



Mansfield
Shire




Asset Plan

2023 - 2033



Mansfield Shire Council acknowledges the Taungurung people as the traditional owners of the land upon which our Shire is located. We pay our respects to the Taungurung elders, past, present and future and extend that respect to all Aboriginal and Torres Strait Islander peoples.





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1. Overview

Mansfield Shire Council is the custodian of more than \$250 million worth of infrastructure and other assets. These include local roads, footpaths and shared paths, bridges and culverts, stormwater pipes and pits, buildings and structures and other open space assets, such as playgrounds, sportsgrounds, and outdoor furniture.

Council is responsible for managing and using these assets to meet the expectations and interests of the community. This Asset Plan (the Plan) provides a long-term view of how Council's infrastructure assets support the achievement of the Community Vision and align with the initiatives in the Council Plan. The Plan operates within the parameters set by Council's Financial Plan 2021-2031.

The purpose of the Plan is to outline and communicate Council's proposed priorities and related expenditure on infrastructure assets for the next 10 years and into the longer-term, with the objective to keep the assets in a fit for purpose state that meets the expectations of the community. While the Plan takes a 10-year view, it is to be reviewed regularly in line with changing community needs and expectations.

The Mansfield Shire Council Asset Plan meets the requirements set out in Section 92 of the *Local Government Act 2020*.

1.1 Shire Snapshot & Contextual Background

Mansfield Shire is in Victoria's North East region and encompasses a geographic area of 3,842 square kilometres, of which approximately 1,300 square kilometres is settled land, and the remainder is Crown Land. Mansfield Shire encompasses the towns of Mansfield, Bonnie Doon, Jamieson, Goughs Bay and Woods Point as well as 5 smaller towns and communities. These communities are supported by a diverse agricultural and tourism base.

The geographic size and small population base, coupled with the issues of a fast-growing population, mean that service standards and asset management must strike a balance between available resources and desired services in the face of increasing demand.

The estimated Mansfield Shire resident population is approximately 10,684 for 2024. Population growth is occurring at a much higher rate than average for regional Victoria, with an expected rate of 2.7% per annum. Among the three potential growth rates (low of 1.3%, medium of 2.14%, and high of 2.7%), we have assumed a high growth rate for the Asset Plan. If this rate continues, the population in Mansfield Shire will increase to 19,199 by 2046.



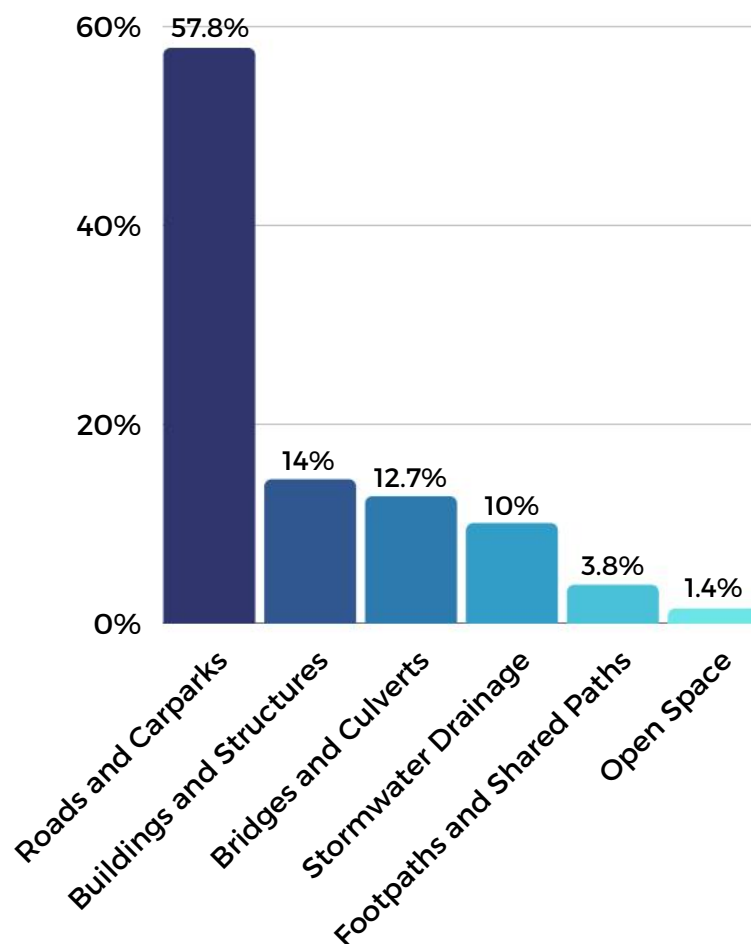


1.2 Scope

We manage a portfolio of infrastructure assets that has a collective replacement cost of approximately \$265 million. Figure 1 shows the relative contribution of the six key asset types covered by the Plan. The portfolio includes:

Roads	Urban and rural sealed and unsealed, kerb and channel, car parks
Buildings and Structures	Buildings, sheds and outbuildings, bus stops and shelters
Stormwater Drainage	Pipes and pits
Bridges and Culverts	Bridges and major culverts
Footpaths and Shared Paths	Footpaths and shared paths on road reserves, off-road shared paths (Great Victorian Rail Trail)
Open Space	Open space furniture, playgrounds, and sportsgrounds

Figure 1: Assets and Infrastructure





Infrastructure assets are grouped into the following key asset classes:

Asset Class	Quantity	Replacement Value (\$000's)
Bridges and Culverts	<ul style="list-style-type: none"> ▶ 71 bridges ▶ 78 major culverts 	32,425
Buildings and Structures	<ul style="list-style-type: none"> ▶ 62 buildings ▶ 24 sheds and outbuildings ▶ Bus stops and shelters 	35,907
Stormwater Drainage	<ul style="list-style-type: none"> ▶ 56.4 km of underground pipes ▶ 2,449 stormwater pits 	27,980
Footpaths and Shared Paths	<ul style="list-style-type: none"> ▶ 51.6 km of footpaths and shared paths on-road reserves ▶ 47.8 km of off-road shared paths (including rail trail) 	8,265
Roads and Car parks	<ul style="list-style-type: none"> ▶ 262.3 km of sealed roads ▶ 584.5 km of unsealed roads ▶ Kerb and channel ▶ Car parks 	154,301
Open Space	<ul style="list-style-type: none"> ▶ 67 playgrounds, sportsgrounds, picnic shelters and facilities 	6,502
Total		265,380

1.3 Legislative Background

Under Section 92 of the new *Local Government Act 2020*, a council must develop, adopt, and keep in force the Asset Plan with at least a 10-year financial horizon. The Act requires councils to develop the Plan to transparently and clearly set its direction and priorities that support the efficient and responsible management of these assets on behalf of the community.



1.4 Stakeholders

The key stakeholder groups affected by the Plan include those who are users of Council's physical assets and/or those who have an interest.

They include, but are not limited to:

The Mansfield Shire community, residents, and visitors

Mansfield Shire Council as custodian of the assets

Mansfield Shire Council as a user of the assets









Emergency services agencies (Police, Fire, Ambulance, SES)

Utilities that use road reserves for their infrastructure (including potable water, sewerage, gas, electricity, and telecommunications)

State and Federal Government agencies that provide funding to assist with management of Council's assets

1.5 Related Documents








Documents and standards related to the Plan include:

-  Community Vision 2040;
-  Council Plan 2021-2025;
-  Financial Plan 2021-2031;
-  Asset Management Policy;
-  Asset Management Strategy;
-  Local Government Asset Management - Better Practice Guide 2015;
-  International Infrastructure Management Manual (IIMM) 2002 - The Institute of Public Works Engineering Australasia (IPWEA);
-  Australian Accounting Standard AAS27;





The Plan is a component of Council's overall strategic planning process. It takes guidance from and interacts with the following key corporate documents:

-  **Community Vision 2040**
The Community Vision describes the municipal community's aspirations for the future of the municipality.
-  **Council Plan 2021-2025**
The Council Plan establishes objectives, strategies, and actions for a four-year period in line with the term of the elected Council.
-  **Financial Plan 2021-2031**
The Financial Plan describes the context and external/internal environment and considerations in determining the 10-year financial projections and assumptions.
-  **Council Budget**
The Budget is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan.
-  **Revised Revenue and Rating Plan 2021-25**
The Revenue and Rating Plan establishes the revenue raising framework within which the Council proposes to work.
-  **Asset Management Plans**
The Asset Management Plans outlines the long-term strategic management of infrastructure assets classified into 4 different asset classes: Transport, Buildings, recreation and community leisure, Bridges and culverts and, Stormwater drainage. It defines the state of assets and the 10-year optimized funding required to achieve Council's asset performance targets and planned asset management activities.
-  **Standards and Policies**
Council standards and policies inform the levels of service required and the standards to which assets should be kept.





The Asset Plan is a key strategic document in the Integrated Strategic Planning and Reporting Framework. This framework puts in place the requirement for councils across Victoria to hold long-term, integrated strategies and plans. The following diagram outlines the framework as it applies to local government in Victoria. You can see that the Asset Plan is a key strategic long-term planning document.

