

Asset Plan

2022 – 2032



Southern Grampians
SHIRE COUNCIL

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1. Foreword

Council prepared its first formal Asset Plan 2022-2032 to ensure compliance with the Local Government Act 2020 and supporting Regulations coupled with a desire to provide the community with an “easy to read” guide to Council’s asset planning framework..

The purpose of the Asset Plan is to:

- Demonstrate the responsible management of assets (and services provided from assets),*
- Compliance with regulatory requirements, and to*
- Communicate the scale of infrastructure investment required to sustainably deliver affordable services for the community in the foreseeable future.*

The Asset Plan provides a summary of the infrastructure assets, their performance and actions required to achieve the strategic objectives outlined in the Community Vision 2041, Municipal Public Health and Wellbeing Plan and other associated strategic planning documents.

Both this document and the Long Term Financial Plan (LTFP) should be read in conjunction with one another – both documents having a 10 year horizon.

The Asset Plan sets out the desired levels of service to maintain the asset portfolio to enable agreed service delivery with the LTFP providing the funding solution of what is possible. The budget then provides an annual/short term view of what is required/desirable with what is financially achievable.

Council does have other assets which it manages (apart from infrastructure assets) and these will also be discussed, however, the Plan does not provide the same level of detail for non-infrastructure assets.

Council is committed to updating and expanding this document as its level of maturity in asset management practices increases

2. Statutory & Regulatory Requirements

2.1 Local Government Act 2020

2.1.1 Strategic planning

Part 4 of the Local Government Act 2020 addresses planning and financial management and Division 1 covers strategic planning. The Financial Plan is one of the strategic plans subject to the Strategic planning principles. Section 89 of the Act sets out the Strategic planning principles as follows:

89 Strategic planning principles

- (1) A Council must undertake the preparation of its Council Plan and other strategic plans in accordance with the strategic planning principles.
- (2) The following are the strategic planning principles —
 - (a) an integrated approach to planning, monitoring and performance reporting is to be adopted;
 - (b) strategic planning must address the Community Vision;
 - (c) strategic planning must take into account the resources needed for effective implementation;
 - (d) strategic planning must identify and address the risks to effective implementation;
 - (e) strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.

The Local Government Act 2020 introduces a requirement for Victorian councils to develop, adopt and keep in force a Financial Plan covering at least the next 10 financial years. Many councils already prepare long-term financial plans for internal management purposes. The requirements under the new Act mean councils must develop a Financial Plan that is publicly accessible. The specific legislative requirements for a Financial Plan are set out in section 91 of the Act as follows:

91 Financial Plan

- (1) A Council must develop, adopt and keep in force a Financial Plan in accordance with its deliberative engagement practices.
- (2) The scope of a Financial Plan is a period of at least the next 10 financial years.
- (3) A Financial Plan must include the following in the manner and form prescribed by the regulations—
 - (a) statements describing the financial resources required to give effect to the Council Plan and other strategic plans of the Council;
 - (b) information about the decisions and assumptions that underpin the forecasts in the statements specified in paragraph (a);
 - (c) statements describing any other resource requirements that the Council considers appropriate to include in the Financial Plan;
 - (d) any other matters prescribed by the regulations.
- (4) A Council must develop or review the Financial Plan in accordance with its deliberative engagement practices and adopt the Financial Plan by 31 October in the year following a general election.
- (5) The Financial Plan adopted under subsection (4) has effect from 1 July in the year following a general election.

Section 91(1) and section 91(4) refer to deliberative engagement practices. The Act requires deliberative engagement practices to be incorporated into a council's community engagement policy.

2.1.2 Financial management principles

Division 4 of Part 4 of the Local Government Act 2020 addresses financial management. Section 101 of the Act sets out the financial management principles as follows:

101 Financial management principles

- (1) *The following are the financial management principles—*
 - (a) *revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans;*
 - (b) *financial risks must be monitored and managed prudently having regard to economic circumstances;*
 - (c) *financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community;*
 - (d) *accounts and records that explain the financial operations and financial position of the Council must be kept.*

- (2) *For the purposes of the financial management principles, financial risk includes any risk relating to the following—*
 - (a) *the financial viability of the Council;*
 - (b) *the management of current and future liabilities of the Council;*
 - (c) *the beneficial enterprises of the Council.*

2.1.3 Service performance principles

The Local Government Act 2020 requires Victorian councils to plan and deliver services in accordance with the service performance principles. Part 5 of the Act addresses council operations. Section 106 of the Act sets out the service performance principles as follows:

106 Service performance principles

- (1) *A Council must plan and deliver services to the municipal community in accordance with the service performance principles.*

- (2) *The following are the service performance principles—*
 - (a) *services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community;*
 - (b) *services should be accessible to the members of the municipal community for whom the services are intended;*
 - (c) *quality and costs standards for services set by the Council should provide good value to the municipal community;*
 - (d) *a Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring;*
 - (e) *service delivery must include a fair and effective process for considering and responding to complaints about service provision.*

2.1.4 Community engagement and public transparency

The Local Government Act 2020 includes community engagement principles (section 56) and public transparency principles (section 58). The Act requires Victorian councils to adopt and maintain a public transparency policy (section 57) and to adopt and maintain a community engagement policy (section 55).

The Financial Plan is specifically referenced in section 55(2)(g) of the Act which requires (amongst other provisions) that a community engagement policy must:

(g) Include deliberative engagement practices which must include and address any matters prescribed by the regulations for the purposes of this paragraph and be capable of being applied to the development of the Community Vision, Council Plan, Financial Plan and Asset Plan...

2.2 Local Government (Planning and Reporting) Regulations 2020

The Local Government (Planning and Reporting) Regulations 2020 (the regulations) came into operation on 24 October 2020. Part 2 of the regulations prescribe the information to be included in a Financial Plan as follows:

5 Statements describing financial resources

(1) For the purposes of section 91(3)(a) of the Act, the statements describing the financial resources must be in the form set out in the Local Government Model Financial Report.

(2) For the purposes of section 91(3)(d) of the Act, the prescribed matters include a statement of capital works for the financial years to which the statements describing the financial resources referred to in section 91(3)(a) of the Act relate.

6 Statements describing other resource requirements

For the purposes of section 91(3)(d) of the Act, the prescribed matters include the following—

(a) a statement of human resources;

(b) a summary of planned expenditure in relation to the human resources referred to in the statement of human resources, categorised according to the organisational structure of the Council and classified separately as—

(i) permanent full time who are—

(A) women; or

(B) men; or

(C) persons of self-described gender; or

(ii) permanent part time staff who are—

(A) women; or

(B) men; or

(C) persons of self-described gender;

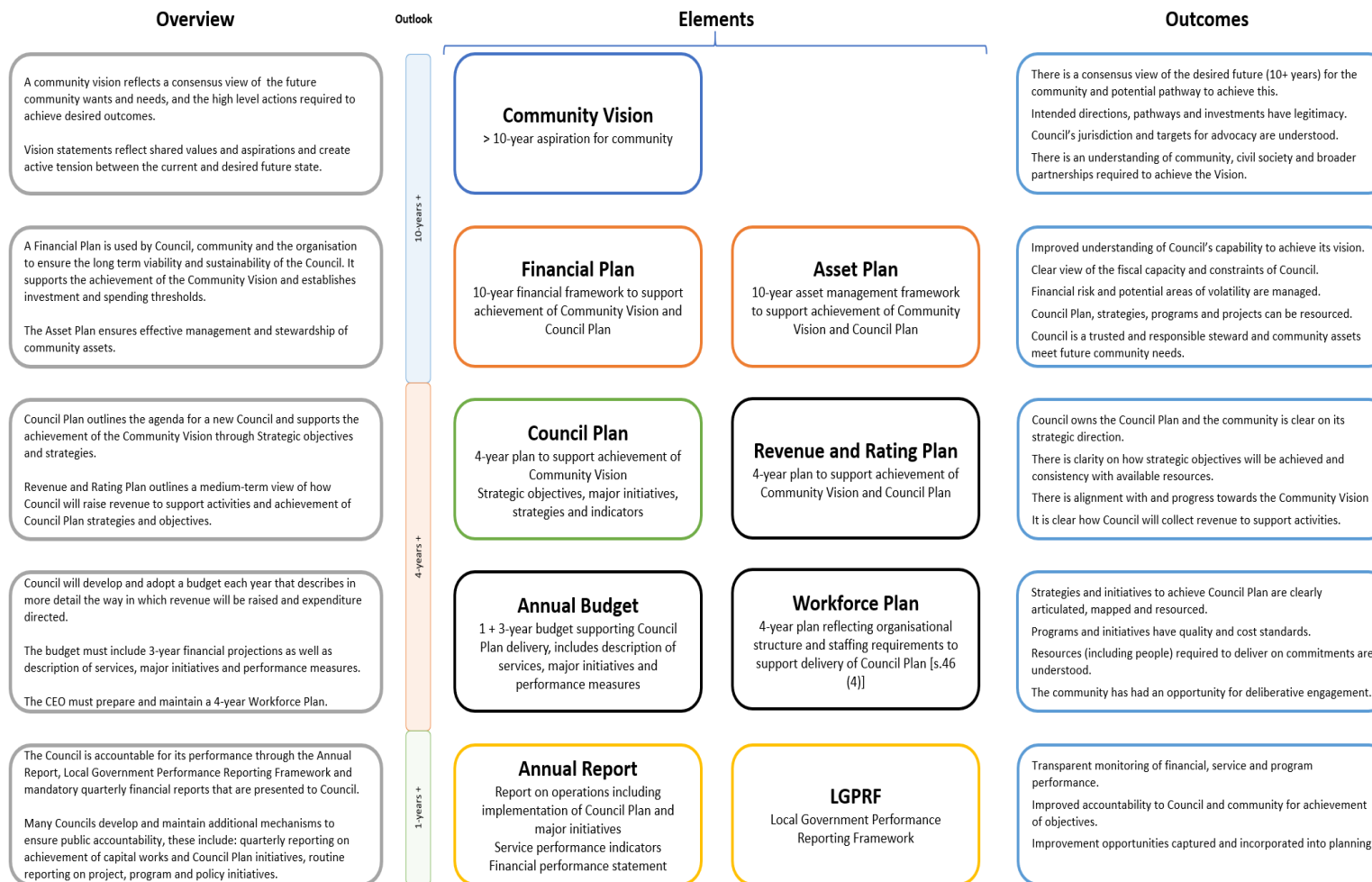
(c) a summary of the planned number of full time equivalent Council staff referred to in the statement of human resources, categorised according to the organisational structure of the Council and classified separately as—

- (i) permanent full time staff who are—
 - (A) women; or
 - (B) men; or
 - (C) persons of self-described gender; or
- (ii) permanent part time staff who are—
 - (A) women; or
 - (B) men; or
 - (C) persons of self-described gender.

3. Integrated Strategic Planning and Reporting Framework

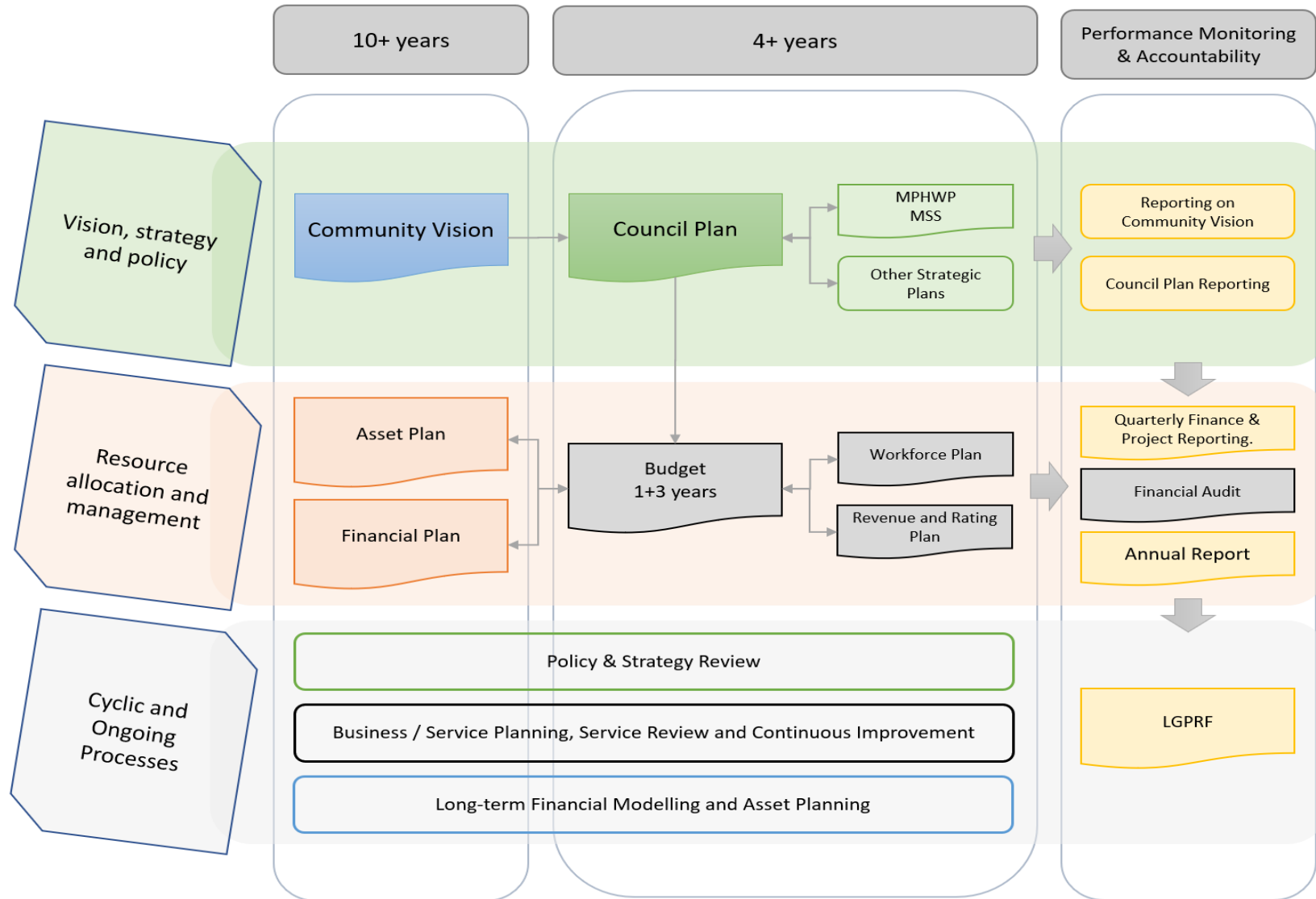
This section describes how the Financial Plan links to the achievement of the Community Vision and the Council Plan within the Integrated Strategic Planning & Reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Community Vision), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report).

