,354
2032–33	$2,356,893	$4,697,088	$0	$828,912
2033–34	$2,404,031	$4,800,804	$0	$847,196
2034–35	$2,404,031	$4,800,804	$0	$847,196
Total	**$24,391,077**	**$53,092,604**	**$1,200,000**	**$12,470,396**

Key projects and programs

	**Annual renewal programs**	▪ Upgrading and renewing existing drainage infrastructure.
	**Key projects in next 5 years**	▪ New drainage infrastructure.
	**Key projects in next 5 to 10 years (currently unfunded)**	▪ New pump station at Clarendon Street ▪ Dynon Road canal renewal ▪ Drainage works at Lonsdale Street between Swanston and Exhibition streets ▪ Drainage works at Commercial and St Kilda roads between Punt and Toorak roads ▪ Drainage improvements at Boathouse Drive ▪ Drainage works at Parsons Street between Barnett Street and Moonee Ponds Creek ▪ Drainage works at Punt and St Kilda roads between Toorak Road and Olympic Boulevard ▪ New drains at King Street between Bourke and Little Lonsdale streets ▪ Drainage works at Spencer Street between Rosslyn and Roden streets ▪ Drainage works at Epsom Road between Market Street and Smithfield Road.

Attachments

Attachment 8.1: Definition of key asset management terms

Asset: A physical item that has value, enables the provision of a service and has an economic life greater than 12 months.

Asset expansion: To extend the capacity of an existing asset to provide benefits to new users at the same standard provided to existing beneficiaries.

Asset management: The combination of management, financial, economic, engineering and other practices applied to physical assets to optimally and sustainably deliver on the objective of providing the required level of service through the cost-effective life-cycle management of assets.

Asset management framework: Outlines the structure and relationships between the various asset management system elements, such as the Asset Management Policy, Asset Management Strategy, Asset Management Plans, Asset Management Information System and asset management roles and responsibilities.

Asset management information system: A combination of processes, data, software and hardware applied to provide the essential outputs for effective asset management.

Asset management plans: Long-term plans (at least 10 years or more) that outline the asset activities and programs for each service area and resources applied to provide a defined level of service in the most cost-effective manner.

Asset Management Strategy: A short to medium-term strategy for the implementation and documentation of improved asset management practices, plans, processes and procedures within an organisation.

Asset renewal: Replacement or other works on an existing asset that returns the service capability of the asset to its original capability.

Asset upgrade: To enhance an existing asset to provide a higher level of service or increase the life of the asset beyond its original life.

Level of service: The defined service objective or outputs for a particular activity or service area against which performance may be measured. Service levels can relate to quality, quantity, reliability, responsiveness, environmental acceptability and costs of providing the service.

Life cycle: The time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.

New acquisition asset: A new asset that provides a service that does not currently exist.

Attachment 8.2: List of current Council strategies and plans

Strategies, frameworks and action plans

- Affordable Housing Strategy 2020–30
- Climate Change Adaptation Strategy
- Climate Change Mitigation Strategy to 2050
- Creative Programming Framework
- Creative Strategy
- Customer Service Charter
- Economic Development Strategy 2031
- Emissions Reduction Plan
- Experience Melbourne 2028
- Future Libraries Framework 2021
- Future Streets Framework 2030 and Beyond
- Green our City Strategic Action Plan
- Health and Wellbeing Action Plan
- Heritage Strategy
- Inclusive Melbourne Action Plan 2024–26
- Inclusive Melbourne Strategy
- Municipal Integrated Water Management Plan
- Nature in the City
- Open Space Strategy
- Parking and Kerbside Management Plan
- Public Lighting Strategy
- Recreation Facilities Provision Framework 2024–41
- Retrofit Melbourne 2023
- Skate Plan
- Stretch Reconciliation Action Plan
- Transport Strategy 2030
- Urban Forest Strategy
- Waste and Resource Recovery Strategy
- Yarra River – Birrarung Strategy

