

Strathbogie
Shire Council

Asset Management Plan 2021/31

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Strathbogie
SHIRE COUNCIL

Acknowledgment of Country

We acknowledge the traditional custodians of the land on which we strive, the peoples of the rivers and the hills of the Strathbogie Shire region who walked these lands for generations.

We pay our respects to the elders of the past, the speakers of the first words, who lived in harmony with this country.

We acknowledge the elders of the present, who seek to regain their culture, and to teach the elders of the future their law, their history and their language.

We pay our respects to them and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

We honour their spirit – and the memory, culture, art and science of the world's oldest living culture through 60,000 years.

Table of Contents

Acknowledgment of Country	2
Table of Contents	3
Introduction.....	4
What is an Asset?	4
What is Asset Management?	4
Why is Asset Management Important?	4
Asset Management Framework.....	5
Purpose of the Asset Plan.....	7
Scope of the Asset Plan.....	7
Strategic Context	8
Financial Plan	8
Council Plan	8
The Regulatory Framework.....	8
Relevant Strategic Documents.....	8
Our Assets.....	9
State of our Assets	10
Transport Infrastructure (Roads, Kerbs, Footpaths).....	10
Bridges	16
Buildings.....	17
Lifecycle Management.....	18
Lifecycle Strategies.....	18
Future Challenges and Opportunities	20
Funding for Long-Term Sustainability	23
Spending Categories	23
Investment Evaluation.....	23
Timing and Deliverability of Works (Capital and Maintenance) Programs	24
Financial Projections.....	24
Projected expenditures	25
Demand versus Budgeted Renewal.....	28

Introduction

Providing effective and efficient management of assets is a key obligation of Strathbogie Shire Council (Council).

As custodian of community assets, Council has the responsibility for managing these assets in the most cost-effective manner. This is achieved through managing our assets through their lifecycle from creation and acquisition to maintenance and operation, through to rehabilitation and disposal. These actions are undertaken with the goal of providing efficient, safe, and reliable services for current and future generations.

The Asset Plan sets the foundation for the way we manage our community's assets. It provides a strategic and financial view of how we will manage the assets that we own and control over the next ten (10) years and beyond. It defines our high-level strategic asset management priorities and addresses all aspects of the lifecycle management of our assets.

What is an Asset?

The most basic definition of an asset is something that is of value to a person or an organisation.

All physical (infrastructure) public assets that Council manages including buildings and property, roads, kerbs and footpaths, plant and equipment, playgrounds, sports fields and the like form part of this Asset Plan.

What is Asset Management?

Asset management in short

The right assets, in the right place, at the right time, managed by the right people.

Asset management refers to the coordinated series of activities that monitor and maintain things of value—in this case, physical assets. This involves balancing risk, cost, opportunities, and performance to realise the value of an asset fully and effectively over its entire lifespan.

Ultimately, asset management is a way to align strategic planning with infrastructure and service delivery in the real world considering what assets people need and how these assets are made to last and perform best.

Why is Asset Management Important?

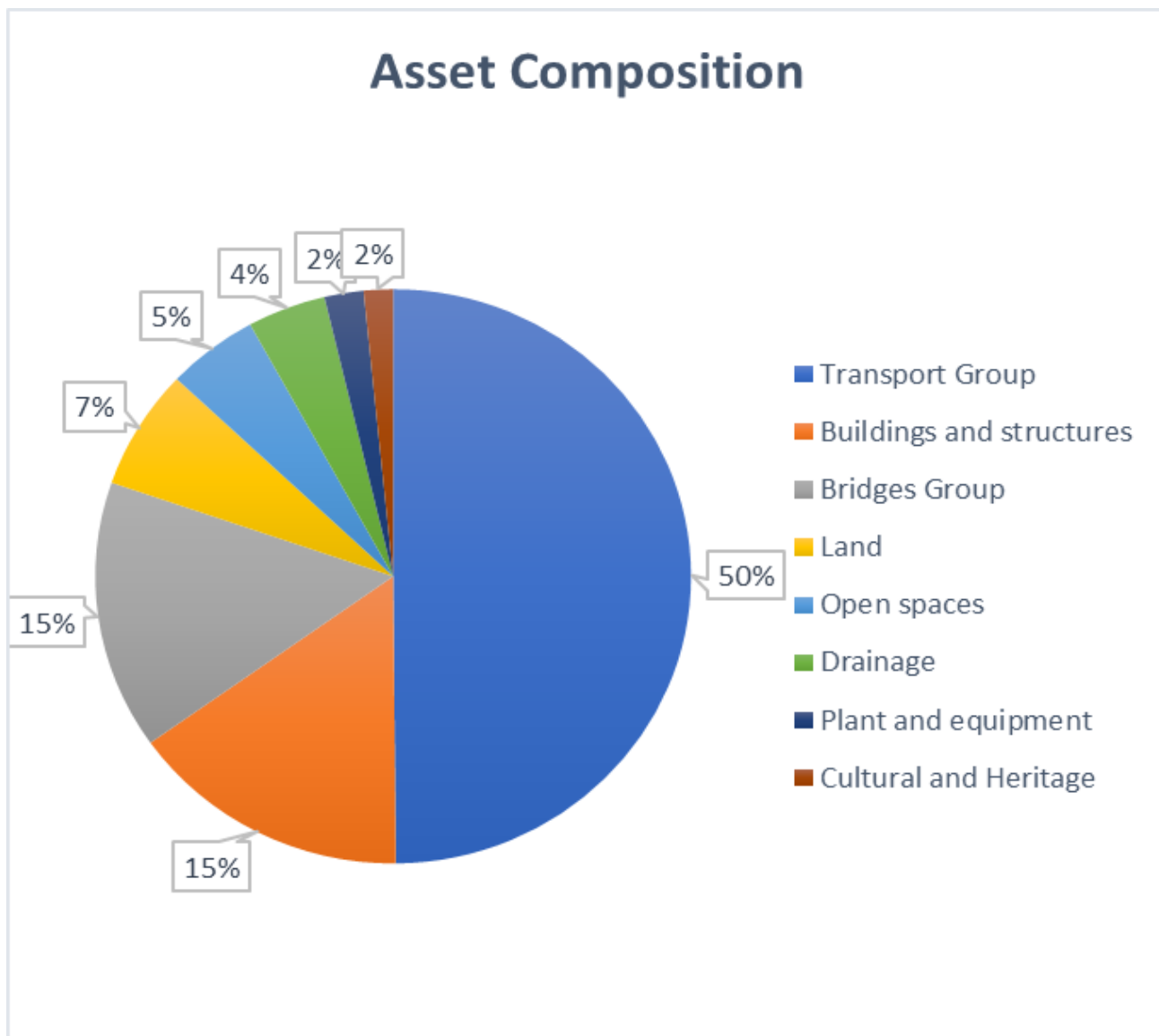
Council manages a portfolio of assets that have a combined value and replacement cost of \$283 million. This includes all our property, plant and equipment, and infrastructure. These assets have been built up progressively over many years.

These assets are predominantly used to provide services and amenity to our community. The standard to which they are maintained and the extent to which they are grown and improved are a key consideration in setting and delivering on our Community Vision and Council Plan.

Without these assets we could not provide our diverse range of services to the quality that our community expects.

Figure 1 below details Council's assets across the key asset categories.

Figure 1: Asset Categories



Over the next ten (10) years we expect to budget a total of \$71.40 million for renewing, improving, and growing our assets. We are also projected to allocate around \$93.20 million over the same period to operate and maintain our assets. Combined, on average 42 per cent of our total annual expenditure is asset related

This investment is made so that our assets remain fit-for-purpose, are safe, and support the delivery of services to our community.

It is vital that we are responsible and judicious asset managers so that our assets continue to support community outcomes. Asset management helps Council effectively plan the maintenance, upgrade and renewal of our assets as timely investments save money in the long term.

Asset Management Framework

Our Strategic Asset Management Framework shown in Figure 2 aims to ensure that a systematic approach to asset management delivers prudent and efficient outcomes that meet both our corporate and asset management objectives.

Table 1 details the interrelationship and hierarchy of Councils Asset Management planning approach.

