Asset Plan 2022-32

Version 1.00

September 2022

Northern Grampians Shire Council
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Schedule of Changes and Amendments

Version	Date	Changes/Amendment
V1.00	06/2022	First Draft prepared by Council Officers
V1.01	08/2022	Final Draft prepared by Councill Officers considering public submission

NB: 1. Primary number changes to Versions (eg V1.00 to V2.00) will be made when the document undergoes its regular review and when significant changes are made to standards and guidelines for inspections, intervention levels or work.

2. Secondary number changes (V1.00 to V1.01) will apply to minor amendments that do not materially impact the document and are intended only to clarify or update issues.

Asset Plan 2022-32

Contents

1. Introduction

Northern Grampians Shire Council is in the central western part of Victoria, offering urban and rural lifestyles. Northern Grampians' major towns are Stawell in the south and St Arnaud in the north, both service centres for their surrounding rural communities. Smaller townships include Great Western, Halls Gap, Glenorchy, Navarre, Marnoo and Stuart Mill.

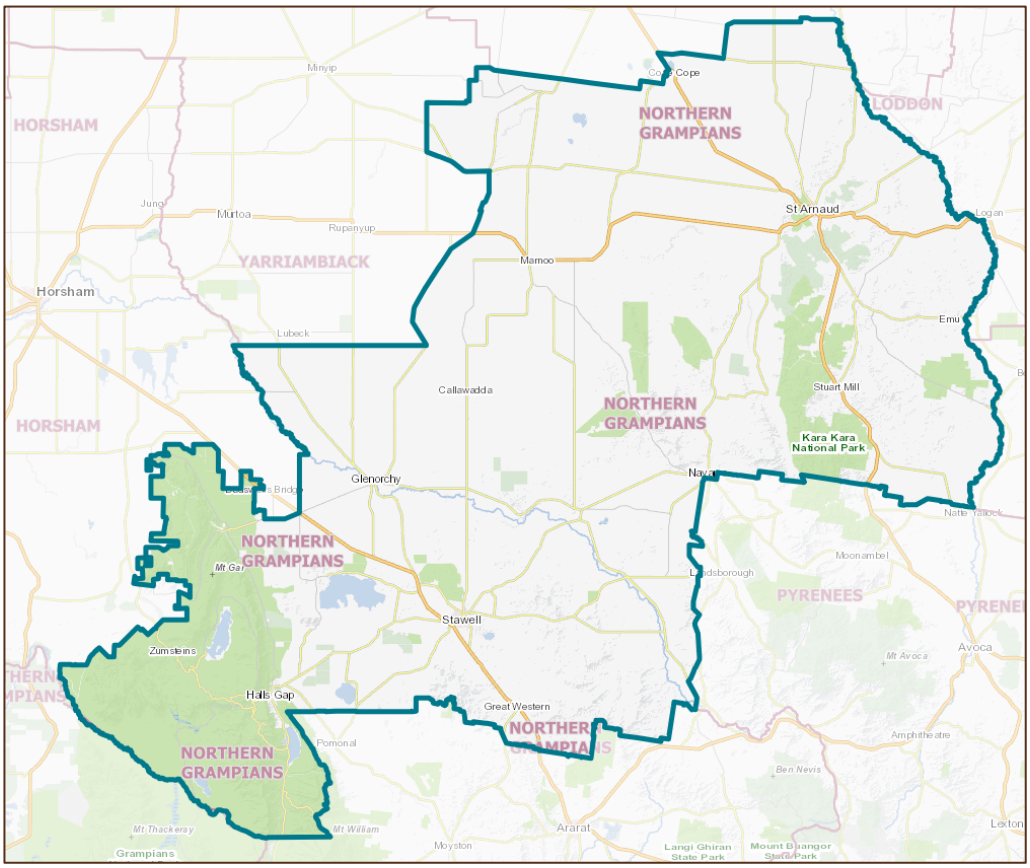


***Figure 01**: Map of Northern Grampians Shire Council.*

Councils collect rates from residents and businesses in the municipality to help fund the delivery of community infrastructure and services, which is supplemented by funding from other levels of government to fund services and infrastructure for their communities.

Council owns a diverse asset portfolio which are critical to its service delivery and the community. To ensure appropriate infrastructure and services are in place for the current and future generations, this 10-year **Asset Plan** is established, providing a framework on how Council intends to manage its assets, achieving the objectives outlined in the Shire Vision and supporting Council Plan.

There are other state and nationally significant assets within our shire which are managed by State and Federal authorities including GWM Water, Regional Roads Victoria, and Parks Victoria just to name a few. These assets are not covered in this Asset Plan.

2. The Purpose of the Asset Plan

Public assets play a pivotal role in the fabric of the community's day to day function; therefore it was important to develop this plan to ensure assets are strategically managed to meet current and future needs of our community. The purpose of the plan is to:

- Communicate to the community the types and quantum of assets owned by Council.

- Have better asset management outcomes through a more engaged community.
- Demonstrate how Council will efficiently and responsibly manage assets to meet the service delivery needs of our community, now and into the future, in a cost-effective manner.
- Ensure that there is alignment between asset management planning, Council Plan, Financial Plan, and the budget.

Council's approach in managing its assets is to be able to meet the agreed level of service in a cost-effective manner. To achieve this there will be an ongoing review of any trade-offs on performance, cost, and risk through further engagement with the community.

3. Strategic Context

Alignment with Council Key Strategic Documents

The Asset Plan plays a vital role in Councils integrated planning and reporting framework, aligning with other key strategic planning. This approach ensures a consistent approach being applied in the delivery of services across Council. *Figure 02* below shows how the Asset Plan is linked to Council key strategic documents.

The Plan also sets the overarching framework of the Asset Management System (AMS) to be used that ensures assets are managed consistently in accordance with the objectives and principles set within the Community Vision and Council Plan. The AMS is used to analyse, consider and guide decision making in operating, maintaining, renewing, upgrading, disposal and creation of new assets.

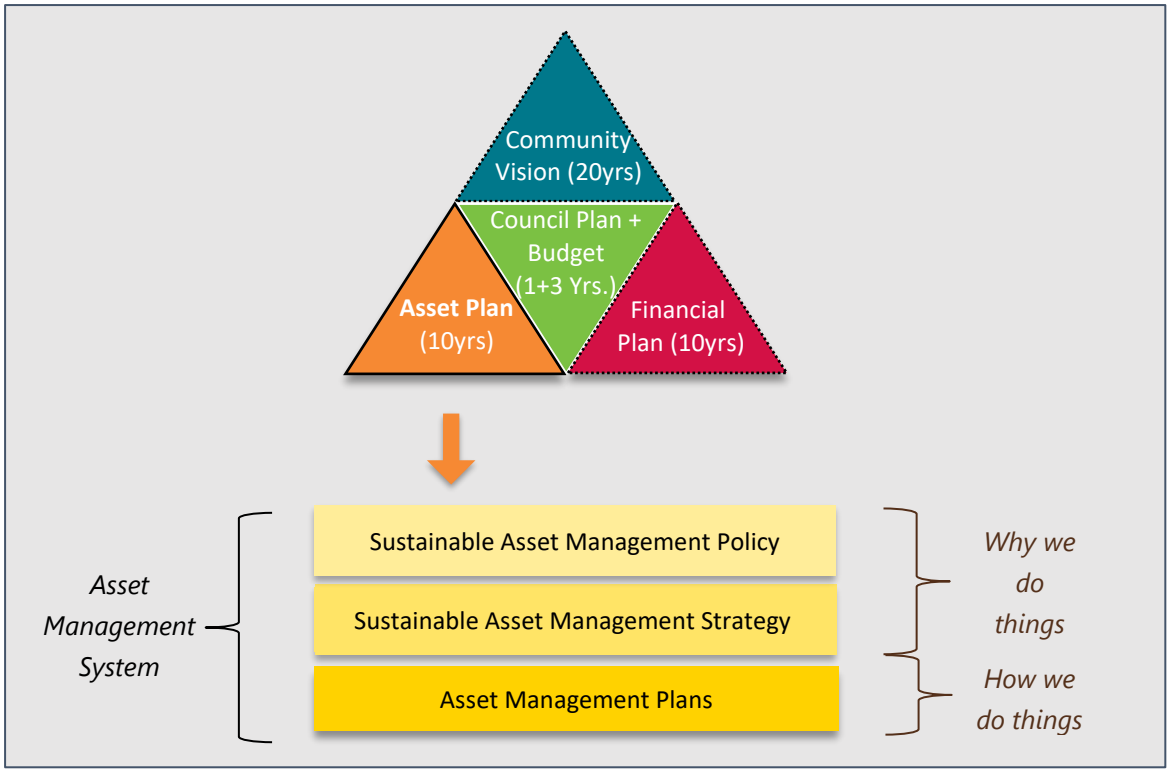


***Figure 02**: Link between Asset Plan, Asset Management System documents and other Council key strategic documents.*

Compliance with *Local Government Act 2020*

Section 92 of the Local Government Act require Councils to adopt an initial Asset Plan by 30 June 2022 and review every 4 years in alignment with the Council term. Compliance against this Plan will be annually reviewed to ensure that community assets are managed in accordance with the Plan.

4. Our Approach

Councils approach in managing its asset portfolio is to have an agreed position with the community that meets the required level of service in a financially sustainable manner.

To understand the aspirations of the community regarding assets and service level provided, Council conducted an engagement process in two phases.

The **first phase** was in the form of a community survey, establishing the needs of the communities as a baseline.

Phase two of the engagement included information sessions; various asset classes were discussed. These sessions provided an opportunity to provide community perspectives to key challenges facing Council when making decisions that balance asset performance and expenditure choices. The feedback received from the community has been used to develop this plan.

The plan also incorporates a total lifecycle cost approach, that considers the operation, maintenance, renewal, upgrade and new asset activities, to forecast the ten-year financial projects required to deliver Council strategic objectives contained in the Council Plan and Community Vision. These costs are based on sustaining the current level of service compared with the available funding in the **Financial Plan**.

5. What Do We Manage?

This Asset Plan covers infrastructure assets that are under the authority of Council and are used to provide a wide range of services to the community. These assets include roads, bridges, major culverts, kerb and channel, footpaths and open space, stormwater drainage and public buildings. Each asset class has been valued and details are as per *Table 01* below.

***Table 01**: Summary of Replacement Cost by Asset Class*

Asset Class	Network Measure	Replacement Cost (2021/22)
Roads	3371km	$283M
Bridges & M/Culverts	424	$94M
Footpaths	115km	$20M
Buildings	126	$78M
Kerb and Channel	158km	$24M
Storm Water Drainage	69km pipe network & 2477 pits	$22M
Open Space	1,342,450 sqm	$7M
	TOTAL	**$528M**

The combined value of assets covered in this plan is estimated at **$528M** deteriorating at a rate of **2.27%** or **$12M** per year resulting in a present financial value (or written down value) of **$410.5M** (based on the predicted lifespan of the assets) as of 30 May 2022.