Place-based structure plans and master plans

- City North Structure Plan
- Docklands Public Realm Plan
- Greenline Implementation Plan
- Macaulay Structure Plan
- Maribyrnong Waterfront – A Way Forward
- Melbourne Innovation Districts Opportunities Plan
- Moonee Ponds Creek Strategic Opportunities Plan
- Queen Victoria Market Precinct Renewal Master Plan
- Southbank Structure Plan
- West Melbourne Structure Plan

Public space master plans

- Carlton Gardens Master Plan
- Domain Parklands Master Plan
- Fawkner Park Master Plan
- Fitzroy Gardens Master Plan
- Flagstaff Gardens Master Plan
- Princes Park Master Plan
- Royal Park Master Plan
- University Square Master Plan

Urban forest precinct plans

- Carlton Urban Forest Precinct Plan
- Central City Urban Forest Precinct Plan
- Docklands Urban Forest Precinct Plan
- East Melbourne Urban Forest Precinct Plan
- Fishermans Bend Urban Forest Precinct Plan
- Kensington Urban Forest Precinct Plan
- North and West Melbourne Urban Forest Precinct Plan
- Parkville Urban Forest Precinct Plan
- South Yarra Urban Forest Precinct Plan
- Southbank Urban Forest Precinct Plan

Major streetscape master plans

- City Road Master Plan
- Elizabeth Street Strategic Opportunities Plan
- Southbank Boulevard and Dodds Street Concept Plan

Appendix 8.3: Strategic Asset Management Policy

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1. Purpose

We are responsible stewards for managing an extensive portfolio of assets across infrastructure, plant and equipment and land, valued at over $5.99 billion (written-down value), reflecting the cumulative investments made over many generations in the City of Melbourne. Importantly, our asset portfolio is critical in enabling the provision of over 105 services to the community and businesses. Prudent management of our community assets is critical so we can ensure that the service delivery needs of our community continue to be met, both now and into the future.

The purpose of this policy is to outline the City of Melbourne's commitment to financially, environmentally, and socially sustainable life-cycle management of all physical assets to enable ongoing service delivery, underpinned by best practice asset management, and to support our M2050 vision of liveable Melbourne, growing stronger together.

2. Objectives

The policy aims to:

1. Improve the asset management awareness and maturity at the City of Melbourne.
2. Establish a framework to ensure that asset management practice and decisions are undertaken transparently, in an integrated and coordinated manner, with clearly defined accountabilities.
3. Provide guidance to the ongoing review and update of the City of Melbourne's Asset Plan, Asset Management Strategy, Asset Management Plans and associated processes.
4. Ensure the City of Melbourne's asset management approach has leadership and direction demonstrated through our senior leadership's commitment to asset management.
5. Ensure the management of assets complies with relevant legislation and regulations.
6. Ensure that the City of Melbourne's budgets prioritise non-discretionary funding for the renewal, maintenance, and operation of existing assets before allocating discretionary funding for new assets or upgrades, to safeguard current service levels.
7. Compliance with legislation, regulation, government direction and other Council policies and strategy.
8. Ensure the sustainable management of assets by applying best practice asset management principles to support service delivery and meet the City of Melbourne's broad strategic objectives and vision, informed by the M2050 Vision and Council Plan 2025–29.
9. Ensure that the Asset Management Framework and Asset Management Information System support informed decision-making through enhanced asset planning, life-cycle management, financial forecasting, and continuous improvement.
10. Ensure a risk-based, service-led approach to asset management that considers community service needs and the impacts on both operational and strategic risks, to achieve an optimal balance between cost, risk and asset performance.
11. Embed climate resilience and sustainability in the life-cycle management of our assets in accordance with the endorsed sustainability strategies and Council's response to strategic risk.
12. Protect, recognise and promote Aboriginal culture, heritage and place in line with the City of Melbourne's Stretch Reconciliation Action Plan 2025–27.

