

HOBSONS
BAY CITY
COUNCIL




Asset Plan 2025-36

Year 1 Update

June 2026

Acknowledgement of Country

We acknowledge the Bunurong People of the Kulin Nation as the traditional owners of the lands, rivers and coastal areas in Hobsons Bay. We recognise the First Nations peoples' relationship to this land and offer our respect to their elders past and present.



The Assets Plan 2025-35 should be read alongside the Hobsons Bay Council Plan 2025-29 and Health, Safety and Wellbeing Plan 2025-29, and in the context of the Financial Plan 2025-35. Together, these plans detail how Council will work towards the community aspirations outlined in Community Vision 2040

Contents

1 Background	3
1.1 Legislative requirements	3
1.2 Asset Plan 2025-35 adoption.....	3
1.3 Asset Plan annual updates	3
2 Council’s assets.....	4
2.1 Asset value	4
2.1 State of Council’s assets.....	5
3 Financial expenditure forecasts	7
4 Actions	12

1 Background

1.1 Legislative requirements

Section 92 of the Local Government Act 2020 outlines Council's requirements in relation to developing an Asset Plan.

The scope of the Asset Plan must be for a period of at least the next 10 financial years, and must include information about maintenance, renewal, acquisition, expansion, upgrade, disposal and decommissioning in relation to each class of infrastructure asset under the control of the Council.

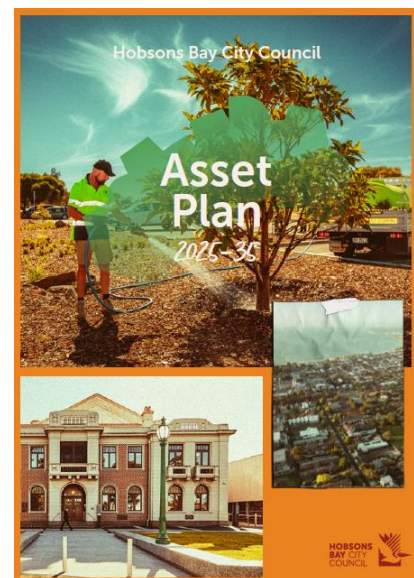
A Council must develop or review the Asset Plan in accordance with its deliberative engagement practices and adopt the Asset Plan by 31 October in the year following a general election.

The Asset Plan has effect from 1 July in the year following a general election.

1.2 Asset Plan 2025-35 adoption

In response to the extenuating circumstances being faced by Council in 2025, the Mayor informed the Minister of Local Government that the standard 31 October deadline for key strategic documents would not be met.

The [Asset Plan 2025-35](#) was subsequently adopted by Council at the meeting held on 16 December 2025, along with Council's other key strategic documents, the Council Plan 2025-29, Health, Wellbeing and Safety Plan 2025-29 and the Financial Plan 2025-35.



1.3 Asset Plan annual updates

The Victorian Audit-General's Office (VAGO) completed an independent assurance report to Parliament on Financial Management of Local Council's in August 2025. A key issue raised by VAGO within their report was the different interpretations by Councils to maintain their Financial Plan and Asset Plan.