Figure 2: Integrated Planning and Reporting Framework

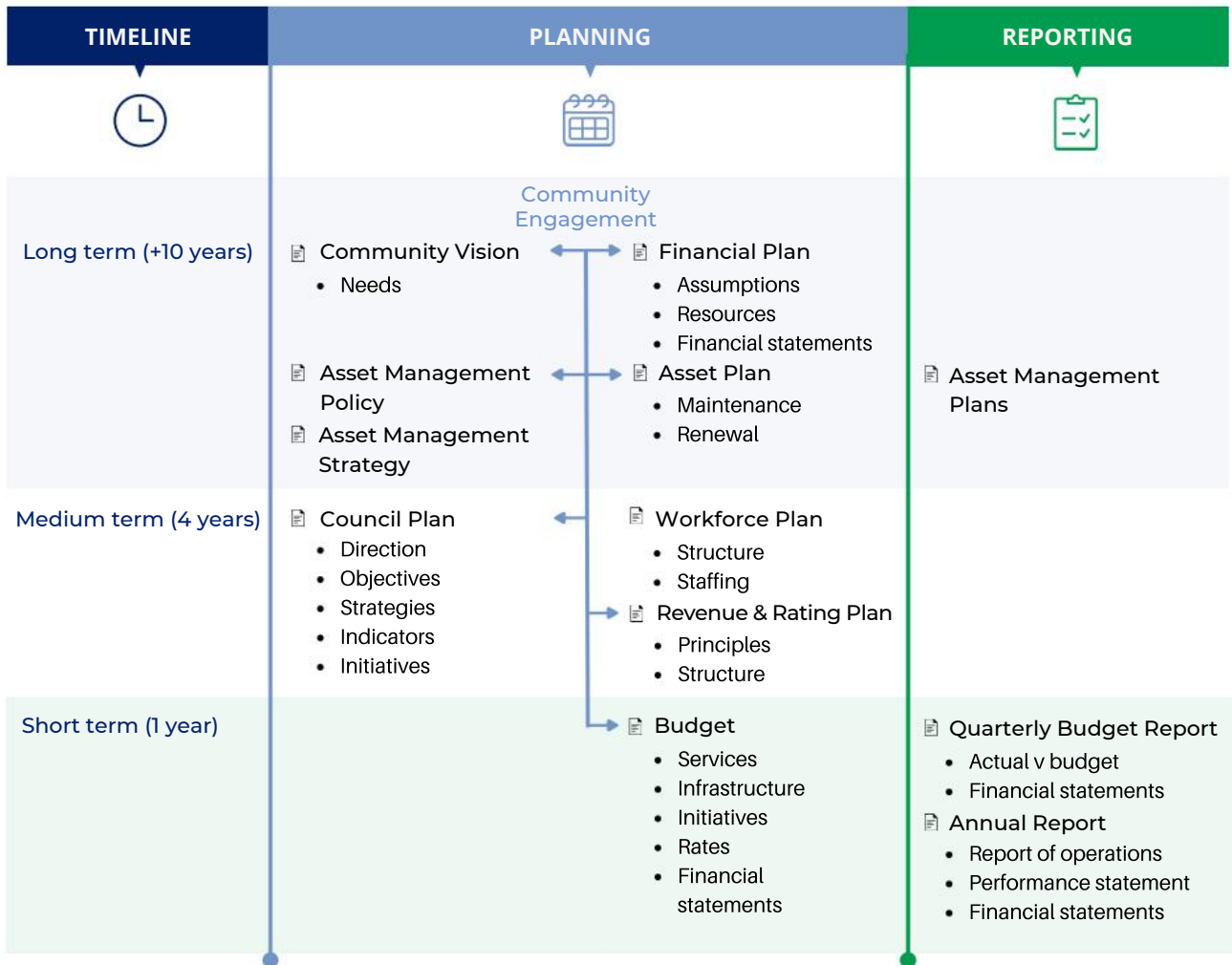
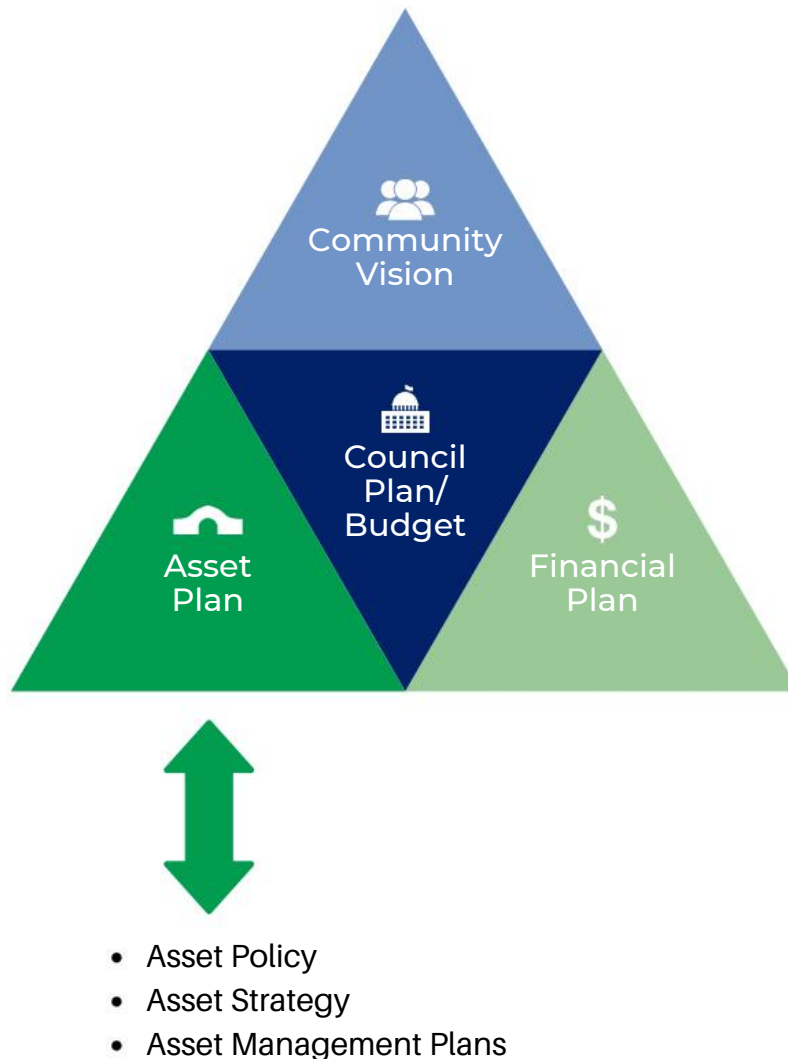




Figure 3: How the Asset Management System relates to the Asset Plan and council’s key strategic plans



Source: ISO55000 Asset Management Documents: International Infrastructure Management Manual (Institute of Public Works Engineering Australasia (IPWEA), 2020, Section 1.3.3)

1.6 Review and Updates

This edition of the Plan outlines levels of service and forecast expenditure based on existing policy and practice, for consultation with community.

It is intended that the Plan will be updated periodically to reflect changes to community expectations and needs. It is to be a ‘living’ document that should reflect as closely as practicable Council’s asset management approach.





2. Levels of Service – Asset Function

Mansfield Shire Council is responsible for council-managed community assets and for the 'level of service' that asset provides to the community.

Council seeks to operate and maintain its assets and infrastructure in accordance with the following objectives:

- ▶ To maintain a safe condition for use and to maximise the life of the asset
- ▶ To meet community expectations within budget and with available resources
- ▶ To operate within legislative and statutory requirements.

'Levels of service' is the term used to define and measure the quality of an asset. It can be defined by the physical performance of an asset or it can be determined by community expectation.

Trends in the level of service can be used to measure effectiveness of the Asset Management Plans. They are also used as a focus for the Asset Management strategies developed to deliver the desired levels of service.

Levels of service are determined by considering:




- ▶ Community engagement, which informs understanding of community expectations
- ▶ The need to provide facilities that are safe for all users
- ▶ Information gathered from stakeholders on expected quality and cost of services
- ▶ Strategic and corporate goals
- ▶ The ability of Council to fund maintenance activities
- ▶ Legislative requirements
- ▶ Regulations, environmental standards, industry, and Australian Standards that impact on Council assets and their management
- ▶ Design Standards and Codes of Practice



2.1 Linkage to the Community Vision 2040

The Community Vision expresses the aspirations, values, and priorities of the community. The Community Vision influences the strategies and objectives in the Council Plan and helps form the priorities in the Asset Plan.

The following specific linkages between the Community Vision and specific elements of the Asset Plan have been identified and outlined below:

 <p>Health and wellbeing</p>	 <p>Environment and place</p>	 <p>Infrastructure and services</p>
<p>People of Mansfield Shire:</p> <ul style="list-style-type: none"> • Are physically and mentally healthy • Are safe and secure 	<p>Mansfield Shire's environment:</p> <ul style="list-style-type: none"> • Has a unique character connected to its roots • Has open spaces for all of community 	<p>Mansfield Shire's infrastructure and services:</p> <ul style="list-style-type: none"> • Are robust and responsive to need • Are sustainable and environmentally friendly • Are equitable and accessible for all

These themes are supported by the Asset Plan. Each Section (transport network, buildings, recreation and community leisure, bridges and culverts and stormwater drainage) are influenced by these themes and achieving the aims of the Asset Plan will help community reach the objectives described in the Community Vision.