3. Definitions

Term	Meaning
Asset	A physical item that is owned or controlled by Council and provides or contributes to the provision of services to the community. Assets are required for the delivery of Council services (which may be non-Council and managed or used through a formal agreement). Assets include: • property: land and buildings • infrastructure: roads, footpaths, cycle paths, drainage, street furniture, signage, bridges, drains, lighting, marine structures • green and open space: street trees, playgrounds, bins, structures • plant and equipment: vehicles, heavy plant equipment, cultural assets such as library and art collections, office equipment such as software, desks and computers.
Asset management	The systematic and coordinated activities and practices of Council to optimally and sustainably deliver on its objectives through the cost-effective life-cycle management of assets.
Asset Management Framework	Outlines the structure and relationships between the various asset management system elements, such as the Asset Management Policy, Asset Management Strategy, Asset Management Plans and Asset Management Information System.
Asset Management System	A combination of processes, data, software and hardware applied to provide the essential outputs for effective asset management.
Asset management plans	Internal working documents that map Council's Asset Plan (at least 10 years or more) for each major class of asset. The plans outline activities and programs necessary to achieve the defined levels of service in the most cost-effective manner.
Asset Management Strategy	A short to medium-term strategy that details how Council will achieve the objectives of the Asset Management Policy through the implementation and documentation of improved asset management practices, plans, processes and procedures within Council.
Asset managers	Council officers responsible for ensuring that the assets they manage continue to remain fit-for-purpose to meet current and future service delivery needs and that an accurate asset inventory is maintained.
Asset renewal	Replacement or other works on an existing asset that returns the service capability of the asset to its original capability.
Council	Melbourne City Council, the City of Melbourne.
Discretionary expense	Funding for the provision of new assets to support service delivery of new, improved or expanded services. Funds could only be allocated once all non-discretionary requirements are met and assessed in alignment with Financial Sustainability Policy.
ISO 55000	International Standards Organisation – Asset Management.
Levels of service	The service levels to which Council provides community assets for community use. Levels of service are usually expressed in terms of quality, quantity, safety and reliability as appropriate.
Life cycle	The time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any liabilities thereafter.
Maintenance manager	Council officers responsible for operational maintenance – scheduled and reactive maintenance including all actions necessary to retain an asset as near as practicable to an appropriate service condition.
National Asset Management Assessment Framework (NAMAF)	An industry adopted benchmarking tool to assess the asset management maturity of the organisation and assist in identifying improvement opportunities for best practice asset management.
Non-discretionary expense	In relation to the Financial Sustainability Policy, non-discretionary relates to mandatory, critical assets and urgent purposes. Therefore, funding for asset risk mitigation, maintenance and renewal to maintain the levels of service required of the asset are considered non-discretionary.
Service managers	Council officers responsible for determining the levels of service on behalf of the community from the relevant assets to coordinate the delivery and operations of services to the community.
Strategic Asset Management Steering Committee	A cross-functional group consisting of nominated director(s), asset managers and service managers that meets regularly to coordinate, review, monitor and report on best practice asset management at Council.

4. Scope

This policy provides the guiding principles for long-term sustainable life-cycle management of Council-owned assets. The policy defines a framework to guide asset management decision-making at the City of Melbourne.

Specifically, this policy provides high-level guidance to Council and its officers to:

- develop and implement the Asset Management Strategy
- implement Asset Management Plans for each asset class, that will set out the optimal schedule of proposed asset operation, maintenance, renewal, new and upgrade programs, to achieve service levels while optimising asset life-cycle costs and risk, to inform the Asset Plan
- ensure that the Asset Plan integrates with the M2050 Vision, Council Plan 2025–29 and Financial Plan 2025–35, in line with the Integrated Strategic Performance and Reporting Framework (ISPRF) as required by the *Local Government Act 2020*
- ensure that the Financial Plan will accommodate and integrate Council's budget needs to enable the asset life-cycle costs as presented in the Asset Plan.

This policy is applicable organisation-wide, to all elected councillors, employees, agency staff and contractors, whose tasks involve any element of asset management or provision of services that rely on assets which are owned or controlled by Council. In alignment with the *Local Government Act 2020*, the primary focus will be Council's long-life infrastructure assets. These assets include roads, footpaths, bridges, buildings, drainage assets, open space assets, marine structures, land, information technology assets, artworks amongst others.