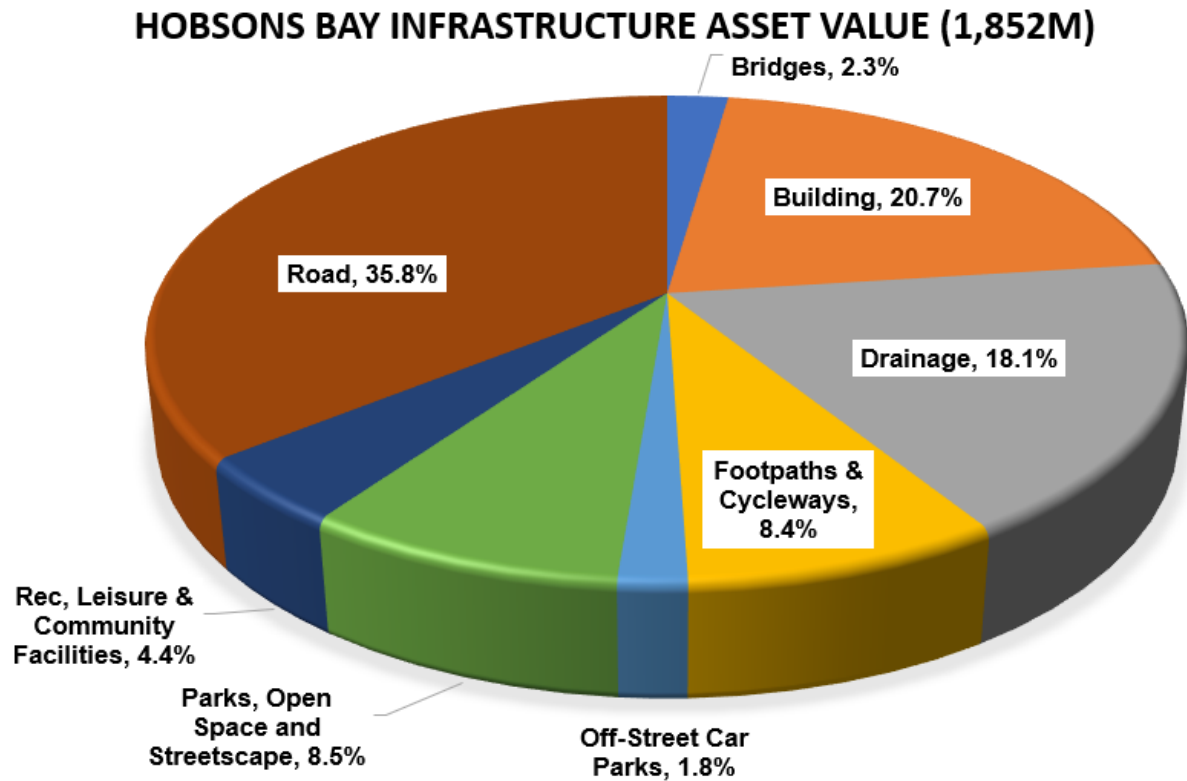
While the Local Government Act 2020 does not specify that the plans must be renewed and published annually, VAGO's view is that to maintain a strategic outlook for 10 years, councils should update published Financial Plans and Asset Plans each year to reflect any changes in the factors underpinning their assumptions.

The Asset Plan 2025-36 Year 1 Update does not replace the original Asset Plan 2025-35 adopted by Council in December 2025. Rather it should be read in conjunction with the original plan, as its focus is on revising the financial projections within the original plan and extending those projections until 2035-36.

2 Council's assets

2.1 Asset value

Council manages a significant portfolio of infrastructure assets worth approximately \$1.85 billion as of 30 June 2025.



Asset Type	Replacement Value (\$)
Bridges	42,139,168
Buildings	383,206,693
Drainage	336,181,103
Footpaths and cycleways	154,982,561
Off-street car parks	33,578,355
Parks and open spaces	157,523,596
Recreation, leisure and community facilities	81,773,060
Roads	663,526,984
Total	1,852,911,520

Roads, buildings and drainage are the three largest asset types, adding up to about 74.6 per cent of Council's total asset value.

2.1 State of Council's assets

The condition of Council's asset portfolio is regularly monitored with the development of asset management plans for each asset class. Asset management plans provide the following technical information related to each asset type:

- Asset portfolio with levels of service
- Demand forecasts
- Lifecycle analysis
- Risk management
- Any climate change impact
- Financial forecasts
- Operation and maintenance levels, renewal and disposal

The asset management plans will be updated for each asset class following the completion of a whole of asset condition audit that is completed every four or five years.