Figure 2: Strategic Asset Management Framework

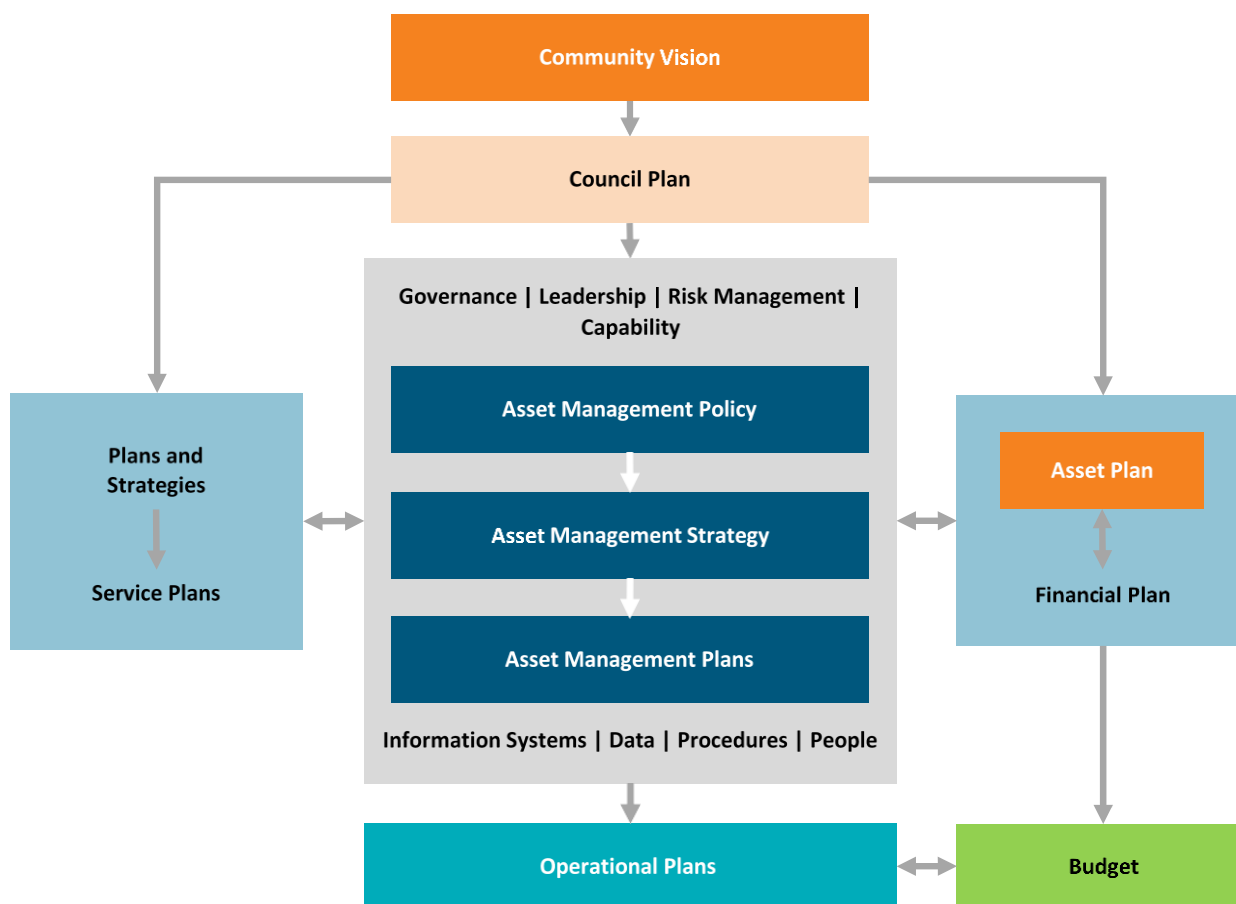


Table 1: Asset Planning Hierarchy

Document	Role	Details
Asset Plan	<ul style="list-style-type: none"> High level 10 year view of Council’s priorities around maintenance, renewal, acquisition, expansion, upgrade and disposal of infrastructure asset under the control of the Council. 	<ul style="list-style-type: none"> Combines key information from the Asset Management Strategy and Asset Management Plans and also links to Financial Plan
Asset Management Policy	<ul style="list-style-type: none"> Guides sustainable management of Council’s assets to support services that will meet current and future community needs 	<ul style="list-style-type: none"> Outlines Council’s vision and principles
Asset Management Strategy	<ul style="list-style-type: none"> Outlines how we will deliver our asset management policy intentions 	<ul style="list-style-type: none"> Establishes the direction and actions necessary for improvement of relevant asset management practices to achieve the Council’s vision and organisational objectives
Asset Management Plans	<ul style="list-style-type: none"> How we intend to manage our assets to meet the demands of our community in the future 	<ul style="list-style-type: none"> Provides a roadmap for achieving value from our assets by optimising cost, risk, and performance across the lifecycle of an asset

Purpose of the Asset Plan

This Asset Plan has been prepared to meet the requirements of section 92 of the Local Government Act 2020. Council is required to have our Asset Plan in place by 30 June 2022. The Asset Plan along with our Community Vision and Council Plan has been developed through input from our community via deliberative engagement.

The Asset Plan is a high-level overview document that summarises the key elements of the individual Asset Management Plans that Council has developed for each of our major asset classes.

The purpose of Councils Asset Plan is to:

- Demonstrate how we will responsibly manage our assets to meet the service delivery needs of our community into the future in a cost,
- Summarise the operating and capital expenditure requirements for our assets,
- Ensure that there is integration between our asset management planning outcomes with our strategic objectives, Financial Plan, and Budget,
- Maximise alignment with Council, Regional and Government Strategies, Policies and Plans that effect the management of our assets, and
- Comply with our legislative obligations.

The development of this Asset Plan relies upon our understanding of the performance of our assets and a number of key assumptions. Assumptions and forecasts will change based on enhancement of our asset knowledge along with ever evolving internal and external drivers, including community expectations. This Asset Plan will be actively monitored and updated to reflect any major changes.

Scope of the Asset Plan

While we manage an extensive portfolio of assets, this Asset Plan only covers all infrastructure that is under the control and is recognised as an asset of Strathbogie Shire Council. Our infrastructure assets include:

Strategic Context

The delivery of services to the community is guided by the Community Vision, Council plans, strategies, and policies. These also drive our approach to asset management.

Financial Plan

Council's Financial Plan provides a long-term view of the resources that we expect to be available to us and how these will be allocated and prioritised over the next ten (10) years.

It identifies our current and projected financial capacity to continue delivering high quality services, facilities, and infrastructure while identifying critical new capital investment to support our community's prosperity and to respond to our future challenges.

Our Asset Plan is based on and is intrinsically linked to the annual budget and projections outlined in our Long-Term Financial Plan. Ongoing affordability and financial sustainability are our key objectives.

The Financial Plan in combination with the Asset Plan supports us in achieving this aim.

Council Plan

Our Council Plan makes a commitment to outcomes and priority initiatives across a number of strategic objectives. Effective asset management supports the outcomes of the Council Plan and also the delivery of sustainable services.

We recognise our stewardship role in appropriately managing the assets we have and aim to fulfil our obligations to future communities to provide sustainable assets and services.

The Regulatory Framework

Local Government operates in a complex legislative and policy environment that directly influences the way we do business.

The principal legislation in Victoria governing the establishment and operation of councils is the Local Government Act 2020 ('The Act'). This defines the purposes and functions of local government as well as providing the legal framework for establishing and administering councils.

The Act requires all councils to develop an integrated, longer-term, and transparent approach to planning organised around a ten (10) year community vision. This Asset Plan is an integral component of our integrated planning framework.

As well as the general powers and responsibilities as articulated in the Local Government Act 2020, Council is responsible for a wide range of services and functions under various other Acts of Parliament. In fact, Council has responsibilities under more than 120 different Victorian pieces of legislation.

Relevant Strategic Documents

This plan supports a number of other strategic Council documents including but not limited to:

- Strathbogie Shire Council Plan
- Climate Change Action Plan
- Road Management Plan 2021
- Sustainable Strathbogie 2030
- Arts and Culture Strategy
- Tracks and Trails Strategy

The Asset Plan links to our Strategic Risk Register given that the plan is intended to deliver multiple benefits to an organisation, including measurable improvements in operational productivity and efficiency, lower lifecycle costs, sustainable levels of service and better management of risk and compliance.

Our Assets

We manage a portfolio of assets worth over \$283 million. This includes all our property, plant and equipment, and infrastructure. These assets have been built up progressively over many years.

Ensuring our assets are appropriate for the Shire’s needs enables us to deliver the services that make the Shire of Strathbogie a great place to live, work and visit. This Asset Plan provides guidance on all Council infrastructure assets, which are grouped into key asset classes.