5. Vision

Council's M2050 Vision of a "Liveable Melbourne, growing stronger together", sets the direction for the policy.

Council's corporate asset management vision will be guided by the asset management principles, which align with the M2050. The principles will be translated to asset management objectives and actions to realise both the community and corporate vision, through the development and implementation of the Asset Management Strategy.

The vision is: 'To lead best practice and sustainable life-cycle management of our assets by balancing performance and risks, and optimising costs, to ensure they continue to support vital services and improve the quality of life for all who live, work, visit and do business in our city.'

6. Principles

This policy outlines a set of asset management principles informed by the deliberative engagement process, as part of the development of the M2050 Vision, Council Plan, Financial Plan and Asset Plan.

These principles will guide organisational asset management practices with a view to improve our asset management maturity, informed by best practice asset management in alignment with the ISO55000 series and NAMAF.

6.1 People-centred, community involved and service-focused

- Service delivery needs of the community will form the basis of asset management practices and decision-making, informed by appropriate community and stakeholder engagement, through deliberative engagement practices, as an outcome of the four-yearly cyclical review of the Asset Plan.
- Continually improve levels of engagement with our customers and stakeholders to supplement our technical assessment data, including condition, functionality, capacity, environmental sustainability and resilience, to be agile and responsive to emerging macro and local trends, and their impacts on assets.
- Service levels for each asset will be established and monitored for each asset class informed by service planning, community needs assessments, the Community Infrastructure Plan, and other demand management strategy reflected through Asset Management Plans, which detail current and desired levels of service in consideration of community expectations, legislative and technical requirements, cost of service, and economic, environmental and social sustainability.
- Service levels will be based on responding to community needs, demographic change, and population growth supported through demand management models, while ensuring that the asset base continues to support service delivery to current and future generations, in a sustainable manner.
- Proactive asset inspections and compliance activities will be undertaken where works will or are being undertaken by private developers, utilities, transport authorities or other parties that are likely to impact Council's assets.

6.2 Future-focused, integrated planning and long-term financial sustainability

- Asset management will be integrated into the corporate planning and governance frameworks, including enterprise planning, capital works planning, audit and risk management practices.
- Asset management planning including the development of policies, strategies and plans, will be integrated and aligned with the relevant long-term objectives of the Community Vision and Council Plan.
- A life-cycle approach with a view to a cost-effective asset base will be adopted for asset investment decisions which appropriately considers and reports on operational, maintenance, renewal, upgrade, new and disposal expenditures to enable evidenced-based, sustainable asset and financial funding decisions.
- We will adopt the principle of 'renew before new', where funding commitment is prioritised for non-discretionary asset renewal needs, before non-discretionary asset renewal needs, appropriately informed by the annually updated Asset Management Plans.
- Discretionary expenditure will require justification, with consideration of the return on capital, and consideration of full life-cycle costs from acquisition to disposal including specifying additional annual operations and maintenance costs, and the related benefits and risks, as part of a defined approval process.
- Asset management plans of at least a 10-year horizon aligned with Council's long-term plans will be developed, reviewed and updated annually, to ensure decisions on resource allocation are consistently and transparently made in response to agreed performance, target service levels, risk management and long-term financial sustainability.

6.3 Best practice and continuous improvement culture

- We will adopt a continuous improvement culture to advance asset management practice and maturity in alignment with best practice including the ISO 55000 series and NAMAF, supported by a centralised Asset Management team.
- We will develop a governance framework overseen by the Strategic Asset Management Steering Committee to provide executive sponsored leadership in improving the organisation's asset management capability and maturity.
- Key roles and responsibilities for all stages of the asset life cycle will be clearly defined and allocated for staff, including documenting and clearly communicating relevant asset management responsibilities and accountabilities.
- We will foster a culture of asset management awareness, where all employees play an integral role in the overall management of assets, supported by an asset management skills and training capability matrix, with the appropriate allocation of resources.
- The organisation's councillor induction process will incorporate an introductory briefing on strategic asset management and the performance of our assets.
- We will review the skills and development needs in asset management related areas as part of employee performance planning and provide appropriate development opportunities and allocate appropriate resources to support this across the organisation.
- We will review, improve and document our processes for collecting complete, accurate and timely data on the risks and performance against agreed service levels associated with the condition, capacity and functionality of our infrastructure assets.
- We will maintain an asset register which contains attribute information relevant for each asset type to ensure that it is managed effectively, efficiently and to address key risks. The asset register will use a common data framework and methodology defined in documented asset management procedures. Where there is a lack of clarity about the ownership or liability for a particular asset, an investigation involving relevant authorities will be undertaken to clarify ownership and Council's asset data will be updated.