The following diagram provides an overview of the core legislated elements of an integrated strategic planning and reporting framework and outcomes.



Source: Department of Jobs, Precincts and Regions

The following figure demonstrates how each element might inform or be informed by other parts of the integrated framework.



Source: Department of Jobs, Precincts and Regions

4. Southern Grampians Strategic Planning & Reporting Framework

4.1 Overview & Principles

4.1.1 Strategic Planning Principles

The Financial Plan provides a 10 year financially sustainable projection regarding how the actions of the Council Plan may be funded to achieve the Community Vision. Two other models have been prepared at a high level only to provide Council with guidance about what “levers” are available to Council to develop different models, all of which have strengths and weaknesses. A “middle ground” or “Sustainable” approach has then been taken to develop a more detailed model (underpinned by the basic assumptions) to develop the detailed Financial Plan.

The Financial Plan is developed in the context of the following strategic planning principles:

- a) Council has an integrated approach to planning, monitoring and performance reporting.
- b) Council financial plan addresses the Community Vision by funding the aspirations of the Council Plan. The Council Plan aspirations and actions are formulated in the context of the Community Vision.
- c) The Financial Plan statements articulate the 10-year financial resources necessary to implement the goals and aspirations of the Council Plan to achieve the Community Vision where possible taking into consideration preliminary findings of the 2021-2025 Plan and 2041 Community Vision.
- d) Council's strategic planning principles identify and address the risks to effective implementation of the Financial Plan. The financial risks are included at section 3.2.2 below.
- e) The Financial Plan provides for the strategic planning principles of progress monitoring and reviews to identify and adapt to changing circumstances.

4.1.2 Financial Management Principles

The Financial Plan demonstrates the following financial management principles:

- 3.2.1 Revenue, expenses, assets, liabilities, investments and financial transactions are managed in accordance with Council's financial policies and strategic plans.
- 3.2.2 Management of the following financial risks:
 - a) the financial viability of the Council
 - b) the management of current and future liabilities of the Council.
 - c) the beneficial enterprises of Council (where appropriate).
- 3.2.3 Financial policies and strategic plans are designed to provide financial stability and predictability to the community.
- 3.2.4 Council maintains accounts and records that explain its financial operations and financial position

4.1.3 Engagement Principles

Council has developed a Community Engagement Policy in February 2021 with the purpose to outline the principles and Council's commitment to engaging with Southern Grampians Shire's many communities and stakeholders in a way that is purposeful, representative, inclusive and easy to be involved in. The policy recognises the importance of designing community engagement methods to support maximum engagement and meet the specific outcomes of a particular initiative or project.

Principle 1: A community engagement process must have a clearly defined objective and scope

Principle 2: Participants in community engagement must have access to objective, relevant and timely information to inform their participation

Principle 3: Participants in community engagement must be representative of the persons and groups affected by the matter that is the subject of the community engagement

Principle 4: Participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement

Principle 5: Participants in community engagement are informed of the ways in which the community engagement process will influence Council decision-making

Council will implement robust and comprehensive community engagement practices to facilitate a dialogue that builds relationships and informs and improves decision-making. It will continually improve its capacity and performance in community engagement through ongoing training, resource development, and review and evaluation. Council will also work with communities to identify the most appropriate and effective engagement methods in order to continually improve relationships and understanding between all parties.

Council will undertake community engagement activities:

- ✓ When community input can enhance decision making or project outcomes
- ✓ To gain new information about community needs, aspirations and concerns
- ✓ When there will be a real or perceived change to existing services, programs or the use of public space and facilities
- ✓ When community members, business communities or other groups would have a particular interest in the outcome of a decision, project or development
- ✓ When council resolves to engage the community
- ✓ When legislation, policy or other agreement mandates Council will seek participant feedback to evaluate engagement processes, and continue to adapt and improve our processes.

4.1.4 Service Performance Principles

Council services are designed to be purpose, targeted to community needs and value for money. The service performance principles are listed below:

- a) Services are provided in an equitable manner and are responsive to the diverse needs of the community. The Council Plan is designed to identify the key services and projects to be delivered to the community. The Financial Plan provides the mechanism to demonstrate how the service aspirations within the Council Plan may be funded.
- b) Services are accessible to the relevant users within the community.
- c) Council provides quality services that provide value for money to the community. The Local Government Performance Reporting Framework (LGPRF) is designed to communicate council's performance regarding the provision of quality and efficient services.
- d) Council is developing a performance monitoring framework to continuously improve its service delivery standards.
- e) Council is developing a service delivery framework that considers and responds to community feedback and complaints regards service provision.

4.1.5 Asset Plan Integration

Integration to the Asset Plan is a key principle of the Council's strategic financial planning principles. The purpose of this integration is designed to ensure that future funding is allocated in a manner that supports service delivery and the effective management of Council's assets into the future. Whilst Council does not have a mature Asset Plan, it has utilised existing data together with operational information to develop several individual asset management plans, to underpin the development of the high level Asset Plan.

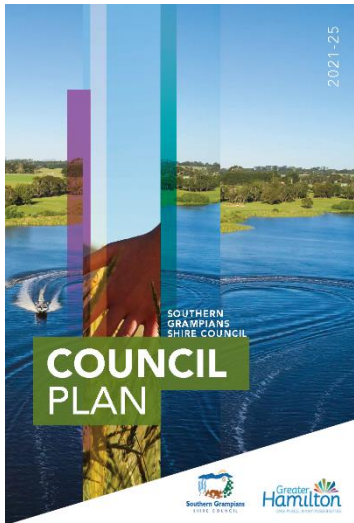
An Asset Plan which meets current legislation, integration framework and supporting principles is being developed, with a view to adoption by 30 June 2022.

The Asset Plan will identify the operational and strategic practices which will ensure that Council manages assets across their life cycle in a financially sustainable manner. The Asset Plan, underpinned by asset management plans, will provide council with a sound base to understand the risk associated with managing its assets for the community's benefit.

The Asset Plan is designed to inform the 10-year Financial Plan by identifying the amount of capital renewal gap and maintenance funding that is required over the life of each asset category. The level of funding will incorporate knowledge of asset condition, risk assessments as well as the impact of intervention and service levels for each asset class. The intervention levels can be adjusted and adopted across a range of scenarios in light of the longer term financial capacity.

The Asset Plan quantifies the asset portfolio and the financial implications together with the Financial Plan seeks to balance projected investment requirements against projected budgets. The Plan will also guide the development of Council's advocacy focus.

4.2 Council Plan 2021-2025



The Council Plan is the key document that drives Council’s strategic direction. It outlines where Council and the community will aspire to be by 2025 and how Council will achieve those outcomes.

Under the Local Government Act 2020, Council must prepare and adopt a Council Plan for a period of at least the next four financial years after a general election, in accordance with its deliberative engagement processes.

A Council Plan must include:

- + the strategic direction of the Council
- + strategic objectives for achieving the strategic direction
- + strategies for achieving the objectives for the next four financial years
- + strategic indicators for monitoring the achievement of the objectives
- + a description of the Council’s initiatives and priorities for services, infrastructure and amenity.

Progress and outcomes will be reported through the Southern Grampians Shire Council Annual Report and quarterly business reports. Our work is measured annually against the Performance Statement in the Annual Report and the community rates our performance through the annual Community Satisfaction Survey.

Council undertook an extensive and inclusive engagement process with the community to develop the Council Plan with common issues identified as:

✓ Digital Connectivity	✓ Support for community events and family activities
✓ Education pathways	✓ Transport connectivity
✓ Footpaths	✓ Volunteer Support
✓ Housing	✓ Walking & Cycling trails
✓ Inclusive and connected community	✓ Waste management
✓ Increased promotion of region and assets	✓ Youth Focus
✓ Road maintenance	

The Council Plan identifies Council's five priority areas to be addressed over the next four years. These priorities have shaped the themes of the Council Plan. Under each theme, Councillors, Council staff and the community have identified objectives and strategies to measure and guide progress of achievement of the plan.

Themes	Key Priority	Objectives
1 Support our Community	An empowered community that is healthy, inclusive and connected	An empowered and connected community Support and promote a health community Grow a diverse and inclusive community A safe Community
2 Grow our Regional Economy	A growing and diverse local and regional economy that supports our local businesses	Drive economic growth Increase our regional profile Continue to support the development of a skilled workforce Support local business and industry
3 Maintain and Renew our Infrastructure	Provide access to a high-quality built environment and infrastructure that meets community needs.	Plan and maintain sustainable assets and infrastructure Safe and well-maintained transport routes and infrastructure Attractive Council-owned and managed community and open spaces
4 Protect Our Natural Environment	Act as community leaders to promote and enhance a clean, green and sustainable environment	Protect and enhance biodiversity including the health of waterways, wetlands, soil and air Balance environmental protection with Council's support for growth Sustainable waste management services Mitigate against and adopt to climate change
5 Provide Strong Governance and Leadership	Strong Leadership, good governance and effective service delivery	Transparent and accountable governance Effective Advocacy Committed and skilled staff Customer-focused services

4.3 Southern Grampians 2041 – Community Vision Framework

Southern Grampians 2041 - Community Vision Framework (SG2041) is in essence a community vision, comprising a twenty-year strategic direction, together with suggested opportunities for advocacy and partnership with stakeholders.

It is ambitious in nature as our community expects us to have a longer-term view of how we shape our world. For consistency purposes, the key themes or pillars behind the workplan are the same themes found in the Council Plan 2021-25 (in preparation) – namely community, economy, building and infrastructure, environment and governance.

The assumptions built into SG2041 are:

1. Our limited funding requires us to collaborate with others to make our investments extend further.
2. We needed a longer-term work plan linked to a ten-year financial plan.
3. We must work smarter with decisions based on clearer understanding of how changes in technology, community needs and demographic shifts (ageing etc.) will affect our service and asset management delivery.



To determine priorities, input was obtained from a wide range of stakeholders. A significant deep dive into regional relationships, challenges and opportunities has occurred. A crystal ball view of the next twenty-years drives the thinking on challenges and how we respond as a community. One thing will be clear – the next two decades will not be the same as the last and together we must address a range of issues from climate change to ageing populations, the digital economy, meaningful reconciliation with the indigenous community and supporting each other.

We must start this strategic planning by recognising that we have a number of regionally significant assets and services, some of which are maintained by Council and others are not. These drive the liveability or 'attractiveness' of Southern Grampians. Investment and support of these assets protects our points of difference, the jobs they deliver, the services they offer are what make our Shire worth investing and living in.

The landscape itself, the volcanic grasslands and plains as well as Grampians National Park make our area State and nationally significant (as are our wind resources).

We need to manage all key assets, regardless of who owns them, but do so sensibly and with financial accountability, based on data confirming the value they deliver and what we can afford. Council cannot do this work alone and it must therefore reach out to organisations, as well as State and Federal Government agencies on the services and facilities the community needs, the quality of the infrastructure that connects us and how beyond being an agricultural powerhouse, the community is supported to achieve its needs.











Tourism will be a key emerging platform in the next twenty-years. Ongoing infrastructure investment in the tourism sector allied to a genuine need to better connect our Shire within the region (rail, road, air, digital) will be the drivers of the next decade and beyond.

SG2041 will be a living document, as it was in this case, developed concurrently with the Council Plan (in preparation). In this way it will remain relevant and a proper reflection of the views of its community and their vision.

The key themes and opportunities identified in SG2041 are set out as Strategic Directions in E2 of the document and are closely linked with the Council Plan 2021-25 and Community Health and Wellbeing Plan 2021-25.

Whilst the entire document is relevant to the development and maintenance of Council's Long Term Financial Plan, key themes outlined in 4.3.1 and 4.3.2 below effectively summarise the challenges and the opportunities, in the context of financial planning for the future. These matters may not be always under the control of Council, but in a world increasingly where we must partner with others to deliver services and opportunities, it must be considered in the fabric of the Southern Grampians Financial Planning Framework.

4.3.1 Key Challenges for Southern Grampians as identified in SG2041

	The population demographic: Respondents noted the ageing population and need for services to support them, the loss of younger people and the need to attract more youth and young families to the area, noting that services need to support an increased population too.
	The need for improved public transport and increased availability: The quality of linkages between local towns and regional centres was a recurrent theme. All forms of transport were discussed, including road, rail and air.
	More opportunities for employment, and diversity of employment: This was frequently discussed and included more job opportunities for young people, more opportunities for women including the over 50 years age bracket, and roles that are more skilled rather than offering predominantly traditional employment such as agriculture.
	The lack of educational opportunities for youth: Participants frequently noted the loss of students to larger centres for tertiary education, both university and other training, as well as the lack of suitable employment for their qualifications for them to return to the Shire. There were also several references to improving the local schools, and one reference to the need for day care.
	The need to invest and improve in local infrastructure: Investment in roads, power and building and asset maintenance is an ongoing expectation.
	The local economy (financial resources) and funding: Securing funding from all levels of government was noted as a challenge. This included securing funding for new projects.
	Attracting new and more diverse businesses and industries: Opportunities are identified in many industries including the renewables sector, timber sector, horticulture industry and allied health services.
	Housing supply, affordability and rising living costs: Rental shortages leading to challenges in securing housing for new residents including key workers is a noted concern.
	Climate change and environmental challenges: Climate change will require adaptation strategies, which may include climate appropriate crops renewed focus on water grids for reliable supply for a more diversified agricultural sector, and mitigation strategies including more efficient transport systems, focus on renewable energy and vegetation conservation.
	Local health services: Additional services required to support the needs of the community, including mental health and aged care support.

4.3.2 Key Opportunities for Southern Grampians as identified in SG2041

Natural environment and wildlife: Better management and maintenance of the natural environment habit and wildlife were identified as significant opportunities when attracting new residents and tourists.



Tourism: Strategic investment into tourism, especially eco and nature-based tourism are opportunities to be pursued.



Location: Hamilton is situated at the intersection of three key highways. The Henty Highway connects Hamilton and the Municipality with Horsham and Portland. The Hamilton Highway links to Ballarat and the Glenelg Highway is the most direct east-west route from Melbourne to Mount Gambier and the Limestone Coast.



Agriculture: The agriculture sector is, and will likely remain, the cornerstone of the Shire's economy. Opportunities to improve farming practices will consolidate this strength.



Residents: The talent and skills of the existing community and their sense of community was a recurring theme.