Table 2 details Councils Asset portfolio and Table 3 highlights some examples of Community Buildings and Structures

Table 2: Asset Portfolio Classes

Asset Group	Total Items (No.)	Total Length (km)	Area (m ²)
Sealed Roads		735	
Unsealed Roads		1469	
Road Bridges	125		
Foot Bridges	8		
Major Culverts	387		
Buildings and Structures	405		
Footpaths/Cycleways		37	
Parks and Reserves	11		
Walking Tracks		14.8	
Garden Beds			400
Aquatic Centres	4		
Playgrounds	26		
Hardcourts/ Bowling Greens	42		

Table 3: Examples of Community Buildings and Structures

Buildings and Structures	Total Items (No.)
Buildings	133
Structures (sheds, stores, shelters, shade sails, ramps, water tanks, etc)	272
Examples include:	-
Outdoor Swimming Facilities	4
Community Halls	8
Public Toilets	4
Kindergartens	4
Maternal Child Health Centres	4
Senior Citizens Clubs	4
Public Libraries	3
Cinemas	1
Transfer Stations	7

State of our Assets

Our community determine the demand and value of the services our assets provide. The performance of our infrastructure is measured on agreed service levels through ongoing condition assessments of our infrastructure.

The condition of Council's assets is assessed on a ten point scale, ranging from new assets ranked at 0 (zero) through to assets at the end of their life ranked at 10 (ten). Intervention, (or when renewal is required) is generally programmed when an asset reaches Condition 8. Overall, Council's assets are in good condition and below the intervention level in most cases.

Council's Assets are in three broad categories:

Transport Infrastructure (Roads, Kerbs, Footpaths)

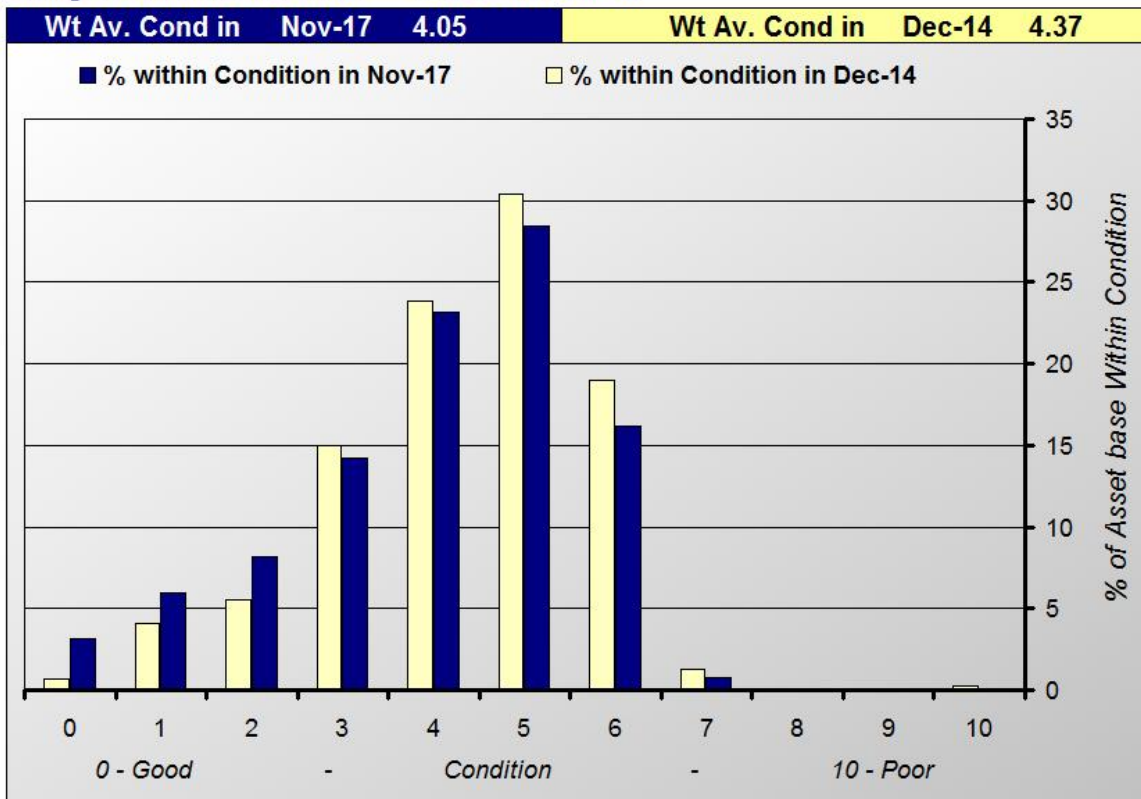
The condition of these assets was last reviewed in 2017 and a further review is currently under way. The Major Report Findings were:

- Council's road assets were found to be in very good overall condition, with a quite measurable overall improvement since the last survey in 2014,
- The renewal shortfall or backlog of over intervention assets for the whole roads group was estimated at \$1,991,281 representing 1.12% of the total road asset valuation base. This equates to only 67% of one full year's annual depreciation and as such was considered to be a very good outcome, and
- Council significant focus and investment in lifting the renewal funding levels on the road network over the last decade has made a tangible impact.

Condition in both 2014 and 2017 of varying assets is shown below together in the following graphs.

Sealed pavement

Change in Cond. Distribution for **Sealed Pavement**

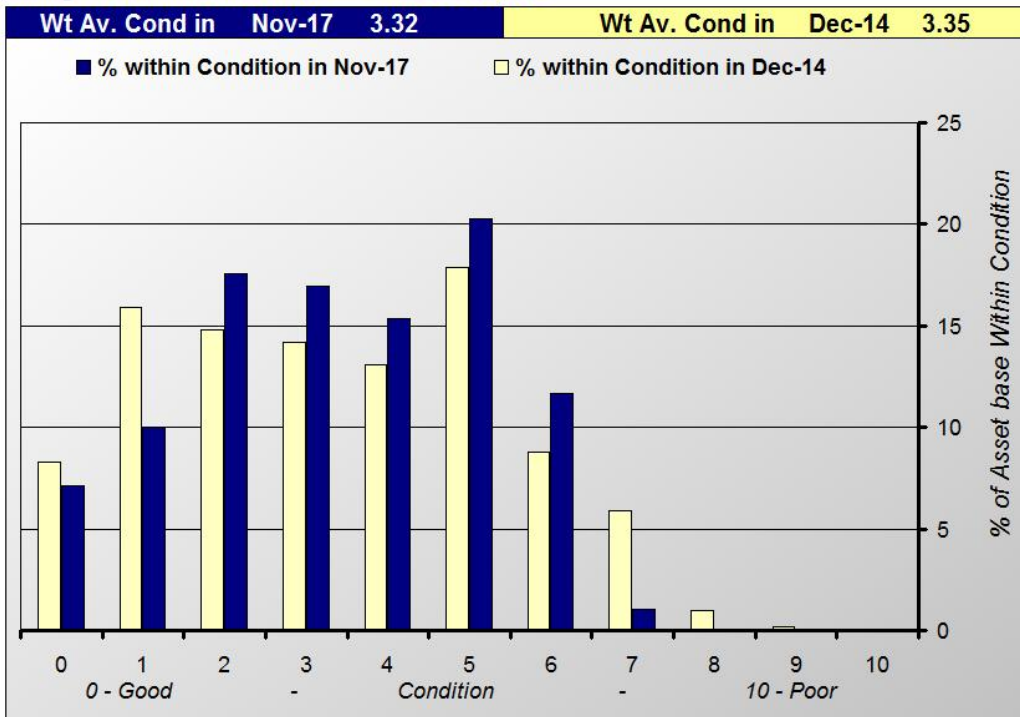


Key Cond. Indic.	Sealed Pavement Condition Indicator	Figures from Last Survey in	Figures from Current Survey in	Change between Surveys New Minus Old	% Change Between Surveys	Better or Worse Since last Survey
No.		Dec-14	Nov-17			
1	Weighted Average Asset Condition	4.37	4.05	0.318	4.0%	Better
2	% of Urgent Failures	0.10	0.03	0.069	71.6%	Better
3	% of Other Failures	1.54	0.97	0.564	36.7%	Better
4	Average Pavement Roughness	3.81	3.71	0.098	2.6%	Better
5	Average Pavement Profile	3.09	2.90	0.185	6.0%	Better
6	% of Asset Base above Condition 6	20.50	17.02	3.484	17.0%	Better
7	% of Asset Base above Condition 7	1.54	0.81	0.737	47.8%	Better
8	% of Asset Base above Condition 8	0.29	0.02	0.266	91.9%	Better