6.4 Risk and regulatory compliance

- Asset management will be considered in the internal Audit and Risk Committee Compliance Plan, with an audit undertaken at least every four years in alignment with the review of the Council and Asset Plan, unless otherwise directed by the Audit and Risk Committee.
- Asset-related risks will be fully integrated into the organisational risk management framework, including compliance with insurance, regulatory and legislative obligations.
- Clearly defined processes, systems and information to ensure that organisational objectives and legislative requirements are met and can be attested.

6.5 Evidence-based decision-making and reporting

- Resource allocation decisions for our assets will be evidence based, in consideration of the greatest long-term benefit, supported through the analysis of full asset life-cycle risks and costs, and measured against key performance indicators, agreed levels of service and the achievement of Council outcomes.
- Decision-making will be consistent, transparent and integrated in consideration of all potential methods to meet the demands for service delivery, including cost optimisation strategies, private sector engagement, non-asset solutions and demand management strategies.
- Seek to align with the Victorian Auditor General Office low-risk range for the asset renewal gap and capital replacement ratios over the long-term, unless demonstrably justified.
- All capital projects will be supported by a gated project management framework that includes an agreed approach to prioritisation and resourcing allocation, which delivers a pipeline of future infrastructure asset investments for inclusion in the Asset Plan and promotes the integration of strategic asset management principles in the development of our long-term planning for the city.
- Continued investment in regular asset condition audits and inspection programs to improve data accuracy of asset life-cycle models and improve decision-making, whilst appropriately managing risk.
- An integrated and functional asset management information system will be established, reviewed and maintained at a level that meets organisational data, information, decision-making and reporting requirements whilst supporting the categorisation of asset life-cycle expenditure in terms of operations, maintenance, renewal, upgrade and new.
- The Asset Management Information System will enable effective data management capabilities to ensure our assets maintain service delivery while providing the analytics that give insights into future demand and facilitate the transition to more integrated and digital systems.
- Our integrated approach to service and asset reporting in alignment with the Integrated Planning and Reporting Framework will incorporate performance measures detailed through an annual report on asset performance.
- Undertake appropriate due diligence prior to accepting handover of assets to understand the condition of the assets, useful life, anticipated life-cycle costs and impact to the long-term budget, relevant terms and conditions and any insurance issues.

6.6 Sustainability and climate resilience

- We will implement best practice whole of life-cycle asset management by integrating sustainability and climate resilient solutions throughout every phase of the life cycle.
- Climate change risk, specifically exposure to heat, flood and water insecurity, will be identified in the planning of asset projects and design responses to reduce risk will be included if required.
- All asset projects will respond to the risk of climate change and extreme weather as specifically required under the *Local Government Act 2020* and *Climate Change Act 2017.*
- All asset projects will apply minimum design standards that enable the delivery of Council-endorsed targets and objectives stated below and updated as strategies are renewed:
- Achieve net zero emissions by 2040:
  - Transition Council operations from fossil fuels by 2030.
  - Achieve 40 per cent canopy cover by 2040.
  - Net increase in the biodiversity, habitats and ecosystem health by 2027.
  - Achieve 50 per cent of Council water use supplied from non-potable alternatives.
  - Achieve 20 per cent permeability in every drainage catchment.
  - Achieve 30 per cent reduction of nitrogen from stormwater entering local waterways.
  - Enable community preparedness and disaster resilience.