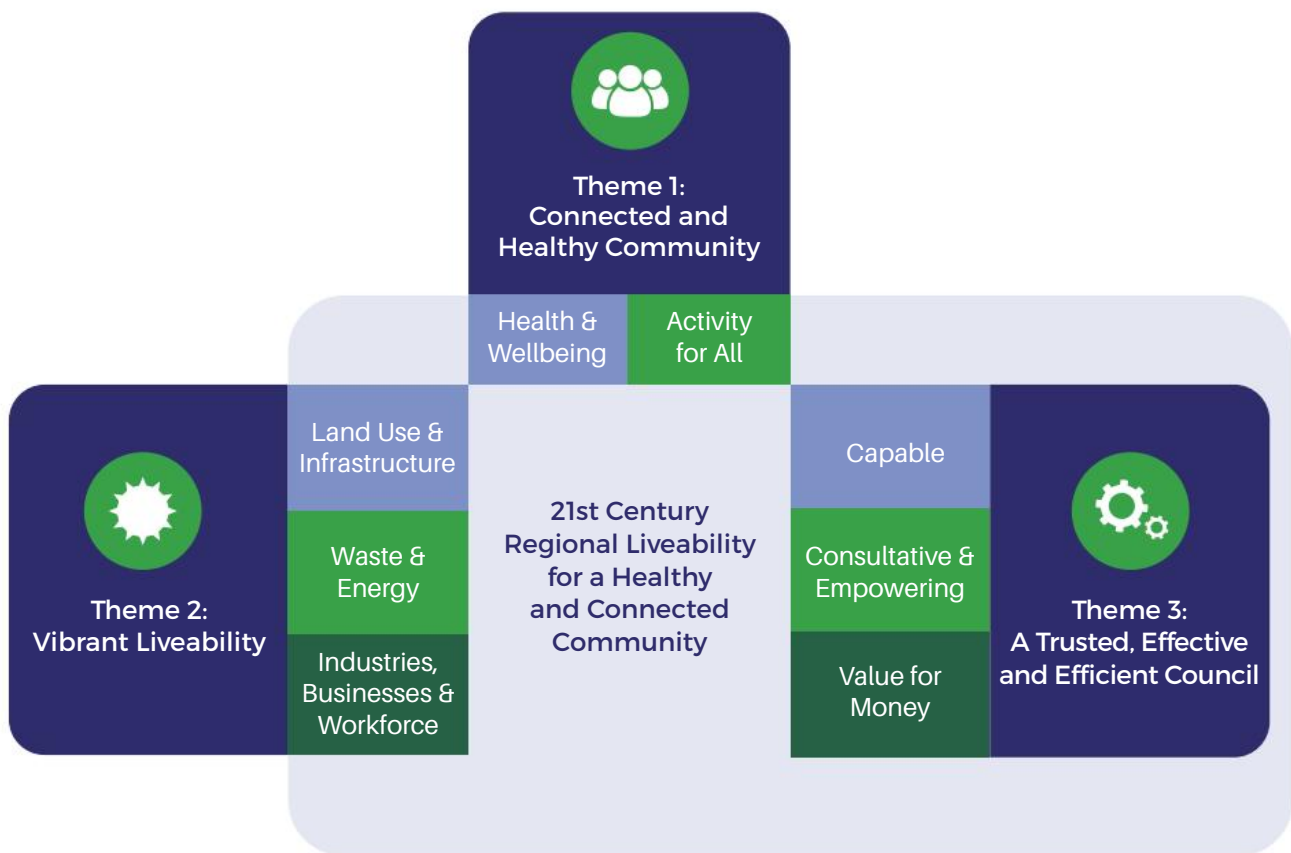




2.2 Linkage to the Council Plan 2021-2025

The Council Plan commits to strategies and objectives that influence how we manage Council assets. The Council Plan also contains several key initiatives that relate to infrastructure assets and have been considered in development of the Asset Plan.

Figure 4: Interconnecting Themes - 21st Century Regional Liveability for a Healthy and Connected Community





Key initiatives from the Council Plan that relate to the Asset Plan are outlined below:



Theme 1: Connected and Healthy Community

- ▶ Maintain and improve playgrounds and recreation spaces
- ▶ Enhance sporting and recreational facilities



Theme 2: Vibrant Liveability

- ▶ Enhance township character
- ▶ Improve roads, drainage, and footpaths
- ▶ Engage our communities in development of a program of prioritised road, drainage and footpath upgrades across the Shire balanced with volume and type of use
- ▶ Review and improve waste recovery and recycling service and infrastructure
- ▶ Convert Council owned/managed facilities to solar power
- ▶ Support Station Precinct commercial and community activation in line with the Masterplan
- ▶ Develop Lakins Road Precinct



Theme 3: A Trusted, Effective and Efficient Council

- ▶ Progress the Digital Transformation Strategy
- ▶ Provide the community with transparent information about Council plans, strategies, and performance
- ▶ Advocate for the delivery of projects such as the Lake Eildon Masterplan, Mansfield Station Precinct, Mansfield Emergency Services Precinct, Lakins Road Industrial Precinct, a Year-around Aquatic Facility in Mansfield, Lords Reserve Community Hub, and redevelopment of the Resource Recovery Centre



2.3 Current Levels of Service

Current levels of service are based on customer expectations, historical customer feedback and an ongoing assessment of what can be achieved within available resources.

Levels of service are influenced by the available funding over time, together with the growth and development of the Shire. The tightening of the rural economy over recent decades, and of government funding, has resulted in a general tendency towards reduced service levels over time, as local municipalities balance community expectations and infrastructure needs in a rate-capped environment.

As a requirement of the *Local Government Act 2020*, Council will continue to review maintenance of and renewal rates for infrastructure assets, to ensure that assets can function safely at a standard acceptable to the community and avoid creation of an infrastructure backlog.

Table 1 provides the condition rating scale and criteria used in assessing infrastructure assets. The Overall Service Index (OSI) is a numerical score given to an asset to represent its condition. This index considers all the condition parameters and averages them to provide a score out of 6. The distribution percentage is as per the total network measure (size) of the asset class or type. The current condition of the assets has been used in predictive modelling to determine the required funding levels for future asset renewals.





Mansfield Shire infrastructure assets currently have a condition rating of “Good” or “Fair” for the majority of assets as at 30 June 2023.

- ▶ 95% of our road network assets are rated “Fair” or above, and 5% are rated “Poor” or below.
- ▶ 98% of our footpaths and shared paths network are rated “Fair” or above, and 2% are rated “Poor” or below.
- ▶ 99% of our bridges and major culverts are rated “Fair” or above, and 1% are rated “Poor” or below.
- ▶ 93% of buildings and structures are rated “Fair” or above, and 7% are “Poor” or below.
- ▶ 99% of our stormwater drainage network is rated “Fair” or above, and 1% is “Poor” or below.

Where possible Council aims to keep all assets at a condition rating of 3 (Fair) or better to avoid the need for more frequent maintenance or servicing.

Table 1: Asset Condition Rating Description

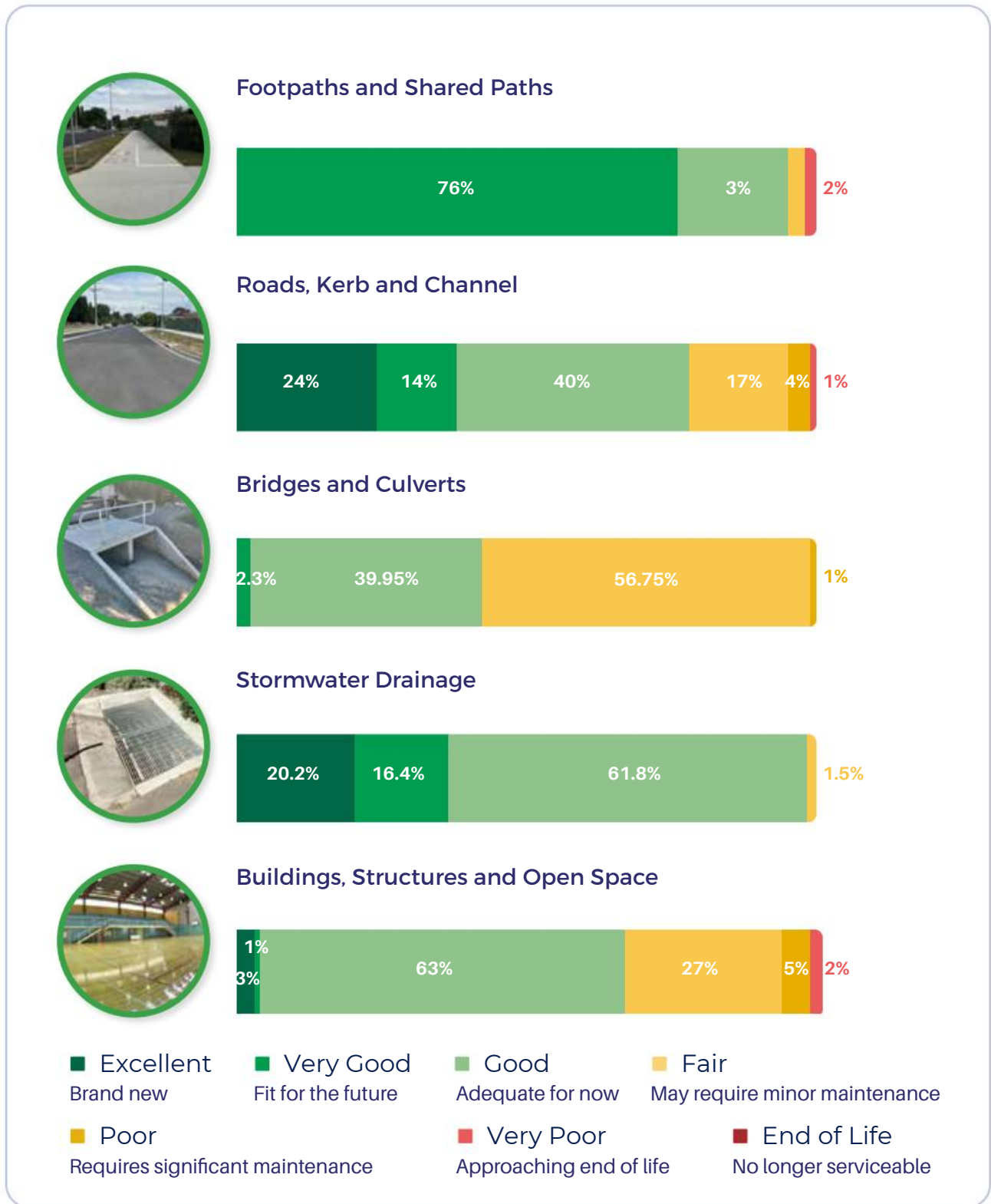
Rating	Condition Description
0 - Excellent	Brand new asset or recently rehabilitated to as a new condition, only cyclical routine maintenance is required.
1 - Very Good	Asset is in very good overall condition, only routine maintenance is required.
2 - Good	Superficial defects may be present requiring minor maintenance, in addition to routine cyclical maintenance.
3 - Fair	Moderate deterioration. To maintain adequate serviceability, more frequent maintenance is required in addition to routine cyclical maintenance.
4 - Poor	High deterioration is evident with rising maintenance costs to maintain serviceability. The asset would be at the point where it can be considered for renewal.
5 - Very Poor	Evidence of high level of deterioration affecting serviceability. The maintenance cost is high. The asset is now nearing the end of its useful life and should be considered for renewal.
6 - End of Life	Asset is no longer serviceable and should not remain in service.





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

Figure 5 : Condition Summary





2.4 Desired Levels of Service

The levels of service will be refined over a period to match the expectation of stakeholders; this requires a clear understanding of the various stakeholder needs, expectations, preferences, and willingness to pay for any increase in the levels of service required.

To maintain a reasonable and acceptable level of service, Council, in consultation with the community, will continually review the existing levels of service so that they can be incorporated into the Asset Management Plan for each asset type.

2.5 Annual Budget Development Process

Funding for upgrade or renewal of an asset must compete against the needs of other assets, and a wide range of other services provided by Council.