Renewal Demand Being Met For:	% of Long Term Demand Being Met
Sealed Rd Pavement Asset Group	101.8%

Sealed surface

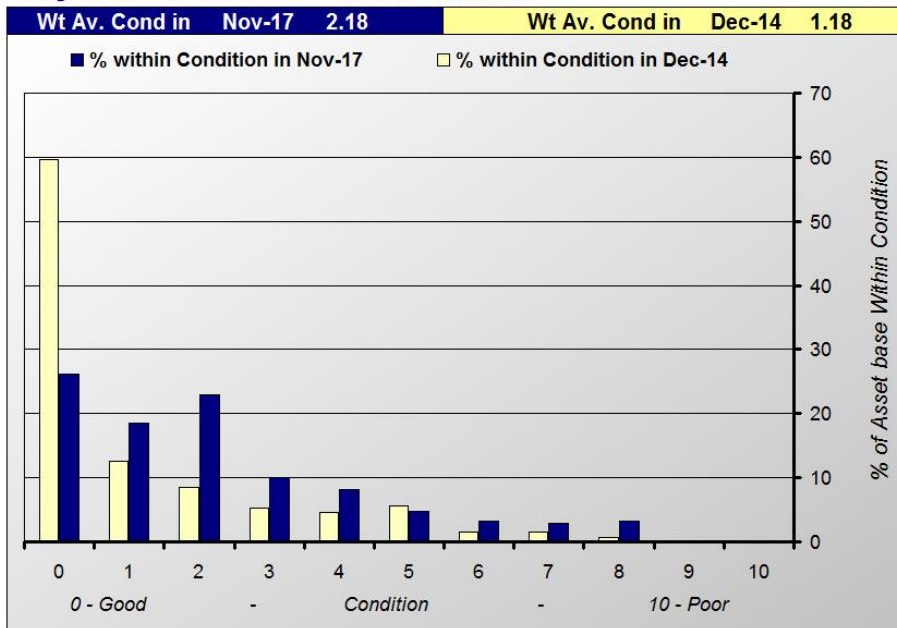
Change in Cond. Distribution for **Sealed Surface**



Key Cond. Indic. No.	Sealed Surface Condition Indicator	Figures from Last Survey in Dec-14	Figures from Current Survey in Nov-17	Change between Surveys New Minus Old	% Change Between Surveys	Better or Worse Since last Survey
1	Weighted Average Asset Condition	3.352	3.321	0.031	0.4%	Better
2	% of Asset Base above Condition 5	33.720	33.002	0.719	2.1%	Better
3	% of Asset Base above Condition 6	15.817	12.707	3.110	19.7%	Better
4	% of Asset Base above Condition 7	7.048	1.063	5.985	84.9%	Better
5	% of Asset Base above Condition 8	1.145	0.024	1.121	97.9%	Better
Renewal Demand Being Met For:		% of Long Term Demand Being Met				
Sealed Surface Asset Group		90%				

Unsealed pavement

Change in Cond. Distribution for **Unsealed Pavement**

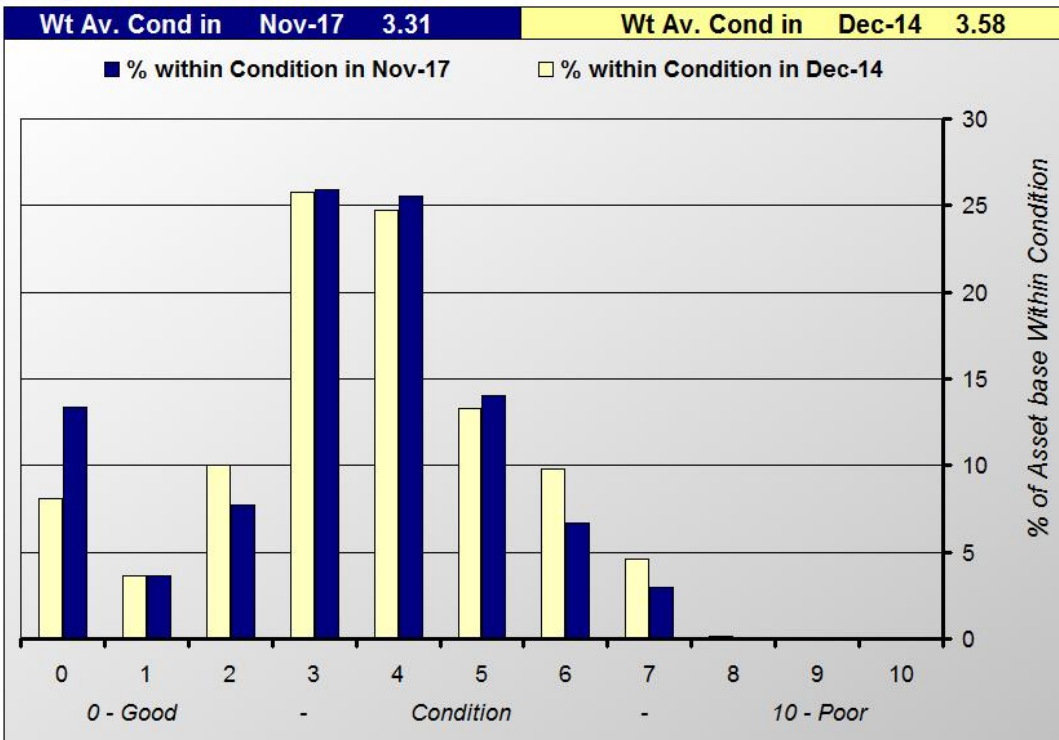


Key Cond. Indic. No.	Unsealed Pavement Condition Indicator	Figures from Last Survey in Dec-14	Figures from Current Survey in Nov-17	Change between Surveys New Minus Old	% Change Between Surveys	Better or Worse Since last Survey
1	Weighted Average Asset Condition	1.18	2.18	-0.997	-16.6%	Worse
2	% of Pavement Failures	1.78	1.34	0.445	24.9%	Better
3	Average Pavement Roughness	4.05	3.98	0.069	1.7%	Better
4	Average Pavement Profile	3.50	3.21	0.291	8.3%	Better
5	Average Pavement Depth in mm	64	63	-0.7	-1.1%	Worse
6	% of Asset Base above Condition 6	3.74	9.49	-5.749	-153.6%	Worse
7	% of Asset Base above Condition 7	2.24	6.32	-4.081	-182.4%	Worse
8	% of Asset Base above Condition 8	0.75	3.38	-2.629	-350.5%	Worse

Renewal Demand Being Met For:	% of Long Term Demand Being Met
UnSealed Rd Pavement Asset Group	88%