A breakdown of our asset classes by value is shown in *Figure 03*.

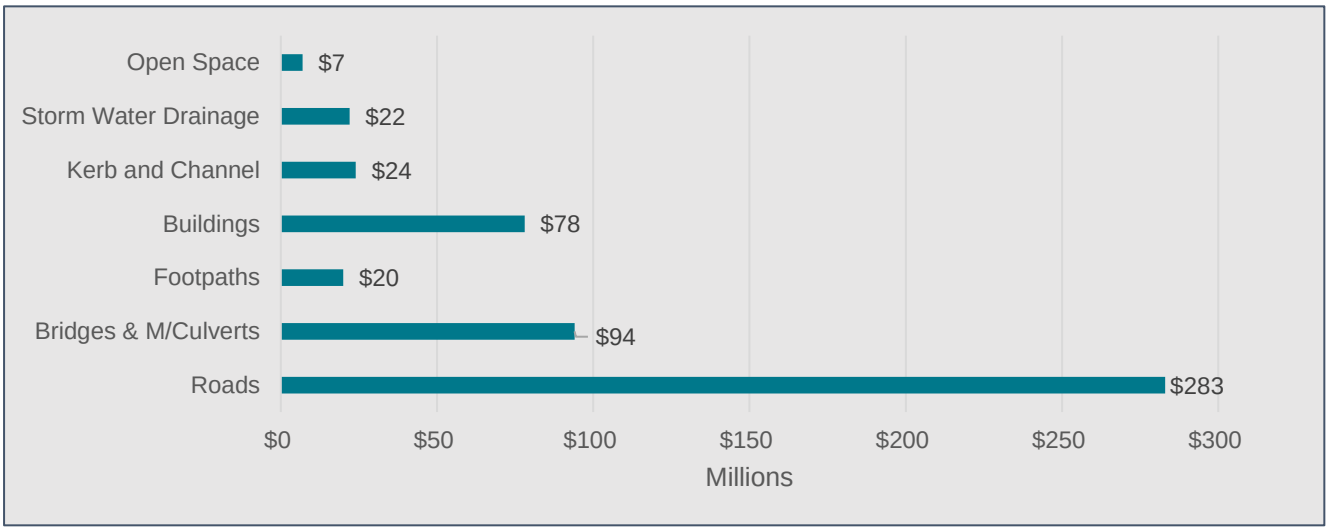


Figure 03: Summary of Replacement Value by Asset Class

These assets are used to provide a wide range of services to the community. Roads, bridges and major culverts represent **72%** of the total assets value.

6. Performance

The performance of the assets and therefore Councils management of them, is the measure of how effective the asset is in providing the service to the community. Council considers 3 grading criteria to determine asset performance, they include the assets:

- Capacity to meet community need/demands
- Functionality to meet the assets intended use
- Condition.

The grading criteria for each asset is drawn from the levels of service or intended asset outcome which has been agreed upon with the community based on the community's ability to pay. By monitoring the asset performance, Council can track the effectiveness of its management of the assets. Each asset is measured against the level of service with a pass or fail, ultimately asking does the asset meet the expected standard? Where information about an asset is unknown and a grading can't be determined, it is deemed "To be determined" (TBD). *Figure 4* displays the current overall asset performance as a proportion of the asset value.

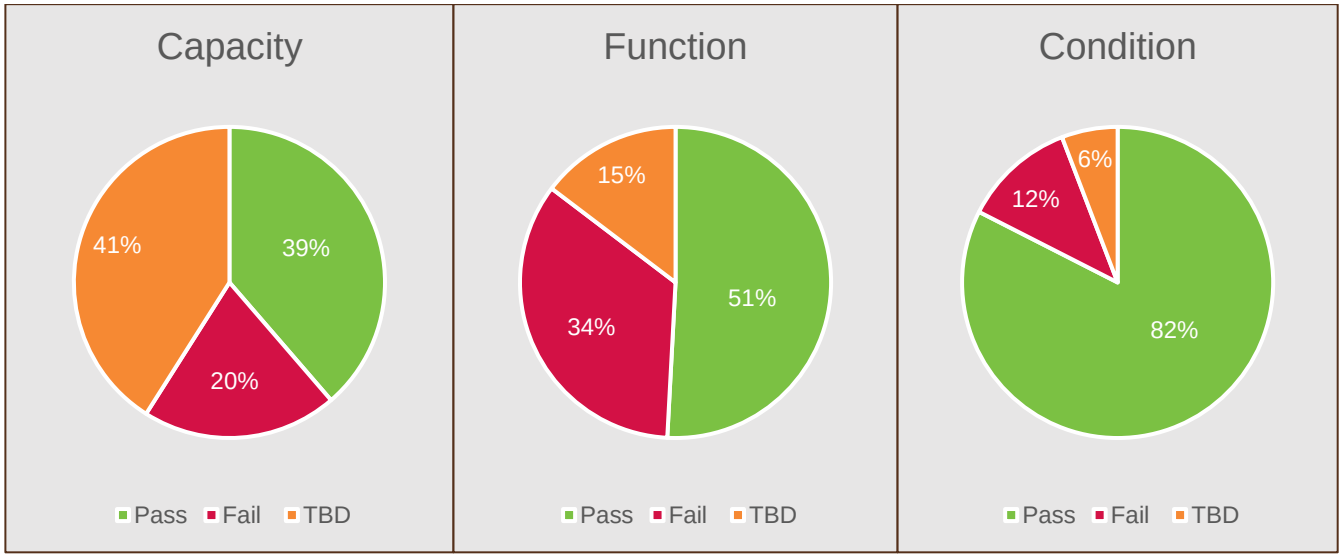


***Figure 04**: Asset Performance as a proportion of Asset Value*

As depicted in *Figure 4*, asset capacity is an area in need of further discovery with 41% of assets (mostly Bridges and Roads) with unknown details regarding capacity or utilisation to determine if the asset is fit for purpose.

51% of assets have been determined to meet the functional requirements of the community. Assets that fail this criterion are those that have not undergone upgrades or expansion to meet current day functional requirements, i.e., increased size/weights of trucks and farm machinery, etc.

Condition of assets is largely known and regularly monitored. 82% of assets have been determined to pass these criteria. Overall asset condition is considered here, if assets can be rectified with routine maintenance, it is not considered in poor condition.

7. Future Demand

The main demands for new and altered services are created by:

- Changes in the local economic/commercial practises
- Changing customer expectations
- Changing regulations
- More frequent extreme weather events
- Increasing operational costs
- Ageing assets

These will be managed through a combination of applying non-asset solutions, managing existing assets and building fit for purpose assets. Demand management strategies include:

- Monitoring and reporting performance and expectations
- Communicating the risks
- Encourage higher utilisation/multi-use
- Identifying assets that can be consolidated or disposed
- Adjusting service levels in consultation with the community

With a large stock of ageing infrastructure assets which are due for intervention, Council is required to maintain a significant maintenance and renewal program to keep asset up to safe standards. This has significantly affected Council's ability to raise enough revenue to fund upgrades or new infrastructure assets. Despite this revenue pressure faced by Council, State and Federal Governments provide competitive short term grant funding which require a significant ongoing commitment of time and available budget to leverage in the best possible way. For Council to maximise the level of external funding secured for new and upgraded assets, it must maintain a flexible and balanced approach to its budget allocation.

8. Financial Plan Integration

The integration between the Asset Plan and Financial Plan is a key principle of Council strategic planning. Asset management requirements identified in the Asset Plan inform the ten-year Financial Plan to ensure appropriate funding is allowed for, for asset management activities.

The current Financial Plan, 2021-2031, allocates expenditure into operating and capital. Under asset management these expenditures can further be broken into five categories as detailed in *Table 02*.

***Table 02**: Asset Management Expenditure activities*

Expenditure	Asset Management Activity	Description
Operating	Operation	Day to day running cost associated with the operation of the asset, like mowing the grass, cleaning, inspections cost, etc.
	Maintenance	Cost incurred due to routine servicing works on the asset to keep it in service in order to get maximum life. Works may include repairing some defects like potholes on the road.
Capital	Renewal	Cost incurred in replacing assets at end of life. Replacement is like-for-like.
	Upgrade	Cost associated with building additional capacity on the existing asset, for example widening a road.
	New	Cost associated with creating new asset, for example building new footpaths.

Every year funding is allocated to these expenditures categories through the budget process; a process informed by the AMS and asset planning.

9. What Does it Cost?

The estimated total lifecycle cost (that is operation, maintenance, renewal, upgrade and new build costs) required over the next ten years is estimated to be **$24.37M** on average per year.

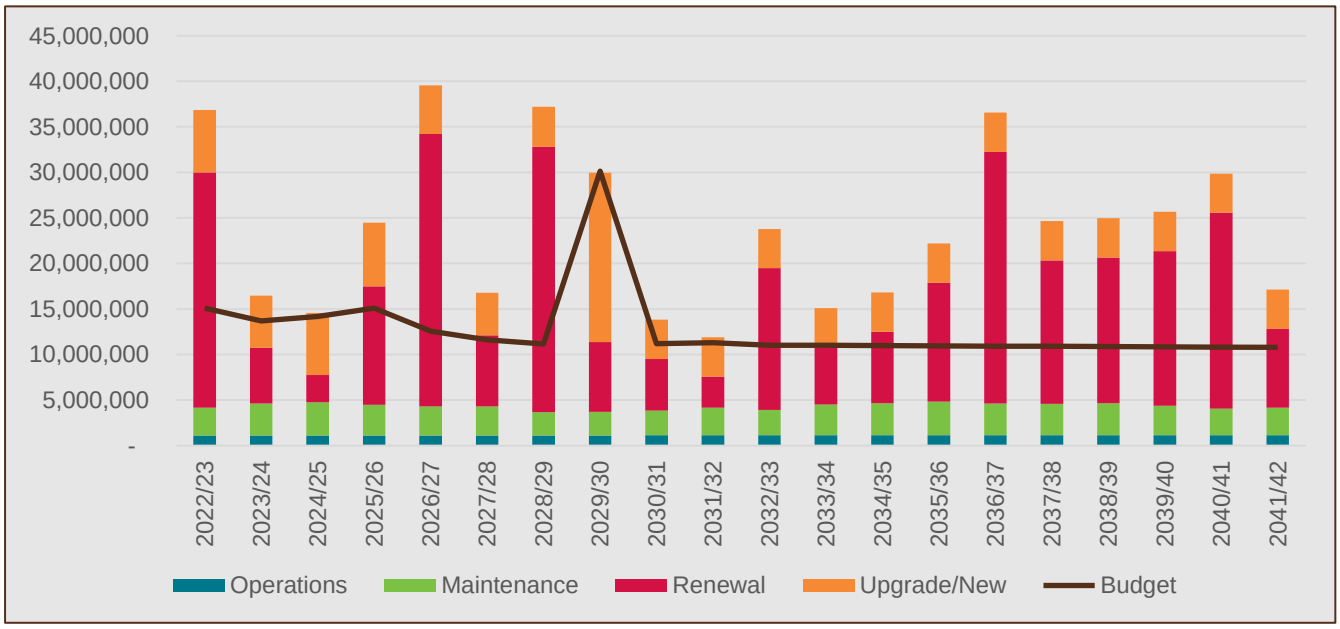


***Figure 05**: Forecast lifecycle cost demands to deliver strategic objectives in the Council Plan*

Figure 05 displays the estimated total lifecycle cost demands over the next 10 years for all asset categories compared to the planned annual budgeted spend.