There are four streams of funding required for assets:

Maintenance	The maintenance required to maintain the expected life cycle.
Renewal	Restoring assets to maintain their expected level of service – like-for-like.
Upgrade	Refurbishments or redevelopments to increase the level of service of an asset.
New	Acquiring or establishing assets where that asset did not exist before.

Maintenance costs are calculated annually and budgeted for in Council’s operational budget. Renewal, upgrade, and new assets compete for funding allocation through the capital works budget process.

When allocating funds to an asset during the budget process Council aims to:

- ▶ ensure that all extreme and high-risk defects are rectified;
- ▶ ensure that the asset remains serviceable until the predicted life of the asset type is achieved;
- ▶ move towards the desired level of service.

The draft budget and supporting documentation are prepared annually. Community feedback and input to the draft budget is sought each year through the budget process, and customer requests received by Council throughout the year are also considered. Council advertises the proposed budget in May with an intention to adopt a final budget in June.

The budget process enables consideration of the requirements of renewal, upgrade, or new assets.

New assets require a whole of life costing and business case justification to be put forward for approval.

Budget items for renewal projects require an assessment that demonstrates renewal is required to meet service levels.





3. Future Asset Demand

3.1 Demand Forecast

Mansfield Shire has experienced a relatively steady rate of population growth in the past. However, more recently and especially since the COVID-19 pandemic, the Shire has become an even more popular place for people to live.

Along with this growth comes an increase in the service demands on Council's assets. A larger population places pressure on assets and increases the maintenance and renewal expenses associated with them. Simultaneously, population growth increases the need for new assets that are required to service a growing population with increasing expectations.

For example, new commercial and industrial sites may generate significantly increased volumes of light and heavy vehicles on specific roads. With the generation of new jobs within the community, the impact of increased maintenance on those roads can cause an increased financial burden to all ratepayers if these organisations or developments are not considered in the overall management of the road and infrastructure network.

Population growth and economic development do not translate directly into increased Council funds. A rate-capping environment means we must meet the expectations of a changing community with minimal increases in ratepayer funds.

Roads are particularly prone to the pressures of increased use, particularly where businesses and industries experience growth. Businesses and industries that generate the most traffic include:

Farmed timber - log trucks, intensive

Grain storage and wine production - trucks, intensive but seasonal

Quarries - regular truck usage

Tourist buses

Earthmoving contractors - regular truck usage



3.2 Demand Management Strategy

Council's long-term financial strategy is outlined in the Mansfield Shire Council Financial Plan 2021-2031. Council's position anticipates that it can meet current renewal demands (the demand to maintain like-for-like assets over time). However, future renewal funding demands will increase. The increase in demands for renewal is impacted by increased use and many other factors. The demand is assessed through ongoing monitoring via the completion of condition assessments and the refining of asset lives and degradation curves. This continual process assesses Council's asset sustainability.

If, during this process of monitoring, Council identifies that there is a gap between the demand for renewal and the capacity of its financial position to meet those demands, Council would need to consider reducing the levels of service provided, alternative means of funding, or demand management strategies.

Council recognises and is committed to seeking community input when downgrading or reducing levels of service. The community may provide new information about how assets are used, or they may advocate for the reduction of maintenance costs where assets are no longer contributing or meeting community needs.

3.3 Demand Management Planning

Demand management planning allows us to forecast the demand on assets with the aim of reducing or deferring the need for new assets. The practice of demand management combines the maintenance and upgrade of new assets as well as non-asset processes, such as insuring against risks, managing failures, or providing services from alternative infrastructure.

It provides alternatives to the creation of new assets to meet demand. It also examines ways of modifying community demands. So, for example, the use of existing assets is maximised and the need for new assets is reduced.

For instance, Council's current funding of the road network asset management is under continual pressure and any new developments need to be considered in the overall funding assessment. New developments which generate additional traffic should be given serious consideration, with a funding balance being established between a general rate increase for the additional maintenance burden or alternatively a reallocation of funds or development contributions.

Over time, the community may seek higher levels of service than currently provided. Council must regularly review existing levels of service to ensure:

- ▶ Levels of service meet community expectations (via community consultation), and;
- ▶ Levels of service can be maintained financially and operationally.



3.4 Challenges and Opportunities

The key challenge facing Council is meeting community expectations within funding constraints. Some key areas identified for further deliberation with community include:

Population growth providing increasing pressure on local infrastructure.

Community pressure to upgrade roads within existing budget (for example, sealing Buttercup Road, Rifle Butts Road and Kidston Parade, or upgrading Highton Lane).

Improving community health and wellbeing by extending walking, cycling, and riding trails to provide safe off-road pedestrian and cycle paths.

Improving our local transport links to service both residential, agricultural and tourism sectors, including widening and resheeting existing unsealed roads, and raising load limits on bridges where necessary (for example, Hearn's Road)

Meeting community requests for a year-round aquatic facility, balanced against long-term operational expenditure.

Improvements to sporting facilities for community health and wellbeing (Community Hub at the Lords Reserve).

Renewal or replacement of existing bridges built in the 1940s and 1950s and approaching the end of their functional life over the next 10-20 years.

Improving existing stormwater drainage systems where they are inadequate to deal with current demand (for example, Western side of Mansfield township).

Increasing the capacity of the stormwater network to cope with additional growth and development, and to respond to the impacts from increased climate variability and the associated increased prevalence and intensity of rainfall from storms.





4. Asset Management Processes & Systems

Council needs to ensure that Council assets can deliver agreed service levels. The purpose and function of assets can change considerably since original construction, and the expected service standards and levels evolve to meet the needs and expectations of the community and other stakeholders.

The Asset Management process comprises:

- Asset acquisition/identification
- Asset Inspection - Review Against Service level
- Asset Maintenance
- Asset Renewal - Review Against Service level
- Asset Decommissioning

4.1 Asset Management Process

4.1.1 Asset acquisition/identification

Asset acquisition is when the existing asset fails to deliver its services or when a community requires an entirely new asset to meet its demand.

Asset identification is when the existing asset meets its demand and cannot support the growing population and needs to be upgraded further to cater the increase in demand.

Council is responsible for ensuring that all council-managed assets are recorded and correctly identified.

4.1.2 Asset Inspection

Council carries out two forms of inspections on its assets:

Maintenance Inspections	To identify the activities required to keep the asset at current services levels and maximise the life of the asset.
Condition Inspections	To identify where the asset is within the life cycle of the asset class and to ensure the asset meets the service levels required of that asset.



Maintenance and Condition inspection frequencies are dependent on the asset class and may be undertaken together.

To manage all the assets effectively, up-to-date valuations and condition assessments need to be carried out. To this end, revaluations and condition assessments are to be carried out at least every 3 years.

Condition inspections and valuations are carried out either internally by staff or externally by contract depending on staff availability, skill level and certification levels. The programmed condition assessment and revaluation cycle is documented in the Road Management Plan for transport assets, and in the individual asset management plans for other asset classes.

Council is responsible for ensuring that inspections are undertaken and recorded.

4.1.3 Asset Maintenance

Asset Maintenance is undertaken in response to maintenance inspections and on an ad-hoc basis when issues are identified by reports from stakeholders. Defects are classed into 4 broad levels:

Safety	Need to be addressed urgently either by rectification or by limiting access.
Urgent Maintenance	Need to be addressed by rectification in a short time.
Regular Maintenance	Need to be addressed by rectification when resources allow.
Capital	Need to be addressed as part of the renewal and capital expenditure cycle.

Council is responsible for ensuring that asset defects are recorded and scheduled for rectification.

4.1.4 Asset Renewal

Renewal work is normally undertaken when an asset reaches a condition level deemed as the intervention level, and when resources allow. The renewal work is expected to bring the asset up to a similar service level that a new asset would have.

Council is responsible for planning and undertaking renewal work.

4.1.5 Asset Disposal

Assets at times reach the end of their service life and provide a service that may not be required by Council into the future. In these circumstances, the asset is decommissioned and disposed of. The process of disposal varies for different asset classes and is described in the appropriate section in the appendices.

Council is responsible for managing the disposal of assets at the end of service life.





4.2 Asset Management Systems

Council operates an integrated asset management system comprising of:

Assetic	Specialist asset management software and services.
QGIS	Geographical Information System (GIS).
Pozi	Enables users to view and analyse GIS information from a web browser.
CRMS	Open Office’s Customer Relationship Management System (CRMS) to track defects and community comments on assets.
Asset Registers	Asset registers that maintain classes of assets and record location, type, classification, condition, age, configuration, and quantities. The registers also maintain historical data to track changes to assets.

The asset management system assists in maintaining asset valuations (e.g., replacement value, depreciation) in accordance with relevant accounting standards. The system enables Council to develop a long-term asset management financial plan based on deterioration rates and life expectancy using age and condition of the individual assets, their historic management and condition.

The asset registers within the Asset Management System form an integral component of Council’s overall records management systems. They enable Council to comply with the evidentiary provisions and maintain records of defects or other matters that have required refurbishment, renewal, repair, or maintenance as part of the custodianship of Council’s assets.

4.2.1 Assetic

Council uses Assetic, a knowledge database, to manage its road, kerbs, footpath, stormwater, open space, bridges and building assets. This is the database that stores relevant asset information, including the Road Register and other information that is relevant for the management of road assets. Assetic records the physical attributes of assets.

Data recorded for roads includes location by name, construction material, width, and thickness as well as condition assessment that is undertaken on a regular basis. Each asset is given a unique identifier in the Assetic database that can also be applied to any other database, such as Council’s Geographical Information System (GIS), where it is listed. A sequential number is allocated to each asset when it is created in the database. The extent of data to be recorded in the database will be that identified by the organisation as important to its management needs.





4.2.2 MapInfo Geographical Information System

Most of Council's asset types (roads, footpaths, bridges, major culverts, stormwater drainage, buildings, council-managed and owned land) have been mapped on the GIS database.

4.2.3 Customer Relationship Management System (CRMS)

Council operates a CRMS supplied by OpenOffice. It allows the recording of ad hoc asset issues. Rectification work for these issues is actioned and tracked through the CRMS system.

Open Office's CRMS is used for maintenance reporting, work orders, defect and condition recording and reporting. Community members can raise a customer request through the Mansfield Shire website or via email to council@mansfield.vic.gov.au.