Kerb

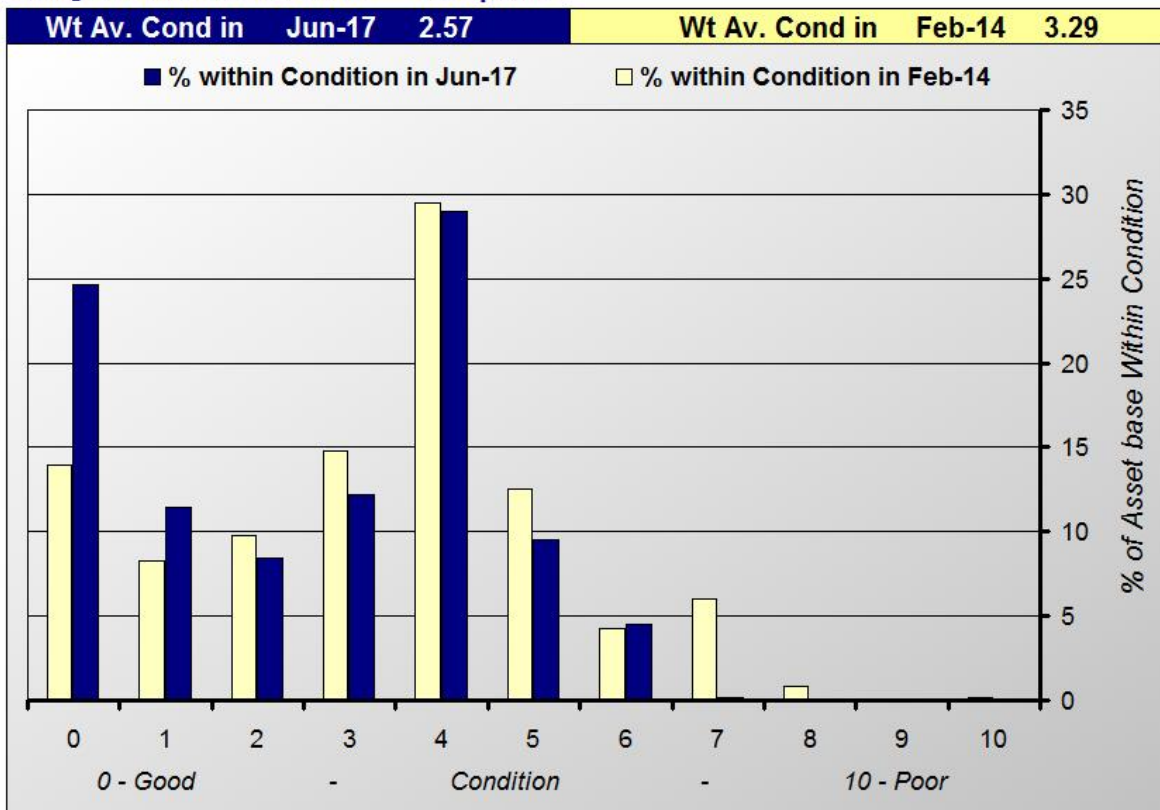
Change in Cond. Distribution for Kerb



Key Cond. Indic. No.	Kerb Condition Indicator	Figures from Last Survey in Dec-14	Figures from Current Survey in Nov-17	Change between Surveys New Minus Old	% Change Between Surveys	Better or Worse Since last Survey
1	Weighted Average Asset Condition	3.584	3.310	0.274	3.2%	Better
2	% of Urgent Failures	5.046	3.009	2.037	40.4%	Better
3	% of Other Failures	31.505	26.913	4.592	14.6%	Better
4	% of Asset Base above Condition 5	27.835	23.774	4.061	14.6%	Better
5	% of Asset Base above Condition 6	14.573	9.756	4.817	33.1%	Better
6	% of Asset Base above Condition 7	4.773	3.107	1.666	34.9%	Better
7	% of Asset Base above Condition 8	0.158	0.108	0.049	31.2%	Better
Renewal Demand Being Met For:		% of Long Term Demand Being Met				
Kerb Asset Group		29%				

Footpaths

Change in Cond. Distribution for Footpaths

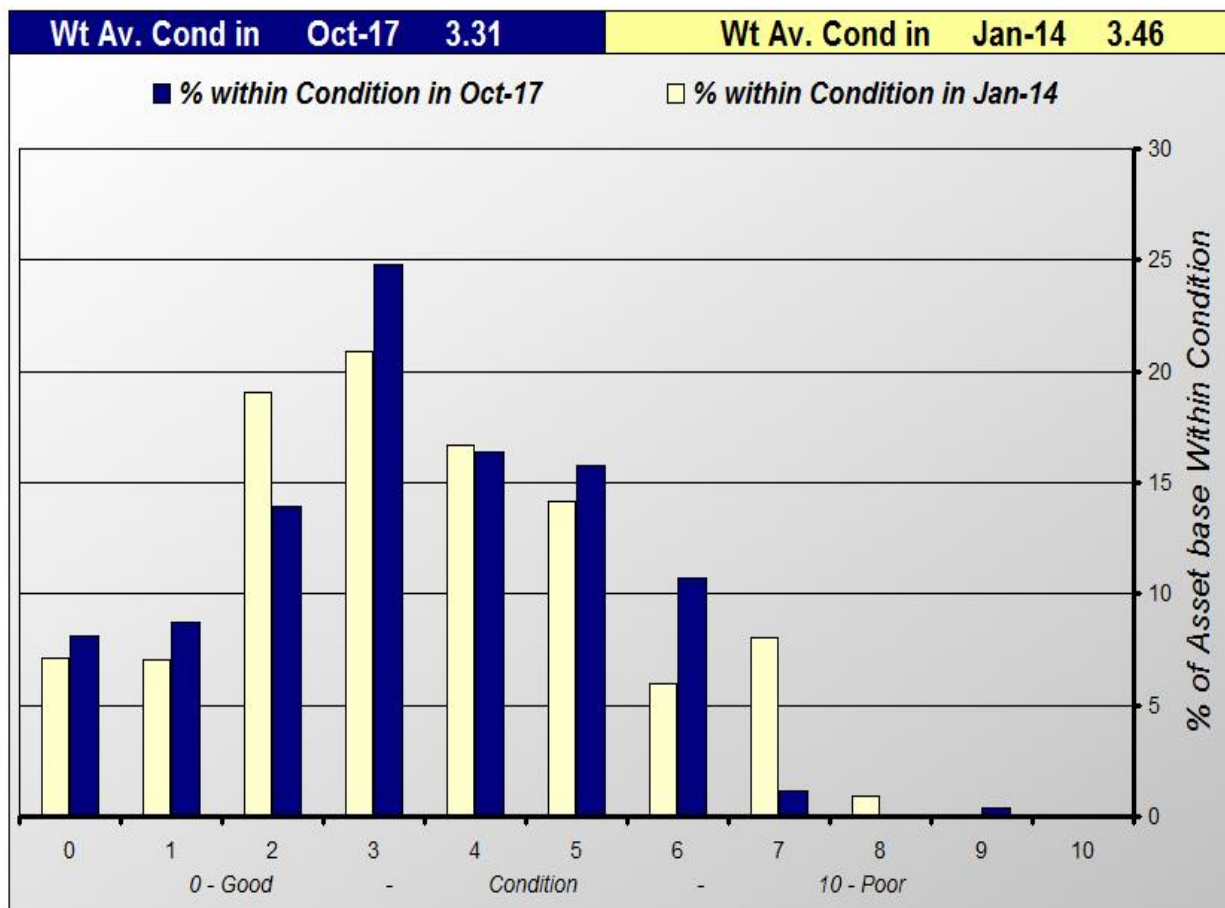


Key Cond. Indic. No.	Footpath Condition Indicator	Figures from Last Survey in Feb-14	Figures from Current Survey in Jun-17	Actual Change Negative is a Condition Decline	% Change Between Surveys	Better or Worse Since last Survey
1	Weighted Average Asset Condition	3.29	2.57	0.72	10.2%	Better
2	% of Urgent Failures	2.80	1.08	1.72	61.5%	Better
3	% of Other Failures	2.77	1.44	1.33	47.8%	Better
2	% of Asset Base above Condition 5	23.82	14.26	9.56	40.12%	Better
3	% of Asset Base above Condition 6	11.29	4.72	6.56	58.2%	Better
4	% of Asset Base above Condition 7	7.03	0.20	6.83	97.2%	Better
5	% of Asset Base above Condition 8	1.00	0.00	1.00	100.0%	Better
Renewal Demand Being Met For:		% of Long Term Demand Being Met				
Footpath Asset Group		47.4%				

Bridges

The major findings coming out of the condition survey of bridges were:

- The bridge assets were found to be in good overall condition with a quite measurable improvement across all six condition indicators since the time of the last survey,
- There were only two structures found to be at or above condition 8.0. This represented a 63.5% decrease since the time of the last survey,
- There was 1.02% of the network found to be at and above the adopted renewal intervention level,
- The extent of the asset base at and above condition 7 had been lowered from 9.1% in 2014 down to 1.5% in 2017. This is really an outstanding achievement and reflects the very high priority given by council to the bridge assets over the last decade,
- The bridge assets were found to be in good overall condition with a quite measurable improvement across all six condition indicators since the time of the last survey, and
- There were only two structures found to be at or above condition 8.0. This represents a 63.5% decrease since the time of the last survey.