Education: Participants acknowledged the high quality schools in the area, providing early learning to Year 12 schooling, as well as the opportunity to provide tertiary education options locally. See also technical training (e.g. SW TAFE) and agricultural college (RIST) training opportunities. The independent education sector is also strong across the Shire.



Liveability: The Shire scores highly with respect to liveability in areas including climate, community volunteering, median house price, use of active transport (walking, cycling) and sport participation.



Parks, gardens, sport facilities: Including bike/hike trails and sporting opportunities.



Cultural arts and local events: Including the existing Hamilton Art Gallery, Hamilton Performing Arts Centre and cultural facilities and the opportunity to create a cultural scene as a tourist attractor.



Hospital facilities: Existing hospital services were noted as an asset; however, this was coupled with the growing need for additional health services to cater for the community more fully.



4.4 MPHWP 2021-2025



The Public Health and Wellbeing Act 2008 (PHWA) requires local government to develop a Municipal Public Health and Wellbeing Plan (MPHWP) every 4 years. It is a legislative requirement for councils to play a role in protecting and promoting the health and wellbeing of its community members, including the following objectives

- Protecting public health and preventing disease, illness, injury, disability or premature death;
- Promoting conditions in which persons can be healthy; and
- Reducing inequalities in the state of public health and wellbeing.

Southern Grampians Shire Council is committed to improving the health and wellbeing of residents by maintaining and creating supportive environments through working with partners and the community. The plan recognises that health and wellbeing is a whole of community responsibility and that Council must show leadership, provide support and work alongside partners and community members to combine effort.

The Plan is focused on delivering long-term health outcomes and recognises that behavioural change and impact takes a sustained effort over time with incremental results. It brings together the key objectives of existing Council policies, plans, strategies and external partnerships, which contribute to improving the health and wellbeing of the Southern Grampians community. As well as acknowledging the significant role that our Key Partners' play in facilitating our Community to be well and healthy.

Southern Grampians takes a population-level approach and supports residents to make choices that lead to healthy behaviours. Enhancing liveability is also a key focus of the Plan to make sure that Southern Grampians is a place where people want to live, now and into the future.

To identify the key focus areas and outcomes for the Southern Grampians community we have considered the current health and wellbeing of our community.

Evidence presented in the Great South Coast Rural and Regional Framework, on collated of data sets which have been selected as measures to illustrate how the municipalities of the Great South Coast are faring in relation to health and wellbeing of the community.

A reflection on the priorities and outcomes Southern Grampians Shire Council Health and Wellbeing Plan 2017-2021 has also informed the development of this plan and demonstrates that change of behaviours and factors that influence health is continuous.

A review and reflection upon the issues identified from the engagement undertaken in the Southern Grampians Shire Community Vision Framework 2041 has been undertaken to inform SGCPHWP 2021-2025.

Principles of the Southern Grampians Community Health and Wellbeing Plan (SGCPHWP) 2021-2025:

Accessibility - Incorporating affordability, appropriateness, availability, approachability, and access for all.

Sustainability - Efficient & effective use of resources to ensure long-term effort thereby meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Connectivity - The way people, networks, services, facilities, and information link.

Flexibility - The ability to adapt to changing circumstances, and according to needs.

Equity - Fairness, impartiality, and making adjustments to support opportunities for all.

The Southern Grampians Community Public Health and Wellbeing plan has two focus areas – Healthy Communities and Liveable Communities which align with the strategic objectives of the Council Plan 2021-2025, the State Governments Health and Wellbeing Plan 2019-2023 and VicHealth Action Agenda for Health Promotion 2019-2023.

Focus Area 1	Healthy Communities	Council will continue to play a central role in leading and shaping a healthy community that promotes and supports healthy lifestyles.
	<p>Outcomes</p> <ol style="list-style-type: none"> 1. Southern Grampians residents live in communities that support their mental wellbeing. 2. Southern Grampians residents have access to and are eating nutritious food. 3. Southern Grampians residents participate in community life, are socially connected and connected to culture. 4. Southern Grampians residents are safe and part of a resilient community. 5. Harm caused by alcohol and other drugs (AOD) is reduced across the Municipality. 6. Southern Grampians residents have access to and participate in lifelong learning opportunities. 7. Southern Grampians residents are physically active at all stages of life. 	

Focus Area 2	Liveable Communities	Council will continue to enhance the liveability of our community to make sure that Southern Grampians is a place where people want to live now and into the future.
	<p>Outcomes</p> <ol style="list-style-type: none"> 1. Southern Grampians residents have access to ‘everyday’ needs. 2. Southern Grampians has a growing economy that promotes diversity of local jobs. 3. Southern Grampians has a range of housing which meets community needs. 4. Southern Grampians residents have access to technology, buildings and public spaces that are well designed, and encourage community connections. 5. Southern Grampians residents have access to open spaces, pathways and trails that encourages physical activity. 6. Southern Grampians encourages sustainable practices that promote a healthy environment. 	

Monitoring, reporting and evaluation are required to understand effectiveness, identify areas for improvement and learning and enhancing the evidence-base for current and future work in this space. Council has developed an annual Action Plan to support staff and partner organisations through ongoing monitoring and advice for initiatives related to health and wellbeing.

The Monitoring and Reporting Framework will outline the outcomes, measures, baseline data, monitoring and reporting processes and deliverables over the 4-year period. The baseline data will establish the current situation across the broad outcome areas, and provide Council a starting point from which to compare future achievements.

Council is committed to effective implementation of the *SGCPHWP* and ensuring that the health and wellbeing benefits are realised at the individual and community level.

4.5 Long Term Financial Plan 2022-2032

The Long Term Financial Plan is a key document to support Council's long term visions and aspirations for its community outlined in the Southern Grampians 2041 Community Vision Framework. This is underpinned by 4 Year Council Plans, Health and Wellbeing Plans, Budgets, Workforce Plans and other key supporting strategies and documents.

The "Integrated Strategic Planning and Reporting Framework" set out in the Local Government Act 2020 provides a basis for Council to build information systems to support mature modelling processes, projections and resulting reports.

Council is committed to updating this longer term document on shorter timeframes whilst it develops more robust practices for data collection and projections.

The LTFP outlines then general and specific assumptions made to develop the long term model. It takes into consideration the external and internal environments that impact the delivery of services and the amount of funding available to maintain its asset portfolio which is integral to the service delivery.

The LTFP includes the following assumptions in its development:



Lever	Current Model
Revenue	
Rate & Charges Increase	1.75% Current Rate Cap
Statutory Fees & Charges	1.0% Not under control of Council
User Fees	4.0% as per Rating & Revenue Plan
Grants – Operating	2.0% approximate level of increase from other levels of government
Grants – Capital	Roads To Recovery recurring grant – others tied to specific projects
Contributions – Monetary	As per committed projects
Contributions – non-monetary	Not Modelled
Other Income	CPI
Expenses	
Employee Costs	3% on base level (actually 2% increase + oncosts)
Materials & Services	2.5%
Depreciation & Amortisation	As per asset portfolio
Other Expenses	2.5%
Capital Works	
Average Annual Asset Renewal – Infrastructure	80% renewal with an assumption that the remaining 20% is incorporated in specific upgrade or expansion projects
Average Annual Asset Renewal – Buildings	50% renewal with an assumption that the remaining 50% is incorporated in specific upgrade or expansion projects (25/26 onwards)

4.6 Workforce Plan 2021-2025

The Chief Executive Officer is responsible for establishing and maintaining an organisation structure for the Council and is also responsible for all staffing matters, including appointing, directing, managing and dismissing members of Council staff under s46(3)(a) and (b).

Under s 46(4) the Chief Executive Officer must develop and maintain a workforce plan that:

- describes the organisational structure of the Council
- specifies the projected staffing requirements for a period of at least 4-years, and
- sets out measures to seek to ensure gender equality, diversity, and inclusiveness.

The full document can be accessed here: <https://engage.vic.gov.au/local-government-act-2020/integrated-strategic-planning-and-reporting-framework-workbook>

Council revised its Workforce Plan under the new Integrated Strategic Planning and Reporting Framework (See Section 2) in late 2021. The plan is an internal document and as such is not adopted by Council, however Councillors, the Executive and staff were all participatory in its development and have access to the document.



Council is committed to deriving the following benefits from workforce planning:

- ✓ Recruiting, developing and deploying a highly skilled and diverse workforce to meet our future needs
- ✓ Positioning Council to be innovative, creative and outcome focused
- ✓ Improving productivity through better job design and resourcing decisions
- ✓ Reducing staff turnover and retaining top talent
- ✓ Building workforce capacity and capability
- ✓ Embedding a culture of diversity and inclusion.

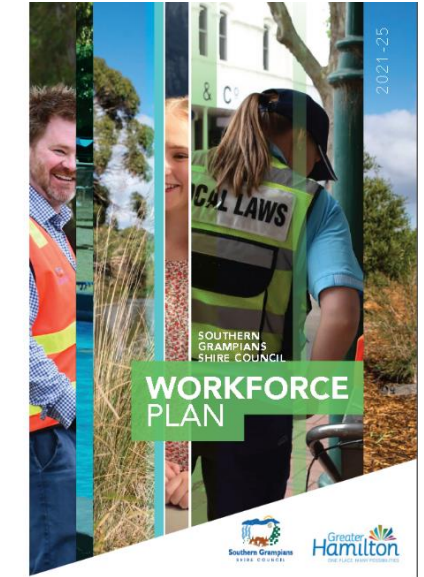
The overall objective of the Workforce Plan is to identify current and future workforce development trends and requirements to enable proactive strategies that allow Council to deliver efficient services in the future.

The plan has a particular focus on strategies that relate to our aging workforce, workplace diversity, succession planning and the development of programs that address these challenges through education, training and development.

Through this Workforce Plan, Council is adopting a future-focused approach to the management of its people to ensure it is well positioned to meet future workforce requirements.

The challenges and pressures faced by local government as we transition to the workplace of the future will:

- Significantly impact how we communicate, collaborate and organise our workforce
- Require a major shift in management practices and skillsets
- Require significant workplace relations and HR policy reform;
- Require a different approach to attracting, retaining and engaging talent
- Require capacity building of the core workforce and flexibility in accessing alternate resourcing options



4.7 Budget (4 Year Budget)

Council adopted its 4 year Budget for the 2021/22 year on 23 June 2021 and is currently developing its 2022/23 in conjunction with this document. This budget has been framed utilising the following parameters and assumptions:

- ✓ **Council Plan** – funding, initiatives and indicators are aligned with the 2021-2025 plan. Section 4.2 of this document provides a summary of the Plan.
- ✓ **Community Vision 2041** – this new piece of work was adopted in late 2021. This document helps to frame future directions and therefore budgets, which underpin this Long Term Financial Plan. Section 4.3 of this document provides a summary of the Vision.
- ✓ **Health and Wellbeing Plan** –this revised document was also adopted in late 2021. The themes and areas of action are incorporated into budgets and supported by goals, strategies and initiatives. Section 4.4 of this document provides a summary of the Plan.
- ✓ **The Workforce Plan** – this document has been in place for a number of years and was most recently updated in December 2021. It provides an organisational roadmap for the workforce. It details the challenges and actions required to meeting future requirements, enabling delivery of programs and services set out in the Council Plan. Section 4.6 of this document provides a summary of the Plan.



This Long Term Financial Plan has been built on the assumptions used for the development of the 2022/23 4 Year Budget and it is recognised that this requires continual review as Council's maturity of data gathering and interpretation increases. Whilst the plan has a 10 year outlook, Council's approach is to review annually to capture new information as it becomes available or is refined to provide a more accurate basis for decision making.

Council continues on its path of amending and identifying strategies, initiatives and indicators to provide new parameters (where necessary) to guide both the Long Term Financial Plan and subsequent 4 year budgets.

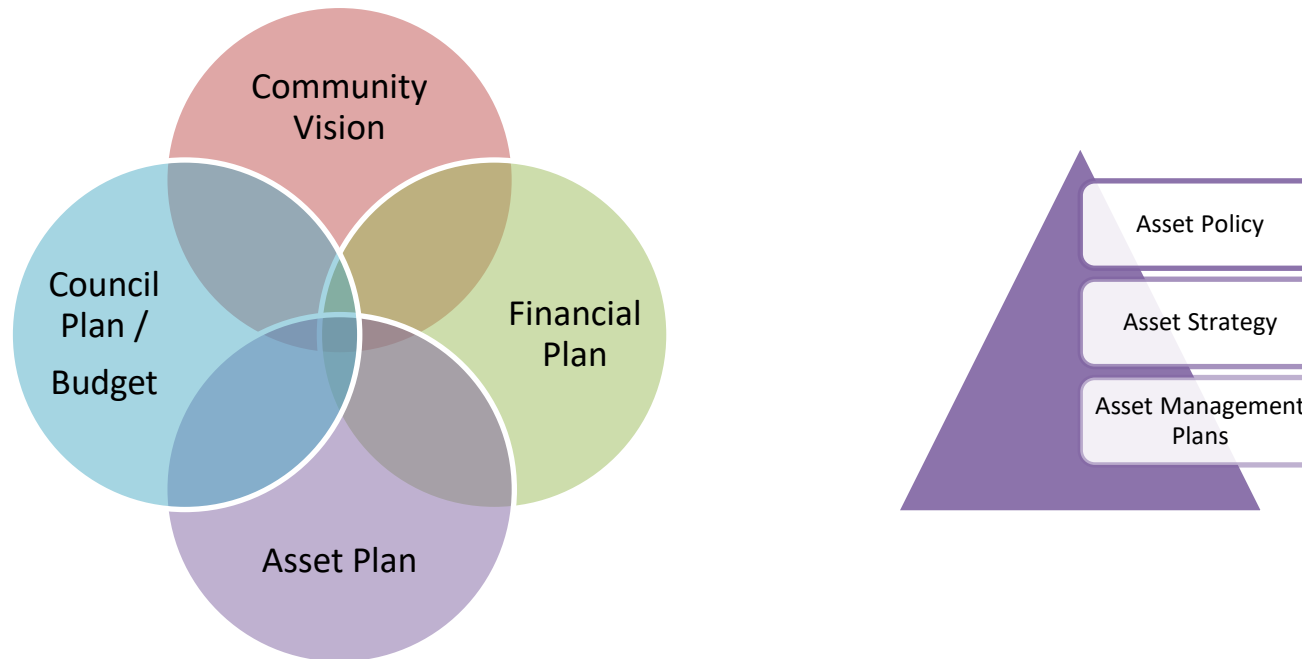
In future years, and as maturity develops, the 4 Year Budget will be based on the assumptions for the Long Term Financial Plan rather than the current reverse practice.