5. Asset Planning & Life Cycle Expenditure

The following sections provide details on asset planning and associated life cycle expenditure. The sections also discuss donated assets in relation to new developments.

5.1 Asset Planning

To contribute to the Community Vision and meet the objectives of the Council Plan, Council will need to plan for new assets.

Asset development must encompass a business case and be linked to service plans. Council follows a 5-step process for asset planning.

5.1.1 Basic Business Case

A basic business case should be developed at the initial stage of a proposal for a new asset. This will outline the service being provided by the asset, how it fits in with the Council Plan and contributes to the Community Vision, sources of funding and the effective cost-benefit ratio.

5.1.2 Approval

Council determines whether a new asset is developed by following an internal process of approval. This includes the submission of a basic business case and consideration of financial implications.

5.1.3 Community Consultation

The proposal is considered for community consultation to confirm it matches community needs, expectations, and service levels.

5.1.4 Detailed Business Case and Plans

The proposal is fully developed, including any relevant feedback from the community consultation process. The proposal includes a detailed business case, definition of the service provided, the levels of service required, whole-of-life costings, initial outlay costs and proposed funding sources.

Designs and investigations should be undertaken or commissioned, and permit requirements scoped.

5.1.5 Council Approval

The proposal is submitted for in-principal budget approval. If approval is given, grant applications are made, and final budget approval is sought. On funding approval, permit applications are made.



5.2 External Asset development and donated assets

Donated assets go through the same process through which new assets come under Council control and by which existing assets are upgraded (i.e., provide enhanced or new functionality).

Before final approval is given for a donated asset, whole-of-life costs, and the contribution it makes toward the objectives of the Council Plan need to be determined. Potential adjustments and changes can then be incorporated if required.

When the asset is being provided by external development activity, then the process is largely managed and restricted by the statutory planning framework, although engineering and other requirements can be imposed.

5.3 Lifecycle Expenditure

Asset expenditure is based on asset life cycles. In a sustainable asset system, costs related to assets are cyclical.

Capital expenditure	Acquiring or upgrading an asset
Operational expenditure	The cost of operating the asset over time
Maintenance expenditure	The short-term cost of maintaining the asset for day-to-day use (e.g., clearing a drain)
Renewal and reconstruction	Intervening to meet prior levels of service to a like-for-like level.

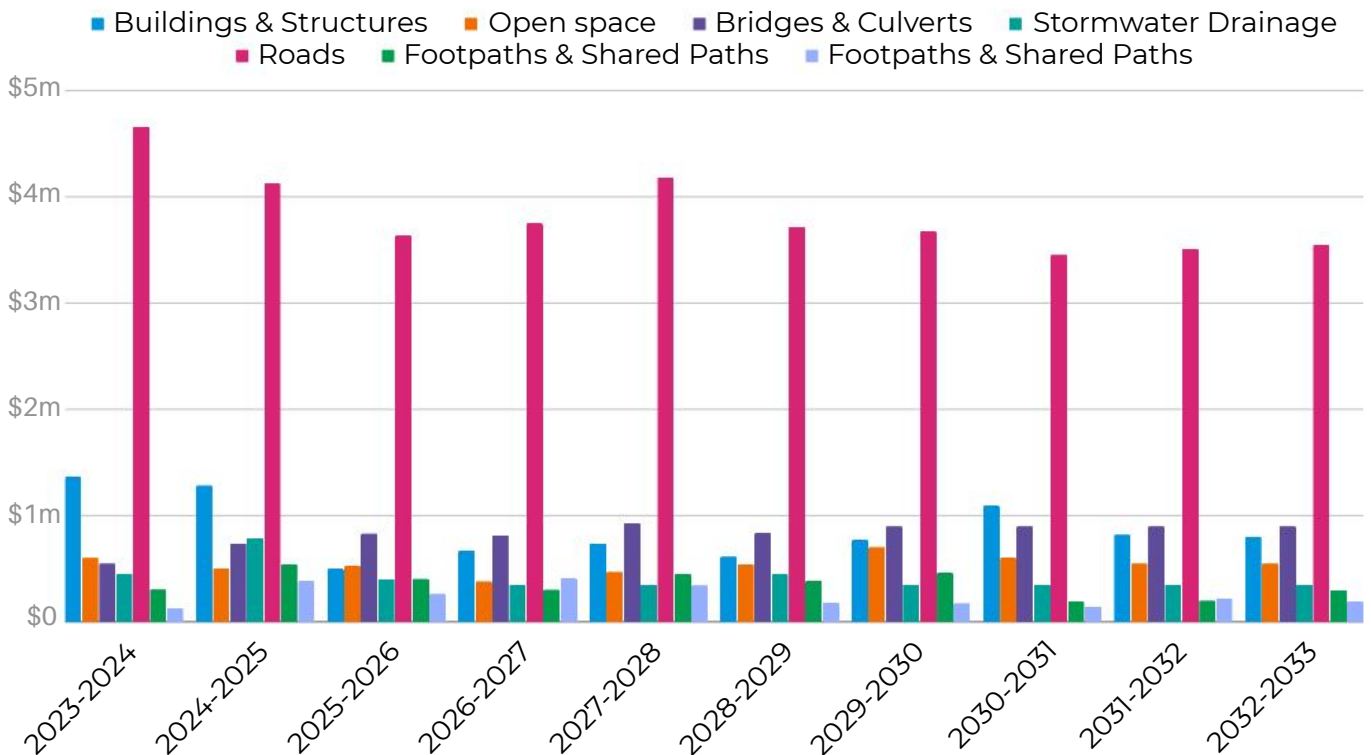
Council reporting and financial systems are oriented around tracking incomes and expenses within these categories.

After the initial investment of capital expenditure, the asset will accrue operational and maintenance costs. Over time, interventions will be required to maintain levels of service. At this point, capital expenditure may again be required for renewal of the asset and the cycle restarts.





Figure 6: Planned 10 Year New, Upgrade and Renewal Budget



The data in Figure 6 above, is illustrated in detail across Appendices A to D.

5.3.1 Capital Expenditure

New works encompass projects (including land purchases) for the extension or upgrading of assets required to cater for growth or additional levels of service.

New works are works which create an asset that did not exist in any shape or form.

Upgrade works include:

- ▶ Works which improves an asset beyond its original size or capacity
- ▶ Works designed to produce an improvement in the standard and operation of the asset beyond its original capacity.

Provision of new and upgrade works can be funded by:

- ▶ Council
- ▶ External parties
 - Community groups
 - Private developers
 - State government
 - Federal government
- ▶ Contribution to the cost by any combinations of Council and external funding.





Where possible, developers of new subdivisions are required, as part of the development approvals process, to provide the basic infrastructure to the standard appropriate for that development.

There are occasions when Council is required to upgrade an asset because of changed usage requirements. In such instances, the project should be addressed through the asset planning framework described above.

New operational costs may be required for new infrastructure. These additional costs should be included in the overall cost of the project when the project is being evaluated. When considering a new project, such as the creation of a new asset, Council’s processes recognise the challenges in funding existing assets and infrastructure, both in maintenance and asset renewals. Council is therefore cautious when considering the acquisition of assets.

5.3.2 Operational Expenditure

Operational Expenditure encompasses the cost of using the asset over time. This may include staffing costs for a facility, or the electricity costs for street-lighting. Operational costs have no direct financial effect on improving asset condition, although they do have an indirect effect via wear and tear in reducing asset condition.

5.3.3 Maintenance Expenditure

Maintenance expenditure is the day-to-day work required to keep assets operating at required level of service. Maintenance includes all repairs and maintenance work which is not classified as renewal work. Maintenance falls into two broad categories:

Planned Maintenance - Proactive	Planned maintenance works based on proactive inspections to prevent asset failure and avoidable degradation.
Unplanned Maintenance - Reactive	Reactive action to correct asset malfunctions and failures on an as-required basis (e.g., emergency repairs).

Maintenance expenditure includes:

- ▶ Road grading
- ▶ Drainage clearing
- ▶ Roadside weed spraying and clearing
- ▶ Building maintenance (e.g., electrical repairs, plumbing repairs, painting, clearing of roof gutters)
- ▶ Replacement of expansion joints for bridges
- ▶ Attending to road defects (e.g., edge breaks, potholes)
- ▶ Maintaining roadside furniture (e.g., signs, guideposts, rubbish bins, public seats).





5.3.4 Renewal/Reconstruction

Renewal and reconstruction work encompasses three broad changes to assets:

- ▶ Work to bring existing assets back to their original functionality, size or capacity
- ▶ Replacement or reconstruction of an entire component of the asset with the equivalent functionality, size, or capacity
- ▶ Replacement or reconstruction to restore assets to their original capacity.

Renewal expenditure includes:

- ▶ Resealing of sealed roads
- ▶ Resheeting of unsealed roads
- ▶ Replacement of barriers, fencing
- ▶ Replacement of culverts.

Reconstruction expenditure includes:

- ▶ Reconstruction and rehabilitation of roads
- ▶ Reconstruction of footpath
- ▶ Reconstruction of kerb and channel
- ▶ Replacement of major structures such as bridges and retaining walls or their components, streetlight components such as poles, brackets and lights and street furniture such as bus shelters and litter bins.

5.4 Renewal Strategy

The general renewals strategy is to rehabilitate or replace assets, when justified, by assessing the following aspects:

Risk	The risk of failure and associated financial and social impact justifies action (e.g., impact and extent of resulting inability to achieve access along the road, probable extent of damage to business, and any health risk arising from the impediment to access).
Asset performance	Renewal of an asset when it fails to meet the required level of service.
Non-performance	<p>Non-performing assets are identified by the monitoring of asset reliability, capacity and efficiency during planned maintenance inspections and operational activity. Indicators of non-performing assets include:</p> <ul style="list-style-type: none"> ▶ constant closures due to impassability ▶ roughness causing damage to vehicles and produce ▶ risk to safety is rated high on an increasing frequency.





Economics

It is no longer economically efficient to continue repairing the asset

- ▶ The annual cost of repairs exceeds the annualised cost of renewal
- ▶ The condition of the asset is having an impact on maintenance costs for an adjacent asset (e.g., a leaking roof is damaging the structure of a building).