Key Cond. Indic. No.	Bridge Condition Indicator	Figures from Previous Survey in Jan-14	Figures from Current Survey in Oct-17	Actual Change Negative is a Condition Decline	% Change Between Surveys	Better or Worse Since last Survey
1	Weighted Average Asset Condition	3.457	3.314	0.14	4.1%	Better
2	Total \$/sqm of Bridge Deck area For Urgent Works (above urgency Rating 7)	\$12.47	\$9.92	2.55	20.5%	Better
3	Total \$/sqm of Bridge Deck area For all other identified works	\$23.46	\$20.46	3.00	12.8%	Better
4	% of Asset Base above Condition 6	15.1%	12.3%	0.03	18.3%	Better
5	% of Asset Base above Condition 7	9.1%	1.5%	0.08	83%	Better
6	% of Asset Base above Condition 8	1.0%	0.4%	0.01	63.5%	Better
Renewal Demand Being Met For:		% of Long Term Demand Being Met				
Bridge Asset Group		119%				

Buildings

The most recent condition assessment of Councils Building Assets undertaken at 30 June 2020 showed the following results, based on a ten (10) point scale, 0 (zero) being new through to 10 (ten) being at end of life.

However, it is noted that a detailed condition assent audit is required to be undertaken across all community buildings. Intervention is typically generated at Condition 8.

Condition	Number	Percentage
Condition 0	3	1.07
Condition 1	12	4.27
Condition 2	8	2.85
Condition 3	31	11.03
Condition 4	62	22.06
Condition 5	96	34.16
Condition 6	49	17.44
Condition 7	11	3.91
Condition 8	3	1.07
Condition 9	5	1.78
Condition 10	1	0.36
Total	281	100.00

Lifecycle Management

The goal of asset management is to meet a required level of service in the most cost-effective manner, through the prudent and efficient management of assets for present and future customers.

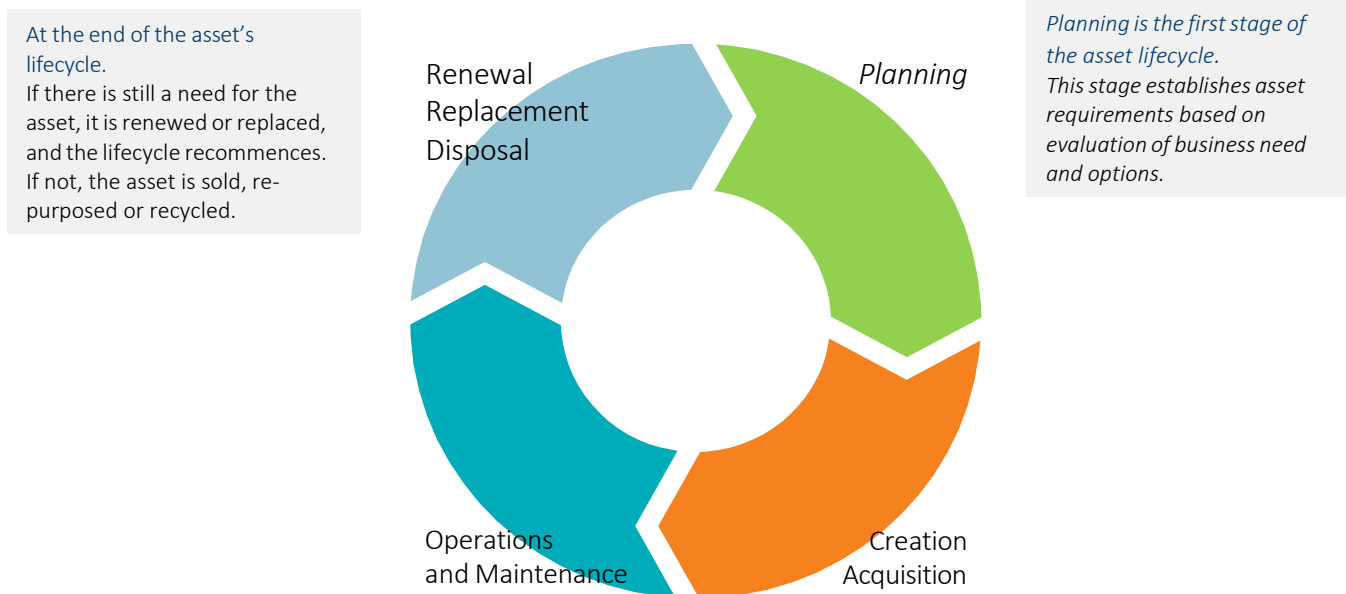
The key elements of effective asset management are:

- Adopting a life-cycle approach.
- Developing cost-effective management strategies for the long term.
- Providing defined and agreed levels of service.
- Monitoring performance.
- Understanding and meeting the impact of changing service needs
- Managing risk associated with asset failures.
- Sustainably using physical resources.
- Continually improving asset management processes and practices.

A formal approach to the management of assets is essential to providing our services in the most cost-effective manner. This enhances our ability to demonstrate our approach to asset management to our stakeholders

Our approach to asset management is centred on asset lifecycle management. There are four key stages in the asset lifecycle as shown in Figure 7.

Figure 4: Asset Life Cycle



Lifecycle Strategies

Each phase of the lifecycle has a corresponding lifecycle strategy, which describes our approach to the activities in that stage, objectives relevant to that stage, and strategies for providing performance to required levels.

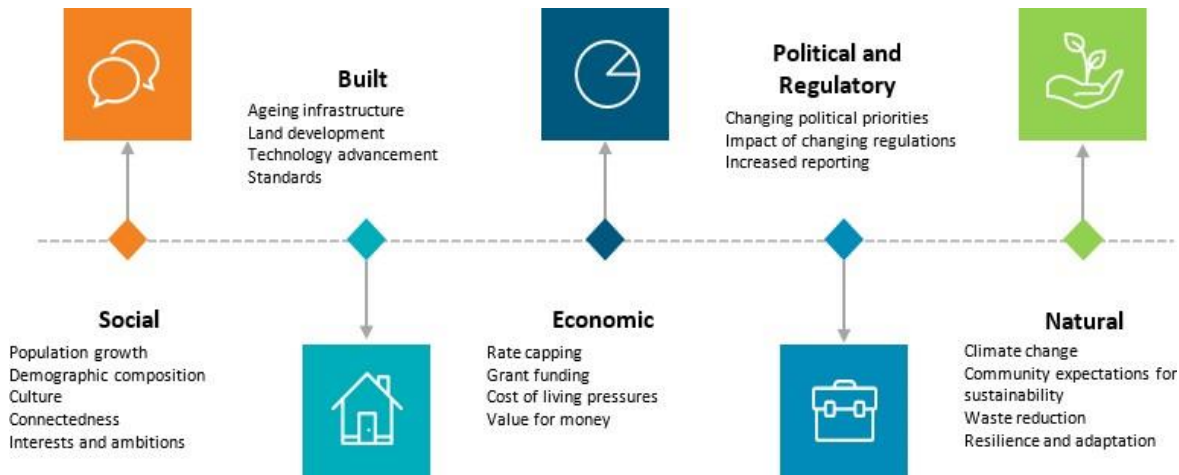
Our lifecycle strategies that Council implements at each phase are summarised in Table 4.

Table 4: Asset Lifecycle Strategies

Lifecycle Phase	Our Lifecycle Strategies
<p>Planning</p>	<ul style="list-style-type: none"> ▪ We consider asset requirements necessary to support our long term objectives and to ensure that the right assets are provided to meet service needs. ▪ Future asset planning and service design considers and balances the key principles of affordability, equity, and the environment. ▪ We use transparent, informed decision-making processes that consider the whole-of-life implications of acquiring, operating, maintaining, and disposing of an asset.
<p>Creation or Acquisition</p>	<ul style="list-style-type: none"> ▪ Our projects are comprehensively defined so that its objectives are clear. ▪ We select appropriate procurement strategies to ensure we work with the right project partners and achieve value for money. ▪ We use systems and processes to plan, manage, and control projects that result in the creation of assets. ▪ We integrate environmentally sustainable approaches to the design and construction of assets. ▪ Newly acquired assets are checked for quality before they are put into service.
<p>Operations and Maintenance</p>	<ul style="list-style-type: none"> ▪ We act to enable existing assets operate to their service potential over their useful life. ▪ We regularly inspect, service, and maintain our assets so that they are safe, compliant, and are continuously available for use. ▪ Maintenance is planned to minimise the risk of critical asset failure and ongoing lifecycle costs. ▪ We use systems and processes to help record information about our assets and monitor their performance. ▪ The development and roll out of the Asset Management Information System to monitor and record effort and cost of maintenance to maintain assets.
<p>Renewal, Replacement, or Disposal</p>	<ul style="list-style-type: none"> ▪ We continuously assess the condition of our assets. ▪ We aim to optimise the timing of the renewal or replacement of our assets so that they remain safe and functional and to minimise overall lifecycle costs. ▪ Our goal is to maximise the use of our assets through adaptive reuse or colocation of services where appropriate. ▪ Where assets do not directly support core service delivery they are considered for rationalisation.