5. Approach to Asset Management & Planning

Southern Grampians Shire Council's goal in managing infrastructure assets is to meet the required level of service in the most cost-effective manner.

5.1 Asset Management Framework

This Asset Plan should be read in conjunction with the Community Vision and Financial Plan that also have a long-term strategic outlook, as well as the Council Plan and the Council budget. These documents are all key components of Council Integrated planning and reporting framework. Asset Plan is a high-level overview of Councils approach to Asset Management, the Asset Management Framework also includes several other important components, The Asset Management Policy, Asset Management Strategy and each asset class has an Asset Management Plan.



5.2 The Asset Plan

The Asset Plan aligns with the asset management policy and strategy by incorporating a whole of lifecycle approach to forecast the outlays required to deliver the strategic objectives outlined in the Community Vision – Southern Grampians 2041.

Future operating, maintenance, and capital renewal outlays are based on sustaining current service levels. Meeting the demands of growth and changing circumstances are managed through the careful consideration of new projects and programs including the adoption of emerging technologies.

The combined lifecycle costs are balanced with the funds made available in the 10-year Financial Plan ensuring services are provided at an affordable level.

5.3 The Assets and Services we provide

Community values, stakeholder expectations and sustaining services at an affordable level are typically high on the agenda for our community.

Council's infrastructure assets provide a wide range of services to meet community needs:

➤ Airport	➤ Environmental Sustainability	➤ Playgrounds & Skate Parks
➤ Art Gallery	➤ Footpaths & Cycleways	➤ Public Infrastructure
➤ Botanic Gardens	➤ Hamilton Indoor Leisure Centre	➤ Quarry
➤ Bridges & Culverts	➤ Lake Hamilton	➤ Roads & Streets
➤ Business Systems	➤ Landfill & Transfer Stations	➤ Senior Citizen Support
➤ Caravan Parks	➤ Library	➤ Sports Reserves
➤ Children's Services	➤ Livestock Exchange	➤ Stormwater Drainage
➤ Civic and Community Arts	➤ Maternal & Child Health	➤ Visitor Experience
➤ Community Buildings	➤ Natural Asset Management	➤ Waste & Recycling Collection
➤ Community Services	➤ Parks and Urban Spaces	➤ Water Reserve
➤ Depot Operations	➤ Performing Arts Centre	➤ Yatchaw Drainage
➤ Emergency Management	➤ Plant Management & Operations	

6. Current State of Assets

6.1 Financials at a Glance

The Gross Replacement Cost of the depreciable assets supporting these services is estimated at \$633,701,617 (total 640862-WIP) depreciating at 1.82% or \$11,976,250 per year (based on current useful life assessments) resulting in a written down value of \$376,152 as at 30 June 2021.

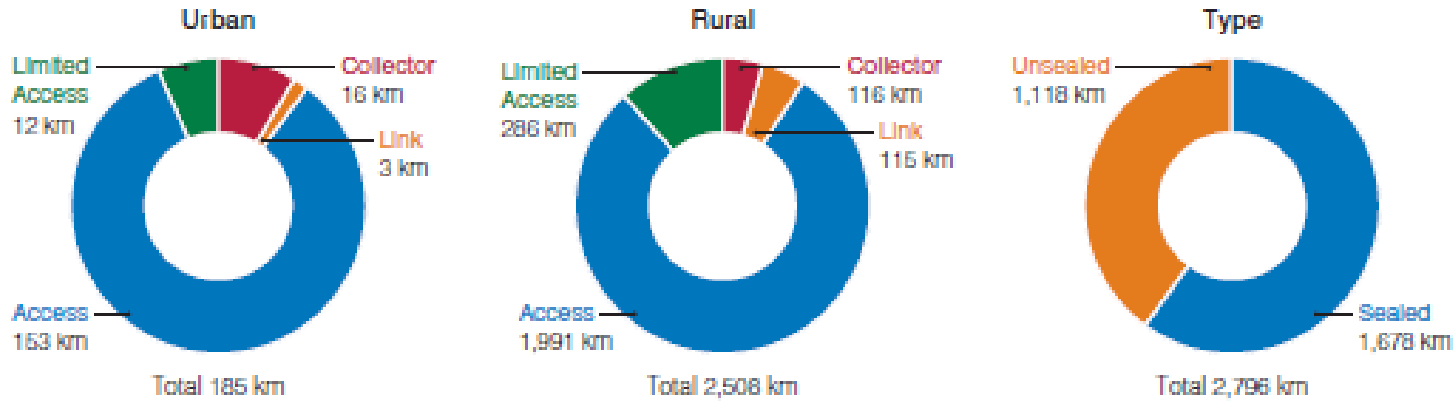
Asset Class	Gross Value	Depreciation	Written Down Value	Work In Progress	Annual Depreciation
Property, Plant & Equipment					
Land	13,439,500.00		13,439,500.00	3,556,855.72	-
Buildings and Other Structures	75,061,077.59	-31,003,311.27	44,057,766.32	207,166.07	1,204,613
Fixtures, Fittings & Furniture	4,004,072.64	-3,005,843.29	998,229.35		153,859
Art Collection	17,167,201.27		17,167,201.27		-
Library Bookstock	465,357.00		465,357.00		-
Plant & Equipment	16,349,907.70	-9,199,658.38	7,150,249.32		1,180,386
	126,487,116.20	-43,208,812.94	83,278,303.26	3,764,021.79	
Infrastructure Assets					
Roads	290,008,672.29	-118,100,643.05	171,908,029.24	30,710.31	6,430,980
Footpaths	18,585,095.65	-6,146,324.27	12,438,771.38		331,684
Kerb & Gutter	41,935,666.08	-15,699,141.99	26,236,524.09		434,501
Bridges & Culverts	82,586,410.54	-34,050,338.12	48,536,072.42	3,142.54	834,503
Stormwater Drainage	23,634,495.15	-13,153,574.06	10,480,921.09		235,588
Other Infrastructure Assets	37,932,618.55	-23,982,571.79	13,950,046.76	2,849,742.25	676,096
Livestock Exchange	6,290,829.31	-436,531.10	5,854,298.21	15,128.72	274,663
Airport Assets	4,813,492.45	-2,459,810.02	2,353,682.43		179,356
Off Street Carparks	844,435.14	-162,750.20	681,684.94		34,168
Yatchaw Drainage Network	582,786.00	-149,388.01	433,397.99		5,853
	507,214,501.16	-214,341,072.61	292,873,428.55	2,898,723.82	11,976,250
Total Assets	633,701,617.36	-257,549,885.55	376,151,731.81	6,662,745.61	

6.2 State of the Assets

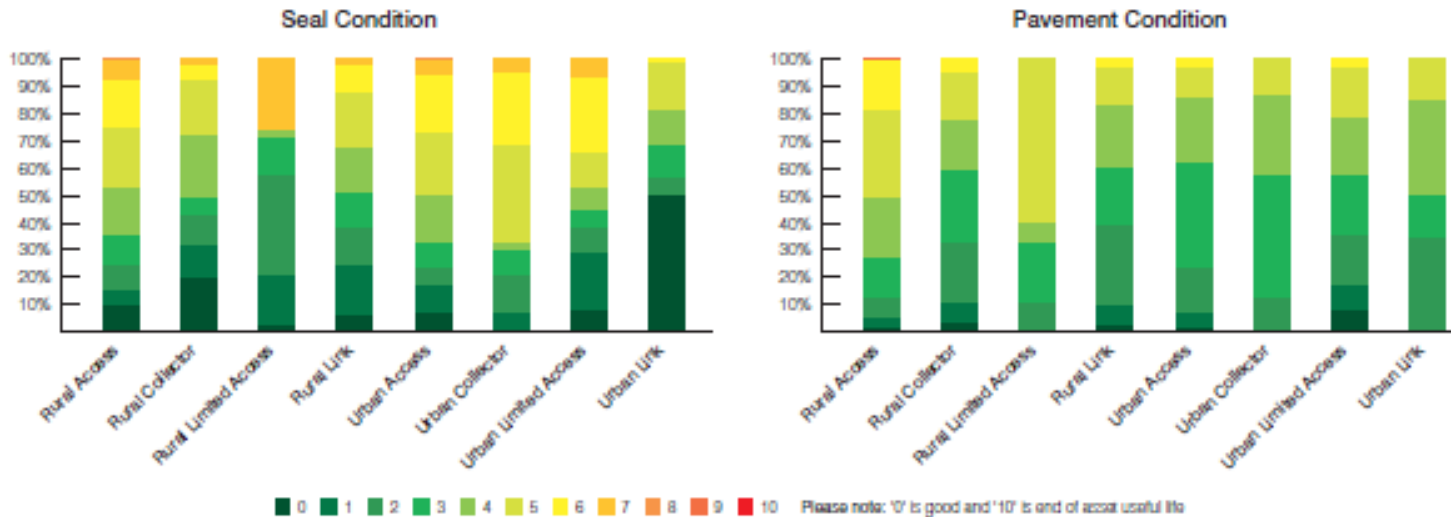
Below are specific asset profiles of Council highest value infrastructure asset categories.

6.2.1 State of the Assets - Roads

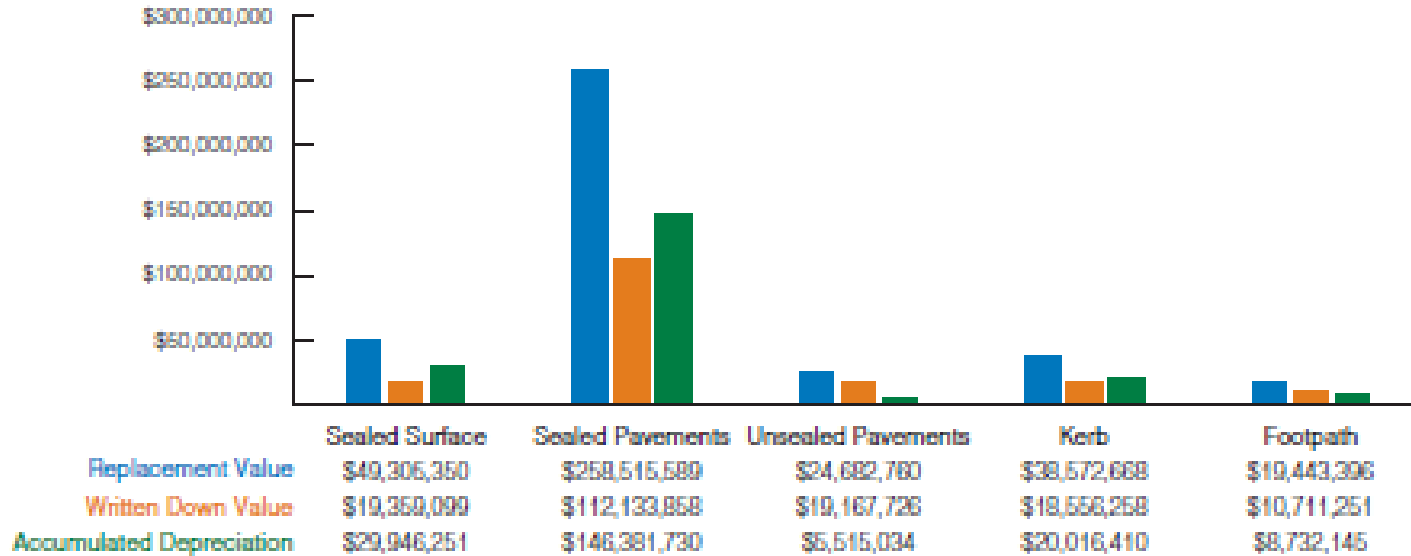
ASSET PROFILE



ASSET CONDITION



ASSET VALUATION

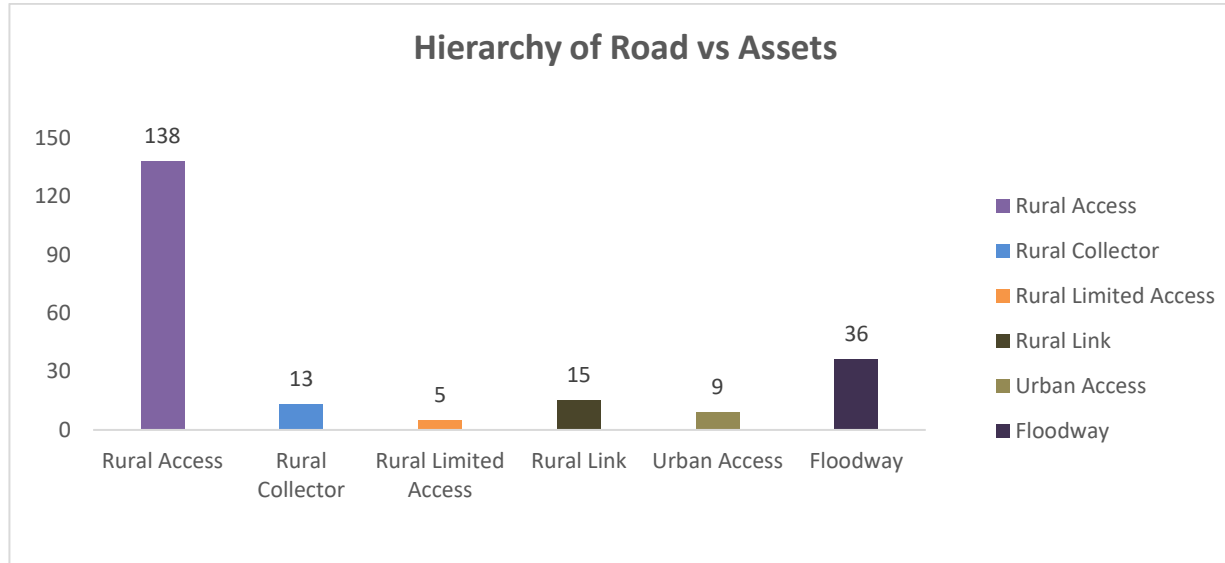


KEY OBSERVATIONS

In house provision of reseals and construction work provides significant efficiencies for the organisation.	Significant impacts of changing land use, forestry, wind farms, large scale cropping, that need to be better understood to predict future requirements.	Strong reliance on external funding for asset renewal, through the Roads to Recovery Program \$2m annually
Road Condition Audit is required in 2022 along with a review of service levels.	The communities' expectations exceed Council's available funding.	Council supports the federal governments strategy to focus on road safety