6.7 Inclusive, accessible and safe

- We will meet the Disability Discrimination Act 1992 (DDA) requirements. We will ensure DDA requirements are considered for all Council services and initiatives.
- We will plan, design and manage our assets to build integration, inclusivity, accessibility and safety in response to the diverse needs of our community.

6.8 Connection to Country and culturally aware

- We are deeply committed to delivering our asset management planning and practices respectfully, with an awareness of the relationship between First Peoples and Country, inclusive of land, water, plants, animals and culture. This will include aligning with the five pillars of our Stretch Reconciliation Action Plan 2024–27:
  - truth-telling
  - relationships
  - respect
  - opportunities
  - governance.

7. Asset Management Framework

The Asset Management Framework outlines the primary documents, systems and processes that form the critical asset management activities to support the delivery of broad strategic objectives of the City of Melbourne. Our Asset Management Framework outlines the asset management relationship to our Integrated Planning and Reporting Framework suite of documents.

The Asset Management Framework facilitates a structured and organised process to enable the organisation to optimally manage the asset life cycle. This life-cycle approach considers the resources needed to operate, maintain, repair and replace assets to meet required service levels and ensure that assets last as long as expected. The life-cycle approach allows Council to derive the most cost-effective value from our asset spending, by allowing us to plan for the entire life of an asset from when it is acquired / created to when it is replaced or disposed of. The asset life-cycle phases are presented in Figure 2.

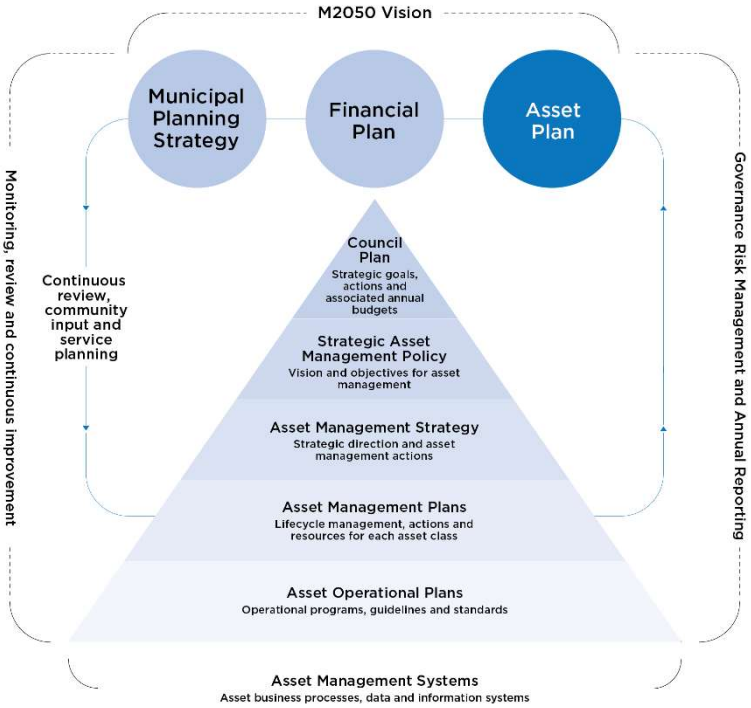

Figure 2: Asset **m**anagement relationship to the Integrated Planning and Reporting Framework



Did you know?

That despite the large upfront cost of constructing a new asset, the total cost of managing an asset over its life will be 3-4 times that cost.

Figure 3: Asset life cycle

8. Roles and responsibilities

City of Melbourne's commitment to continual improvement in asset management practice will be demonstrated by the establishment of appropriate skills development and training programs to increase awareness and build internal capacity to undertake the required asset management activities. The roles and accountabilities are detailed below.

Council will:

- Act as stewards for community assets and will adopt the policy for asset management and Asset Plan.
- Approve adequate resources to maintain community assets for delivering on the agreed levels of service.
- Delegate to the CEO responsibility for ensuring that appropriate strategies, plans and systems are developed and implemented for long-term sustainability of assets and service delivery.