The Long-Term Financial Plan for the ten-year period allows for **$14.6M** on average per year, which is 60% of the estimated cost to deliver service. *Table 03* quantifies the extend of the unfunded works on an average basis, establishing a **$9.8M** financial shortfall each year for the next 10 years.

***Table 03**: Ten-year Financial Planning – All assets*

10-year Financial Planning	
10-year average annual forecast	$24.37M
10-year average annual planned budget	$14.60M
10-year average annual funding shortfall	**-$9.8M**

As it can be seen in *Table 04*, the budget shortfall is described for each Asset Class. The shortfall is particularly higher for the roads, bridges and major culvert asset, with a combined shortfall of $8.3M**,** which is **85%** of the total shortfall.

***Table 04**: Ten-year Financial Planning per asset class*

Asset Class	Average Forecast Cost/Year	Average Budget/Year	Average Shortfall/ Year	Funding Ratio
Roads	$12.66M	$5.78M	-$6.88M	46%
Bridges and M/Culverts	$2.6M	$1.15M	-$1.45M	44%
Footpaths	$1.04M	$0.38M	-$0.67M	36%
Buildings	$4.8M	$4.23M	-$0.57M	88%
Kerb and Channel	$0.43M	$0.31M	-$0.12M	72%
Storm Water Drainage	$0.61M	$0.54M	-$0.07M	88%
Open Space Roads	$2.23	$2.22M	-$0.01M	100%
TOTAL	**$24.37M**	**$14.6M**	**-$9.8M**	**60%**

All asset activity is prioritised to ensure the immediate need is funded and council obtain best value for money now and into the long term. Councils operating expenditure is prioritised over capital, endeavouring to provide serviceable and functional assets to the community. Each financial year, capital expenditure required beyond the capacity of the budget goes unfunded and projected works are deferred to future years creating a backlog of work.

The capital works backlog is expected to increase each year, resulting in assets deteriorating, eventually to the point that they no longer deliver the required service. Backlog of work is already a legacy consideration, largely resultant of unfunded renewal works from previous years, see *Table 05* for a breakdown of projected current and future backlog.

***Table 05**: Ten-year Backlog Projection*

Asset Class	Year 1 Estimated Backlog	Year 10 Estimated Backlog	Backlog change over 10 years
Roads	$3.75M	$68.81M	$65.06M
Bridges and M/Culverts	$10.97M	$14.52M	$3.62M
Footpaths	$0.27M	$6.68M	$6.41M
Buildings	$6.67M	$5.68M	-$0.98M
Kerb and Channel	$0.28M	$1.22M	$0.94M
Storm Water Drainage	$0.71M	$0.71M	$0.00M
Open Space Roads	$0.00M	$0.08M	$0.08M
TOTAL	**$22.58M**	**$97.71M**	**$75.13M**

As backlog increases, the risk associated with the use of the assets will increase and may result larger maintenance costs, non-compliance with legislation and regulations or increased risk to life or injury.

10. Asset Data Confidence

A key aspect to quality financial planning is the asset data and key assumptions made within the asset lifecycle model. Building confidence in the model requires continual improvement and review, ensuring the model is reflective of the assets required treatments through time.

Asset data is collected at the time the asset is created and continually captured through the life of the asset to calibrate and valid the information within model.

Table 06 summarises Council's confidence in the current data held on infrastructure assets.

***Table 06:** Summary of data confidence by asset class*

Asset Class	Condition	Function	Capacity	Treatment Costs	Expected Life
Roads	High	High	Medium	High	High
Bridges and M/Culverts	High	High	Low	High	High
Footpaths	High	High	Low	High	High
Buildings	High	Medium	Medium	Medium	High
Kerb and Channel	High	Low	Low	High	High
Storm Water Drainage	Low	Low	Low	Medium	Medium
Open Space	Low	Low	Low	Medium	Low

Table 07 provides a description of the confidence levels

Table 07: *Data confidence level descriptions*

Confidence Levels	Description
High	Council has supporting data or information to support the assessment. Data based on sound records, procedures, investigations, and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ±10%
Medium	Council has some supporting data or information, and the assessment is based on professional judgement. Data based on sound records, procedures, investigations, and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ±25%
Low	Council has little or no supporting data or information and the assessment is based on professional judgement only. Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ±40%

11. What We Can Do

To combat and reduce the projected financial costs associated with assets, Council aims to:

- Prioritise renewal and fit-for purpose upgrade programs over new
- Increase funding to deliver priority renewal and fit-for purpose upgrades, including advocating to State and Federal Government for further support
- Prolong asset life by optimising maintenance schedules and enhancing practises, including material selection
- Upgrade assets which pose a high operating and maintenance cost
- Investigate alternative procurement strategies and cost-effective treatments
- Promote and encourage high asset utilisation and multi-use, as opposed to providing new

It is important to establish the community essential needs to ensure that assets can attain the best possible outcomes with what the community can afford. Further engagement with the community is required to:

- Balance community expectations with affordable service delivery,
- Negotiate service levels that may need to be reduced on underutilised assets, to fund community priorities, and
- Consider the disposal of assets when the life of the asset has expired, and services provided have disappeared.

12. What We Cannot Do

The estimated average cost of priority work and services that cannot be provided over the next ten years of this asset plan is $9.8M per year. This will result in deferral of approximately:

- $6.2M worth of renewal projects on average per year, and
- $3.6M worth of upgrades/new projects per year.

Without a significant ongoing injection of funding, the immediate deferral of works is unavoidable.

13. Managing the Risk

Council has identified the following major risks associated with providing services in the next ten years:

- Failure to achieve Council Plan objectives due to the estimated budget shortfall of $9.8M per year to provide sustainable infrastructure that enables liveability, and prosperity.
- Accelerated deterioration of several ageing assets.
- Failure prepare and manage the impacts associated with climate change (i.e., Increased likelihood and severity of bush fires, droughts, heatwaves and flooding.), impacting on asset lifecycle and serviceability.

Council will endeavour to manage these risks within the available funding by:

- Undertaking sample annual condition, function, and capacity reviews to better understand performance and report status to the community.
- Climate resilience to be built into all new projects to improve adaptability to changing climate condition.
- Looking at enhancing tree canopies to reduce urban heat island effect in urban streets.

Subject to the outcome of the above it may be still necessary to spend more on managing assets to maintain services in the future. This will be closely monitored over time and outcomes will be reported in the future asset plan updates.

14. The Next Step

This plan recognises the importance that public assets play in community's day to day function and therefore the importance of this plan to ensure assets are strategically managed to meet current and future needs of our community. The broader challenges in doing so are well recognised here. In the implementation of this plan further refinement and discovery are required to ensure action taken is appropriate, well considered and provides the best value to the community.

The actions resulting from this Asset Plan are detailed in *Table 08*:

***Table 08**: Asset Management Improvement plan.*

Improvement Plan Task	Responsibility	Timeframe
1. Periodic monitoring and review of the Asset Management System documents including Long Term Financial Plan to remain current.	Manager Infrastructure Asset Engineer	Ongoing
2. Projects identified in master plans and other strategies must be incorporated into relevant asset management plans before implementation.	Manager Infrastructure Manager Economic Development Asset Engineer	Ongoing
3. Assess remaining life of our assets and align with up-to-date	Asset Engineer	Ongoing

performance data in Assetic Cloud.	Manager Infrastructure	
4. Ensure Levels of Service are key components of the community consultation process. • Implement periodic local conversations regarding road performance and service levels • Engage with Community in review of this plan and other documents within the Asset Management System	Manager Infrastructure Asset Engineer	Ongoing
5. Ensure that Assetic Cloud is one source of truth for all our assets and data is collected and reviewed regularly.	Manager infrastructure Asset Engineer	Ongoing
6. Financial summaries in Asset Management Plan must inform Long-Term-Financial Plan (LTFP), not the other way round.	Manager infrastructure Manager Finance Asset Engineer	Ongoing
7. To employ a continuous improvement strategy to assess and report on the condition, function, and capacity of all Council assets.	Manager Infrastructure Asset Engineer	June 2022
8. Check the completeness of our asset register and ensure asset lives are conforming to ongoing depreciation.	Asset Engineer Manager Finance	Ongoing
9. Perform Level of Service modelling under different scenarios to inform the annual budget process.	Manager Infrastructure Asset Engineer	Ongoing
10. Develop and implement annual maintenance plans for all asset categories.	Manager Infrastructure Manager Operations Asset Engineer	Ongoing
11. Review and update the ten-year Long Term Financial Plan (every year).	Manager Finance Manager Infrastructure Asset Engineer	Ongoing
12. Align Capital Works Program with asset management plans and Long-Term Financial Plan.	Manager Infrastructure Asset Engineer	Ongoing

To ensure assets continue to enable liveability and prosperity within the community in the medium to long-term outlook, council's focus is on ensuring operations and maintenance of existing assets remain at sustainable levels whilst monitoring and responding to demand and growth challenges as they occur.

Through further engagement with community and stakeholders, council can gain a greater understanding of the on-ground demands and provide assets that are fit for purpose and balance service standards against the community's ability to pay.

Appendix A, Engagement Results Summary

Engagement

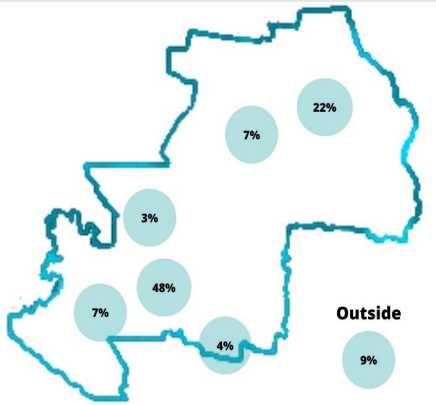
Engagement Phase 1: Survey

Survey was designed to gain community perspective on the need for community assets and their management.