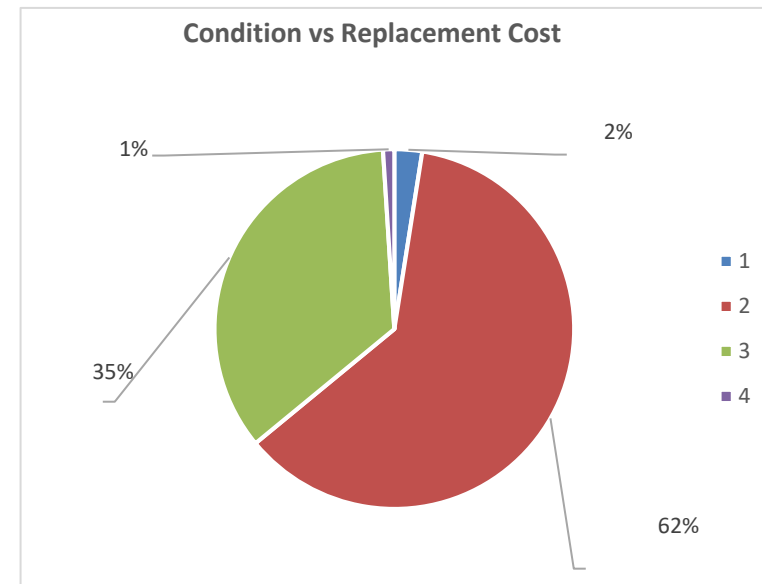
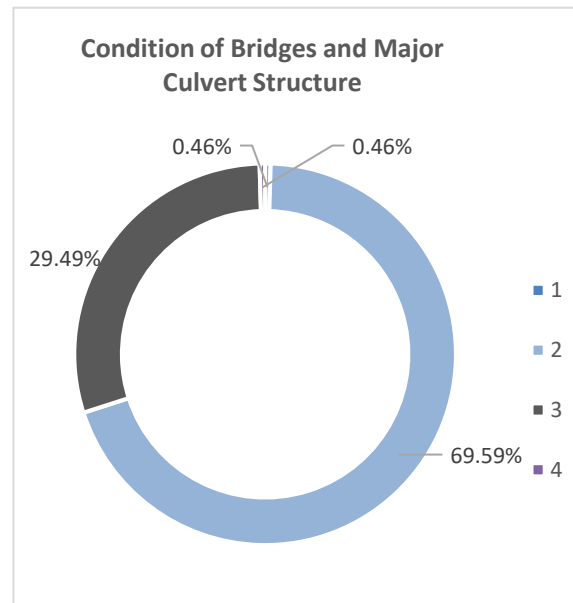
6.2.2 State of the Assets – Bridges and Major Culverts

ASSET PROFILE



Bridges (72) **Major Culverts (144)**

ASSET CONDITION



ASSET VALUATION

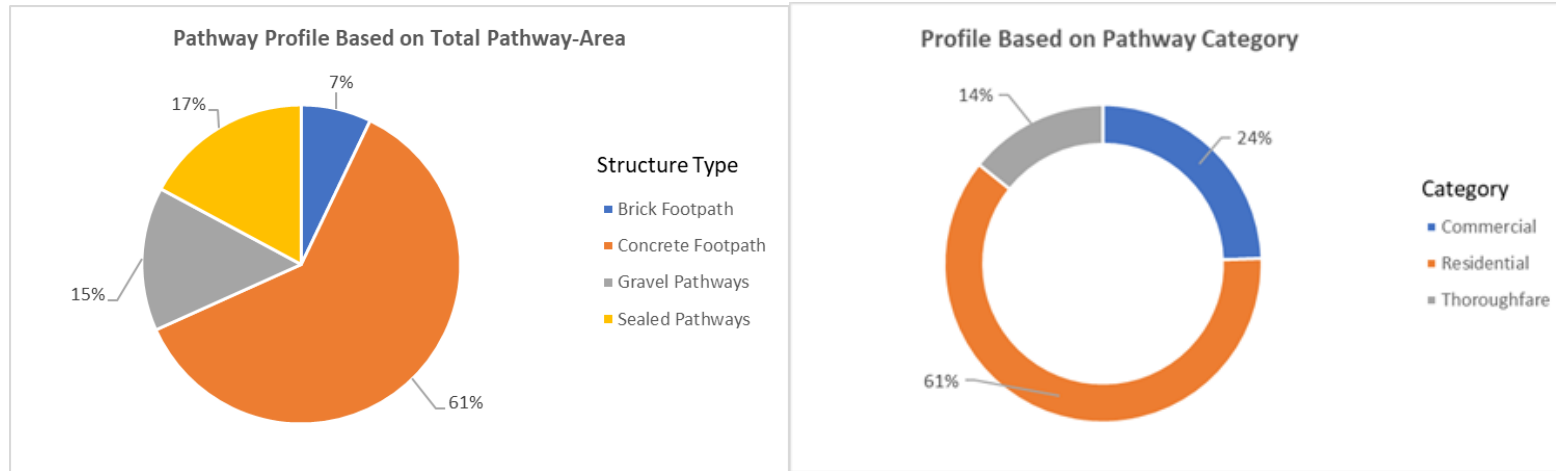
Total Replacement Value	\$	82,586,411.00
Accumulated Depreciation	\$	34,050,359.00
Written Down Value	\$	48,536,051.00

KEY INFORMATION

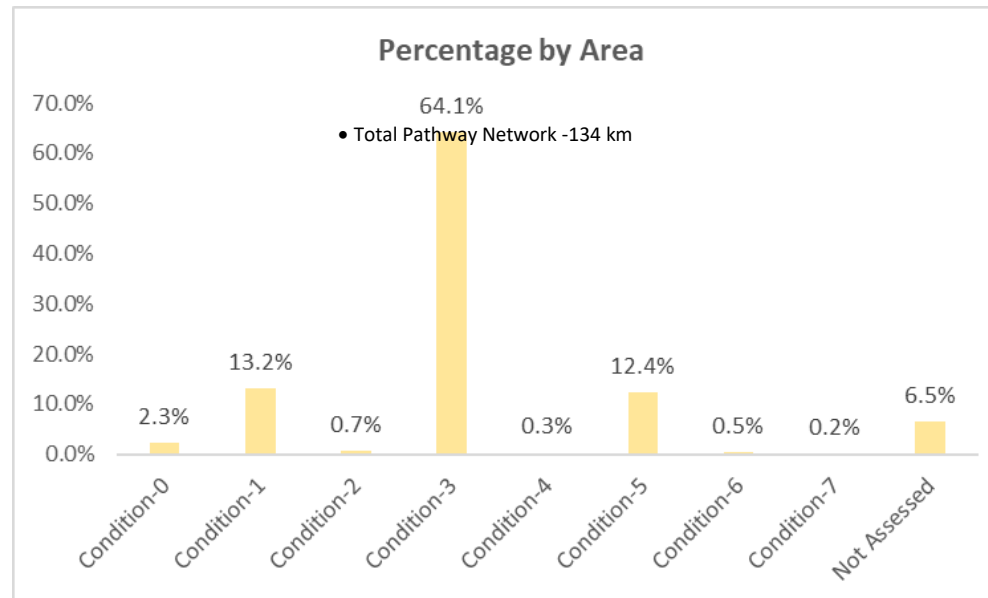
Majority of assets are in Fair to Good condition (2.0 – 3.0)	Bridges are providing a high level of service	Need to assess the risks of cost escalation from limited contractor availability.
Review boundary roads agreements to clarify shared Bridge maintenance responsibilities	Asset Information for Bridge assets is comprehensive and current	Strategic roads review may identify bridges with load constraints

6.2.3 State of the Assets – Footpaths & Cycleways

ASSET PROFILE



ASSET CONDITION



ASSET VALUATION

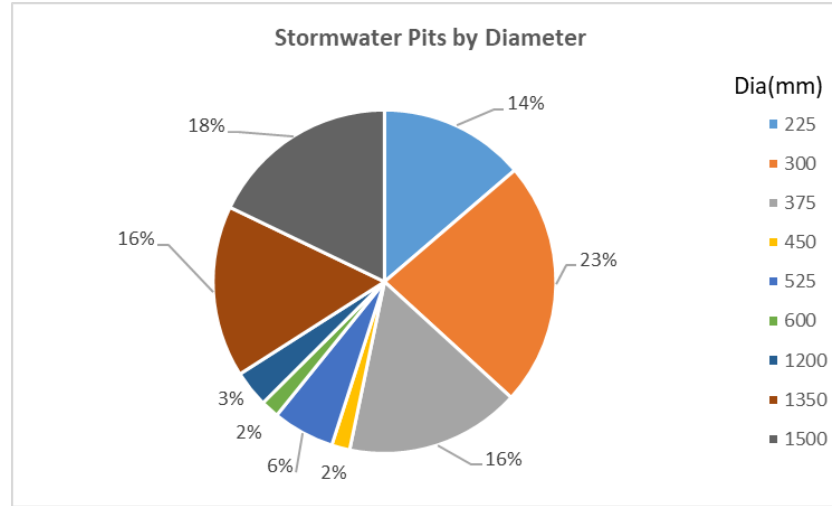
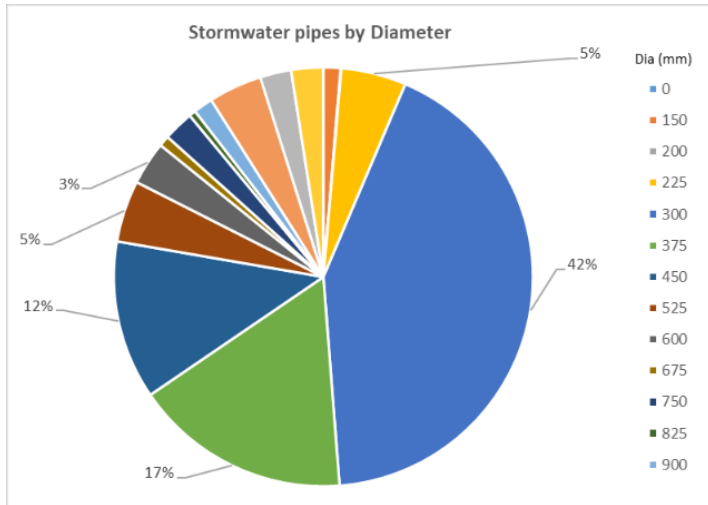
Total Replacement Value	\$	18,585,096.00
Accumulated Depreciation	\$	6,146,327.00
Written Down Value	\$	12,438,769.00

KEY INFORMATION

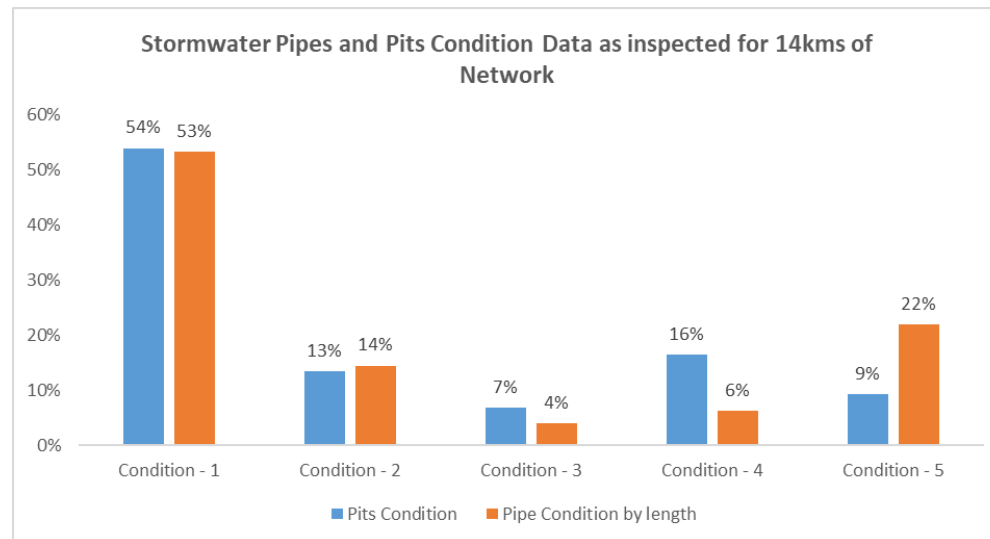
Majority of assets are within good condition	Need to review condition of paths again in 2023	Review the effectiveness of small section replacements over the long Term
Asset Management Plan was developed in 2019	Review compliance with Council's Road Management Plan to enhance community safety	Assess the need for an Asset Protection Permit to reduce liability for pathway damage

6.2.4 State of the Assets – Drainage

ASSET PROFILE



ASSET CONDITION



ASSET VALUATION

Total Replacement Value	\$	23,556,495.00
Accumulated Depreciation	\$	13,132,898.00
Written Down Value	\$	10,423,597.00

KEY INFORMATION

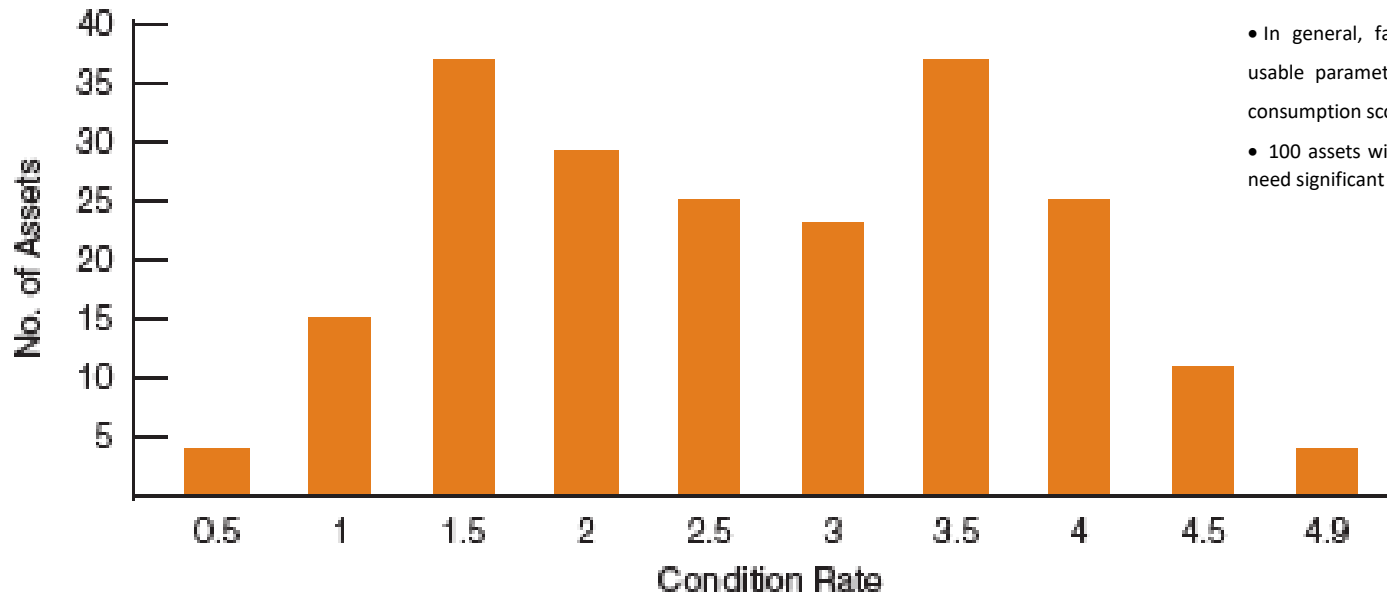
Around 35% of drainage assessed is in very poor condition, estimated to be 16% of the entire drainage network	A comprehensive Drainage Asset Management Plan needs to be developed	Only 14km of Council drainage network has been inspected. accordingly, data confidence for the remainder is low.
Drainage renewals can be very high cost, assess the cost effectiveness of relining as required in work packages	Assess the criticality of drainage assets and prioritise based on factors like the consequence of failure.	Review the maintenance practices to ensure efficient proactive clearing or pits and pipes