Chief Executive Officer and Executive Leadership Team will:

- Foster an asset management culture and implement consistent, compliant and best practice asset management across the organisation.
- Ensure that the asset management policy, strategies and plans are integrated into the corporate integrated planning and governance frameworks.
- Ensure that sustainable long-term financial plans are developed to reflect the state of the assets and agreed levels of service.
- Ensure that accurate and reliable information is presented to Council for optimal decision-making purposes.
- Report on the performance and state of the assets to Council.

Strategic Asset Management Steering Committee will:

- Provide a coordinated and collaborative approach to asset management and improvements consistent with this policy.
- Promote good asset management practices throughout the organisation.
- Monitor and evaluate asset management practice and the development and implementation of the asset management strategy and actions.
- Oversee the review and endorsement of the suite of Asset Management Framework documents.
- Report to the Executive Leadership Team on asset management performance.

City Property and Assets Branch will:

- Lead development, monitoring and review of the Asset Management Policy, Asset Management Strategy, Asset Management Plans and supporting policies and procedures.
- Ensure appropriate resources are allocated to maintain and develop the Enterprise Asset Management Information System and related tools to support decision-making, accountability and improvement.
- Report to the Executive Leadership Team and Council at least annually on asset management performance and improvement actions.
- Ensure the organisation has appropriate asset management capability to deliver on this policy and the Asset Management Strategy.

Asset and Service Managers together will:

- Consult with stakeholders and deliver levels of service to agreed risk and cost standard.
- Develop and implement asset management plans to deliver on agreed levels of services.
- Develop and maintain approved policy operating statements for their respective areas in asset management and service delivery.
- Implement asset maintenance, renewal, upgrade, expansion and new works programs in accordance with asset management plans and service delivery needs.
- Use an integrated asset management information system appropriately for recording, viewing and analysing asset life cycle.
- Monitor and report on asset performance in delivering the required services.

Maintenance Managers will:

- Responsible for programming, scheduling, administering and monitoring proactive and reactive maintenance inspections, hazard inspections and maintenance works.
- Develop operational plans and service standards informed by asset management plans for each respective asset class.
- Develop and communicate the required maintenance budgetary expenditures to inform the asset management plans, ensuring that maintenance expenditure of upgrades and new assets are appropriately forecasted and documented.
- Maintenance service contract management and strategies to ensure Council assets are appropriately managed to expected service levels.
- Development and administration of maintenance performance reporting to the Strategic Asset Management Steering Committee.

Finance and Procurement Team will:

- Ensure the long-term sustainability of asset expenditure.
- Ensure compliance to relevant standards for financial reporting on assets.

Climate Change and City Resilience team will:

- Provide strategic and technical advice related to climate risk.
- Monitor and report on sustainability performance of assets.

Employees and contractors will:

- Apply agreed asset management practices in their area of work.
- Ensure all service contracts that impact on the creation, upgrade, renewal and maintenance of assets are structured and delivered to support the outcomes of this policy.

9. Policy non-compliance

Failure to comply with this Policy is likely to result in the increased risk of:

- failure to comply with statutory compliance and reporting requirements
- unsafe infrastructure and increased public liability
- reputational damage
- diminishing safety, accessibility and livability
- higher maintenance costs
- premature asset failure
- service disruption and reduced service levels
- assets that do not adhere to Council's social, environmental and economic priorities
- assets experiencing excessive ongoing operational costs
- failure to rationalise and optimise surplus assets
- under-insured or uninsured assets
- increased renewal gap.

10. Review and monitoring

Review of this policy will take place on a four-year cycle in alignment with the development of the Council Plan and Asset Plan.

A centre-led Asset Management Team will be responsible for reviewing, updating, and maintaining the suite of Asset Management Framework documents, including this Policy, Asset Management Strategy, and asset management plans while providing guidance and support to all parts of the organisation.

11. References

- *Local Government Act 2020*
- Community Vision 2050
- Asset Plan 2025–35
- Financial Plan 2025–35
- Council Plan 2025–29
- *Road Management Act 2004*
- Fixed Asset Accounting Policy
- Community Engagement Policy
- *Climate Change Act 2017*
- Municipal Planning Strategy.

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