Condition ratings have been standardised so that when an asset has 2-5 percent of its life remaining (from 6 months to 4 years, depending on asset class), it is assessed to be at Condition 4 (Poor).

This has been adopted as Council's base intervention level, as it reflects Council's current practice which allows an asset to remain in service if possible before renewing it.

Intervention levels and hence renewal demand forecasts are currently not based on appearance or community attitudes.

5.5 Renewal Plan

The annual review of the strategic asset renewal/replacement needs, undertaken through the Asset Management System, provides the input for the development of the annual capital renewal/replacement works program for consideration with the annual budget.

During the renewal/reconstruction process some of the existing assets can be recycled or reused, while some may have to be removed from the site as they are of no further use. Council's asset records are adjusted to reflect the change in asset value because of reconstruction and the creation of a 'new' asset with a higher value than the one replaced. That component which is reused may have a residual value.

5.6 Asset Disposals

Consideration of disposal of an asset is initiated when:

- ▶ The economic life of the asset has expired
- ▶ Its service specification is no longer relevant
- ▶ There is no longer a need for the service provided by the asset

Disposal of an asset will occur only after approval of the Executive Management Team has been obtained.



To enable assets to be disposed of appropriately, Council will:

Prepare detailed asset disposal procedures and identify and communicate the preferred arrangements for disposals to relevant staff

Ensure that Asset Management Plans for the various asset classes contain information and consideration of the future disposal of items in that class

Prepare and evaluate proper costing models to support the selection of the most cost-effective disposal methods

Engage experts or appropriately qualified staff to value the asset, determine methods of sale and develop the terms of contract and to assist in preparing the contract (particularly for complex and non- standard disposals) to minimise the exposure to risk.

Appropriate means of disposal may include:

- ▶ Public auction
- ▶ Public tender
- ▶ Transfer to another entity
- ▶ Sale to another entity
- ▶ Sale to staff
- ▶ Trade-in
- ▶ Scrap

To determine the correct means of disposal, the following matters should be considered:

- ▶ Nature of the asset (i.e., a specialised asset or common item)
- ▶ Potential market value
- ▶ Other intrinsic value of the asset (i.e., cultural / heritage aspects etc)
- ▶ Location
- ▶ Size or volume
- ▶ Trade-in value
- ▶ Ability to support wider government programs
- ▶ Environmental considerations
- ▶ Market conditions
- ▶ Asset (useful) life





6. Asset Valuation and Capitalisation

The purpose of outlining the following key financial assumptions is to enable users of this document, particularly of the financial components, to understand the background, limitations and accuracy of various forecasts and conclusions made.

In time, as more detailed information becomes available, such forecasts and conclusions may need amending. This will be easier to undertake if the background to current forecasts and conclusions is evident.

The following assumptions have been made:

- ▶ Renewal projections are based on asset lives.
- ▶ Asset lives are determined from:
 - an analysis of current asset performance
 - comparable estimates from other sources (such as other local governments).
- ▶ Renewal estimates are based on current replacement values.

6.1 Asset Valuations

Valuation of Council's infrastructure assets is in accordance with the Australian Accounting Standards for Financial Reporting. The following methodology and approach is applied:

- ▶ The basis for calculating valuations is the asset data currently held in Council's existing asset registers at the date of valuation.
- ▶ Replacement values have been determined from current construction costs determined via:
 - ▶ An external source - Assetic predictor modelling
 - ▶ The internal sources:
 - contract schedule of rates used for similar assets elsewhere in the shire
 - averages of rates from similar shires (e.g., North-East Averages)
 - unit rates from Rawlinsons Australian Construction Handbook.
- ▶ Replacement valuations are based on the cost of constructing a new asset (i.e., greenfields rates) with modern materials that provide the equivalent service in terms of capacity to the user.

A greenfields valuation estimates the cost to replace an asset, assuming there are no existing underground services or adjacent buildings or other similar constraints that will adversely affect the cost of reconstructing or replacing the asset.





As accounting standards require greenfield rates, asset valuations have been determined on the actual unit construction cost prevailing at the time of valuation. These are uplifted by construction index rates from Rawlinsons where necessary. The replacement valuation does not take into consideration existing site conditions, existing asset condition and costs associated with extraction and utilisation of the old asset.

Written-down valuations are based on the condition assessment of the asset, with 0 being a new asset and 6 being an asset at the end of life. The condition provides a proxy for the proportion of asset life used.

All valuations and asset counts are fully documented to provide a clear audit trail.

The replacement value of each asset is reviewed annually. Where a change in the replacement value is material, revaluation of the assets will be carried out.

6.2 Capitalisation Threshold

A threshold of \$5,000 has been set for the capitalisation of assets. At budget time, projects of less than \$5,000 will be classified as operating expenses. Where individual assets are purchased with capital funds for less than \$5,000 or where capital works of less than \$5,000 are undertaken on assets, the expenditure will be classified as maintenance expenses.





7. Asset Management Plans

An integrated formal approach to managing assets is essential to achieve Council’s asset management objectives, in alignment with the community and Council Plan priorities and initiatives. The Asset Management Plans (AMP) define the current state of our infrastructure assets, and the 10 Year funding required to achieve and maintain the identified service levels.

The following objectives will guide asset management planning and service delivery:

To make asset investment decisions based on a long term focused, integrated decision-making process informed by strategic plans, asset and service strategies, service plans and asset management plans.

To make informed, evidence-based decisions about the management of our assets incorporating social, economic, and environmental factors which influence the health and wellbeing of our community.

To maintain assets throughout their lifecycle to enable the delivery of appropriate levels of service and optimise the sustainable use of available resources.

To ensure compliance with statutory requirements and obligations.

To implement best practice asset management in compliance with the International Standards (ISO 55000) and National Asset Management Frameworks.

7.1 Monitoring and Improvement Program

The Asset Management Plans are dynamic documents, reflecting and responding to changes that occur over time. They are reviewed during the annual budget preparation and amended (if required) to recognise the changes in levels of service and/or resources available to provide those services as a result of the budget process. The AMPs typically have a life of 4 years and are due for revision and updating within 1 to 2 years of each Council election.

7.2 Current State of the Assets

Our Overall Service State is colour coded as follows:

Excellent	Very Good	Good	Fair	Poor	Very Poor	End of Life
0	1	2	3	4	5	6
Brand New	Fit for the future	Adequate for now	May require minor maintenance	Requires significant maintenance	Approaching end of life	No longer serviceable





The appendices A to D include a detailed summary of the Asset Management Plans (AMP) for these broad classes of asset:

Appendix A - Transportation Asset Management Plan

Table 2: Transport Infrastructure Asset Class

Asset Class	Asset Types
Roads	Sealed and Unsealed
Car Parks	Sealed and Unsealed
Kerb and Channel	Barrier, Semi and Fully mountable
Pathways	Asphalt, Concrete and Gravel

Table 3: Asset Valuations as of 30 June 2023

Asset Type	Quantity	Current Replacement Value (\$000's)
Sealed Roads	262.3 km	78,093
Unsealed Roads	584.5 km	52,090
Car Parks	82,000 sq.m	3,399
Kerb and Channel	89.0 km	9,640
Pathways	99.4 km	8,265
		Total 162,566