A state of assets report is completed annually in September, taking information from asset management plans for each asset class. It provides a summary of each asset type, the asset description, quantity and value, condition, and the required renewal expenditure and recommended 10-year renewal budget. The 2025 State of Assets Report provides a summary of the current state of Council's infrastructure assets on 30 June 2025.

Disposal and decommissioning of infrastructure assets may occur when there is no longer any use of the asset or continued existence of the asset is not justified. At the end of each financial year, Council will record all assets that have been disposed and decommissioned as part of the end of year asset valuation.

The 2025 state of Council’s asset portfolio and current renewal demand are summarised below.

Asset Class	Replacement Value (\$)	Poor and very poor condition	Backlog (\$)	Annual Renewal Demand (\$)
Bridges	42,139,168	2.39%	1,004,820	200,000
Buildings	383,206,693	1.74%	6,685,857	6,000,000
Drainage	336,181,103	2.95%	9,929,598	1,100,000
Footpath and cycleways	154,982,561	1.22%	1,901,218	1,200,000
Parks, open space and streetscape (excluding trees)	157,523,596	9.02%	14,205,295	1,900,000
Recreation, leisure and community facilities (excluding buildings)	81,773,060	7.08%	5,789,557	1,000,000
Roads	663,526,984	12.70%	84,279,883	15,000,000
Off-street car parks	33,578,355	7.03%	2,358,797	200,000
TOTAL	1,852,911,520		126,155,024	26,600,000

The total backlog of poor and very poor assets is 6.8 per cent of the total infrastructure asset value.

3 Financial expenditure forecasts

Expenditure on Council infrastructure assets is categorised as follows:

Activity	Description
Maintenance	Repair and service works required to keep assets operational, e.g. roof leak repairs, road pothole patching.
Operational	Regular activities to provide public health, safety and amenity, e.g. street sweeping, grass mowing.
Renewal	Replacing an existing asset to its original capacity, e.g. resurfacing a road.
Upgrade/ expansion	Enhancing an existing asset to provide higher levels of service, e.g. widening an existing pathway to allow for cyclists
New	Creating a new asset to meet additional service level requirements, e.g. new building, new sportsground

The projected expenditure requirements for Council infrastructure assets over the next 10 years is as shown in the table below. The figures for renewal, new, upgrade and expansion works were extracted from Council's 2026-27 Capital Works Budget and Long-Term Financial Plan. These outlays have been determined based on the affordability assessments made in Council's Financial Plan and represent the investment that is required to maintain and renew Council's existing infrastructure assets.

The operation and maintenance budget are based on the 2026-27 budget with a projection of a 3% increase per year for the next 10 years.

Asset Plan Financial Forecast 2026-27 to 2035-36 (Allocated Budget \$'000)

