

Supplementary Submission to the Shire of Nillumbik on its 2018-19 draft Budget and Yarrambat Park

Our first submission was made Online yesterday, 30th May 2018. This is a supplementary submission.

Asset Management Policies

Well managed businesses and even some Councils have Asset Management Policies.

For example, see –

- City OF Boroondara at <https://www.boroondara.vic.gov.au/sites/default/files/2017-05/Asset-Management-Policy.pdf>
- City of Monash at <http://www.monash.vic.gov.au/files/assets/public/about-us/council/policies-and-procedures/asset-management-policy-august2014-updated-april2015.pdf>
- Darebin City Council at <http://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=7&ved=0ahUKEwi bwaS1v67bAhUBoJQKHTl-A54QFghPMAY&url=http%3A%2F%2Fwww.darebin.vic.gov.au%2F%2Fmedia%2Fcityofdarebin%2Ffiles%2FYourCouncil%2FHowCouncilWorks%2FCouncilPlan%2FCouncilStrategies%2FVibrant-City-and-Innovative-Economy%2FAssetManagementPolicy2017-October2017.ashx%3Fla%3Den&usg=AOvVaw2k7QlFR2uwoWI-sMrviCzh>

Principles stated in these policies include –

- To act as custodians of community assets;
- Whole of life costs will be considered and renewals will be prioritised ahead of investment in new assets;
- To ensure the appropriate funding of the maintenance and renewal of existing assets before that of new assets unless justified.

Does Nillumbik Council have an Asset Management Policy?

The draft 2018-19 Budget implies that it does – “Review and implement Council's asset management strategy for roads, footpath, buildings, drain and recreational assets.”

Where is it?

Google searches reveal only that Nillumbik has policies for Road management and Tree management.

Expert 2012 Reports to Council on deterioration and underspending on Yarrambat Park

Council is aware of its underspending on the recreational facilities at Yarrambat Park.

See at –

http://www.nillumbik.vic.gov.au/files/assets/public/planning-matters/townships/yarrambat/yb-park-master/yarrambat_park_final_master_plan_adopted.pdf

And adopted a Master Plan for up-grading and improvement of Yarrambat Golf Course. see at – http://www.nillumbik.vic.gov.au/files/assets/public/planning-matters/townships/yarrambat/yb-park-master/draft_yarrambat_park_masterplan_volume_2_-_golf_master_plan.pdf

Some recommendations have been implemented, but the majority have not.

In its Council Plan 2013-2017 Nillumbik recognised it was underspending on infrastructure

“Council needs to address the funding gap for renewal and maintenance of existing infrastructure assets such as roads, footpaths, drains and buildings. Currently Council assets depreciate at around \$8 million each year, however Council only spends around \$6 million annually on renewal of these assets. Underspending on renewal is not a saving, as higher costs will eventually be borne by future ratepayers.”

In this Plan Council stated, inter alia, it would –

- “... plan and deliver accessible community services that enhance health and wellbeing across all life stages
- “... provide recreation and sports facilities and services to enhance social participation and to help our community be active and healthy.”

In its draft Budget 2018-2019, Council noted –

“Council’s assets depreciate at around \$11 million per annum. Funding the annual cost for renewal of these existing assets is an important responsibility for Council, in addition to meeting community demand for new or improved assets.”

Council then notes Millions of Dollars spending on new and upgrades for community and recreational facilities and provides nothing to further implement the 2012 Master Plan for Yarrambat Park. Some of this spending relies upon Commonwealth Funding Grants.

It is noted by other Councils, however, that Commonwealth Government has indicated that future grant funding may be tied to the implementation of Asset Management frameworks.

Where is the Nillumbik Asset Management Framework for Yarrambat Park? Does Nillumbik have any principle of asset management to –

“ ... ensure the appropriate funding of the maintenance and renewal of existing assets before that of new assets”?

The Commonwealth Government Grants Commission provided two grants in 1975 that enabled the Council to acquire Yarrambat Park. How does Nillumbik now stand on that record with the Commonwealth Government?

Councillors’ Responsibility

Councillors’ are invited to reflect on their responsibility individually and to the Community for the proper discharge of their office and to reflect on the omission of proper funding of Yarrambat Park from the draft 2018-19 Budget.

We would appreciate the opportunity to speak to our submission at the relevant Council meeting.

31 May 2018

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