Figure 7: Current Network Condition Distribution: Roads and Car Parks

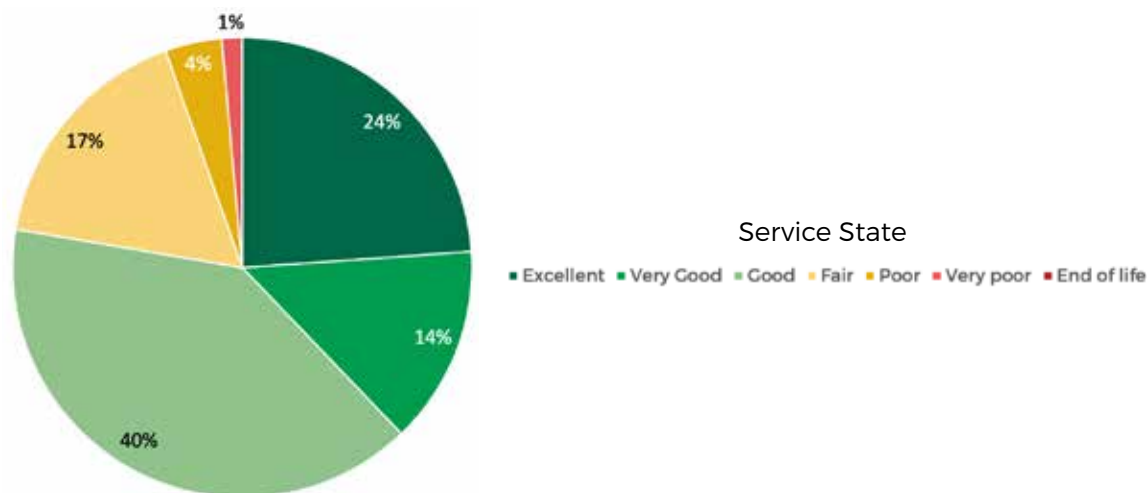


Figure 8: Current Network Condition Distribution: Footpaths and Shared Paths

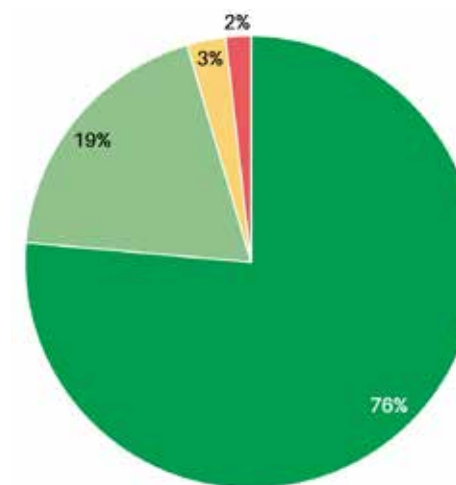
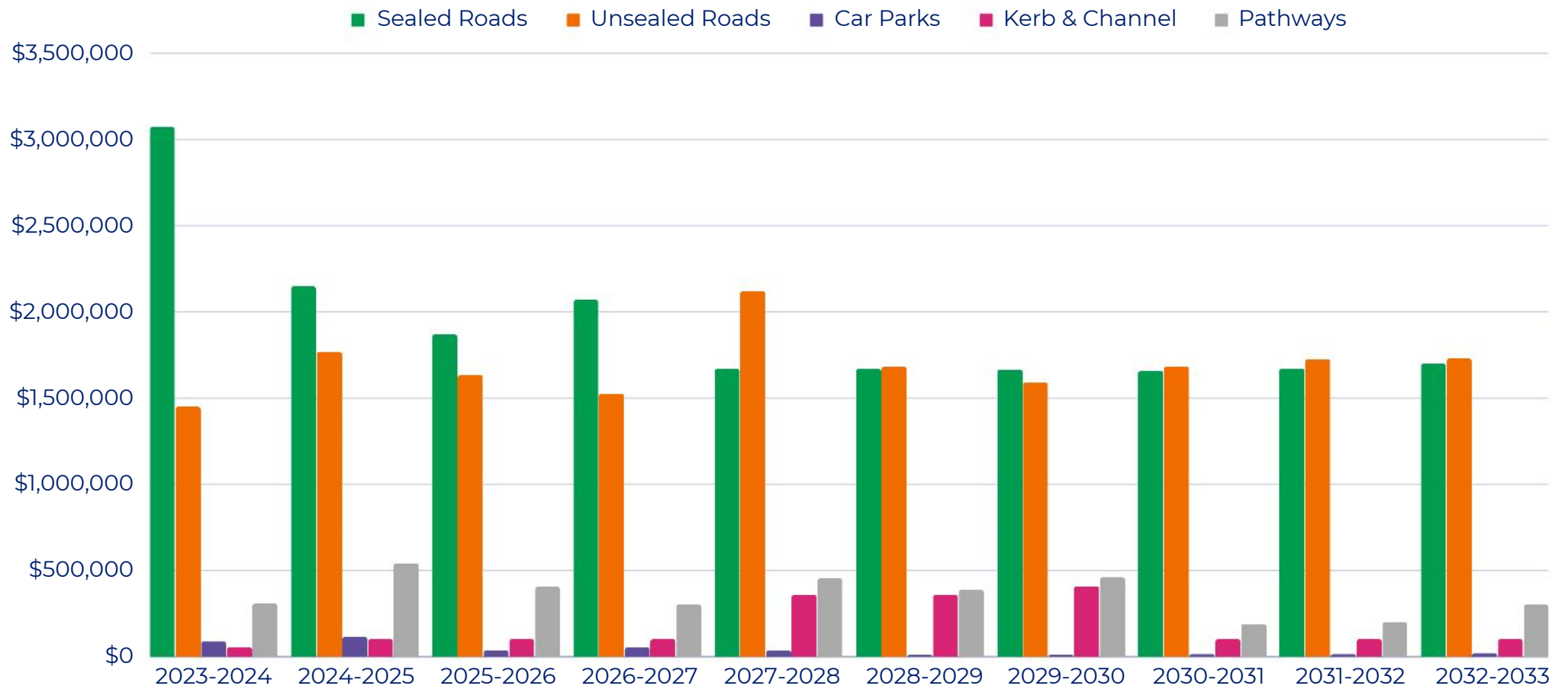




Figure 9: Planned 10 Year Renewal, Upgrade and New Budget - Transport





Appendix B – Buildings, Recreation and Community Leisure

Table 4: Assets by Class and Type

Asset Class	Asset Type
Buildings	Buildings
	Sheds and outbuildings
	Bus stops and shelters
Open Space	Playgrounds and sportsgrounds
	Open space furniture
Other Structures	Fences
	Other structure
	Pathway
	Retaining wall
	Sport equipment
	Sports field
	Swimming pool
	Tennis court

Table 5: Asset Valuations as of 30 June 2023

Asset Type	Quantity	Current Replacement Value (\$000's)
Buildings and other Structures	127	35,907
Open Space	56	6,502
		Total 42,409

Figure 10: Current Network Condition Distribution: Buildings, Recreation and Community Leisure

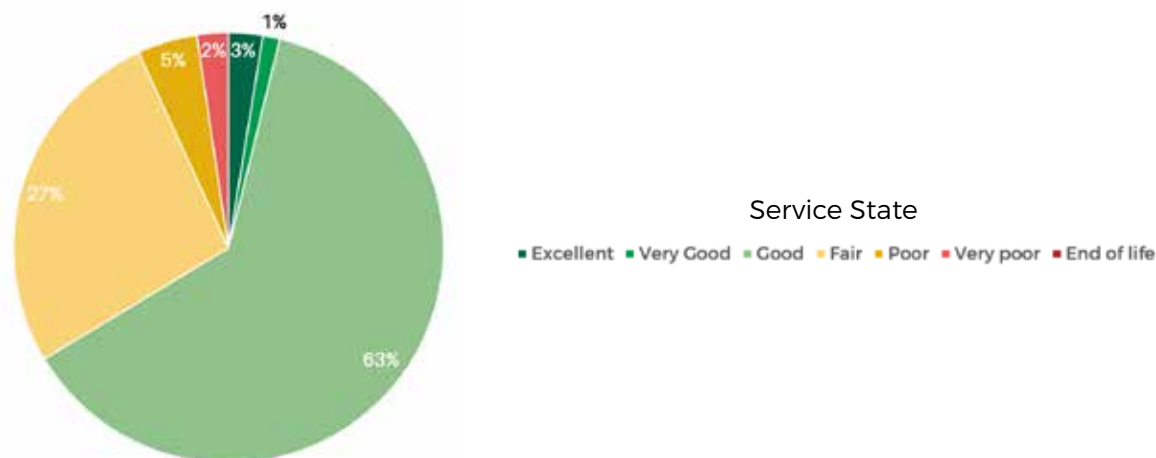
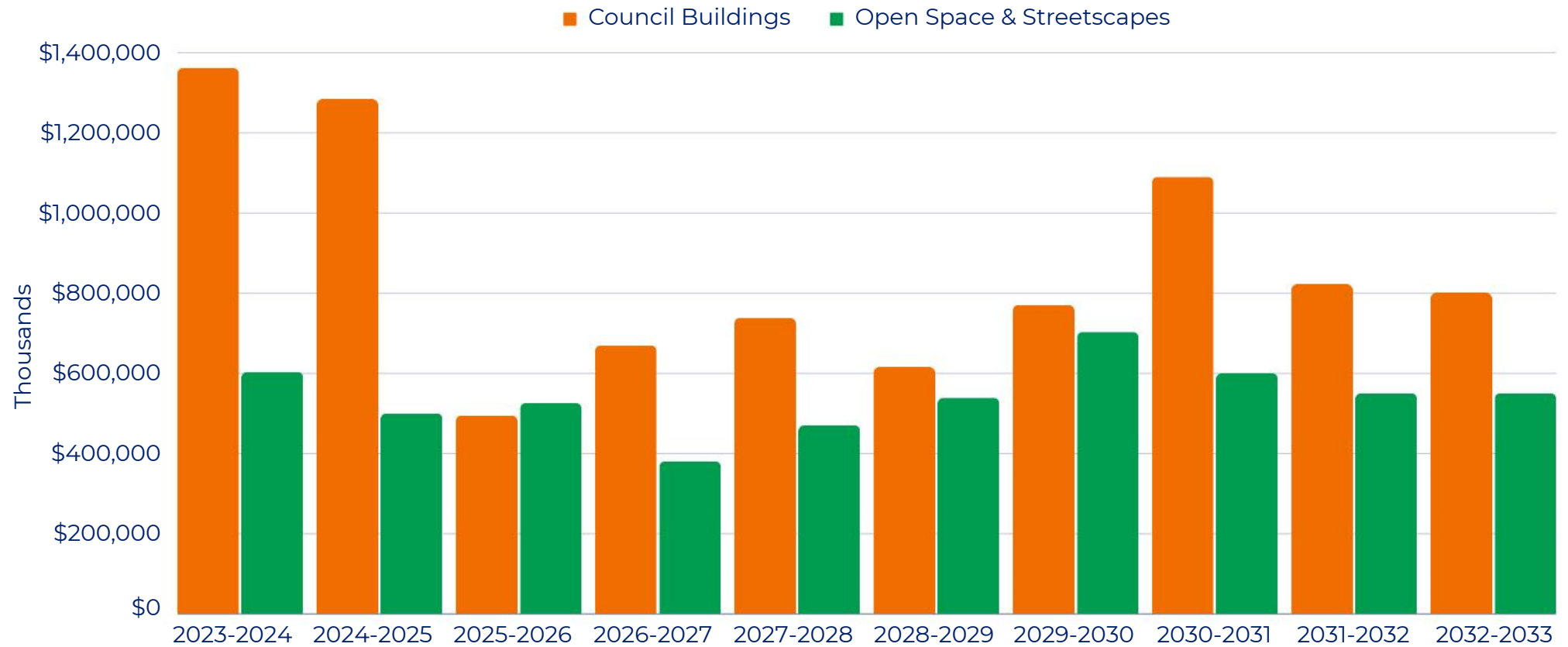




Figure 11: Planned 10 Year Renewal, Upgrade and New Budget - Buildings, Recreation and Community Leisure





Appendix C – Bridges and Culverts

Table 6: Asset by Class and Type

Asset Class	Asset Type
	Floodway
	Major culvert
	Pedestrian bridge
	Rail trail bridges, culverts and floodways
	Road bridge

Table 7: Asset Valuations as of 30 June 2023

Asset Type	Quantity	Current Replacement Value (\$000's)
Floodway	9	734
Major Culvert	78	5,314
Pedestrian Bridge	7	468
Rail Trail	20	9,456
Road Bridge	35	14,855
Total	149	32,425