Opened - 30th March 2022
Closed – 20th May 2022

91 responses received

Respondents by location



Engagement Phase 2: In Person

Information sessions were held, designed to educate participants and encourage a conversation regarding the management of asset.

St Arnaud - 11th May 2022
Stawell – 12th Mav 2022

What People Said

Roads & Bridges

- **48%** of respondents are willing to pay more rates to keep roads and bridges serviceable.
- **87%** of respondents believe Rural Primary Access should be suitable for large trucks.
- **78%** of respondents believe Rural Property Access should be suitable for large trucks.
- **68%** of respondents believe roads should have 4+ vehicles per day to warrant maintenance to be undertaken by council rates.
- **All** attendees prioritise renewal and fit for purpose upgrades over creating new assets.

Public Buildings

- **71%** of respondents believe public buildings are in good shape and meets current needs.
- **60%** of respondents believe Buildings are well utilised.
- **89%** of respondents believe buildings sizes meet community requirements.
- **77%** of respondents believe the quality of buildings meets community expectations.
- **Most** attendees prefer multiuse facilities rather than single use.

Footpaths

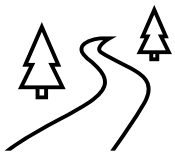
- **31%** of respondents are willing to pay more to keep footpaths serviceable.
- **54%** of respondents believe a footpath should on every street.
- **40%** of respondents believe a footpath should be on both sides of the street.
- **56%** of respondents believe gravel footpaths are acceptable.
- **All** attendees prioritise renewal and fit for purpose upgrades over creating new assets.

Open Spaces

- **67%** of respondents believe open space are meeting current community needs.
- **69%** of respondents believe open space assets are well utilised.
- **90%** of respondents believe the size of open spaces meet community requirements.
- **70%** of respondents believe the quality of open space meet community expectations.
- **All** attendees prefer multiuse facilities rather than single use.

***Figure 06**: Survey Results snapshot*

Appendix B, Roads Asset Category Information



- **820km** Sealed roads
- **2,140km** Unsealed Roads
- **411km** Formation only

Replacement Cost

$283M

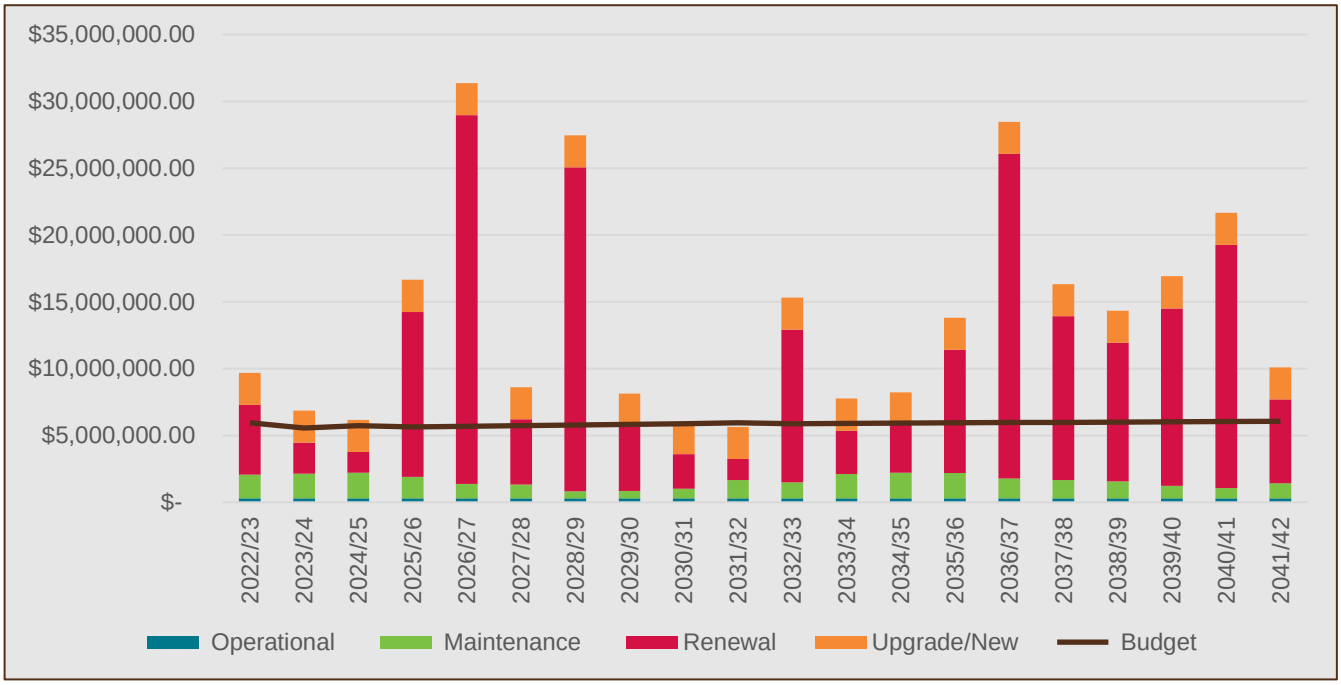


***Figure 07**: Roads forecast lifecycle cost*

Council roads are the biggest asset group by value, making up almost 54% of the total asset value. As can be seen from the graph, the Long-Term Financial Plan does not allocate enough funding to cater for all priority works required to keep the assets in service for the next ten years. There is an average shortfall of about **$6.88M** per year. All works above the **budget line** (black line) are unfunded and as such Council will look at alternative funding methods, like grants from State and Federal Government. Over the next ten years, operation and maintenance works will be prioritised, and the remainder of the funds will be balanced between asset renewal and fit-for purpose upgrades based on community priorities and needs. The remaining unfunded works will be rolled over to future years, which will increase the backlog.

In addressing this funding shortfall, Council is looking at optimising the unsealed network which will unlock potential savings each year. For example, by changing our treatment approach for low hierarchy roads (rural property access) from resheeting to grading at appropriate times, this alone will unlock a saving of over **$2M** per year. Other items under consideration for asset optimisation include, the use of better materials (gravel), useful lives adjustment and level of service adjustment to affordable levels.

***Table 09**: Roads Ten-year Financial Planning*

ROADS	10-year Financial Planning
10-year average annual forecast	**$12.66M**
10-year average annual planned budget	**$5.78M**
10-year average annual funding shortfall	**-$6.88M**

Current Performance

Council currently uses three grading criteria to establish the level of service, which are:

- **CAPACITY OR UTILISATION** – Asset's overall ability to meet customers' utilisation requirements. A Pass or Fail indicator system exist as a measure of performance.

  Pass - is where Asset usage is within design threshold,
  Fail - is where usage is outside design threshold, that is, where usage exceeds or is below design capacity.

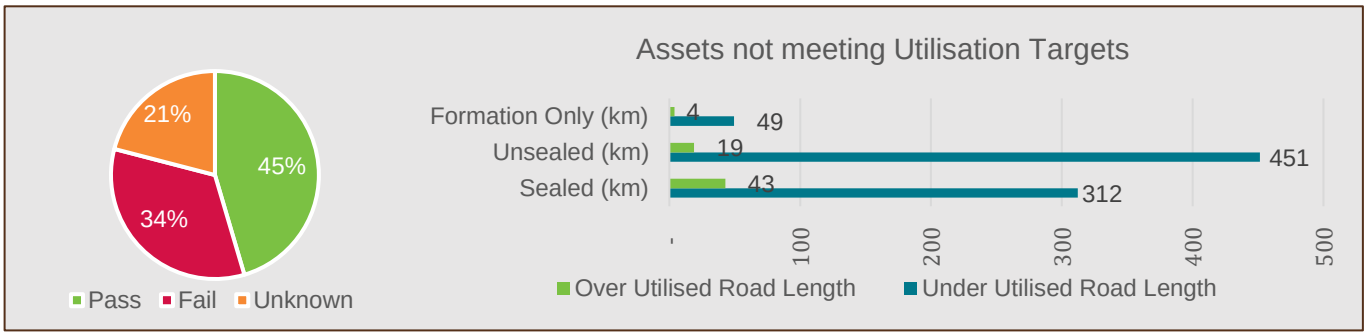


***Figure 08**: Roads Capacity/Utilisation grading*

Performance

- 45% of Road network Pass the Capacity grading criterion.
- 34% of Road network Fail the Capacity grading criterion.
- 21% is Unknown.

Of the 34% that Fail;

- 312km of our sealed network is under-utilised, and 43 km is over utilized.
- 451km of our unsealed network is under-utilised, and 19km is over utilized.
- 49km of formation only or tracks is under-utilised, and 4km is over utilized.

- **FUNCTION** - Asset overall ability to meet delivery needs.

  Pass - when asset width is within threshold, that is, asset function meets service delivery needs.
  Fail - When asset width is outside threshold, that is, function doesn't meet service delivery needs.

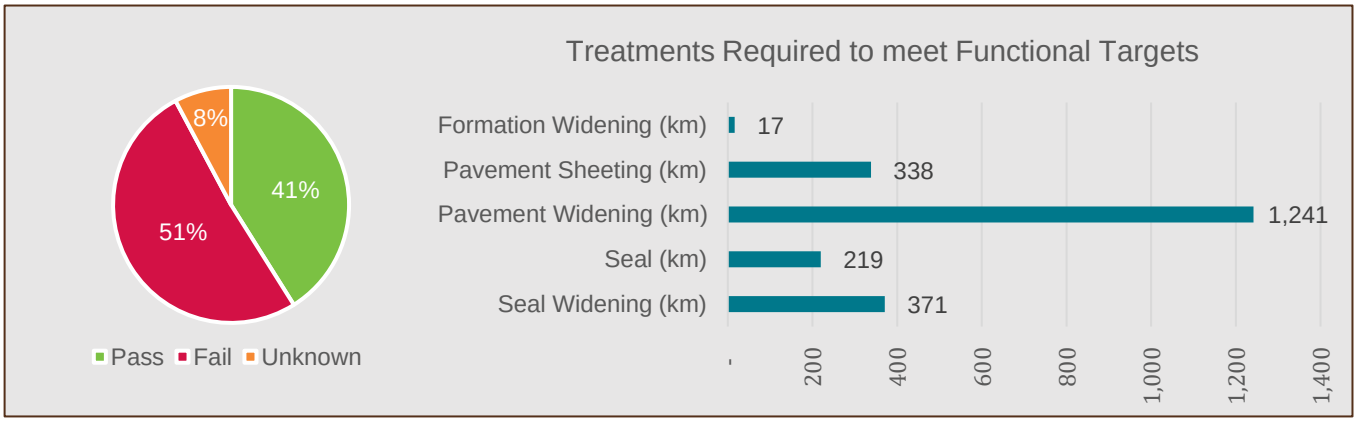


***Figure 09**: Roads Condition grading*

Performance

- 41% of Road network Pass meets function service delivery,
- 51% of Road network Fail the function grading criterion
- 8% is Unknown.