6.2.5 State of the Assets – Buildings

ASSET PROFILE

Must Have	Need to Have		Nice to Have
Roads Depots (13 buildings)	Outdoor Pools (6 sites, 10 buildings)	Airport (1 site, 5 buildings)	Caravan Parks (2 sites, 3 buildings)
Council Chambers (1 building) Council Chambers and Reception Areas	Works (8 sites) Parks and Gardens	Reserves (1 building) BBQ	Halls (6 buildings)
Core Office (3 buildings) Finance, Planning, Building, Local Laws, Env Health, Biodiversity, Emergency	Culture (1 site, 4 buildings) PAC, Library, Art Gallery, Cinema	Other Office (1 building) Assets, Rates, OD, IT, Engineering, Eco Development, OHS etc.	Public (29 buildings) Senior Citizens, Volcano Discovery, Show Grounds, Pastoral Museum etc.
Waste (9 buildings) Landfill and Transfer Stations	Toilets (22 buildings)	Structures (3 buildings) Map Shelters, Driver Revive Station	Sports (21 buildings)
Pound (1 building)	Hamilton Regional Livestock Exchange (3 buildings)		

ASSET CONDITION



- In general, facilities would be considered within usable parameters for their services if they had a consumption score between 0 – 2.99
- 100 assets with condition rating at 3 or higher will need significant work to improve safety and reliable

Please note: '0' is Near New and '5' is Unfit for Purpose

ASSET VALUATION

Total Replacement Value	\$ 75,561,000
Accumulated Depreciation	\$ 31,503,000
Written Down Value	\$ 44,058,000

KEY INFORMATION

Building valuations at Fair value are likely to be significantly less than the actual replacement cost	Update and complete the Building Asset Management Plan	A comprehensive review of the ongoing viability of the ownership of almost 150 buildings
Significant renewal backlog for building assets and known improvement to maintenance practices being implemented	Council is striving for community partnerships and shared services to avoid duplication of facilities in communities	Property Strategy is required to clarify ownership tenure and roles and responsibilities for building assets.

6.3 Condition of Assets

The largest council asset class, by a significant margin is Roads, while the overall condition of roads is 'average to good' there are still approximately 12% of sealed roads (or over \$30 Million) that are below desired performance levels. This is evidenced in the funding shortfall for roads going forward and is also a likely the major driver of Council's declining level community satisfaction in our sealed local roads. (Victorian Government Community Satisfaction Survey)

The extent of assets below desired performance is summarised below:

- Roads 12% or \$35,202
- Bridges 2% or \$1,894
- Footpaths & Cycleways 1% or \$1,780
- Drainage 16% or \$3,782
- Buildings below desired performance levels 17% or \$13,140

This totals \$55 million of infrastructure assets outside desired performance levels. \$55 Million represents around 8% of asset value by value.

This is not an indication that Council/community needs to spend \$55 million on its assets immediately, it is expected that there will always be some assets outside the desired performance level, individual asset classes will each have their own service challenges that result from the poor asset performance and these will be managed in detail within Asset Management Plans.

The main service challenges anticipated in the short to medium term are:

- Increased reactive/unplanned maintenance resulting from poor condition assets.
- Potential for increased risks to users of assets.
- Potential loss of asset availability while repairs are undertaken.
- Difficulties in achieving service specific compliance obligations due to asset defects.

The primary focus is to ensure the ongoing provision of safe and fit for purpose infrastructure, access to essential services, timely response to defects and failures ensuring interruptions to services is kept to a minimum.

7. The Future of our Assets

7.1 Future Demand

7.1.1 Demand Drivers

Key factors that directly impact the demand for services and related infrastructure include:

- Demographic changes
- Economic activities
- Government policy
- Climate change or force majeure
- Social change
- Technology change

The Australian Government's Trends – Transport and Australia's Development to 2040 and Beyond describes the largest impacts for regional areas such as Southern Grampians as an ageing population and mobile population trends. This report advises that the population under 65 years is decreasing approximately twice as fast as in metropolitan centres. This is in part caused by a higher rate of younger individuals relocating to metropolitan areas or overseas. On the whole it is an issue because the workforce size is decreasing forcing pressure on services to remain viable to attract new growth.

Increased volatility of Australia's weather patterns, caused by global warming, is increasing the likelihood of infrastructure damage by natural disasters such as flood or fire. When natural disasters occur, the damaged infrastructure needs to be assessed and replaced/renewed adding to the workload of Council.

A more positive trend is the availability of the Internet of Things, WIFI and smart devices. Council already has parking sensors and mobile devices that connect via apps to our asset register. This makes capturing data faster and more user-friendly for the works team. Technology will also assist Council to share and report more easily to residents and government and increase transparency of decision making.

7.1.2 Demand Management Strategies

Demand management strategies for the infrastructure assets should align with its vision for community. There are a number of guiding principles that could be implemented for the demand management. The inclination of the demand management strategies on Council's vision is presented below:

Council Vision and Demand Management Strategies

Council Vision	Demand Management Strategies
1. Supporting Our Community	<ul style="list-style-type: none"> • Employment creation in the region • Support and strengthen shire regions
2. Growing Our Regional Economy	<ul style="list-style-type: none"> • Maximise economic growth
3. Maintaining and Renewing our infrastructure	<ul style="list-style-type: none"> • Maximise the use of existing assets and optimising operations as per the demand
4. Protecting Our Environment	<ul style="list-style-type: none"> • Make decisions today for future generations with a focus on environment sustainability
5. Providing Strong Governance and Leadership	<ul style="list-style-type: none"> • Make decisions today for future generations

Maximise economic growth and employment creation in the region to support growth in the region.

- Infrastructure policy and investments are geared towards supporting long-term economic growth, opportunity and job creation.
- Economic priorities are carefully balanced with social and environmental objectives

Maximise the use of existing assets and optimising operations as per the demand

- Existing asset use should be optimised prior to new asset investment. Particularly in established, regional and rural communities.
- If the same outcomes can be achieved through policy change and demand management, these should be considered before new build options.

Make decisions today for future generations with a focus on environment sustainability

- Infrastructure decisions are focused on long-term objectives over years and decades, outside the day-to-day cycle of politics and media.
- New investments are subject to the same rigour and discipline as established budget processes, and are focused on responsible investment and long-term sustainability.
- Infrastructure decisions are focused on environmental sustainability.

Support decision-making based on community need via comprehensive communication and engagement

- The needs of local communities in their local context are carefully considered.
- Infrastructure investment is leveraged to lift communities facing disadvantage.

Support and strengthen shire regions

- Infrastructure policy and priorities focus on balancing investment fairly between all the townships in the region

7.2 What does it cost?

This section of the plan presents financial information for three different types of expenditure, each of them are critical to the lifecycle of infrastructure assets:

	Type of Expenditure	Example
7.3	Renewal	restores asset condition over its normal expected life, i.e. resealing, roof replacement
7.4	Upgrades	improves the service provided by an asset, i.e. sealing an unsealed road, widening a bridge
7.5	Maintenance	addresses defects that would otherwise impact on service quality ie pothole repairs, corrosion treatment, minor repainting

The analysis covers the following:

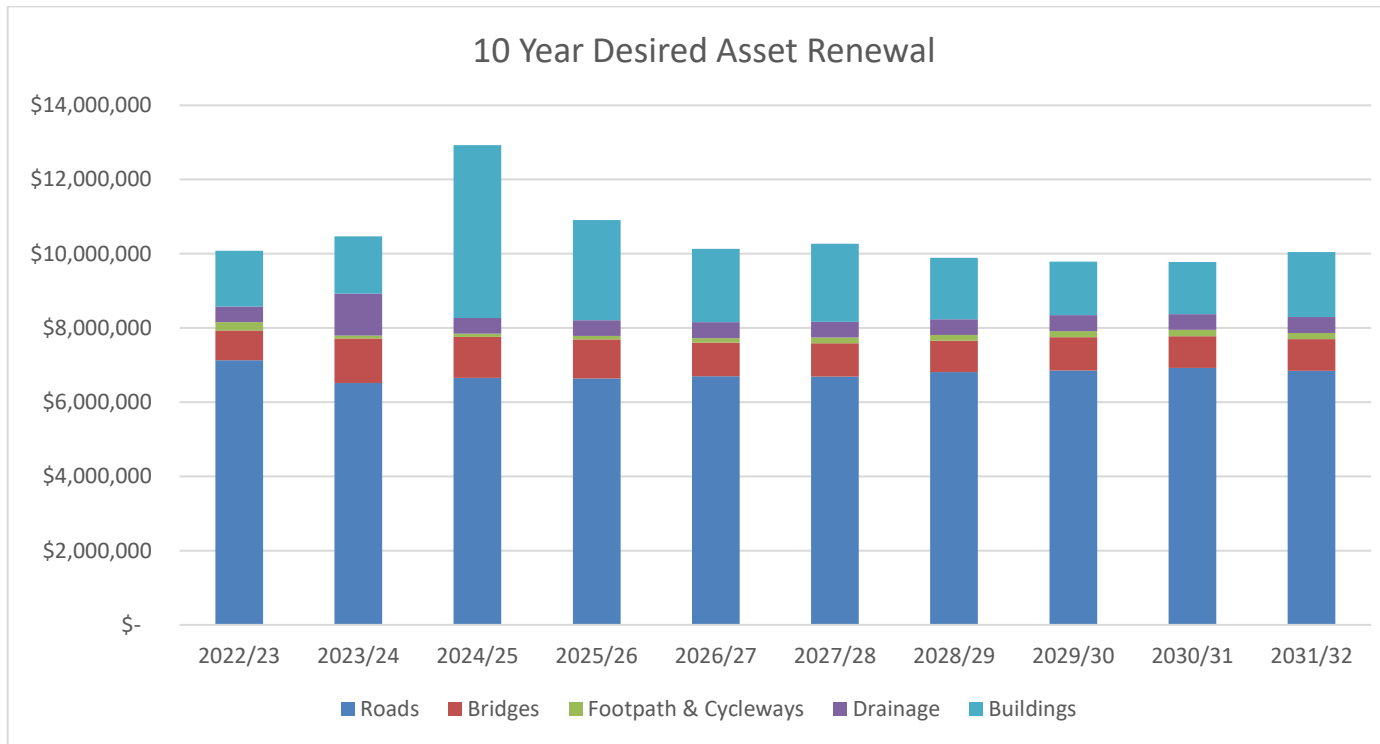
1. What it would cost, to provide the 'desired level of service'.
2. What can we afford to spend, as planned in Council Long Term Financial Plan.
3. What is the funding shortfall.

7.3 Asset Renewal

Infrastructure assets have long lives when maintained and renewed effectively, as Council improves its Asset Management systems the knowledge and information on asset lifecycle costs also improves. Based on the current Asset information and the existing levels of service, the forecast for asset renewal requirements for the 10 years is period averages \$10,085,000 per year.

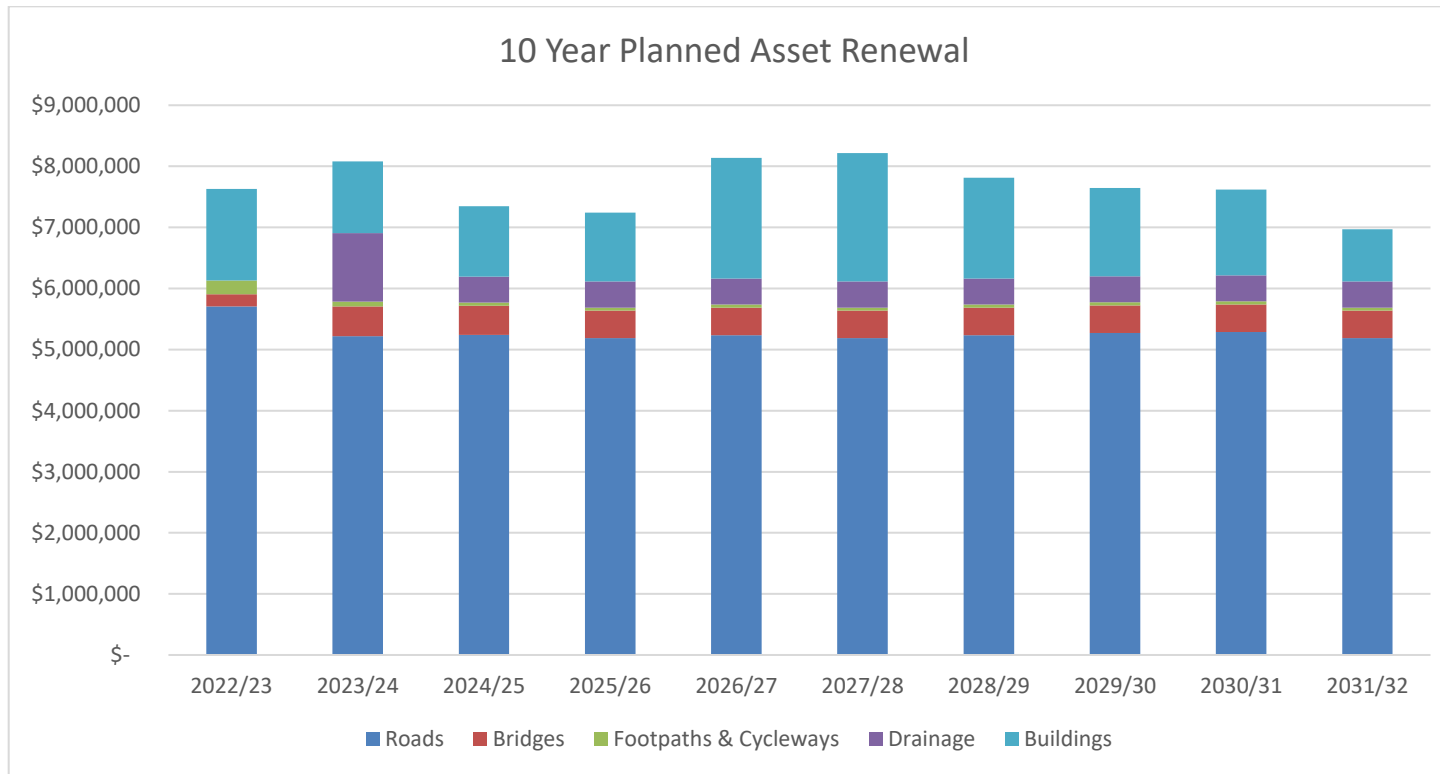
7.3.1 Desired level of expenditure – Asset Renewal

Based on the assets we have and to deliver the level of service expected by the community.