Figure 12: Current Network Condition Distribution: Bridges and Culverts

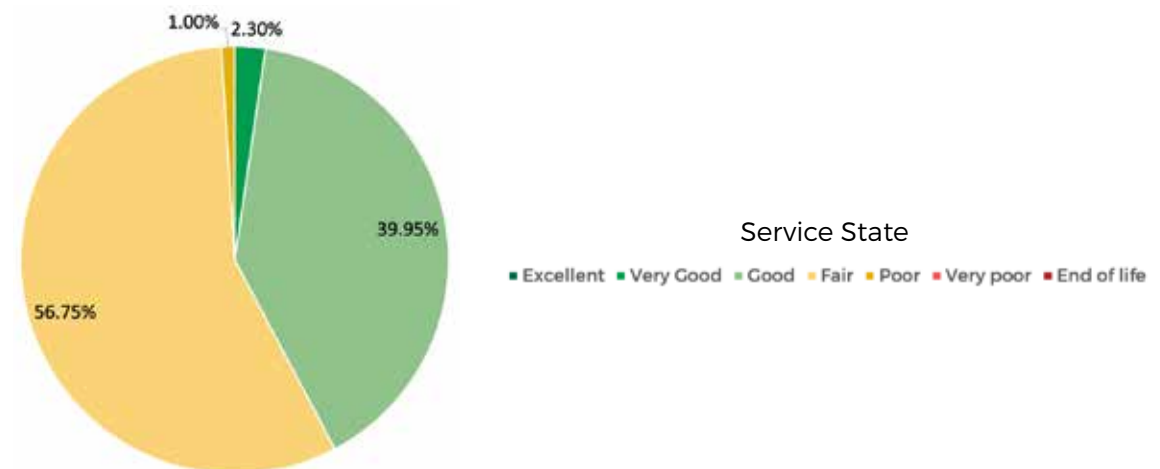
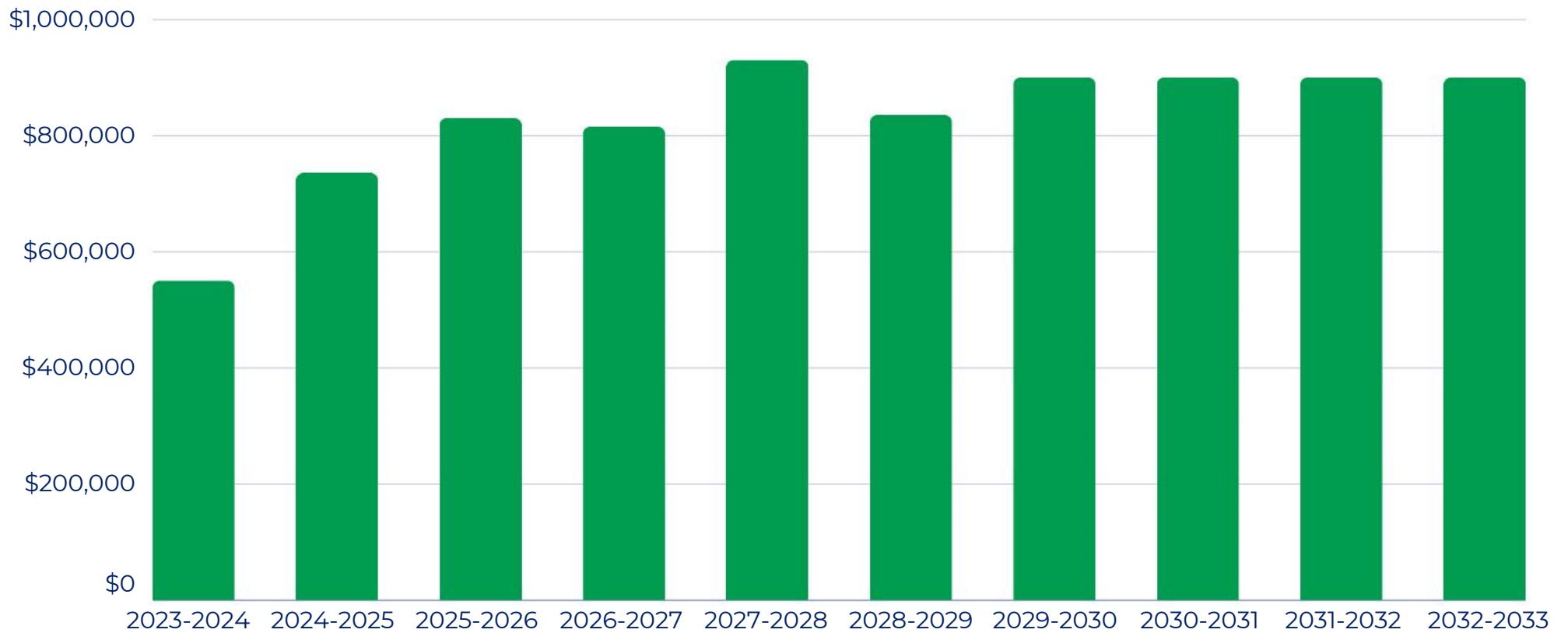




Figure 13: Planned 10 Year Renewal, Upgrade and New Budget - Bridges and Culverts





Appendix D - Stormwater Drainage

Table 8: Asset by Class and Type

Asset Class	Asset Type
Stormwater Drainage	Pipes
	Pits

Table 9: Asset Valuations as of 30 June 2023

Asset Type	Quantity	Current Replacement Value (\$'000's)
Pipes	56.4 km	22,407
Pits	2449	5,573
		Total 27,980

Figure 14: Current Network Condition Distribution: Pipes

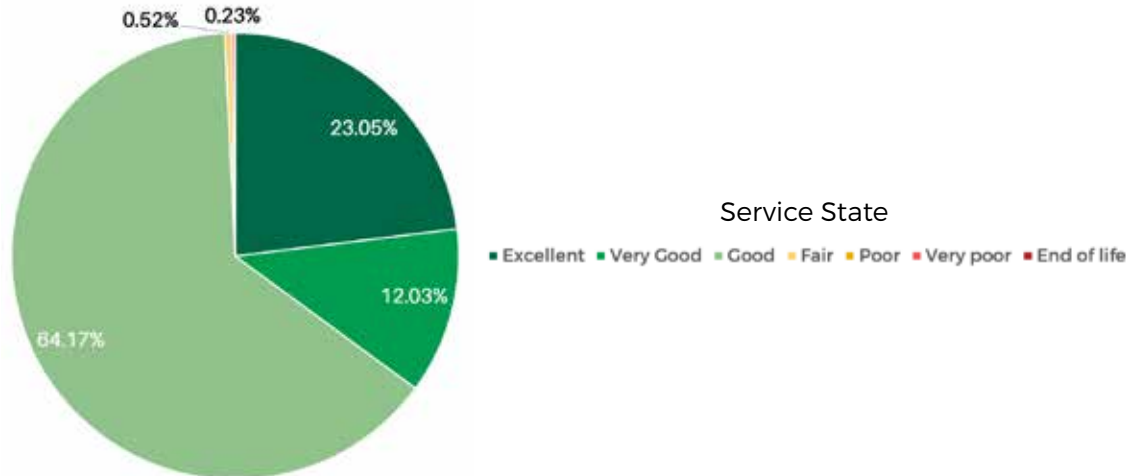


Figure 15: Current Network Condition Distribution: Pits

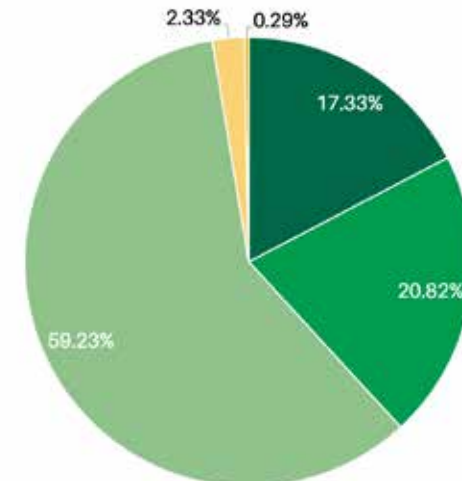
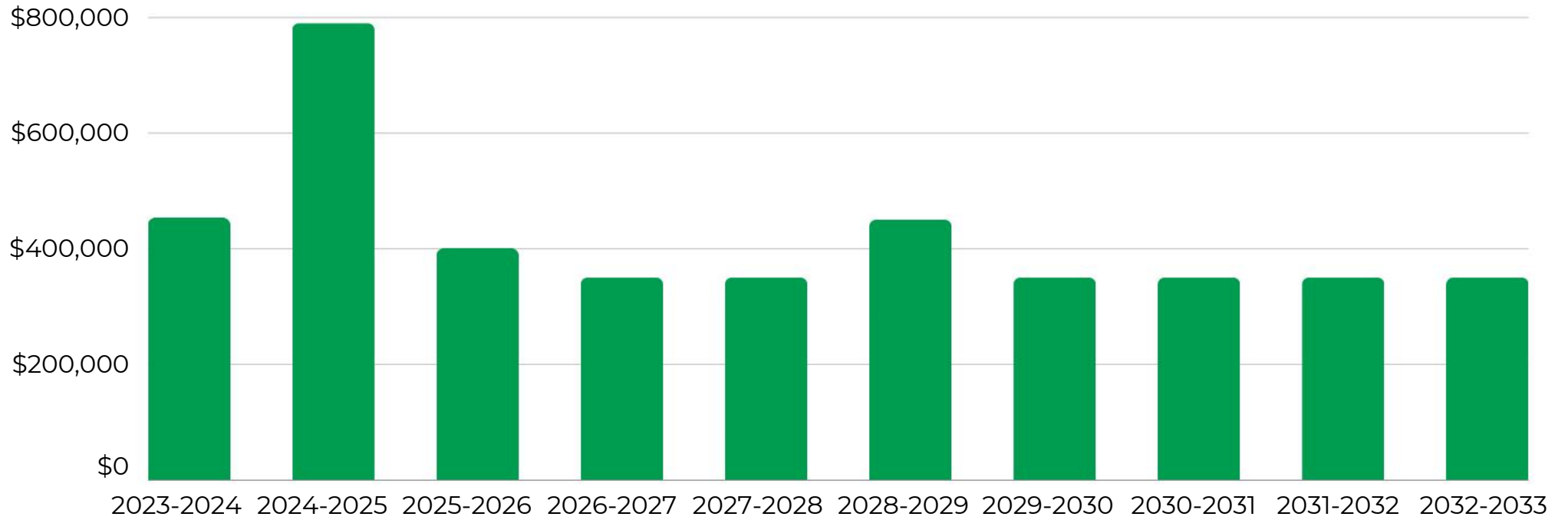




Figure 16: Planned 10 Year Renewal, Upgrade and New Budget - Stormwater Drainage





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