Of the 51% that Fail;

- 17km of formation widening required
- 338km of Pavement sheeting required
- 1,241km of Pavement widening required
- 219km Sealing, and
- 371km Seal widening.

❖ **CONDITION** – The overall quality of the asset to be able to meet the intended level of service.

Pass – is when asset condition is fair to very good, only planned or significant maintenance is required, Fail - is when asset condition is poor to very poor, significant renewal or the asset is beyond rehabilitation.

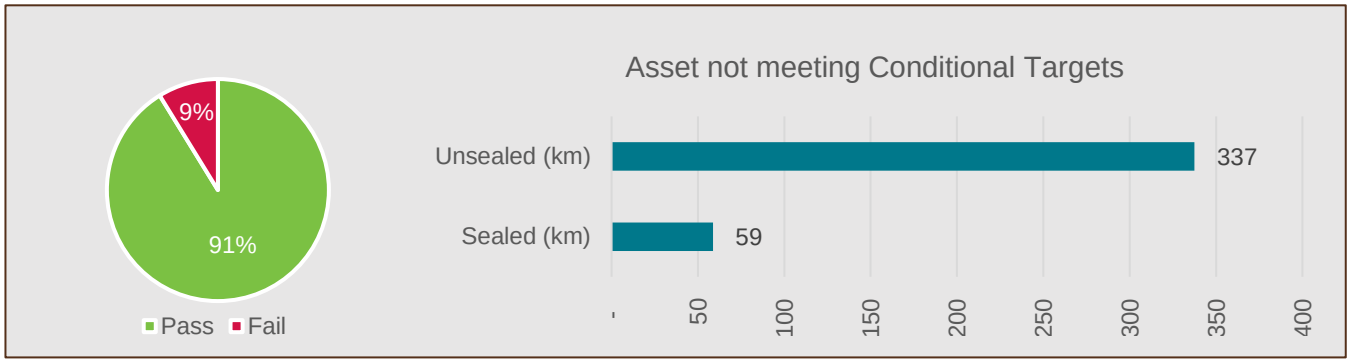


***Figure 10**: Roads Condition*

Performance

- 91% of Road network Pass the condition criteria, meets function service delivery,
- 9% of Road network Fail the condition grading criterion.

Of the 9% Fail.

- 337km of unsealed network is in poor condition,
- 59km of sealed network is in poor condition

Appendix C, Bridge and Major Culvert Asset Category Information

- **145** Road Bridges
- **279** Major Culverts

Replacement Cost

$94M

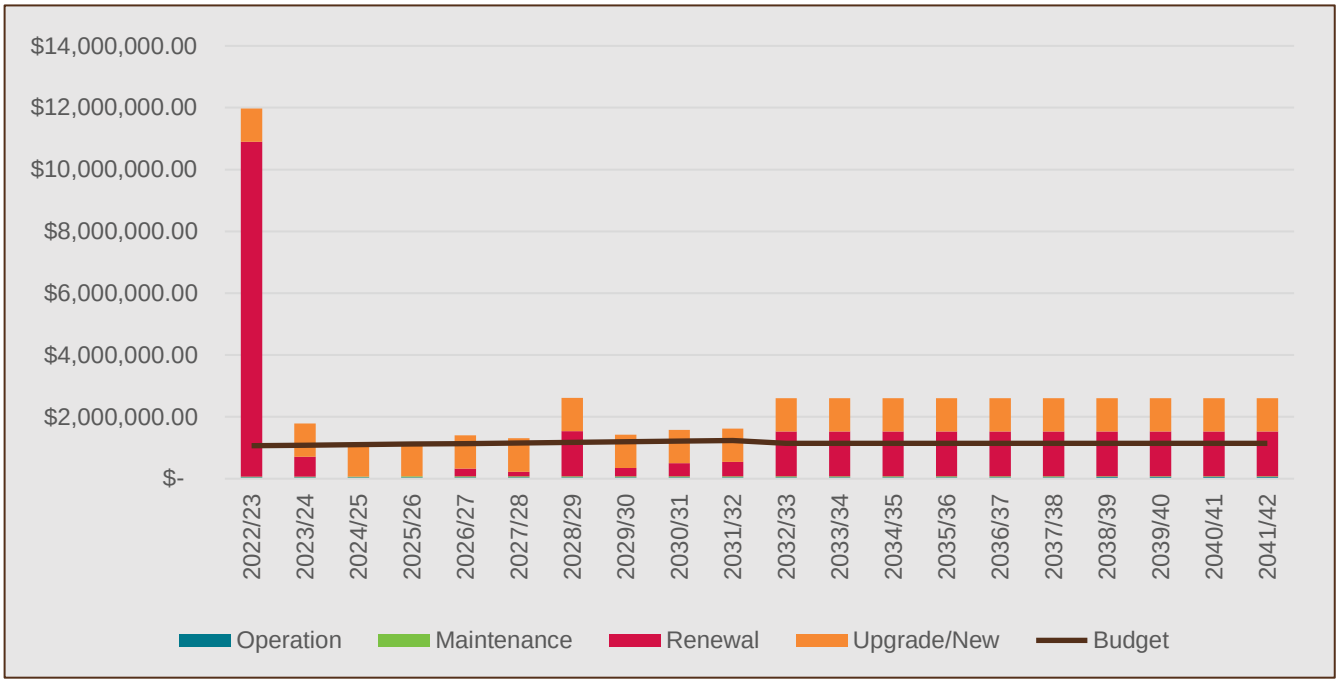


***Figure 11**: Bridge & Major Culverts forecast lifecycle cost*

Based on our updated data, we have $10M worth of works which are due for intervention as of FY 2022/23, this is because of continued building up of backlog over the past years. As can be seen from the graph, the budget allocation, the black horizontal line, is not sufficient to cater for all due intervention works. There is an average funding shortfall of $1.45M per year for the next ten years. Unfunded works will be rolled over to future years. The budgeting process will give priority to asset renewal and fit for purpose upgrades over creation of new assets.

Council will focus on building a rigorous bridge and major culvert testing program to make informed decisions on opening new heavy vehicle routes. This will be followed by a bridge and major culvert strengthening program to meet high demand for these routes. This is a very costly exercise and will depend heavily on successful grant application.

***Table 10**: Bridge & Major Culverts Ten-year Financial Planning*

BRIDGE & MAJOR CULVERTS	10-year Financial Planning
10-year average forecast	**$2.60M**
10-year average planned budget	**$1.15M**
10-year average Funding Shortfall	**-$1.45M**

Current Performance
Council currently uses three grading criteria to establish the level of service. These are:

- **CAPACITY OR UTILISATION** – Asset's overall ability to meet customers' utilisation requirements. A Pass or Fail indicator system exist as a measure of performance.

  Pass - is where Asset usage is within design threshold,
  Fail - is where usage is outside design threshold, that is, where usage exceeds or is below design capacity.

  Council is still collecting this data to establish current performance.

- **FUNCTION** - Asset overall ability to meet delivery needs.

  Pass - when asset width is within threshold, that is, asset function meets service delivery needs.
  Fail - When asset width is outside threshold, that is, function doesn't meet service delivery needs.

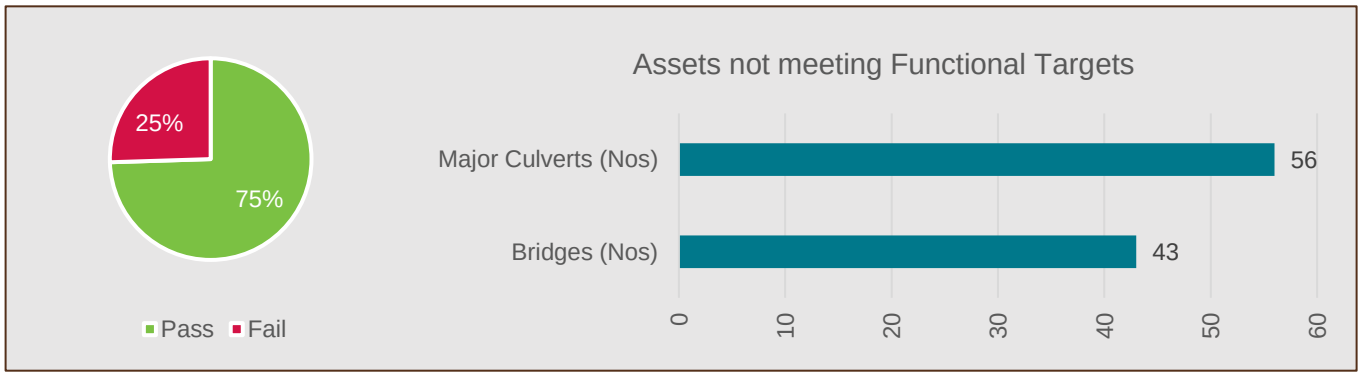


***Figure 12**: Bridge and Major Culverts Function grading*

Performance
- 75% of the network meets the function service delivery needs.
- 25% of the network fails.

Of the 25% Fail;
- 43 are bridges.
- 56 Major culverts.

- **CONDITION** – The overall quality of the asset to be able to meet the intended level of service.

  Pass – is when asset condition is fair to very good, only planned or significant maintenance is required,
  Fail - is when asset condition is poor to very poor, significant renewal or the asset is beyond rehabilitation.

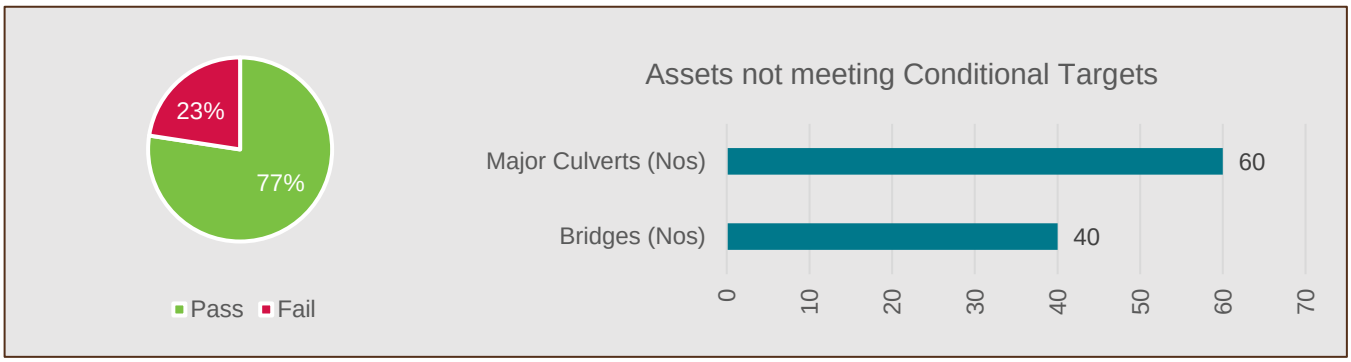


***Figure 13**: Bridge and Major Culverts Condition grading*

Performance

- 77% of Road network Pass the condition criteria, meets function service delivery,
- 23% of Road network Fail the condition grading criterion.