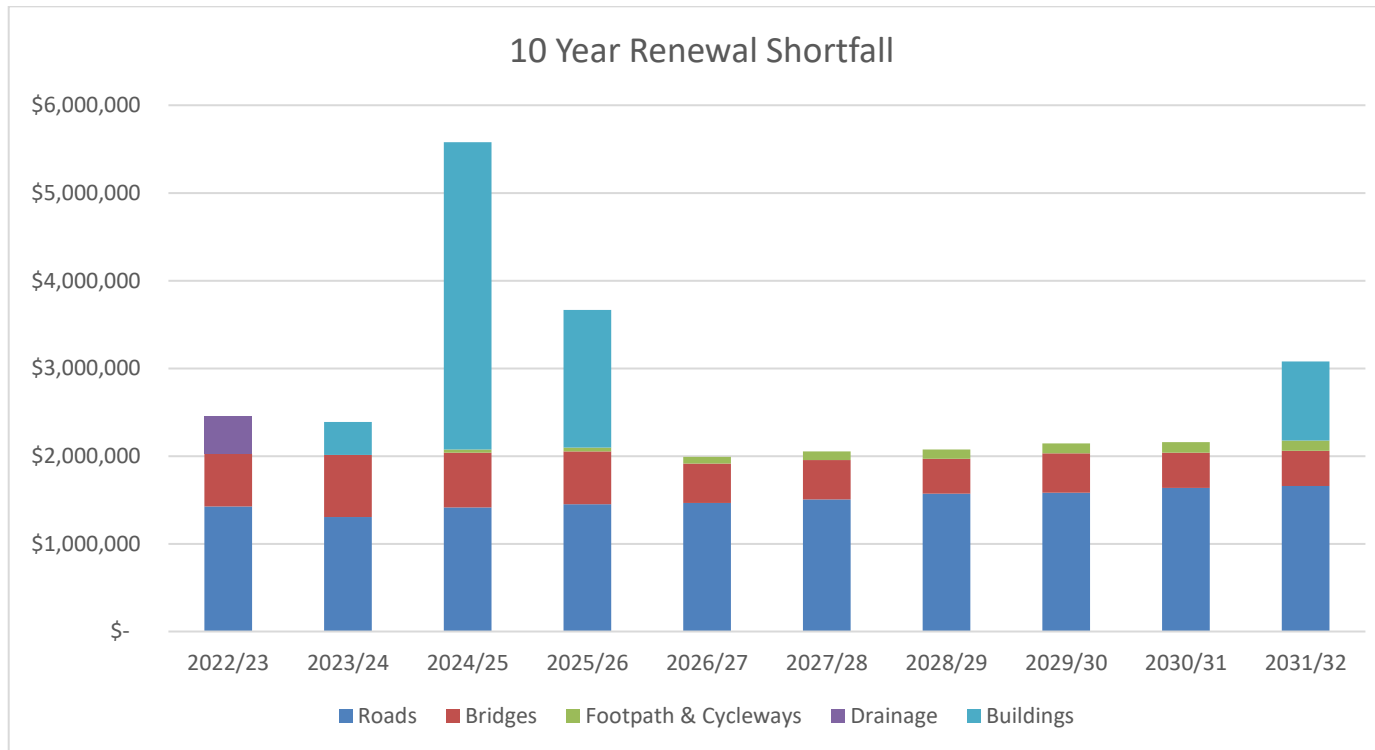
7.3.2 What can we afford to spend – Asset Renewal

Based on Council's Long Term Financial Plan



7.3.3 The infrastructure funding shortfall – Asset Renewal

The difference between the level of expenditure that is desired to maintain current levels of service and the level of expenditure allocated in the LTFP is the funding shortfall.

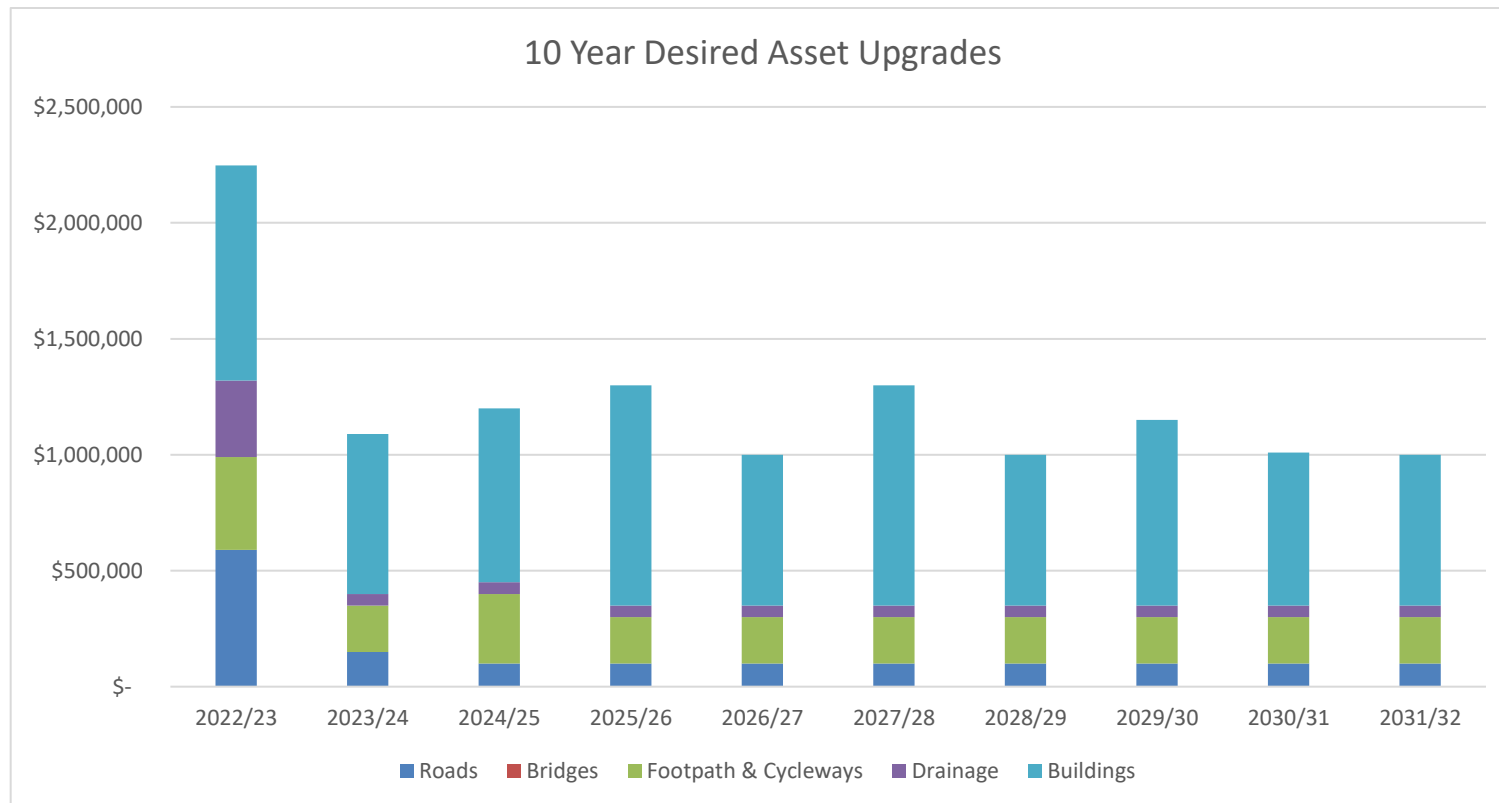


7.4 Asset Upgrades

Asset standards change over time and accordingly infrastructure assets may need to be upgraded. Upgrades can include projects like, sealing an unsealed road, increasing the size of drainage pipes and improving the standard of buildings. Asset upgrades are an important way to continue to meet community expectations of assets and services. There is a significant amount of work required to more effectively value the currently identified upgrades, with current information upgrades have been costed at \$1,230,000 per year.

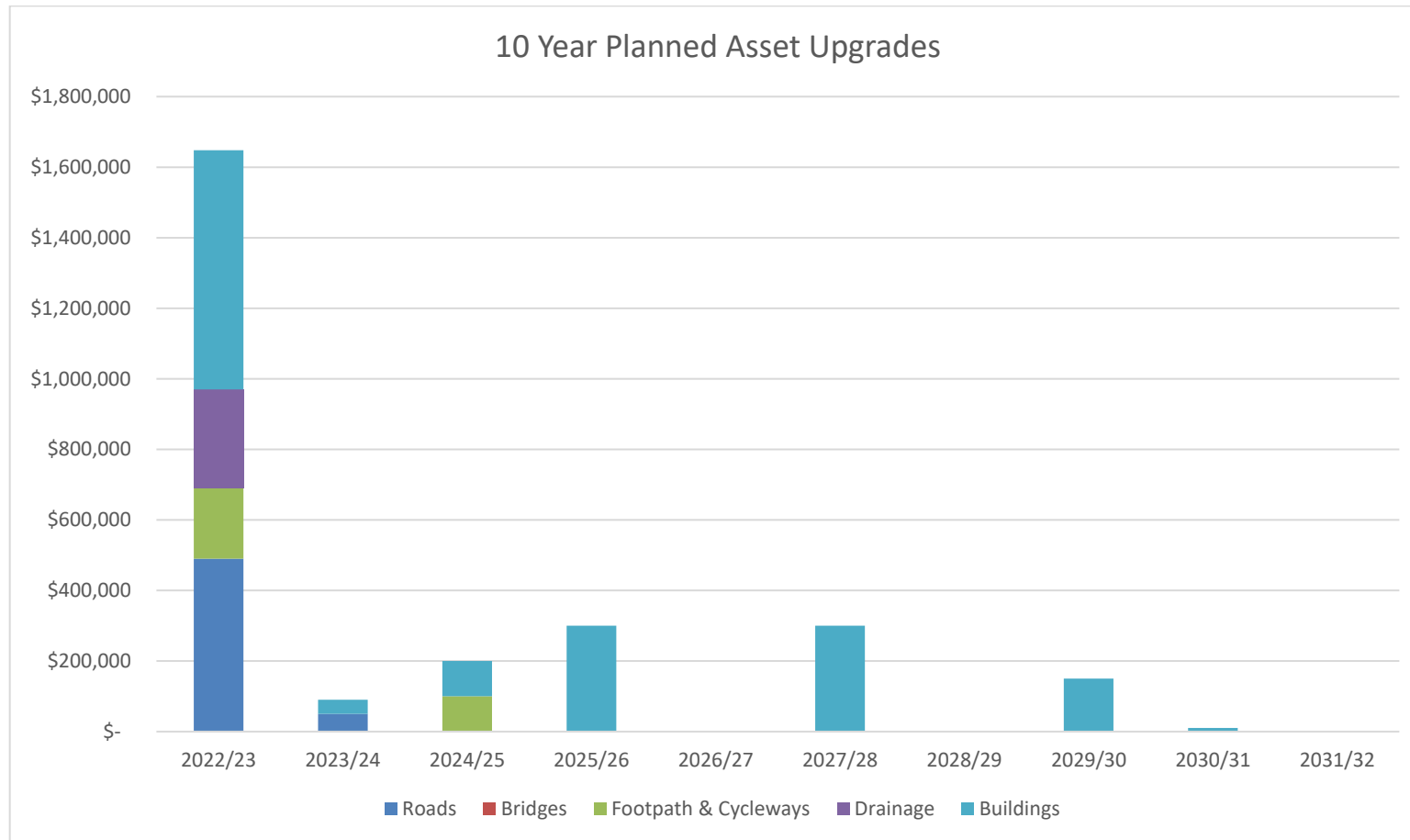
7.4.1 Desired level of expenditure – Asset Upgrades

Based on the assets we have and to deliver the level of service expected by the community.