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total
Bridge											
Operation and Maintenance	20	21	21	22	23	23	24	25	25	26	229
Renewal	135	180	180	180	180	90	90	90	90	90	1,305
New, Upgrade and Expansion	15	20	20	20	20	10	10	10	10	10	145
Building											
Operation and Maintenance	6,908	7,115	7,328	7,548	7,775	8,008	8,248	8,495	8,750	9,013	79,188
Renewal	4,730	3,598	5,202	4,112	4,810	5,310	5,560	6,060	6,310	6,210	51,900
New, Upgrade and Expansion	5,240	8,841	3,993	2,486	3,290	3,790	4,040	4,540	4,790	4,690	45,700
Drainage											
Operation and Maintenance	1,776	1,829	1,884	1,941	1,999	2,059	2,121	2,184	2,250	2,317	20,360
Renewal	400	390	1,650	1,650	1,100	1,100	1,100	1,100	1,100	1,100	10,690
New, Upgrade and Expansion	1,450	1,750	1,550	1,700	2,250	2,250	2,250	2,250	2,250	2,250	19,950
Footpath and Cycleways											
Operation and Maintenance	2,123	2,187	2,252	2,320	2,389	2,461	2,535	2,611	2,689	2,770	24,337
Renewal	940	940	940	940	1,400	1,400	1,400	1,400	1,400	1,400	12,160
New, Upgrade and Expansion	3,200	12,000	0	0	0	0	0	0	0	0	15,200
Parks, Open Space and Streetscape (excluding trees)											
Operation and Maintenance	6,238	6,425	6,618	6,817	7,021	7,232	7,449	7,672	7,902	8,139	71,513
Renewal	1,408	1,435	1,200	1,200	1,650	1,650	1,650	1,650	1,650	1,650	15,143
New, Upgrade and Expansion	3,870	5,125	4,500	3,710	4,260	4,800	4,800	4,800	4,800	4,800	45,465
Recreation, Leisure and Community Facilities (excluding buildings)											
Operation and Maintenance	2,122	2,186	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,769	24,326
Renewal	690	1,050	1,050	1,250	1,050	1,050	1,050	1,050	1,050	1,050	10,340
New, Upgrade and Expansion	2,562	230	1,000	2,378	2,450	2,450	2,450	2,450	2,450	2,450	20,870
Roads											
Operation and Maintenance	3,406	3,509	3,614	3,722	3,834	3,949	4,067	4,189	4,315	4,445	39,050
Renewal	13,926	13,475	16,240	15,300	15,193	15,138	15,225	15,225	15,225	15,205	150,152
New, Upgrade and Expansion	3,267	1,805	1,670	2,950	2,650	2,500	2,400	2,400	2,400	2,400	24,442
Off-street Car Parks											
Operation and Maintenance	215	222	228	235	242	250	257	265	273	281	2,469
Renewal	200	200	200	200	300	300	300	300	300	300	2,600
New, Upgrade and Expansion	1,660	0	0	0	0	0	0	0	0	0	1,660

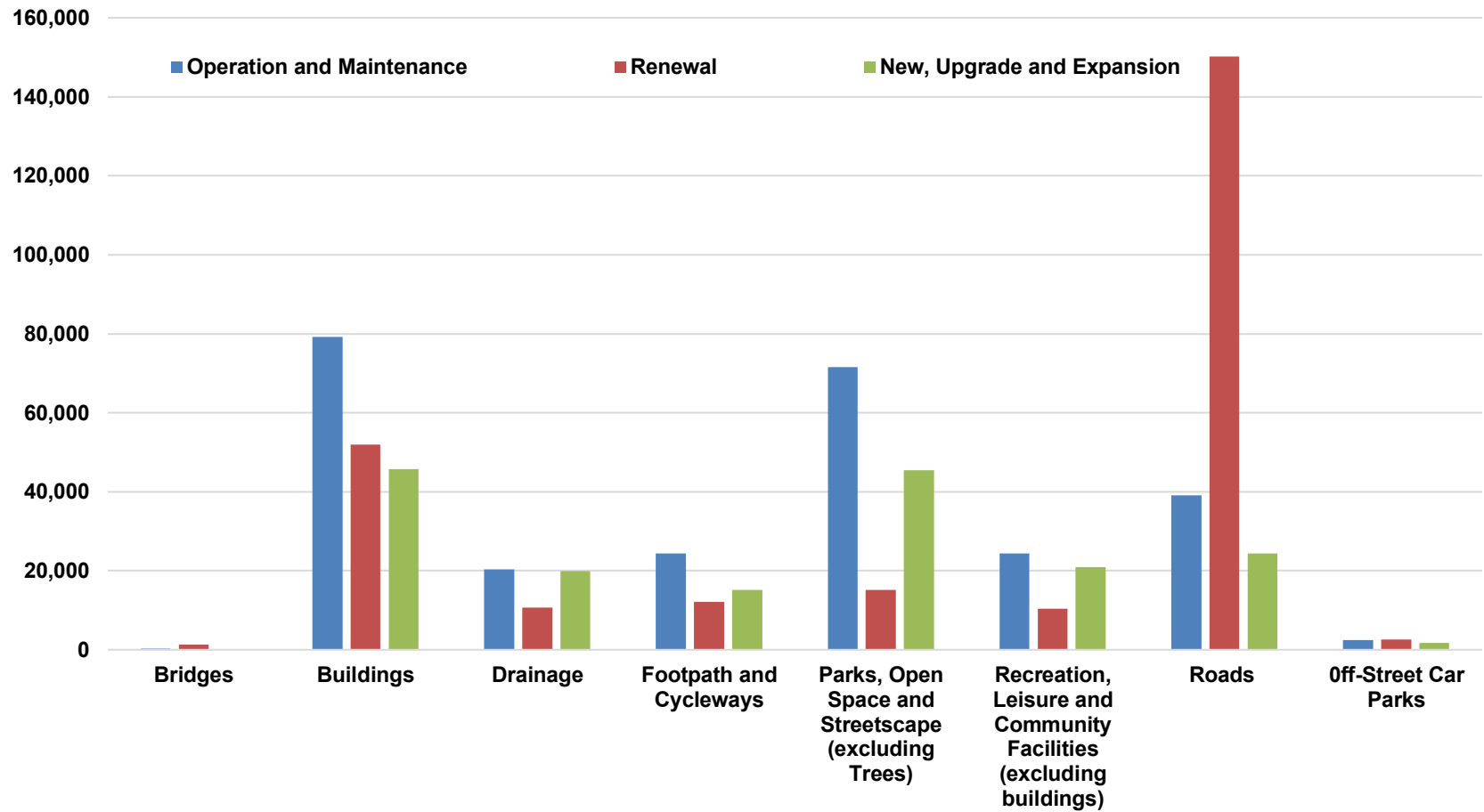
Renewal and New/Upgrade and Expansion figures are extracted from the 26/27 Capital Works Program and Long Term Financial Plan. Operation and maintenance budget is based on the 26/27 budget with a projection of 3% increase per year for the next 10 years.