Of the 23% Fail.

- 40 bridges.
- 60 Major culverts.

Appendix D, Footpath Asset Category Information

- **115km** Footpaths

Replacement Cost

$20M

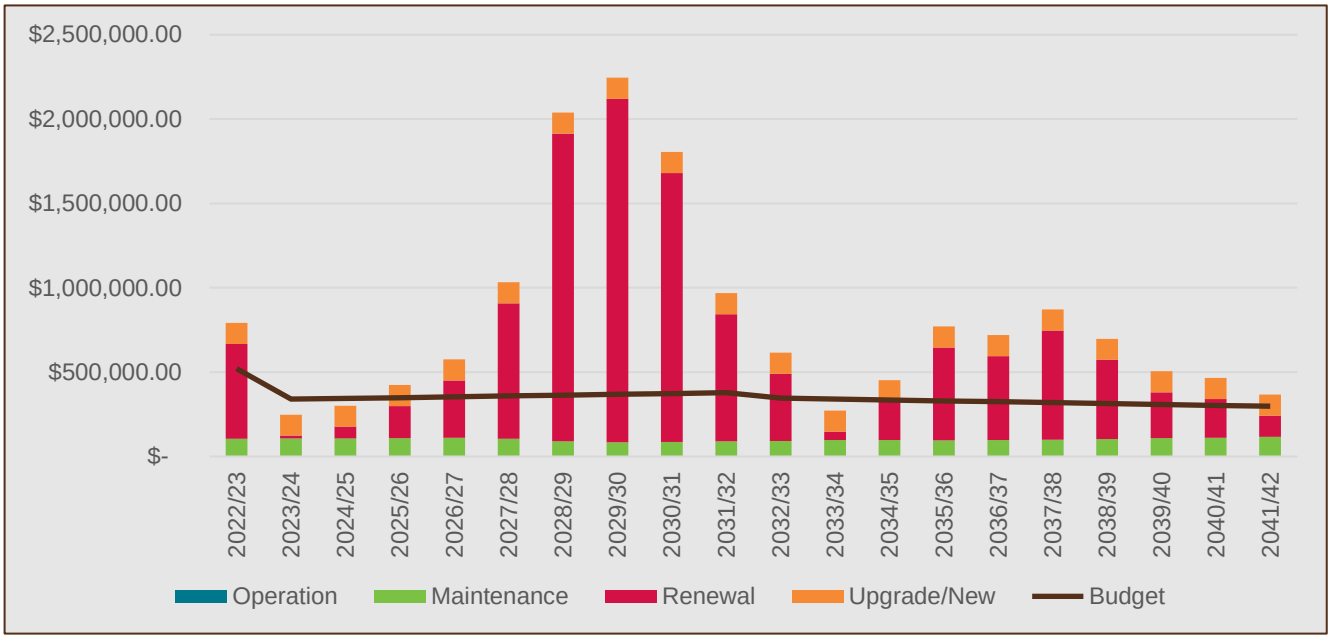


***Figure 14**: Footpaths forecast lifecycle cost*

Council builds footpaths to provide access for pedestrians, gophers and other mobility assistance vehicles. The recently completed community engagement indicated that there is a high demand for having footpaths on every street. The planned funding level over the next ten years leaves an average funding shortfall of $668K per year. Works which are above the black line, the budget, are unfunded. The footpath program will prioritise areas with high pedestrian traffic volumes and streets with no footpaths at all.

***Table 11**: Footpaths Ten-year Financial Planning*

FOOTPATHS	10-year Financial Planning
10-year average forecast	**$1.04M**
10-year average planned budget	**$375K**
10-year average Funding Shortfall	**-$668K**

Current Performance
Council currently uses three grading criteria to establish the level of service. These are:

- **CAPACITY OR UTILISATION** – Asset's overall ability to meet customers' utilisation requirements. A Pass or Fail indicator system exist as a measure of performance.

  Pass - is where Asset usage is within design threshold,
  Fail - is where usage is outside design threshold, that is, where usage exceeds or is below design capacity.

  Council is still collecting this data to establish current performance.

- **FUNCTION** - Asset overall ability to meet delivery needs.

  Pass - when asset width is within threshold, that is, asset function meets service delivery needs.
  Fail - When asset width is outside threshold, that is, function doesn't meet service delivery needs.

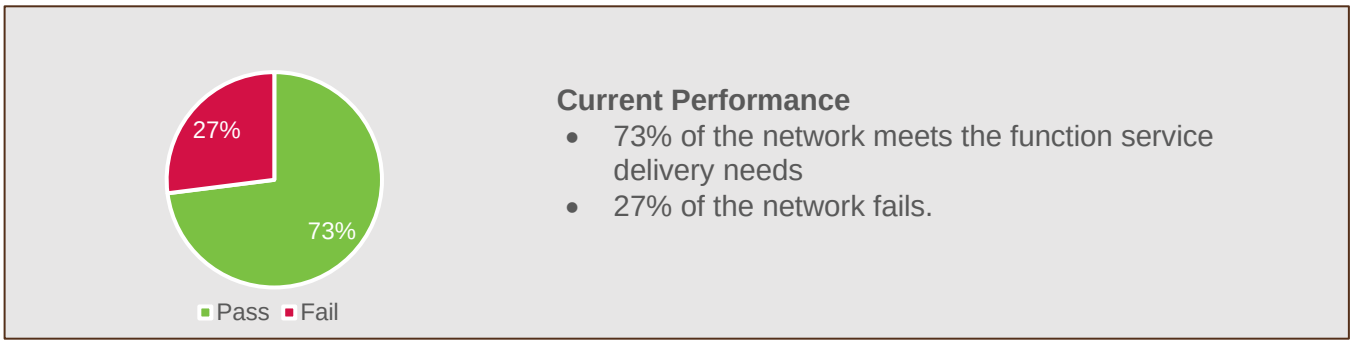


***Figure 15**: Footpaths Function grading*

- **CONDITION** – The overall quality of the asset to be able to meet the intended level of service.

  Pass – is when asset condition is fair to very good, only planned or significant maintenance is required,
  Fail - is when asset condition is poor to very poor, significant renewal or the asset is beyond rehabilitation.

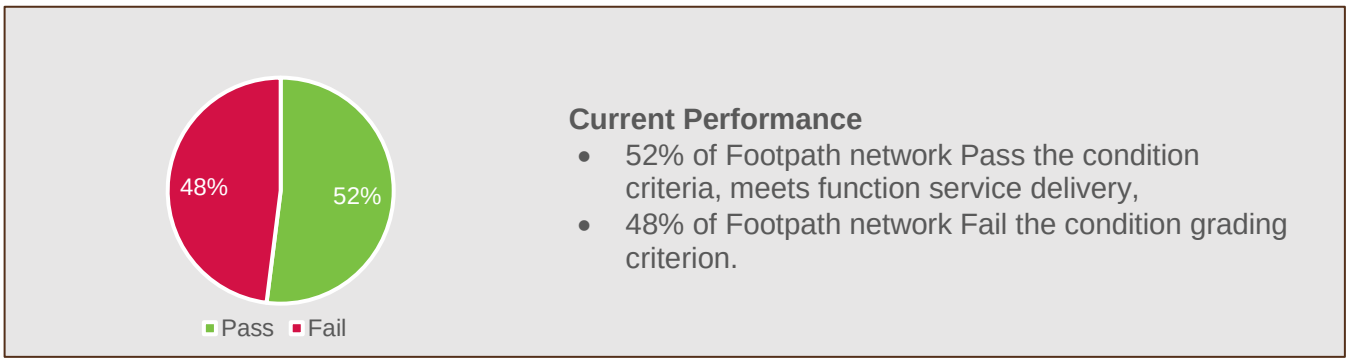


***Figure 16**: Footpaths Function grading*

Appendix E, Buildings Asset Category Information

- **126** Buildings

Replacement Cost

$78M

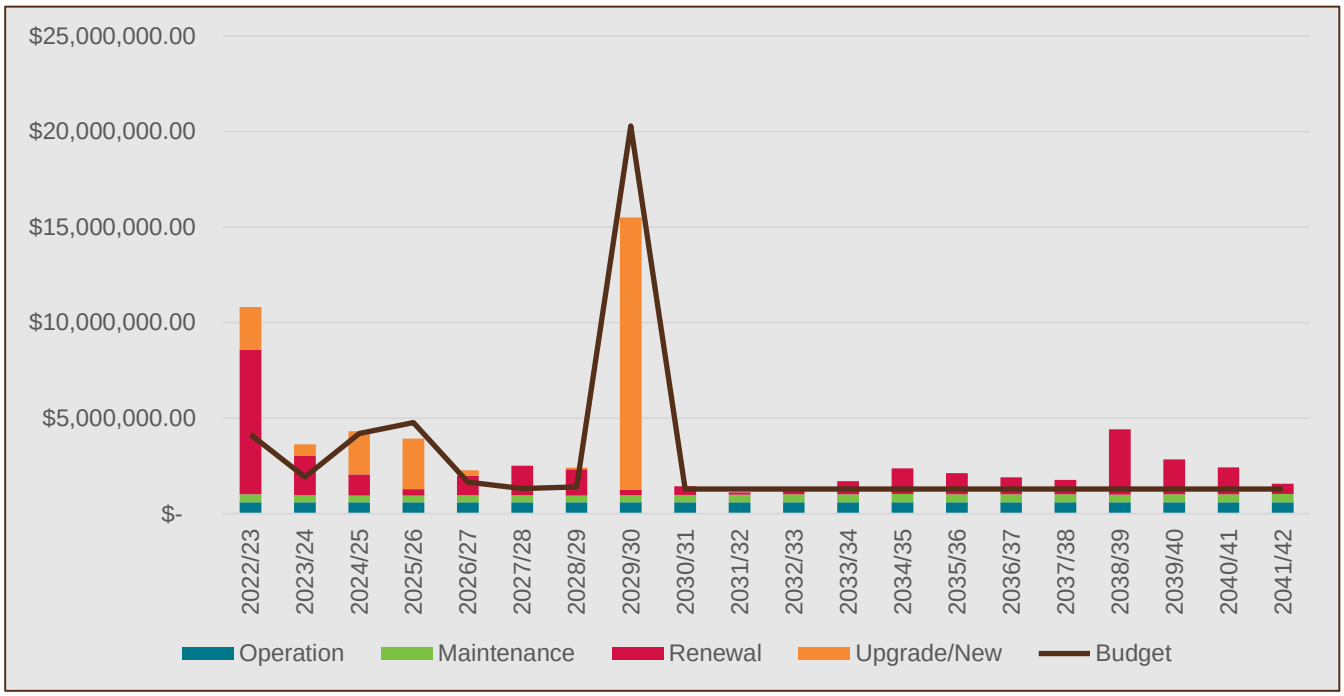


***Figure 17**: Building forecast lifecycle cost*

Council building stock comprise of sporting facilities (40), Seniors and Aged care (2), Tourist facilities (10), Offices & Libraries (5), Halls for business (6), Halls for admin (2), Depot and animal buildings (33), Public toilets (7), Childcare (6), Caravan parks and camping (13), and others (2). The results of the community survey show that the community is happy with the status of our buildings, with 77% of the responses identifying our buildings as meeting community expectations. Most people prefer multiuse facilities than singe use.