7.4.2 What can we afford to spend – Asset Upgrades

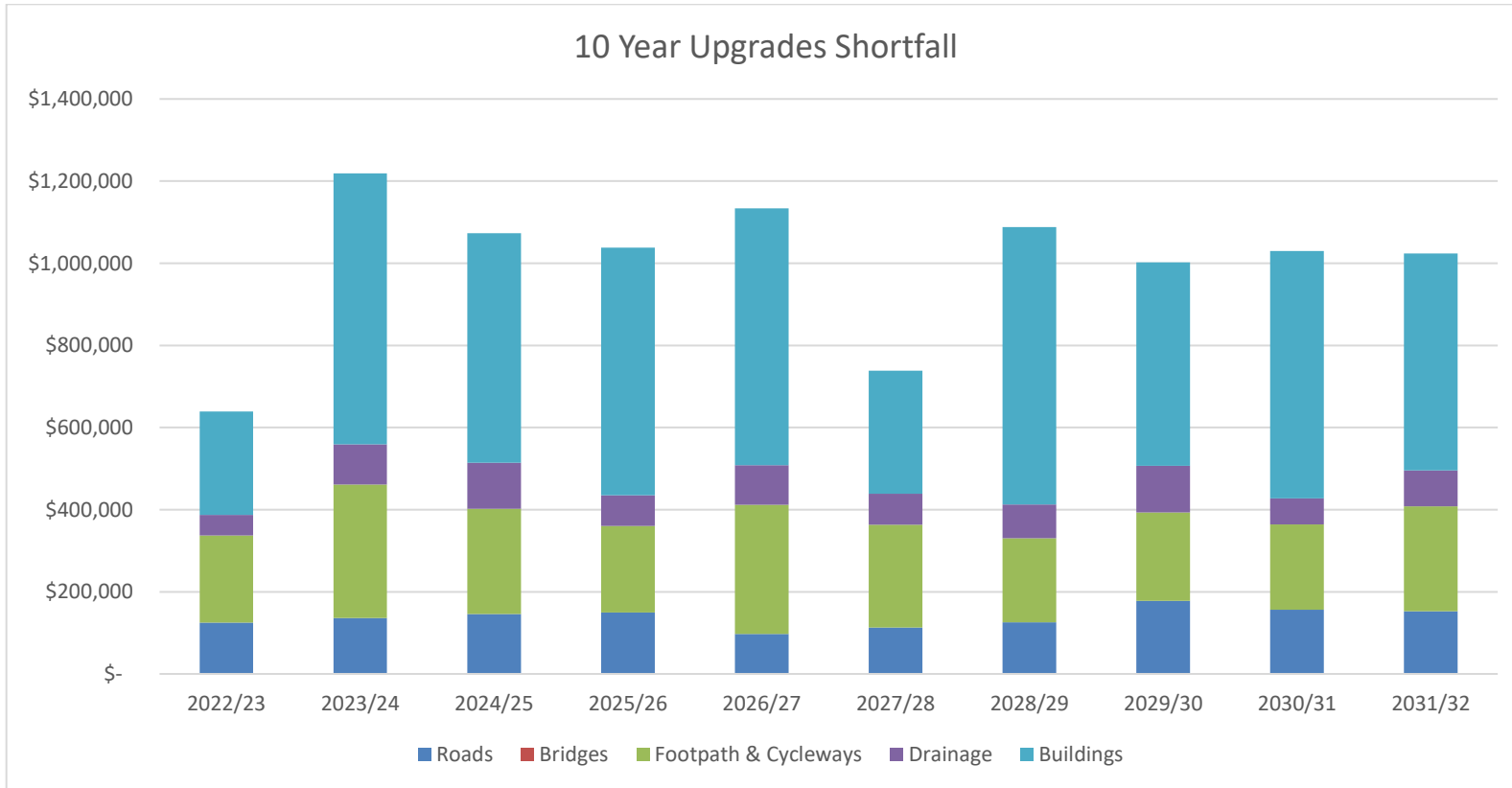
Based on Council's Long Term Financial Plan



The LTFP includes allocations for known upgrade projects, the allocation is significantly less than the 'desired upgrades' and consequentially there is also a funding shortfall for Asset upgrades.

7.4.3 The infrastructure funding shortfall – Asset Upgrades

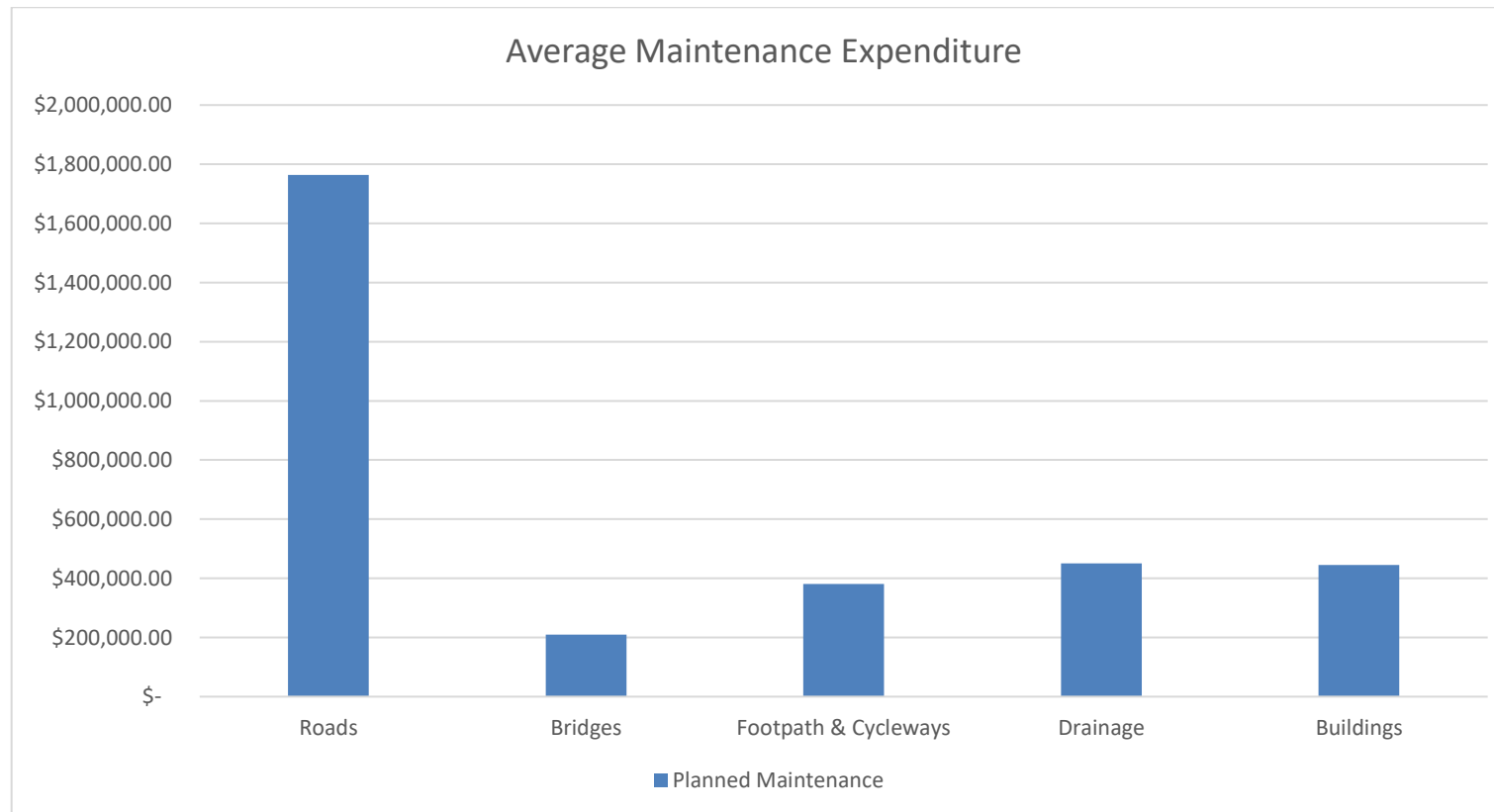
The difference between the level of expenditure that is desired to maintain current levels of service and the level of expenditure allocated in the LTFP is the funding shortfall.



7.5 Asset Maintenance

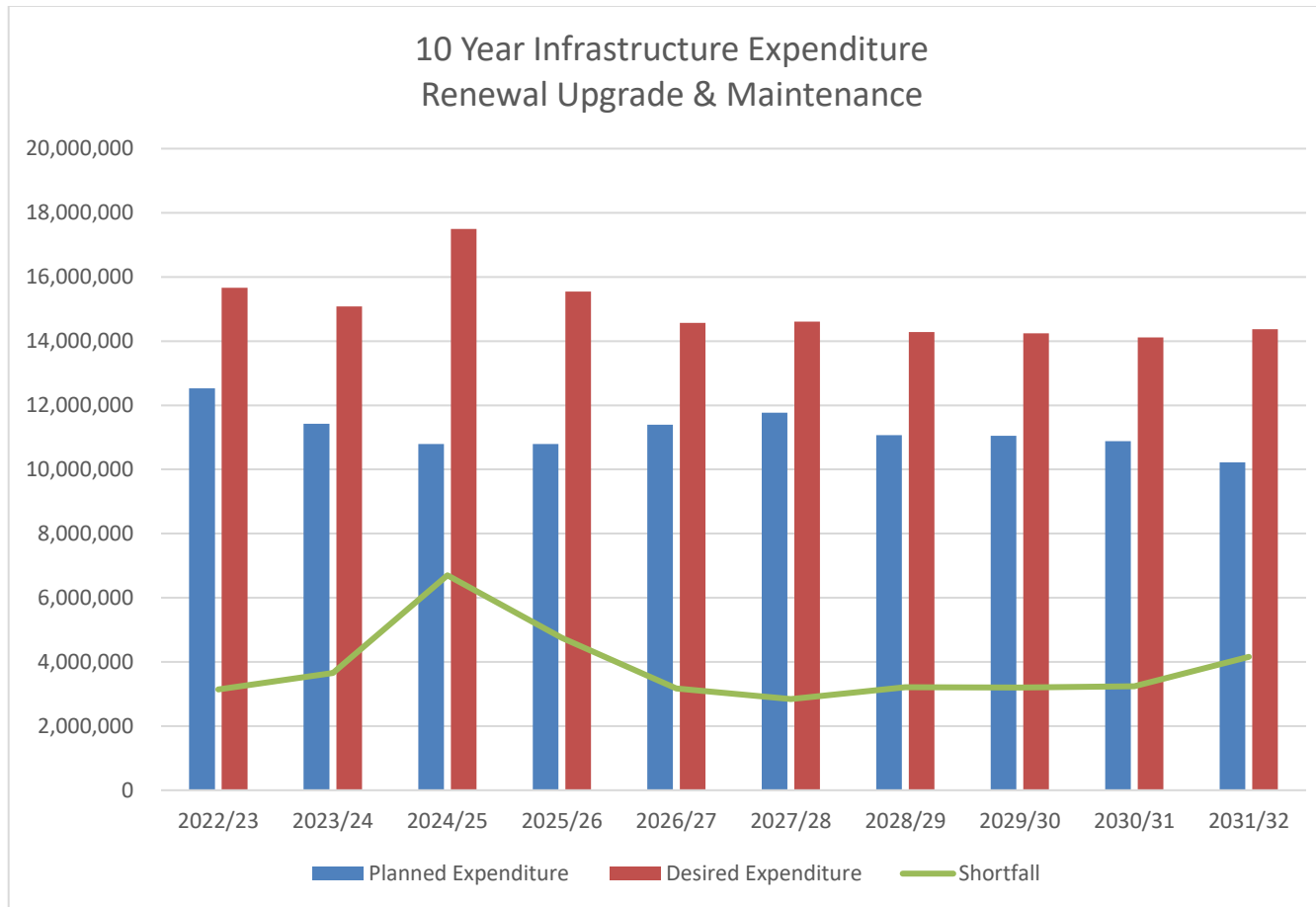
Maintenance is an essential part of the asset lifecycle, it keeps the asset serviceable and prevents premature deterioration. It can be hard to understand the difference between Asset Renewal and Asset Maintenance, a simple explanation is that maintenance are the regular small cost items that are performed, where asset renewal is not generally regular and it is much higher in cost.

Asset Maintenance tasks are low cost individually but when aggregated over the whole infrastructure asset portfolio this amounts to over \$3.2 million average per year.



The funding shortfall in the Long Term Financial Plan is minimal and assessed to be less than \$50,000 across all asset classes, this will change as asset renewal shortfall puts pressure on maintenance budgets, at this stage however the overall investment in infrastructure maintenance is set at a sustainable level. The key action here is to continue to assess maintenance requirements and adjust the funding plan accordingly.

The forecast lifecycle outlays required over the next 10-years to deliver on the strategic objectives is estimated to be \$150 Million (in real terms) this is inclusive of Renewal, Upgrades and Maintenance.



The difference between the level of expenditure that is desired to maintain current levels of service and the level of expenditure allocated in the LTFP is the funding shortfall.

Maximising service delivery from our assets is our primary focus. Without timely maintenance and capital investment being undertaken when needed, a decline in service, increase in lifecycle costs and risk is likely to occur.

8. Strategic Decisions

8.1 What will we do

Council's Long Term Financial Plan (LTFP) outlines the level of funding that is allocated for the next 10 years. The LTFP must be balanced to the income available to Council and as that income is constrained by a range of factors, including the Victorian Government Rate Cap, expenditure must be trimmed to balance the budget. This has a considerable impact on infrastructure service levels over time unless carefully managed.

The available funding for infrastructure assets in Council's 10 year long-term financial plan (LTFP) is \$111,901,542 (in real terms) which is 75% of the cost to provide the desired level of service.

Council's focus will be on the efficiency of delivering infrastructure investment and optimising decision making through the use of advanced asset management practices.

Deliberative engagement with community ensures we also focus on providing services in line with community needs and expectations. We will do this by:

- Improving efficiency by operating, maintaining, replacing, and upgrading of assets to meet service levels set in annual budgets.
- Completing Asset management Plans for all Infrastructure Asset classes including a high level of consultation with the community.
- Continue to rollout digital transformation projects to enhance the efficiency and capability in sharing information and insights with the community and towards empowerment in investment decision making.

8.2 What we cannot do

The cost of works and services that cannot be provided in the 10-years of the planning period is \$38,071,000 or \$3.8m on average per year, resulting in a deferral of approximately:

- \$15m in Road Renewal
- \$10m in Infrastructure Upgrades
- \$6.3m in Building Renewal
- \$6.2m in Bridge, Footpath and Drainage Renewal

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

9. Community Engagement

Community engagement on service and asset investment decisions is critical to the provision of fit for purpose solutions. Community feedback on this plan will be sought during the consultation period along with the 2022/23 Budget and the 10 year Financial Plan.

A key improvement action for future revision of this plan is to build capacity to undertake deliberative community engagement, whereby service and asset decisions are more directly informed by community through an extensive, transparent and process.

10. The Next Steps

The medium to long-term outlook suggests that priorities should remain focused on ensuring operations, maintenance and replacement of existing assets remain at sustainable levels whilst monitoring and responding to demand and growth challenges as they occur.

The actions resulting from this Asset Plan are:

- ✓ Undertake a comprehensive revision of the Asset Management Framework to ensure alignment with Councils Vision and Objectives and legislation and best practice.
- ✓ Develop the Asset Management systems to support improved asset information of optimised decision making.
- ✓ Undertake a full review of all council assets to identify assets owned by Council that are not playing a part in the delivery of priority objectives.
- ✓ Continue to improve the State of the Assets reporting and provide to Council annually in a consistent and easily understandable format.
- ✓ Develop systems to enhance Council's capability to empower the community and to fully participate in deliberative engagement.
- ✓ Actively seek opportunities for efficiency that may be result from collaboration and joint purchasing arrangements with other local governments in our region.
- ✓ Undertake an assessment of all asset risks identified in Asset Management Plans and develop a reporting and monitoring process.