Future Challenges and Opportunities

There are some issues facing Council that can dictate how we plan for the future and what direction is taken. They may impact on how we deliver our assets and services.



Some of the main issues facing the provision of our assets and services are outlined in Table 5 below.

Table 5: Asset Management Issues and Challenges

Issue	What does this mean for asset management and service delivery?
Social Demand	
<p>Population Trends</p> <p>Our present population is 10,992 people and is expected to grow to more than 12,000 people by 2036, an annual growth rate of 0.7 per cent.</p> <p>Demographic Change</p> <p>Based on the 2016 Census 37.7% of the population is over the age of 60 compared to the Victorian and National figure of 21%. Conversely 19.5% is under the age of 19 compared to average of about 24%</p> <p>Changing Community Needs</p> <p>The community expects Council to be able to quickly respond to emerging needs, without knowing how long the demand might last.</p>	<ul style="list-style-type: none"> • We will need to expand our services and assets to cater for our growing community. • Council will need to make a financial investment in infrastructure so that our assets are of a suitable capacity to cater for growth and that exemplary urban renewal is achieved. • Change in the age structure of the population will mean it is critical for us to plan age-based facilities and services. • A changing demographic will mean that we will need to maintain a focus on providing that promote access, equity and inclusion. • We will need to plan assets that are responsive and adaptable to meet shifting stakeholder needs. • We will need to seek to form strategic alliances with service delivery partners to enhance non-asset based service delivery solutions in turn optimising the use of Council’s asset portfolio.

Issue	What does this mean for asset management and service delivery?
-------	----------------------------------------------------------------

Built Environment

<p>Ageing Infrastructure</p> <p>One of the biggest financial challenges facing us is the cost of renewing our ageing infrastructure. Council’s assets have been built and developed in the past. Many years on, this period of development has created a large peak in the need to invest in asset maintenance and renewal.</p>	<ul style="list-style-type: none"> • There is a critical need to introduce systems and processes to ensure that our spending on our existing assets is optimised. • As our assets continue to age, more investment in maintenance and renewal expenditure will be required to ensure that the current levels of service enjoyed by the community continue to be delivered.
<p>Rapid Technological Change</p> <p>The world is becoming more connected. People, businesses and governments are increasingly moving online to connect, deliver and access services, obtain information and to perform day to day activities. These changes will affect how we deliver services and how we manage our assets.</p>	<ul style="list-style-type: none"> • We will also have the capability to share our data on our assets to others enabling them to interact with our services digitally. We will also be able to enable a more mobile workforce. • Council may also be expected to be able to make more use of available and emerging technology to make data more accessible to all.

Economic Demand

<p>Diminishing Own Source Income</p> <p>We are experiencing a significant reduction of our own source revenue. This had previously contributed to the consolidated revenue of Council and was able to be utilised for the cross-subsidy of other services or had minimised the impact of the net cost to the community</p>	<ul style="list-style-type: none"> • Loss of own source income due to commercial competition and changed patterns of use will materially impact the way we invest in our assets and services in the future.
<p>Increasing cost of providing services</p> <p>Cost increases to items such as electricity, petrol, and raw materials impact on the Council. For the Council, this occurs within an expectation of doing more with less or improving our efficiency to ensure more can be achieved with less money.</p>	<ul style="list-style-type: none"> • We will need to aim to continually balance the affordable provision of services against the needs of our community.
<p>Delivering on community expectations while keeping it affordable</p> <p>There is ongoing pressure from the community for higher quality assets and services to be provided for most Council activities. Smoother roads, modern technology and convenience are some examples. The expectation is for a higher level of service for the same amount of money – in other words doing more with less.</p>	<ul style="list-style-type: none"> • Community expectations can be influenced by numerous drivers such as generational change, legislation, environmental standards, facilities experienced elsewhere and new technology. • Our assets must cater for the expectations of the community by remaining accessible, well maintained, and fit for purpose. All of this costs money, and must be balanced and prioritised against building our Shire’s future and the ability of the community to pay.

Political and Regulatory Influence

Legislative and Policy Influence

We operate in a complex legislative and policy environment that directly influences the way we do business:

There is an expectation that Council will continue to deliver services, even when State and Federal government funding is withdrawn

- We need to meet our statutory obligations while being conscious of maintaining affordability and financial sustainability. This requires good decisions to be made to manage competing funding demands across a broad range of projects, programs, and services.

Issue	What does this mean for asset management and service delivery?
<p>The cap on rate increases means our ability to control revenue is constrained Compliance and reporting requirements are increasing</p>	<p>We need to meet our statutory obligations while being conscious of maintaining affordability and financial sustainability. This requires good decisions to be made to manage competing funding demands across a broad range of projects, programs, and services</p>

Natural Environment

Climate Adaptation

We are already experiencing the impacts of climate change. In the future, we can expect; increased flooding of coastal properties and public facilities; storm damage to infrastructure; beach erosion; decreased water quality and security of water supply; reduced summer outdoor activities; and hotter urban spaces.

- Changing weather events may lead to increased need for reactive maintenance for storm and flood damage repair. Assets will need to be built and renewed to a standard that can withstand at least 1.5 degrees of warming and increased rain/storm events. This may require different materials, methods of construction and other innovative approaches.
- There may also be increased expectation for leadership from Council to make use of sustainable energy sources and to provide assets that are environmentally efficient. In the longer-term, there may be greater community demand for weather protection, for sports and leisure activities that have traditionally occurred outdoors.

Funding for Long-Term Sustainability

The main theme underpinning our Asset Plan and broader asset management planning principles is ensuring responsible stewardship of our assets to meet the needs of tomorrow's community.

This acknowledges the many and varied factors that influence the delivery of our community's infrastructure. Some of these challenges are legacy issues (e.g., decisions of past Councils or how things were built over 40 years ago). Others are simply the demands of a progressive society that is constantly seeking to improve. Either way, we are responsible for ensuring built infrastructure enhances community wellbeing and is fit for purpose, good quality, safe, future-proofed, cost effective and appropriately funded.

Spending Categories

For the purposes of this Asset Plan, our spending on our infrastructure is categorised as follows:

Table 6: Expenditure Categories

Expenditure Category	Activity	Description
Recurrent	Maintenance	Ongoing work required to keep an asset performing at the required level of service.
	Operations	Recurrent expenditure that is continuously required to provide a service.
Renewal	Renewal	Returns the service potential or the life of the asset up to that which it had originally
Growth	Upgrade	Enhancements to an existing asset to provide a higher level of service.
	Expansion	Extends or expands an existing asset at the same standard as is currently enjoyed by residents, to a new group of users.
	New	Creates a new asset that provides a service that does not currently exist.

Classifying our expenditure in this way ensures Council can plan budgets and track how money is allocated to assets and services.

Investment Evaluation

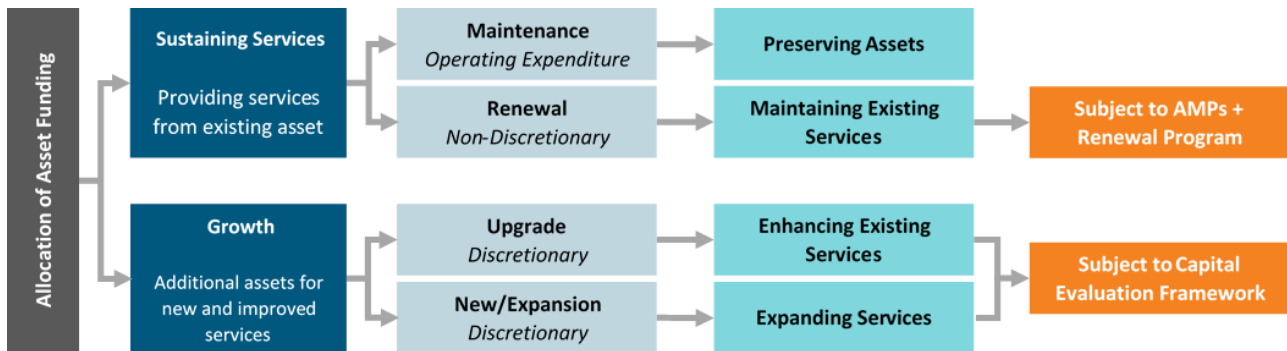
As an organisation which relies on assets to deliver our services, Council follows an investment philosophy that:

- Ensures that capital investment for infrastructure assets aids in the achievement of our strategic objectives,
- Supports the development of a service needs directed long-term capital works program, to better inform,
- Ensures capital investment delivers best value,
- Ensures that capital investment is financially sustainable, and in accordance with asset management principles for the whole life cycle costs of our infrastructure,
- Builds a robust capital infrastructure asset investment system that is impartial and priority-based for allocating Council resources, and
- Enhances transparency and public confidence in our capital investment decision-making process.