For the next ten years Council will continue to move in this direction and also engaging the community in identifying unsafe and non-functional building stocks which can be decommissioned. The current funding level for the next ten years leaves an average shortfall of about $570K per year, to be able to keep the assets in their current state. Further details are shown in table 12 below.

***Table 12**: Building Ten-year Financial Planning*

FOOTPATHS	10-year Financial Planning
10-year average forecast	**$4.80M**
10-year average planned budget	**$4.23K**
10-year average Funding Shortfall	**-$570K**

Current Performance
Council currently uses three grading criteria to establish the level of service. These are:

- **CAPACITY OR UTILISATION** - Gives information on whether building usage is appropriate to form and size and have a Pass or Fail indicator system.

  Pass - Demand and occupancy is within design threshold,
  Fail - Demand exceeds capacity or is less than 75% of building capacity.

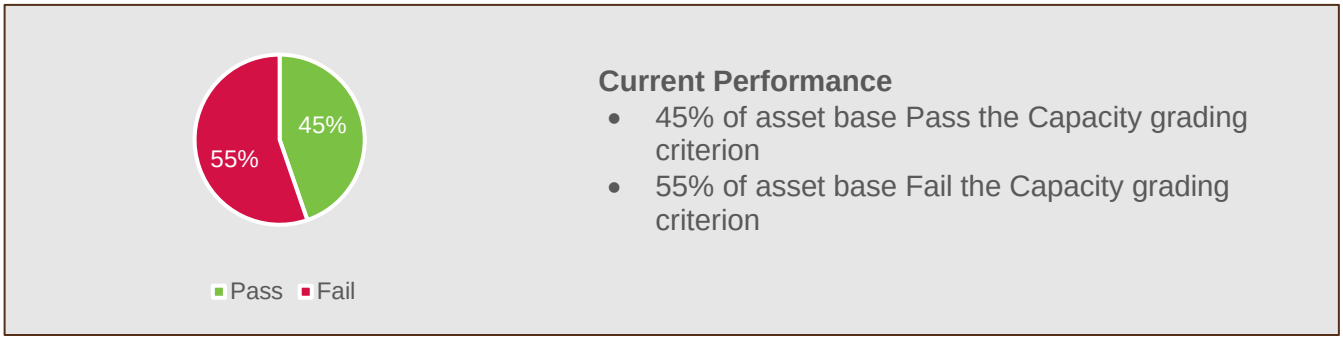


***Figure 18**: Buildings Capacity/Utilisation grading*

- **FUNCTION** – Buildings meets regulatory standards and provide the facilities for their intended use. We have a Pass or Fail indicator system.

  Pass - Building has no shortfalls affecting availability and Usage.
  Fail - Buildings have design, safety, regulatory compliance, access issues affecting availability & usage.

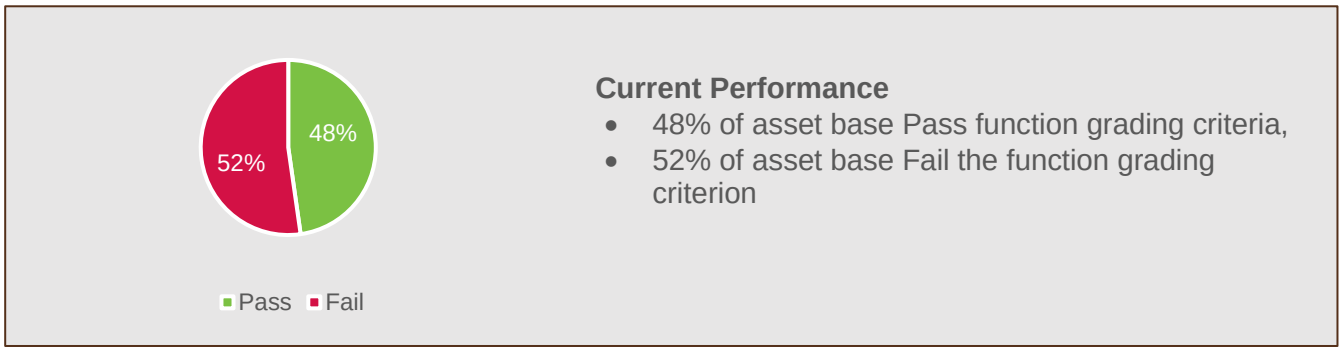


***Figure 19**: Building Function grading*

- **CONDITION** – Buildings are in a suitable condition for their purpose, creating a pleasing environment for users. We have a Pass or Fail indicator system.

  Pass - Building only require planned maintenance or significant maintenance,
  Fail - Building requires significant renewal or rehabilitation.

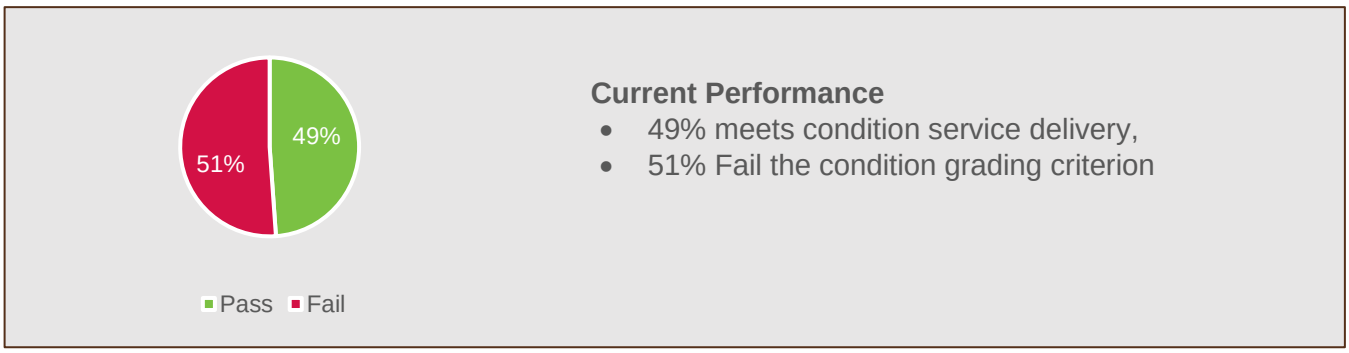
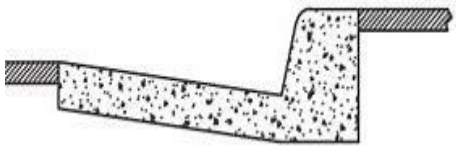


***Figure 20**: Building Condition grading*

Appendix F, Kerb and Channel Asset Category Information



- **158km** Network

Replacement Cost

$24M

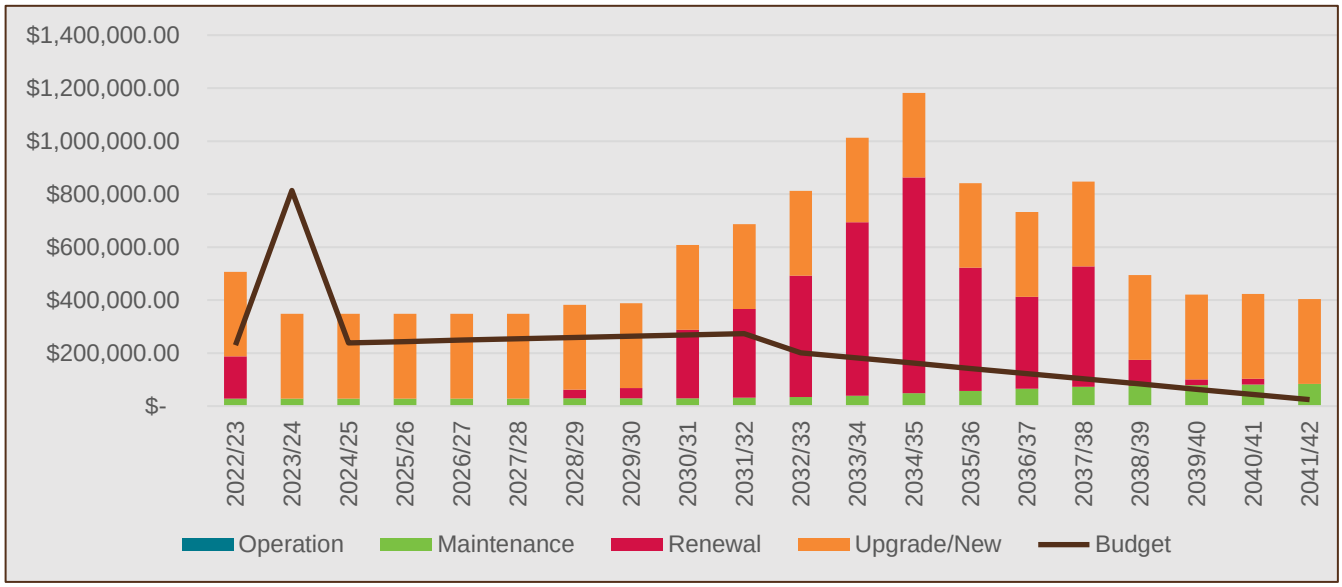


***Figure 21**: Kerb & Channel forecast lifecycle cost*

Council Kerb and Channel assets provide road drainage which is critical for preventing water from entering under the road surface, thereby minimising potholes and other road defects. Kerb ands channel also help with road safety, delineating the road edge and providing a visible barrier preventing vehicles from straying into surrounding area.
For the next ten years Council will undertake a combination of new and rehabilitation kerb and channel works within the limitation of the available funding in the LTFP. There is an average funding shortfall of about $122k per year for the next ten years. Further details are shown in table 13 below.
Council will prioritise kerb and channel projects based on:

- Stormwater discharge alleviation through private properties.
- Resolving road drainage issues.
- Customer requests and, traffic volumes.