Over the next 10 years, for each asset class, the below estimated amounts are required for operation and maintenance, renewal and provide new, upgrade and expansion based on the 26/27 Capital Works Program and Long Term Financial Plan.

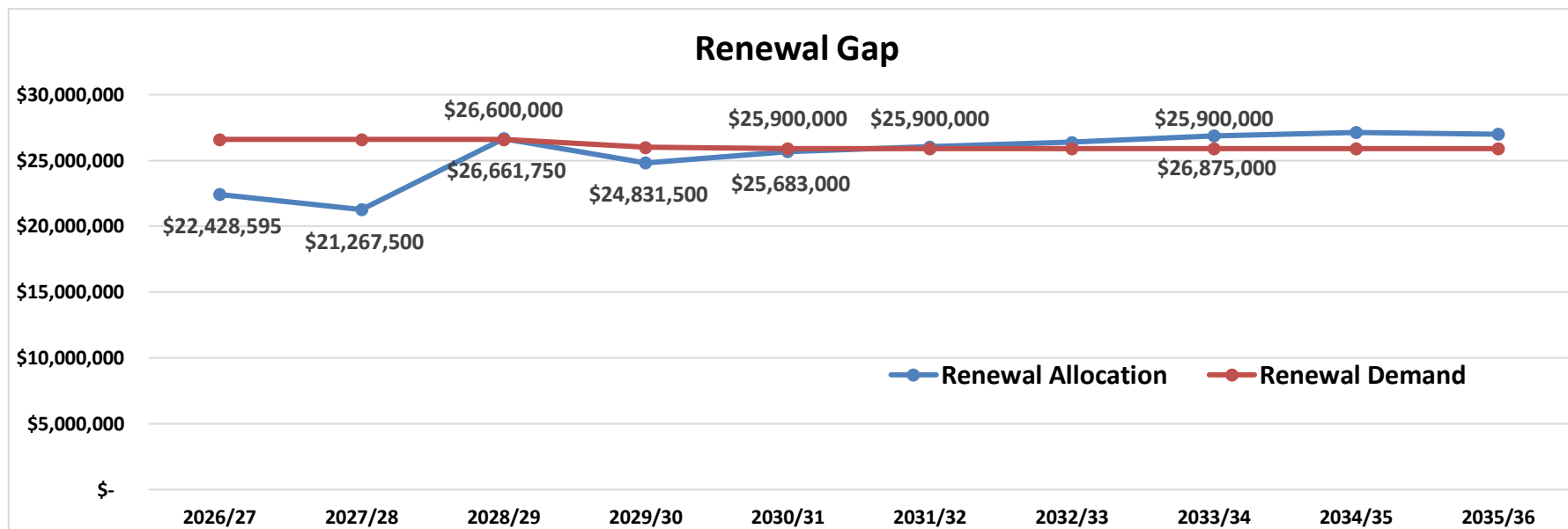
Asset Plan Financial Forecast 2026-27 to 2035-36 (\$'000, 10 Years Total)