It is essential that Council makes sound capital investment decisions with its finite capital resources that maximise public value for current and future generations.

Our approach provides a means of evaluating and appraising proposed infrastructure investments, as well as setting priorities within the context of our long-term asset and service needs as detailed in Figure 5.

Figure 5: Capital Evaluation Framework



Timing and Deliverability of Works (Capital and Maintenance) Programs

We attempt to optimise our proposed works program in terms of capital and maintenance tasks.

In particular, the optimisation of the timing and sequencing of asset renewal projects considers several factors, including the costs and benefits of aligning asset renewal with improvement projects or with maintenance activities. Where possible, Council will endeavour to coordinate our works to:

- Take full advantage of our asset investment,
- Ensure the achievement of our strategic goals,
- Maintain performance, safety, and compliance of our assets,
- Ensure an acceptable risk profile across all assets, and
- Ensure delivery of the works program.

Timely delivery of the capital works program is essential to minimising the likelihood of additional operating expenditure to sustain our assets beyond their expected service lives where run-to-failure is not employed.

Financial Projections

Over the next ten (10) years we expect to budget a total of \$71.4 million for renewing, improving, and growing our assets. We are also projected to allocate around \$93.2 million over the same period to operate and maintain our assets. Combined, on average 42 per cent of our total annual expenditure is asset related

This section outlines the projected expenditure for our infrastructure over the next 10 years. These outlays have been determined based on the affordability assessments made in our Financial Plan and represent the investment that is required to maintain our existing levels of service.

Projected expenditures

The projected capital and recurrent expenditure associated with our infrastructure assets.

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Recurrent										
Transport	4,710	4,781	4,853	4,925	4,999	5,074	5,150	5,228	5,306	5,386
Open Space	2,713	2,754	2,796	2,837	2,880	2,923	2,967	3,012	3,057	3,103
Buildings	1,289	1,308	1,328	1,348	1,368	1,388	1,409	1,430	1,452	1,474
	8,713	8,843	8,976	9,111	9,247	9,386	9,527	9,670	9,815	9,962
Capital										
Renewal										
Roads, Footpaths, Kerb and Channel	4,146	2,782	2,896	2,478	3,410	4,296	5,127	4,655	4,614	6,765
Buildings	207	171	34	535	64	36	37	38	-	-
Bridges	100	300	500	550	550	250	300	300	300	423
Open Space	5,192	890	954	1,143	348	382	849	502	363	
Drainage	439	1,368	76	268	69	270	72	72	500	
Plant and Equipment (inc IT)	1,753	1,186	1,065	1,373	1,248	1,256	1,263	1,400	1,250	
	11,837	6,697	5,525	6,347	5,689	6,490	7,648	6,967	7,027	7,188
New										
Roads, Footpaths, Kerb and Channel										
Buildings	60	60	60	60	60	60	60	60	60	60
Bridges										
Open Space	112									
Drainage										
Plant and Equipment (inc IT)	200	200	200							
	372	260	260	60	60	60	60	60	60	60
Upgrade										
Roads, Footpaths, Kerb and Channel	654	664	556	641	642	403	73			
Buildings	216	175	35	17	40	10				
Bridges										
Open Space	1,075	300	600	100	110	100	100	100	1,000	
Drainage	949			615	930	163		320		
Plant and Equipment (inc IT)										
	2,894	1,139	1,191	1,373	1,722	676	173	420	1,000	-
Total	15,103	8,096	6,976	7,780	7,471	7,226	7,881	7,447	8,087	7,248

Asset management tasks involved in the following asset categories of roads, buildings, footpaths, open space, drainage and bridges include:

Roads

Renewal	Growth	Recurrent
<ul style="list-style-type: none"> • Resurfacing of existing roads • Road reconstruction or major patching of road failures • Replacement of sections of kerb and channel in poor condition 	<ul style="list-style-type: none"> • Road safety improvements • Widening or duplication of existing roads • Traffic calming treatments 	<ul style="list-style-type: none"> • Maintenance and repairs to roads such as patching potholes, crack sealing etc. • Line marking • Street sweeping • Inspections of the road network.

Buildings

Renewal	Growth	Recurrent
<ul style="list-style-type: none"> • Major structural repairs • Replacement of roof or wall cladding • Replacement of heating and cooling systems 	<ul style="list-style-type: none"> • Building extensions. • Sustainability improvements (e.g., PV systems, water harvesting and reuse systems, etc) • Construction of a new building to cater for increased or changing demand. 	<ul style="list-style-type: none"> • Minor repairs to building components due to failure, vandalism, etc • Unblocking drains, service checks, carpet repairs • Painting • Safety, compliance, and condition inspections • Cleaning and pest control

Footpaths

Renewal	Growth	Recurrent
<ul style="list-style-type: none"> • Replacement of sections of existing pathways to an equivalent standard 	<ul style="list-style-type: none"> • Accessibility improvements (e.g., installation of tactiles at intersections) • Widening or improving the surface of existing pathways. • Extension of the pathway network to address gaps in connectivity. 	<ul style="list-style-type: none"> • Pathway repairs such as pothole patching, joint grinding, relaying of pavers • Inspections • Weed and vegetation control • Sweeping and pathway cleansing

Open Space

Renewal	Growth	Recurrent
<ul style="list-style-type: none"> • Replacement of playground equipment • Replacement of park furniture • Rejuvenation or replacement of entire playing courts or sports fields to an equivalent standard 	<ul style="list-style-type: none"> • Playing court extension • Replacement of playground equipment to a higher standard • Development of new park or reserve 	<ul style="list-style-type: none"> • Hazard/defect inspections • Mowing, vegetation/weed control • Garden bed maintenance • Litter collection and facility cleaning • Graffiti removal

Drainage

Renewal	Growth	Recurrent
<ul style="list-style-type: none"> • Replacement of pits and pipes 	<ul style="list-style-type: none"> • Replacement of pipes to a higher hydraulic capacity • Extension of the stormwater drainage network • Installation of stormwater quality improvement devices (e.g., raingardens, litter traps, etc) • Stormwater harvesting and Water sensitive urban design initiatives 	<ul style="list-style-type: none"> • Pit cleaning • Pipe cleansing and removal of debris, sediment, etc • Removal of litter from Gross Pollutant Traps • Programmed inspections

Bridges

Renewal	Growth	Recurrent
<ul style="list-style-type: none"> • Replacement of bridges, culverts, stairs, and retaining walls 	<ul style="list-style-type: none"> • Replacement bridges to a higher standard • Construction of retaining walls to enable the use of land • Meet current accessibility requirements 	<ul style="list-style-type: none"> • Deck and handrail repairs • Weed and vegetation control • Programmed inspections

Demand versus Budgeted Renewal

Based on current projections Council will be able to fund its renewal needs although there will be a need to review the split of Budget between asset classes to line up Budget with community need.

In the case of buildings, there will be a need to review the data to see which assets are fit for purpose, which are no longer required. Table 7 below depicts the projected demand and budget.

Table 7: Projected Demand and Budget

Year	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000	2031/32 \$'000	TOTAL
Transport	2,279	2,324	2,371	2,418	2,466	2,516	2,566	2,617	2,670	2,723	
Bridges Group	83	84	86	88	89	91	93	95	97	99	
Drainage	20	20	21	21	22	22	22	23	23	24	
Buildings & Structures	1,331	1,357	1,385	1,412	1,441	1,469	1,499	1,529	1,559	1,590	
Open Spaces	770	786	802	818	834	851	868	885	903	921	
Plant and Equipment	773	789	805	821	837	854	871	888	906	924	
Total Modelled renewal demand	5,256	5,361	5,468	5,577	5,689	5,803	5,919	6,037	6,158	6,281	57,549
Budgeted Asset renewal expenditure	11,837	6,697	5,526	6,347	5,689	6,490	7,647	6,966	7,027	7,189	71,415