Once a kerb and channel project has been identified, a consultation process will be undertaken with the affected property owners to ensure the design meets their expectations.

***Table 13**: Kerb & Channel Ten-year Financial Planning*

Kerb & channel	10-year Financial Planning
10-year average forecast	**$431k**
10-year average planned budget	**$309k**
10-year average Funding Shortfall	**-$122K**

Current Performance
Council currently uses three grading criteria to establish the level of service. These are:

- **CAPACITY OR UTILISATION** – Asset's overall ability to meet customers' utilisation requirements. A Pass or Fail indicator system exist as a measure of performance.

  Pass - is where Asset usage is within design threshold,
  Fail - is where usage is outside design threshold, that is, where usage exceeds or is below design capacity.

  Council is still collecting this data to establish current performance.

- **FUNCTION** - Asset overall ability to meet delivery needs.

  Pass - when asset width is within threshold, that is, asset function meets service delivery needs.
  Fail - When asset width is outside threshold, that is, function doesn't meet service delivery needs.

  Council is still collecting this data to establish current performance.

- **CONDITION** – The overall quality of the asset to be able to meet the intended level of service.

  Pass – is when asset condition is fair to very good, only planned or significant maintenance is required,
  Fail - is when asset condition is poor to very poor, significant renewal or the asset is beyond rehabilitation.

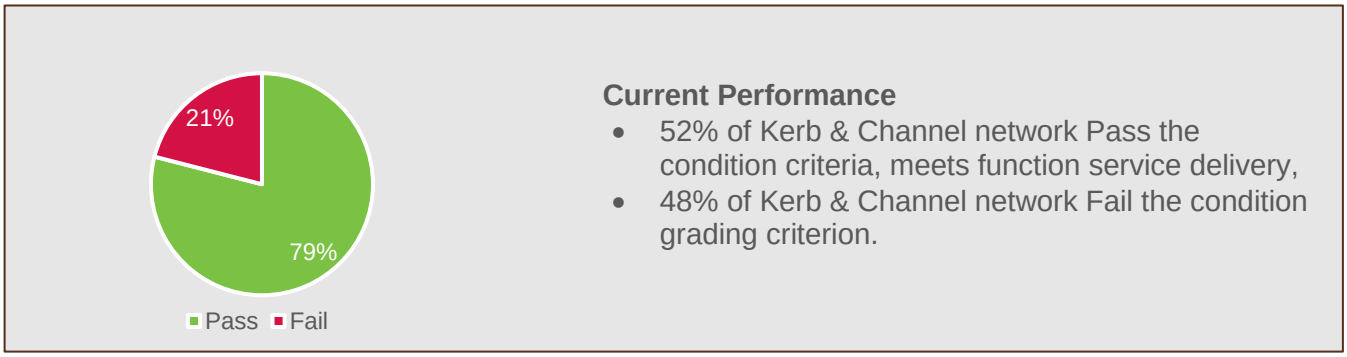


***Figure 22**: Kerb and Channel Condition grading*

Appendix G, Storm Water Drainage Asset Category Information

Storm Water Drainage

- **69km** Pipe Network
- **2477** Pits

Replacement Cost

$20M

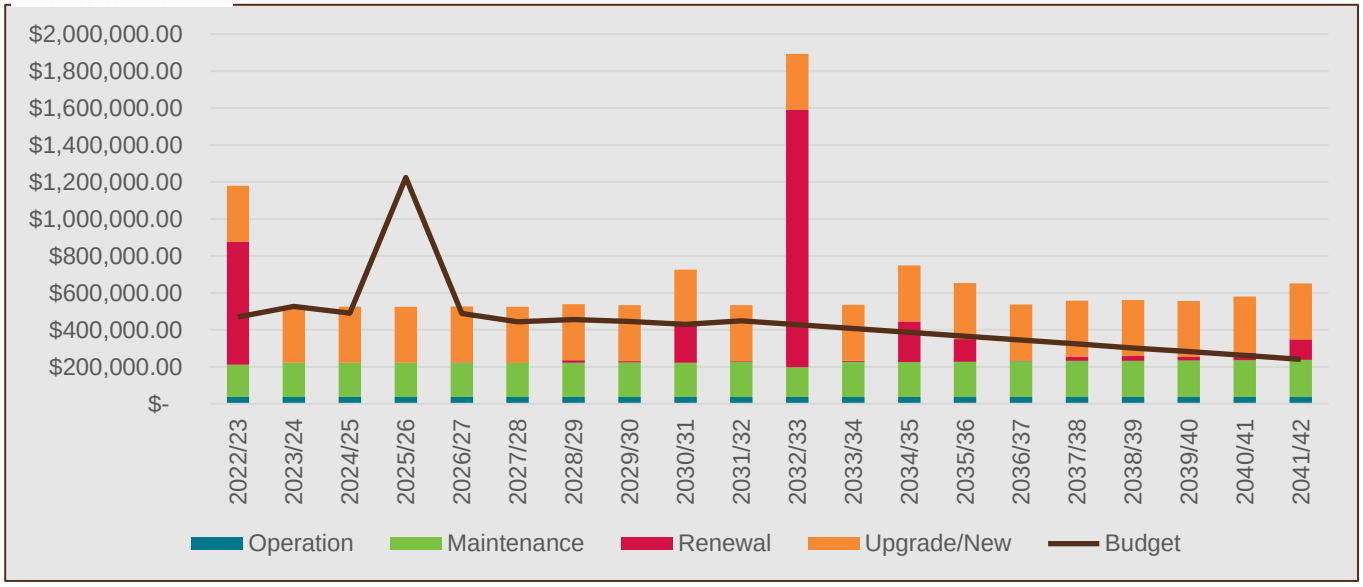


***Figure 23**: Kerb & Channel forecast lifecycle cost*

Council stormwater drainage assets are used to remove stormwater from residential areas and roads as quickly as possible, to reduce the risk of flooding and preventing water from stagnating. For the next ten years Council will maintain, renew, operate, and build new stormwater drainage assets in a financially sustainable manner, and this is tied to the annual capital budget. The current funding for the next ten years has an average shortfall of about $71K per year, and as such works will be implemented on a priority basis subject to cost and level of risk. Table 14 below shows more details on the ten-year financial planning.

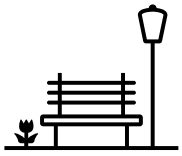
***Table 14**: Kerb & Channel Ten-year Financial Planning*

Stormwater Drainage	10-year Financial Planning
10-year average forecast	**$614k**
10-year average planned budget	**$542k**
10-year average Funding Shortfall	**-$71K**

Current Performance

Council is still collecting capacity/utilisation, function and condition data to establish current performance.

Appendix H, Open Space Asset Category Information



Replacement Cost

$7M

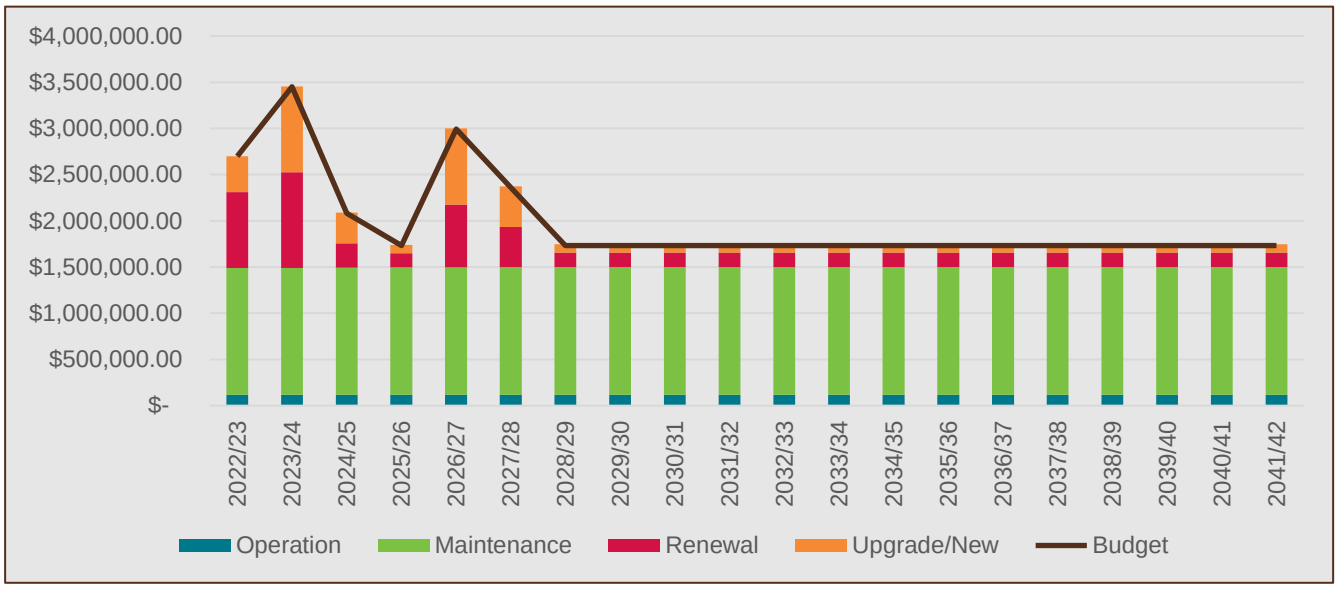


***Figure 24**: Open Space forecast lifecycle cost*

Council Open Space assets which include parks, gardens, playgrounds, sporting fields, etc. provide recreational spaces for the community and help to enhance the beauty of our neighbourhood. The recent asset plan survey feedback shows that 90% of the respondents believe our open space assets meet community expectations. The proposed funding level for the next ten years allocates sufficient funding to be able to continue providing services at the current level. Council is currently developing the Open Space Strategy which is expected to drive projects in this asset category. The strategy will identify priority projects, which will be rolled out within the limitations of the available funding in the LTFP. Further details of the ten-year financial planning are shown below in table 15.

***Table 15**: Open Space Ten-year Financial Planning*

Open Space	10-year Financial Planning
10-year average forecast	**$2.23M**
10-year average planned budget	**$2.22M**
10-year average Funding Shortfall	**-$10K**

Current Performance

Council is still collecting capacity/utilisation, function and condition data to establish current performance.