Asset Type	Operation and Maintenance	Renewal	New, Upgrade and Expansion	Total
Bridges	229	1,305	145	1,679
Buildings	79,188	51,900	45,700	176,788
Drainage	20,360	10,690	19,950	51,000
Footpath and Cycleways	24,337	12,160	15,200	51,697
Parks, Open Space and Recreation (excluding trees)	71,513	15,143	45,465	132,121
Recreation, Leisure and Community Facilities (excluding buildings)	24,326	10,340	20,870	55,536
Roads	39,050	150,152	24,442	213,644
Off-Street Car Parks	2,469	2,600	1,660	6,729
TOTAL	261,473	254,290	173,432	689,195

Financial Forecast 2026 to 2036



The below graph compares the annual renewal gap of Council's assets based on current condition, and the current annual renewal allocation in Council's 2026-27 Capital Works Program and Long-Term Financial Plan. The asset renewal gap is projected to keep narrowing over the next few years and is expected to close from the 2028–29 financial year onwards.



- *Renewal gap is the gap between renewal allocation and renewal demand and doesn't take into account new and upgrade requirements.*
- *Renewal demand accounts for the asset backlog and the rate of deterioration over the next decade, as determined through the condition audit of each asset.*
- *The CPI of 3% has been allowed in the renewal demand computation.*
- *The renewal allocation is the budget allocated for the renewal of assets based on 26-27 Capital Works Program and Long Term Financial Plan.*

4 Actions

The table below lists the new actions that have been implemented under each guiding principle since the adoption of the Asset Plan 2025-35.

Guiding Principle	New Initiatives Commenced during Year 1
Transparency	Communicate the asset renewal gap to the community through annual State of Asset reporting, starting with the publication of the Asset Plan 2025-35.
Technical	<p>Plan for transition to Microsoft Dynamics as its Asset Management System, with completion expected within the next two years. Microsoft Dynamics will serve as a unified system for asset management, operations and maintenance, financial management, property management and rates.</p> <p>Explore using Microsoft Dynamics for predictive and financial modelling.</p> <p>Explore opportunities for streamlining the asset handover process in MS Dynamics.</p> <p>Continue to explore the use of AI technology to monitor the condition of council assets.</p>
Community Engagement	No new initiatives in Year 1
Equity	Begin to develop service plans for individual asset classes similar to Council's Road Management plan to ensure infrastructure service provision is provided equitably across the municipality.
Inclusivity & Accessibility	Review the Level of Service for footpaths and bridges while updating Asset Management Plans to ensure that the assets can provide universal use and accessibility for all members of the community.
Sustainability	No new initiatives in Year 1
Relevance	No new initiatives in Year 1
Safety	Prioritise the provision of funding for legal compliance, renewal, maintenance and operation of existing assets in preference to financing new works or asset upgrades.